



AEMULUS HOLDINGS BERHAD
(Registration No. 201401037863 (1114009-H))
("AEMULUS" OR THE "COMPANY")

**INTERIM FINANCIAL REPORT
FOR SECOND QUARTER
ENDED 31 MARCH 2022**

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AEMULUS HOLDINGS BERHAD (Registration No. 201401037863 (1114009-H))
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022**

	(Unaudited) As at 31.03.2022 RM'000	(Audited) As at 30.09.2021 RM'000
Assets		
Non-Current Assets		
Property, plant and equipment	41,171	40,666
Right-of-use asset	104	143
Intangible assets	13,686	13,686
Development costs	13,814	11,089
Investment in an associate	3,583	3,285
Other investments	65	65
Trade receivables	697	2,065
	<u>73,120</u>	<u>70,999</u>
Current Assets		
Inventories	27,968	15,756
Trade receivables	50,821	32,837
Contract assets	5,743	5,244
Other receivables, deposits and prepayments	1,403	1,322
Current tax assets	429	2
Other investments	-	2,006
Deposits with licensed banks	67,009	24,866
Cash and bank balances	6,506	5,460
	<u>159,879</u>	<u>87,493</u>
TOTAL ASSETS	<u>232,999</u>	<u>158,492</u>
EQUITY		
Share capital ^(b)	154,201	91,367
Reserves	(12,633)	(13,124)
Retained profits	43,510	34,371
Total equity	<u>185,078</u>	<u>112,614</u>
Non-Current Liabilities		
Deferred tax liabilities	417	417
Lease liability	48	68
Borrowings	17,069	17,734
	<u>17,534</u>	<u>18,219</u>
Current Liabilities		
Provision for warranty	630	554
Trade payables	11,329	8,207
Contract liabilities	2,478	2,747
Other payables and accruals	5,768	5,278
Amount due to an associate	636	544
Derivative financial liabilities	40	50
Lease liability	59	79
Borrowings	9,440	10,175
Current tax liabilities	7	25
	<u>30,387</u>	<u>27,659</u>
Total liabilities	<u>47,921</u>	<u>45,878</u>
TOTAL EQUITY AND LIABILITIES	<u>232,999</u>	<u>158,492</u>
Net assets per share attributable to owners of the Company (RM) ^(b)	0.29	0.19

Notes:

(a) The unaudited condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 September 2021 and the accompanying explanatory notes attached to the interim financial report.

(b) Based on 644,333,555 ordinary shares in issue as disclosed in Note B11.

AEMULUS HOLDINGS BERHAD (Registration No. 201401037863 (1114009-H))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	31.03.2022 RM'000	31.03.2021 RM'000	31.03.2022 RM'000	31.03.2021 RM'000
Revenue	19,205	15,942	37,785	27,431
Cost of sales	(9,882)	(8,492)	(17,381)	(13,983)
Gross profit	9,323	7,450	20,404	13,448
Other income	666	750	1,044	1,840
Operating expenses	(4,752)	(5,382)	(10,691)	(9,921)
Research and development expenses	(573)	(314)	(1,248)	(687)
Other expenses	-	-	-	(321)
Profit from operation	4,664	2,504	9,509	4,359
Share of (loss) / profit of associate, net of tax	(24)	(43)	1	(126)
Finance costs	(305)	(223)	(612)	(396)
Profit before tax	4,335	2,238	8,898	3,837
Income tax expense	276	(80)	241	(170)
Profit for the financial period	4,611	2,158	9,139	3,667
Other comprehensive income, net of tax:				
Item that will be reclassified subsequently to profit or loss:				
Foreign currency translation differences arising from foreign operation	(6)	(13)	(7)	(17)
Total comprehensive income for the financial period	4,605	2,145	9,132	3,650
Earnings per share:-				
Basic ^(b) / Diluted ^(c) (sen)	0.72	0.36	1.42	0.61
*Included in operating expenses:				
ESG expenses ^(d)	(144)	-	(240)	-

Notes:

- (a) *The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 September 2021 and the accompanying explanatory notes attached to this interim financial report.*
- (b) *Based on 644,333,555 ordinary shares in issue as disclosed in Note B11.*
- (c) *Diluted earnings per share for the current financial period is calculated by dividing the profit for the financial period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period adjusted for the effects of dilutive potential ordinary shares as disclosed in Note B11.*
- (d) *Data of Environmental, Social and Governance (“ESG”) efforts as disclosed in Note B13 and data of Q2FY2021 is not available.*

AEMULUS HOLDINGS BERHAD (Registration No. 201401037863 (1114009-H))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	← Non-Distributable			→ Distributable			
	Share Capital RM'000	Merger Deficit RM'000	Fair Value Reserve RM'000	RSP Reserve RM'000	Exchange Translation Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
At 1 October 2021	91,367	(12,954)	(291)	174	(53)	34,371	112,614
Total comprehensive income for the period	-	-	-	-	(7)	9,139	9,132
<i>Transaction with owners:</i>							
Issuance of ordinary shares	63,712	-	-	-	-	-	63,712
Share issuance expenses	(878)	-	-	-	-	-	(878)
Recognition of equity-settled share-based payment	-	-	-	498	-	-	498
At 31 March 2022	154,201	(12,954)	(291)	672	(60)	43,510	185,078
At 1 October 2020	90,527	(12,954)	-	252	(50)	23,920	101,695
Total comprehensive income for the period	-	-	-	-	(17)	3,667	3,650
<i>Transaction with owners:</i>							
Issue of shares pursuant to RSP vested	304	-	-	(304)	-	-	-
Recognition of equity-settled share-based payment	-	-	-	381	-	-	381
At 31 March 2021	90,831	(12,954)	-	329	(67)	27,587	105,726

Note:

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 September 2021 and the accompanying explanatory notes attached to this interim financial report.

AEMULUS HOLDINGS BERHAD (Registration No. 201401037863 (1114009-H))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	31.03.2022	31.03.2021
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	8,898	3,837
Adjustments for:		
Amortisation of development costs	586	258
Depreciation of property, plant and equipment	1,368	1,243
Depreciation of right-of-use asset	39	39
Dividend income	(7)	(11)
Equity-settled share-based payment	498	381
Fair value (gain) / loss on derivative financial instruments	(10)	143
Interest expense	612	396
Interest income	(483)	(237)
Provision for warranty	76	267
Share of results of associate	(1)	126
Unrealised profit arising from transactions with associate	(297)	-
Unrealised gain on foreign exchange	(401)	(220)
Operating profit before working capital changes	10,878	6,222
Increase in inventories	(12,212)	(1,580)
Increase in receivables	(16,796)	(12,115)
Increase in payables	3,342	1,807
Cash used in operations	(14,788)	(5,666)
Income tax paid	(204)	(295)
Interest paid	(612)	(396)
Net cash used in operating activities	(15,604)	(6,357)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions of development costs	(3,311)	(2,625)
Changes in an associate's balance	92	2,107
Dividend received	7	11
Interest received	483	237
Investment in an associate	-	(2,085)
(Placement) / Withdrawal of fixed deposits	(18,444)	9,758
Purchase of property, plant and equipment	(1,873)	(6,347)
Net cash (used in) / from investing activities	(23,046)	1,056
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placement	62,834	-
Payment of lease liabilities	(39)	(38)
Drawdown from banking facilities	633	1,007
(Repayment of) / Proceed from term loan	(784)	4,661
Net cash from financing activities	62,644	5,630

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022 (cont'd)

	31.03.2022	31.03.2021
	RM'000	RM'000
NET INCREASE IN CASH AND CASH EQUIVALENTS	23,994	329
Effects of changes in exchange rates	(7)	(17)
CASH AND CASH EQUIVALENTS AT BEGINNING	16,915	8,784
CASH AND CASH EQUIVALENTS AT END	40,902	9,096

The cash and cash equivalents are represented by:

Other investments	-	1,983
Deposits with licensed banks	67,009	24,330
Cash and bank balances	6,506	2,502
Bank overdraft	-	(3,003)
	73,515	25,812
Less: Fixed deposits pledged to licensed banks	(7,330)	(5,624)
Fixed deposits with maturity more than 3 months	(25,283)	(11,092)
	40,902	9,096

Notes:

- (a) *The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 September 2021 and accompanying explanatory notes attached to this interim financial report.*
- (b) *The other investments of the Group has been determined to be part of cash and cash equivalents since the funds are invested in money market instruments and short term deposits and are subject to minimal risk.*

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2022

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134, INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim financial report of Aemulus and its subsidiary (collectively, "the **Group**") is unaudited and have been prepared in accordance with MFRS 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("**MASB**") and Paragraph 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

The accounting policies and methods of computation adopted by the Group in this unaudited condensed interim financial report are consistent with those adopted in the annual audited financial statements of the Group. The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 30 September 2021 and the interim notes attached to this interim financial report.

A2. Significant Accounting Policies

The accounting policies adopted by the Group are consistent with those of the previous financial years except for the adoption of the following standards that are mandatory for the current financial period:

MFRS and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures, MFRS 4 Insurance Contracts and MFRS 16 Leases: Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendment to MFRS 16 Leases: Covid-19 - Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 3 Business Combinations: References to the Conceptual Framework	1 January 2022
Amendments to MFRS 116 Property, Plant and Equipment: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018-2020	1 January 2022

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2022

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134, INTERIM FINANCIAL REPORTING (*cont'd*)

A2. Significant Accounting Policies (*cont'd*)

The Group has not applied the following standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group:

MFRS and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 4 Insurance Contracts - Extension of the Temporary Exemption from Applying MFRS 9	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112 Income Taxes on Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

A3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report of the financial statements for the financial year ended 30 September 2021 was not subject to any qualification.

A4. Seasonal or Cyclical Factors

The Group's business is subject to the cyclicity of the semiconductor industry.

A5. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the financial period under review.

A6. Material Changes in Estimates

There were no changes in estimates of amounts reported that have a material effect in the financial period under review.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2022

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134, INTERIM FINANCIAL REPORTING (*cont'd*)

A7. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the quarter under review.

A8. Dividend Paid

No dividend was paid in the current financial period.

A9. Segmental Reporting

The Group's revenue is recognised based on the sales of its automated test equipment ("ATE") and related services which consist of provision of maintenance services for the Group's ATE, consultancy services for printed circuit board design and others.

Business Activities

Revenue	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	31.03.2022 RM'000	31.03.2021 RM'000	31.03.2022 RM'000	31.03.2021 RM'000
ATE	17,882	14,787	34,669	24,715
Related services	1,323	1,155	3,116	2,716
	<u>19,205</u>	<u>15,942</u>	<u>37,785</u>	<u>27,431</u>

Principal Markets

Revenue	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	31.03.2022 RM'000	31.03.2021 RM'000	31.03.2022 RM'000	31.03.2021 RM'000
China	13,437	8,303	23,285	11,966
Malaysia	3,959	3,624	7,573	6,041
Singapore	736	3,237	2,207	5,698
United States of America	535	282	1,585	2,073
Korea	-	33	540	995
Other countries	538	463	2,595	658
	<u>19,205</u>	<u>15,942</u>	<u>37,785</u>	<u>27,431</u>

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2022

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134, INTERIM FINANCIAL REPORTING (*cont'd*)

A10. Property, Plant and Equipment

The Group has not carried out any valuation on its property, plant and equipment in the current financial period under review.

A11. Capital Commitments

There were no capital commitments for the purchase of any property, plant and equipment or any other expenses that were not accounted for in the financial statements of the quarter under review.

A12. Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial period under review.

A13. Contingent Liabilities and Contingent Assets

There were no material contingent liabilities or contingent assets to be disclosed as at the date of this report.

A14. Material Events Subsequent to the End of the Quarter

There were no material events subsequent to the end of the current financial period that have not been reflected in this interim financial report.

A15. Significant Related Party Transactions

Details of the relationship between the Group and its related party for the current quarter ended 31 March 2022 are as described below: -

		31.03.2022 RM'000
Associate Company	Nature of Transactions	
TMSS Technology (Jiashan) Co., Ltd. ("TMSS")	Sales of goods	13,311
	Intellectual properties cost	(342)

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2022

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES

B1. Review of Performances

	Individual Quarter 3 months ended		Changes (RM'000 / %)	Cumulative Quarter 6 months ended		Changes (RM'000 / %)
	31.03.2022 RM'000	31.03.2021 RM'000		31.03.2022 RM'000	31.03.2021 RM'000	
Revenue	19,205	15,942	3,263 / 20	37,785	27,431	10,354 / 38
Profit from operation	4,664	2,504	2,160 / 86	9,509	4,359	5,150 / 118
Profit before tax	4,335	2,238	2,097 / 94	8,898	3,837	5,061 / 132
Profit for the financial period	4,611	2,158	2,453 / 114	9,139	3,667	5,472 / 149

Comparison with the preceding year corresponding quarter

The Group's revenue recorded a significant increase of 20% in the current quarter ("Q2FY22") as compared to the preceding year corresponding quarter ("Q2FY21") attributable to the strong demand from China and mobile and tablets, CMOS image sensors, data center, RF filters and automotive markets.

R&D expenses have increased due to higher number of headcounts hired coupled with new projects under research stage.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2022

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES

B1. Review of Performances (cont'd)

Comparison with the corresponding financial period to date in the previous financial year

Total revenue for the current 6-months financial period ended 31 March 2022 ("FPE2022") has recorded a increase of 38% as compared to corresponding 6-months financial period ended 31 March 2021 ("FPE2021"), attributable to the strong demand from China and mobile and tablets, CMOS image sensors, data center, RF filters and automotive markets.

R&D expenses have increased due to higher number of headcounts hired coupled with new projects under research stage.

Operating expenses have increased in tandem with the business growth. Additional talents are recruited to grow the business, develop new test solutions and enhance product features.

Finance cost increased mainly attributed to the drawdown of trade line facilities for working capital purpose.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2022

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES (cont'd)

Statement of Financial Position Review

	As at 31.03.2022 RM'000	As at 30.9.2021 RM'000	Changes (RM'000 / %)
Review on Significant Variances:-			
Development costs	13,814	11,089	2,725 / 25
Inventories	27,968	15,756	12,212 / 78
Trade receivables	51,518	34,902	16,616 / 48
Deposits with licensed banks	67,009	24,866	42,143 / 169
Trade payables	11,329	8,207	3,122 / 38
Borrowings	26,509	27,909	(1,400) / (5)

Development costs

Development costs increased 25% in tandem with the capitalisation of expenditures, such as talents and material costs incurred in enhancing existing product features and development of testing solutions for new semiconductor devices.

Inventories

Inventories increased 78% mainly attributable to stock up for forecast build and mitigate the risk of part shortage.

Trade receivables

Trade receivables increased 48% mainly attributable to the increase of sales in Q2FY22.

Deposits with licensed banks

Deposits with licensed banks has increased significantly due to deposit of the funds received from private placement completed on 13th December 2021.

Trade payables

Trade payables significantly increased by RM3.122 million mainly attributable to the additional purchases of parts to support the on-going and upcoming production.

Borrowings

Total borrowings have decreased RM1.400 million due to partial repayment of banking facilities in Q2FY22.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2022

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES (cont'd)

Statement of Cash Flows Review

	As at 31.03.2022 RM'000	As at 31.03.2021 RM'000	Changes (RM'000 / %)
Net cash used in operating activities	(15,604)	(6,357)	(9,247) / (145)
Net cash (used in) / from investing activities	(23,046)	1,056	(24,102) / (2,282)
Net cash from financing Activities	62,644	5,630	57,014 / 1,013

Operating Activities

The Group has recorded net cash outflow of RM15.604 million mainly due to inventories stock up for forecast build and mitigate the risk of global part shortage. It is to ensure that future deliveries can be met.

Investing Activities

As at 31 March 2022, the Group recorded net cash outflow of RM23.046 million mainly due to placement of long term fixed deposit.

Financing Activities

The completion of private placement explained the net cash inflow recorded as at FPE2022.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2022

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES (cont'd)

B2. Comparison with Preceding Quarter

	Individual Quarter 3 months ended		Changes (RM'000 / %)
	31.03.2022 RM'000	31.12.2021 RM'000	
Revenue	19,205	18,580	625 / 3
Profit from operation	4,664	4,845	(181) / (4)
Profit before tax	4,335	4,563	(228) / (5)
Profit for the period	4,611	4,528	83 / 2

The Group's revenue has recorded an increase of 3% as compared to preceding quarter due to strong demand from China in the mobile and tablets market segment. The Group has recorded a higher profit of RM4.611 million in Q2FY22 as compared to the preceding quarter.

B3. Prospects

The Group braved through this quarter with better results which is commendable. The Group manoeuvred through critical obstacles like the heavy restrictions in mobility for businesses in major cities in China due to lock-down, and the short quarter due to festive holidays.

We have started to fulfil the contract with our customer in China for our CMOS Image Sensors (CIS) market albeit small in quantity in this quarter. Next quarter shall see relatively high quantity of shipment of CIS testers to the same customers. Exploration in the upstream businesses in CIS market with small customization from the current solutions shall happen aggressively next quarter due to the strong demand in CIS market for automotive industry.

The automotive market shall be consistent with our forecast for this year and we see a potential of growth due to the worldwide sentiment of going green and to increase reliance on electric vehicles ("EV"). Mobile/Tablets market may see a slow-down in next quarter mainly due to the restrictions in traveling and city-wide lock-down in the major cities in China. The situation is expected to recover within the next one or two quarters.

The instability due to geopolitical conflicts is stressing the global supply chains. Part shortages and rising raw materials cost are the challenges the Group anticipates in the coming quarters. The silver lining amidst the restricted business environment is that many countries are opening up their borders with relaxed pandemic control policies shall facilitate our business development activities and testers deployments.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2022

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES *(cont'd)*

B4. Profit Forecast or Profit Guarantee

The Group has not issued any profit forecast nor received any profit guarantee in respect of any corporate proposals.

B5. Income tax expenses

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	31.03.2022 RM'000	31.03.2021 RM'000	31.03.2022 RM'000	31.03.2021 RM'000
Income tax	276	(80)	241	(170)

The subsidiary of the Group is granted a customised incentive granted by Minister of Finance of Malaysia announced on 7 August 2019 whereby statutory business income derived from the design and assembly of ATE and test and measurement instruments and the provision of related design consultancy services are exempted from income tax. We have computed our tax provisions FYA2021 and reversal of over provision of taxation in prior years.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2022

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES (cont'd)

B6. Status of Corporate Proposal Announced

- (a) In conjunction with the completion of Private Placement announced on 26th August 2020, the Company has increased its share capital by 54,940,000 new ordinary shares at an issue price of RM0.57 per placement share. An amount of RM31.3 million has been raised from the Private Placement.

Utilisation of Proceeds from Private Placement

The gross proceeds from the Private Placement of RM31.3 million shall be utilised in the following manner:

Purpose	Timeframe for Utilisation Upon Completion	Amount (RM'000)	Amount Utilised as at 31 March 2022 (RM'000)	Reallocation (RM'000)	Deviation (RM'000) %		Balance of Proceed as at 31 March 2022 (RM'000)
Future viable investment(s)	Within 24 months	7,000	-	-	-	-	7,000
Research and development expenditure	Within 24 months	7,000	(7,000)	-	-	-	-
Partial repayment of bank borrowings	Within 6 months	5,000	(5,000)	-	-	-	-
Marketing, branding and customer support activities	Within 24 months	1,500	(1,500)	-	-	-	-
General working capital	Within 12 months	10,616	(10,515)	(101)	(101)	(0.95)	-
Estimated expenses in relation to the Proposed Private Placement	Within 1 month	200	(301) ^	101	101	50.5	-
Total cash proceeds		31,316	(24,316)	-	-	-	7,000

Note:-

^ The actual amount incurred for expenses in relation to the Private Placement was RM0.301 million with the additional amount of RM0.101 million being reallocated from the amount earmarked for general working capital.

The utilisation of the proceeds as disclosed above should be read in conjunction with the Announcement made by the Company dated 4 August 2020.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2022

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES (cont'd)

B6. Status of Corporate Proposal Announced (cont'd)

- (b) In conjunction with the completion of Private Placement announced on 13th December 2021, the Company has increased its share capital by 60,678,000 new ordinary shares at an issue price of RM1.05 per placement share. An amount of RM63.7 million has been raised from the Private Placement.

Utilisation of Proceeds from Private Placement

The gross proceeds from the Private Placement of RM63.7 million shall be utilised in the following manner:

Purpose	Timeframe for Utilisation Upon Completion	Amount (RM'000)	Amount Utilised as at 31 March 2022 (RM'000)	Reallocation (RM'000)	Deviation		Balance of Proceed as at 31 March 2022 (RM'000)
					(RM'000)	%	
Future investments/ acquisitions/ collaborations	Within 24 months	7,000	-	-	-	-	7,000
Research and development expenditure	Within 24 months	12,000	(3,747)	-	-	-	8,253
Capacity expansion	Within 24 months	9,000	(28)	-	-	-	8,972
Additional investment in its joint venture	Within 12 months	13,000	-	-	-	-	13,000
Repayment of borrowings	Within 6 months	9,000	(9,000)	-	-	-	-
Sustainability and environmental, social and governance ("ESG") efforts	Within 24 months	500	(236)	-	-	-	264
Working capital	Within 12 months	12,412	(7,834)	(78)	(78)	(0.63)	4,500
Estimated expenses in relation to the Proposed Private Placement	Upon completion	800	(878) ^	78	78	9.75	-
Total cash proceeds		63,712	(21,723)	-	-	-	41,989

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2022

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES (cont'd)

B6. Status of Corporate Proposal Announced (cont'd)

Note:-

^ The actual amount incurred for expenses in relation to the Private Placement was RM0.878 million with the additional amount of RM0.078 million being reallocated from the amount earmarked for general working capital.

The utilisation of the proceeds as disclosed above should be read in conjunction with the Announcement made by the Company dated 15 November 2021.

B7. Group's Borrowings and Debt Securities

The details of the Group's borrowings as at 31 March 2022 are as follows:-

	As at 2nd quarter ended 31 March 2022					
	Long term		Short term		Total borrowings	
	Foreign Denomination '000	RM Denomination '000	Foreign Denomination '000	RM Denomination '000	Foreign Denomination '000	RM Denomination '000
Secured:						
Revolving credit	-	-	-	4,500	-	4,500
Bankers' acceptance	-	-	-	2,990	-	2,990
Finance lease liabilities	-	1,204	-	351	-	1,555
Term loan	-	15,865	-	1,599	-	17,464
Unsecured:						
Nil	-	-	-	-	-	-

	As at 2nd quarter ended 31 March 2021					
	Long term		Short term		Total borrowings	
	Foreign Denomination '000	RM Denomination '000	Foreign Denomination '000	RM Denomination '000	Foreign Denomination '000	RM Denomination '000
Secured:						
Overdraft	-	-	-	3,003	-	3,003
Revolving credit	-	-	-	2,026	-	2,026
Bankers' acceptance	-	-	-	1,401	-	1,401
Finance lease liabilities	-	694	-	174	-	868
Term loan	-	17,432	-	1,598	-	19,030
Unsecured:						
Nil	-	-	-	-	-	-

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2022

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES (cont'd)

B8. Derivative Financial Instrument

The Group has the following derivative financial instrument as at the end of the reporting period:

Derivative forward foreign exchange contracts :	Nominal Value (RM'000)	Liabilities (RM'000)
- Less than 1 year	4,130	40

The Group's derivative financial liabilities as at the end of the reporting period comprise forward foreign exchange contracts which are used to manage the foreign currency exposures arising from the Group's receivables denominated in USD. The fair value of the forward foreign exchange contracts is based on the difference between the contracted forward rates and the mark-to-market rates.

B9. Material Litigation

The Group is not engaged in any material litigation or arbitration, either as plaintiff or defendant, and the Directors are not aware of any proceedings pending or threatened against the Group, which might materially and adversely affect the financial position or business of the Group as at the date of issuance of this interim financial report.

B10. Dividend Proposed or Declared

No dividend was proposed or declared for the current quarter ended 31 March 2022.

B11. Earnings Per Share ("EPS")

(c) Basic EPS

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Profit attributable to owners of the Company (RM'000)	4,611	2,158	9,139	3,667
Weighted average number of ordinary shares ('000)	644,334	605,561	644,334	605,561
Basic EPS (sen)	0.72	0.36	1.42	0.61

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2022

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES (cont'd)

B11. Earnings Per Share (“EPS”) (cont'd)

(d) Diluted EPS

Diluted earnings per share for the current financial period is calculated by dividing the profit for the financial period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period adjusted for the effects of dilutive potential ordinary shares arising from shares granted to employees as follows:

	Individual Quarter		Cumulative Quarter	
	3 months ended	3 months ended	6 months ended	6 months ended
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Profit attributable to owners of the Company (RM'000)	4,611	2,158	9,139	3,667
Weighted average number of ordinary shares ('000)	644,334	605,561	644,334	605,561
Adjustment for dilutive effect of RSP ('000)	1,314	887	1,314	887
	645,648	606,448	645,648	606,448
Diluted EPS (sen)	0.71	0.35	1.41	0.60

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2022

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES (cont'd)

B12. Disclosure Notes to the Statement of Profit or Loss and Other Comprehensive Income

	Current Quarter RM'000	Current Year To Date RM'000
Amortisation of development costs	302	586
Depreciation of property, plant and equipment	705	1,368
Depreciation of right-of-use asset	19	39
Dividend income	-	(7)
Fair value gain on derivative financial assets	19	(10)
Equity-settled share-based payment	325	498
Interest expenses	305	612
Interest income	(365)	(483)
Gain on foreign exchange		
- Realised	68	(20)
- Unrealised	(327)	(401)

B13. Environmental, social and governance (“ESG”) efforts

	Current Quarter RM'000	Current Year To Date RM'000
Breakfast, lunch and dinner subsidy to employees	65	122
COVID-19 related expenses	13	29
Donation	16	27
Scholarship	-	12
Green Architecture Symposium (GAS) event	50	50
Total:	144	240

When the 2-year-long pandemic begins transitioning to endemic, most businesses and organisations finally saw light at the end of the tunnel. Despite the arrival of this most-anticipated moment, it was bleak for many as cash flow deficit was mounting and it was a real issue. Having heard that San Min Secondary School (Suwa) was one of them, a RM10,000 worth of donation was channelled to them to ease a little weight off their shoulders. Besides that, RM6,000 was contributed to Rumah Kebajikan Seri Cahaya Pulau Pinang as a 50:50 match to the charity funds collected from our in-house Car-A-Wash event. Before the end of our Q2'22, we kickstarted our levelled-up ESG Pledge with our very first external ESG event – Green Architecture Symposium (GAS). It was an event organised as part of Penang's 50 years of Industrialisation celebration and intends to spread the awareness on the significance of adopting green architectures.