



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

**INTERIM FINANCIAL REPORT
FOR FOURTH QUARTER
ENDED 30 SEPTEMBER 2021**

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AEMULUS HOLDINGS BERHAD (Registration No. 201401037863 (1114009-H))
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021**

	(Unaudited) As at 30.09.2021 RM'000	(Audited) As at 30.09.2020 RM'000
Assets		
Non-Current Assets		
Property, plant & equipment	40,666	35,087
Right-of-use asset	143	222
Intangible assets	13,686	13,686
Development costs	11,089	6,049
Investment in an associate	3,285	1,222
Other investments	65	356
	68,934	56,622
Current Assets		
Inventories	15,756	15,143
Trade receivables	34,901	14,020
Contract assets	5,244	4,198
Other receivables, deposits and prepayments	1,322	873
Amount due from an associate	-	2,671
Current tax assets	2	5
Other investments	2,006	2,771
Derivative financial assets	-	18
Deposits with licensed banks	24,866	31,271
Cash and bank balances	5,460	1,251
	89,557	72,221
TOTAL ASSETS	158,491	128,843
EQUITY		
Share capital ^(b)	91,367	90,527
Reserves	(13,124)	(12,752)
Retained profits	34,370	23,920
Total equity	112,613	101,695
Non-Current Liabilities		
Deferred tax liabilities	417	-
Lease liability	68	146
Borrowings	17,734	12,881
	18,219	13,027
Current Liabilities		
Provision for warranty	554	95
Trade payables	8,207	4,591
Contract liabilities	2,747	559
Other payables and accruals	5,278	4,070
Amount due to an associate	544	-
Derivative financial liabilities	50	-
Lease liability	79	76
Borrowings	10,175	4,591
Current tax liabilities	25	139
	27,659	14,121
Total liabilities	45,878	27,148
TOTAL EQUITY AND LIABILITIES	158,491	128,843
Net assets per share attributable to owners of the Company(RM) ^(b)	0.19	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 2020 and the interim notes attached to this interim financial report.*

(b) *Based on 605,483,085 ordinary shares in issue as disclosed in Note B11.*

AEMULUS HOLDINGS BERHAD (Registration No. 201401037863 (1114009-H))
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
Revenue	17,303	7,215	61,093	19,320
Cost of sales	(7,675)	(2,838)	(29,114)	(7,065)
Gross profit	9,628	4,377	31,979	12,255
Other income	414	2,904	2,562	4,381
Operating expenses	(4,517)	(4,633)	(20,055)	(15,910)
Research and development expenses	(433)	(681)	(1,488)	(2,622)
Other expenses	(837)	(593)	(1,332)	(982)
Profit / (Loss) from operation	4,255	1,374	11,666	(2,878)
Share of profit of associate, net of tax	613	-	575	-
Finance costs	(236)	(115)	(940)	(443)
Profit / (Loss) before tax	4,632	1,259	11,301	(3,321)
Income tax expense	(561)	(219)	(851)	(291)
Profit / (Loss) for the period	4,071	1,040	10,450	(3,612)
Other comprehensive income, net of tax:				
Item that will be reclassified subsequently to profit or loss:				
Foreign currency translation differences arising from foreign operation	(1)	(1)	(2)	7
Item that will not be reclassified subsequently to profit or loss:				
Impairment loss on other investment	(291)	-	(291)	-
Total comprehensive income / (loss) for the period	3,779	1,039	10,157	(3,605)
Earnings / (Loss) per share:-				
Basic ^(b) / Diluted ^(c) (sen)	0.68	0.19	1.73	(0.65)

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 2020 and the interim notes attached to this interim financial report.*
- (b) *Based on 605,483,085 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.*

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

	← 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 2020	90,527	(12,954)	-	252	(50)	23,920	101,695
Total comprehensive income for the year	-	-	(291)	-	(2)	10,450	10,157
<i>Transaction with owner:</i>							
Issue of shares pursuant to RSP vested	840	-	-	(840)	-	-	-
Recognition of equity-settled share-based payment	-	-	-	761	-	-	761
At 30 September 2021	91,367	(12,954)	(291)	173	(52)	34,370	112,613
At 1 October 2019	59,438	(12,954)	-	86	(57)	27,532	74,045
Total comprehensive loss for the year	-	-	-	-	7	(3,612)	(3,605)
<i>Transaction with owner:</i>							
Issuance of ordinary shares	31,316	-	-	-	-	-	31,316
Share issuance expenses	(301)	-	-	-	-	-	(301)
Issue of shares pursuant to RSP vested	74	-	-	(74)	-	-	-
Recognition of equity-settled share-based payment	-	-	-	240	-	-	240
At 30 September 2020	90,527	(12,954)	-	252	(50)	23,920	101,695

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 2020 and the interim 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 30 SEPTEMBER 2021

	Note	30.09.2021 RM'000	30.09.2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (Loss) before tax		11,301	(3,321)
Adjustments for:			
Amortisation of development costs		518	331
Allowance for expected credit loss		1,011	209
Depreciation of property, plant and equipment		2,497	2,196
Depreciation of right-of-use assets		79	13
Dividend income		(25)	(145)
Equity-settled share-based payment		761	241
Fair value loss / (gain) on derivative financial instruments		68	(118)
Loss / (Gain) on disposal of property, plant and equipment		64	(263)
Interest expense		940	443
Interest income		(473)	(198)
Inventories written down		-	219
Provision of / (reversal) of provision for warranty		459	(82)
Share of profit of associate, net of tax		(575)	-
Unrealised gain on foreign exchange		(450)	(46)
Operating profit / (loss) before working capital changes		16,175	(521)
Increase in inventories		(613)	(743)
Increase in receivables		(23,001)	(61)
Increase in payables		7,013	1,132
Cash used in operations		(426)	(193)
Income tax paid		(545)	(174)
Income tax refunded		-	178
Interest paid		(940)	(442)
Real property gain tax paid		-	(20)
Net cash used in operating activities		(1,911)	(651)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions of development costs		(5,558)	(2,408)
Changes in an associate's balance		3,216	(2,671)
Dividend received		25	145
Interest received		473	199
Investment in an associate		(1,488)	(1,222)
Withdrawal / (placement) of fixed deposits		54	(3,504)
Proceeds from disposal of property, plant and equipment		-	430
Purchase of property, plant and equipment	a	(7,855)	(12,076)
Net cash used in investing activities		(11,133)	(21,107)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from private placement		-	31,015
Payment of lease liabilities		(76)	(14)
Drawdown from banking facilities		5,125	2,444
Proceeds from term loan		3,879	8,762
Net cash from financing activities		8,928	42,207

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (cont'd)

	30.09.2021 RM'000	30.09.2020 RM'000
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,116)	20,449
Effects of changes in exchange rates	(3)	(4)
CASH AND CASH EQUIVALENTS AT BEGINNING	29,229	8,784
CASH AND CASH EQUIVALENTS AT END	25,110	29,229

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following:

Other investments	2,006	2,771
Deposits with licensed banks	24,866	31,271
Cash and bank balances	5,460	1,251
Bank overdraft	(1,248)	(35)
	31,084	35,258
Less: Pledged to licensed banks as securities for banking facilities	(5,974)	(6,029)
	25,110	29,229

Notes:

(a) *Property, plant and equipment were acquired by the following mean:*

Cash purchase	7,855	12,076
Hire purchase payables	221	-
Total purchase of property, plant and equipment	8,076	12,076

(b) *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 2020 and the interim notes attached to this interim financial report.*

(c) *The other investment 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.*

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

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 has 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 Listing Requirements.

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 2020 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 Effective Date Amendments)

Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3 Business Combinations: Definition of a Business	1 January 2020
Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material	1 January 2020
Amendments to MFRS 9, MFRS 139, MFRS 7 Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 16 Leases: Covid-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 Interest Rate Benchmark Reform-Phase 2	1 January 2021
Amendments to MFRS 16 Leases: on Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

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
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
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 2020 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 other than the effect arising from the sales of intellectual properties as disclosed in Note B12 to the financial statements.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

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

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.

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 12 months ended	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
ATE	15,698	5,754	54,528	12,897
Related services	1,605	1,461	6,565	6,423
	<u>17,303</u>	<u>7,215</u>	<u>61,093</u>	<u>19,320</u>

Principal Markets

Revenue	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
Malaysia	6,268	365	15,676	5,138
Singapore	1,198	3,007	8,993	5,591
China	6,806	1,636	24,030	2,188
United States of America	1,319	741	3,960	1,798
Korea	1,494	21	4,111	2,104
Taiwan	118	1,257	2,291	2,103
Other countries	100	188	2,032	398
	<u>17,303</u>	<u>7,215</u>	<u>61,093</u>	<u>19,320</u>

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

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 30 September 2021 are as described below: -

Associate Company	Nature of Transactions	30.09.2021 RM'000
TMSS Technology (Jiashan) Co., Ltd. ("TMSS")	Sales of goods	6,534
	Intellectual properties cost	(1,382)

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES

B1. Review of Performances

	Individual Quarter 3 months ended			Cumulative Quarter 12 months ended		
	30.09.2021 RM'000	30.09.2020 RM'000	Changes (RM'000 / %)	30.09.2021 RM'000	30.09.2020 RM'000	Changes (RM'000 / %)
Revenue	17,303	7,215	10,088 / 140	61,093	19,320	41,773 / 216
Profit / (Loss) from operation	4,255	1,374	2,881 / 210	11,666	(2,878)	14,544 / 505
Profit / (Loss) before tax	4,632	1,259	3,373 / 268	11,301	(3,321)	14,622 / 440
Profit / (Loss) for the period	4,071	1,040	3,031 / 291	10,450	(3,612)	14,062 / 389

Comparison with the preceding year corresponding quarter

The Group's revenue recorded a significant increase of 140% in the current quarter ("Q4FY21") as compared to the preceding year corresponding quarter ("Q4FY20"). Strong demand for the current quarter was derived from mobile and tablets, RF filters and enterprise storage markets.

R&D expenses have decreased due to the initial projects have moved into development stages and the expenses are capitalised instead.

Operating expenses have increased in tandem with the business growth. Additional talents are recruited to expand and support the growing business.

In summary, the Group recorded a profit of RM4.071 million in Q4FY21.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

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 FY2021 ("FYE2021") has recorded an increase of 216% as compared to the previous financial year ("FYE2020"), attributable to the strong demand from mobile and tablets, CMOS image sensors, enterprise storage, RF filters and automotive markets.

Other income has increased significantly in tandem with the sales of intellectual properties to our associate company in China, namely TMSS Technology (Jiashan) Co., Ltd. ("TMSS") as well as unrealised foreign exchange gain recorded in FYE2021.

R&D expenses have decreased due to the initial projects have moved into development stages and the expenses are capitalised instead.

Operating expenses have increased in tandem with the business growth. Additional talents are recruited to expand and support the growing business.

Finance cost increased mainly attributed to the drawdown of term loan and trade line facilities for the construction of Aemulus Base and working capital purpose.

In summary, the Group recorded a profit of RM10.450 million in FYE2021.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

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

Statement of Financial Position Review

	As at 30.09.2021 RM'000	As at 30.09.2020 RM'000	Changes (RM'000 / %)
Review on Significant Variances:-			
Development costs	11,089	6,049	5,040 / 83
Investment in an associate	3,285	1,222	2,063 / 169
Trade receivables	34,901	14,020	20,881 / 149
Contract assets	5,244	4,198	1,046 / 25
Deposits with licensed banks	24,866	31,271	(6,405) / (20)
Trade payables	8,207	4,591	3,616 / 79
Borrowings	27,909	17,472	10,437 / 60

Development costs

Development costs increased 83% 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.

Investment in an associate

The increase of RM2.063 million mainly due to addition capital injection of RM2.086 million into TMSS as announced on 10th April 2020.

Trade receivables

Trade receivables increased 149% mainly attributable to the increase of sales in Q4FY21.

Contract assets

Contract assets increased 25% mainly attributable to the testers shipped and sales recognised but pending billing in end of September 2021.

Deposits with licensed banks

FD has decreased 20% due to withdrawal of FD for general working capital purpose.

Trade payables

Trade payables significantly increased by RM3.616 million mainly attributable to the additional purchases of parts to support the on-going and upcoming production.

Borrowings

Total borrowings have increased RM10.437 million in line with the drawdown of term loan and trade line facilities for the construction of Aemulus Base and working capital purpose respectively.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

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

Statement of Cash Flows Review

	FYE 30.09.2021 RM'000	FYE 30.09.2020 RM'000	Changes (RM'000 / %)
Net cash used in operating activities	(1,911)	(651)	(1,260) / (194)
Net cash used in investing activities	(11,133)	(21,107)	9,974 / 47
Net cash from financing activities	8,928	42,207	(33,279) / (79)

Operating Activities

The Group recorded net cash outflow of RM3.212 million and RM3.145 million in Q1FY21 and Q2FY21 respectively. However, the group managed to turn around and recorded net cash inflow of RM3.120 million and RM1.326 million in Q3FY21 and Q4FY21 respectively. Overall, the Group recorded net cash outflow of RM2.261 million in FYE2021 due to significant increase in receivables.

Investing Activities

Investment in associate, additions of development costs and purchase of property, plant and equipment explained the net cash outflow recorded as at FYE2021.

Financing Activities

The drawdown of term loan and trade line facilities for the construction of Aemulus Base and working capital purpose respectively explained the net cash inflow recorded as at FYE2021.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

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

B2. Comparison with Preceding Quarter

	Individual Quarter 3 months ended		Changes (RM'000 / %)
	30.09.2021 RM'000	30.06.2021 RM'000	
Revenue	17,303	16,358	945 / 6
Profit from operation	4,255	3,052	1,203 / 39
Profit before tax	4,632	2,832	1,800 / 64
Profit for the period	4,071	2,711	1,360 / 50

The Group's revenue has recorded an increase of 6% as compared to preceding quarter due to strong demand for the current quarter on mobile and tablets, RF filter and enterprise storage market segment. Coupled with the gain on foreign exchange, the Group has recorded a higher profit of RM4.071 million in Q4FY21 as compared to the preceding quarter.

B3. Prospects

As we step into a new fiscal year, the demand for semiconductor testers continues to rise amidst supply chain disturbances and raw material shortages. The availability of silicon wafer to our customers is more certain now albeit limited in volume.

The Group will continue to target a higher revenue contribution from the mobile/tablet market in the coming quarters driven by new opportunities in China. Our teams are also working to fulfill our delivery of testers to the enterprise storage and automotive markets.

We have recently identified new applications for our testers from new customers. Therefore, we are anticipating an increase in marketing and applications engineering activities this quarter.

With reference to earlier announcements related to orders from the CIS market, prototypes will be validated this quarter and the product revenue stream is expected to begin in the subsequent quarter.

On the business risk side, a prolonged power rationing exercise in China could dampen the demand for semiconductor test systems from this region. Supply chain disruption and extended delivery lead time of certain critical electric components could have impact on our business. However, the management has plans to alleviate the situation and mitigate such risk.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

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 12 months ended	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
Income tax	(561)	(219)	(851)	(291)

The effective tax rate for the financial period under review was lower due mainly to utilisation of unabsorbed capital allowances and tax losses to offset against the current year's chargeable income. The subsidiary of the Group is also 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. However, as the tax incentive certificate is still processed by the authority, we have computed our tax provisions without taking the incentive into consideration.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

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

B6. Status of Corporate Proposal Announced

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 30 September 2021 (RM'000)	Reallocation (RM'000)	Deviation		Balance of Proceed as at 30 September 2021 (RM'000)
					(RM'000)	%	
Future viable investment(s)	Within 24 months	7,000	-	-	-	-	7,000
Research and development expenditure	Within 24 months	7,000	(6,930)	-	-	-	70
Partial repayment of bank borrowings	Within 6 months	5,000	(5,000)	-	-	-	-
Marketing, branding and customer support activities	Within 24 months	1,500	(960)	-	-	-	540
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	(23,706)	-	-	-	7,610

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 30 SEPTEMBER 2021

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

B7. Group's Borrowings and Debt Securities

The details of the Group's borrowings as at 30 September 2021 are as follows:-

	As at 4th quarter ended 30 September 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	-	-	-	1,248	-	1,248
Revolving Credit	-	-	-	4,497	-	4,497
Bankers' acceptance	-	-	-	2,616	-	2,616
Hire Purchase	-	1,056	-	244	-	1,300
Term Loan	-	16,678	-	1,570	-	18,248
Unsecured:						
Nil	-	-	-	-	-	-

	As at 4th quarter ended 30 September 2020					
	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	-	-	-	35	-	35
Revolving Credit	-	-	-	2,800	-	2,800
Bankers' acceptance	-	-	-	267	-	267
Term Loan	-	12,881	-	1,489	-	14,370
Unsecured:						
Nil	-	-	-	-	-	-

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

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	4,278	50

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 30 September 2021.

B11. Earnings Per Share ("EPS")

(a) Basic EPS

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
Profit / (Loss) attributable to owners of the Company (RM'000)	4,071	1,040	10,450	(3,612)
Weighted average number of ordinary shares ('000)	605,483	551,741	605,483	551,741
Basic EPS (sen)	0.68	0.19	1.73	(0.65)

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

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

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

(b) 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	12 months ended	12 months ended
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
Profit / (Loss) attributable to owners of the Company (RM'000)	4,071	1,040	10,450	(3,612)
Weighted average number of ordinary shares ('000)	605,483	551,741	605,483	551,741
Adjustment for dilutive effect of RSP ('000)	497	1,436	497	1,436
	<u>605,980</u>	<u>553,177</u>	<u>605,980</u>	<u>553,177</u>
Diluted EPS (sen)	<u>0.68</u>	<u>0.19</u>	<u>1.73</u>	<u>(0.65)</u>

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

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	130	518
Allowance for expected credit loss	837	1,011
Depreciation of property, plant and equipment	616	2,497
Depreciation of right-of-use assets	20	79
Dividend income	(7)	(25)
Fair value (gain) / loss on derivative financial assets	(67)	68
Sales of intellectual properties	-	(824)
Equity-settled share-based payment	202	761
Interest expenses	236	940
Interest income	(120)	(473)
Gain on foreign exchange		
- Realised	(137)	(221)
- Unrealised	(87)	(450)