

AEMULUS HOLDINGS BERHAD. (“AEMULUS” OR “COMPANY”)

NON-RELATED PARTY TRANSACTION

CAPITAL INJECTION AGREEMENT BETWEEN AEMULUS CORPORATION SDN. BHD., A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY AND TANGREN MICROTELLIGENCE TECHNOLOGY (JIASHAN) CO., LTD. AND TANGMING SHENGSHI TECHNOLOGY (JIASHAN) CO., LTD.

1. INTRODUCTION

Further to the announcement dated 10 February 2022 in relation to the Memorandum of Understanding dated 10 February 2022 entered into between Aemulus Corporation Sdn. Bhd. [Company No. 200701039983 (798015-M)] (“**ACSB**”), a wholly-owned subsidiary of the Company with Tangren Microtelligence Technology (Jiashan) Co., Ltd. (唐人制造(嘉善)有限公司) (Company No. 91330421MA2JDX7R48) (“**Tangren**”), the Board of Directors (“**Board**”) of Aemulus wishes to announce that ACSB had on 11 April 2022, entered into a Capital Injection Agreement (the “**Agreement**”) with Tangren and Tangming Shengshi Technology (Jiashan) Co., Ltd. (唐明盛试科技(嘉善)有限公司) (Company No. 91330421MA2JE6JP6C) (“**TMSS**”) to increase the registered capital of TMSS (a 40% owned company by ACSB) of Renminbi 25 Million (RMB 25,000,000) and upon the terms and conditions as stipulated in the Agreement (“**Capital Injection**”).

The proportion of capital contribution will be allotted to Tangren and ACSB on a pro-rata basis. Upon completion of the Capital Injection, ACSB will remain its shareholding of 40% in TMSS.

(ACSB and Tangren, are individually referred to as “**Party**”, and collectively the “**Parties**”).

The Agreement is signed in accordance with all laws, administrative regulations, rules, regulations, policy documents, local government or any local government departments regulations, decisions, policy documents, etc. that are in force at the time of the Agreement of the People’s Republic of China (“**China law**”).

Further details of the Capital Injection are set out in the ensuing sections.

2. BACKGROUND INFORMATION

2.1 Information of ACSB

ACSB was incorporated in Malaysia as a private limited company on 3 December 2007. Its registered office is at 48 Jalan Chow Thye, 10050 George Town, Penang.

ACSB is principally involved in design and development of automated test equipment, test and measurement instruments and the provision of design consultancy and test-related services.

The total number of issued shares of ACSB is 208,478,775 ordinary shares. ACSB is a wholly-owned subsidiary of Aemulus.

The Directors of ACSB as at the date of this announcement are as follows:

1. Ng Sang Beng;
2. Yeoh Chee Keong; and
3. Wong Shee Kian.

2.2 Information of Tangren

Tangren was incorporated under the laws of the People's Republic of China as a limited liability company on 28 July 2020. Its registered office is at No.3 Factory, No. 99 Xinda Road, Huimin Block, Jiashan County, Jiaxing, Zhejiang.

Tangren is a technology company with market experience to develop and manufacture advanced packaging equipment for semiconductor devices.

The shareholdings of the Directors and shareholder of Tangren as at the date of this announcement are as follows:

Name	Subscribed Registered Capital (RMB)	%
Directors		
Tang Liang(唐亮)	0	0
Gao Teng (高腾)	0	0
Shareholder		
Tangren Microtelligence Technology Co., Ltd. (唐人制造(宁波)有限公司)	45,000,000	100%
Total	45,000,000	100%

2.3 Information of Tangren Microtelligence Technology Co., Ltd. (唐人制造(宁波)有限公司)

The shareholdings of the Director and shareholder of Tangren Microtelligence Technology Co., Ltd. (唐人制造(宁波)有限公司) as at the date of this announcement are as follows:

Name	Subscribed Registered Capital (RMB)	%
Director Tang Liang(唐亮)	0	0
Shareholder MIT Semiconductor (Tian Jin) Company Limited (砺铸智能设备(天津)有限公司)	38,071,429	100%
Total	38,071,429	100%

2.4 Information of TMSS

TMSS is a limited liability corporation and was incorporated in China on 18 August 2020. Its registered office is at Floor 2, No.3 Factory, No. 99 Xinda Road, Huimin Block, Jiashan County, Jiaxing, Zhejiang.

TMSS's principal activities are technology development, technical consultation, manufacturing, sales, and provision of related ancillary services for semiconductor equipment, precision automated equipment and its accessories; research & development, sales, and provision of related ancillary services for software products; import and export business for various goods and technology, with the exception of country restricted import and export of goods and technology.

The shareholders and its existing registered capital prior to Capital Injection in TMSS are as follows:

Shareholders' Name	Existing Registered Capital ("RMB")	Proportion
Tangren	10,000,000	60%
ACSB	6,667,000	40%
Total	16,667,000	100%

The Directors of TMSS as at the date of this announcement are as follows:

1. Ng Sang Beng; and
2. Tang Liang.

Based on management accounts as at 31 December 2021 of TMSS, the profit after taxation and net assets as at 31 December 2021 of TMSS stood at RMB1,130,284.57 (approximately RM749,830.78) and RMB13,936,476 (approximately RM9,245,458) respectively.

3. DETAILS OF THE AGREEMENT

3.1 Salient Terms of the Agreement

The salient terms of the Agreement is as follows:-

3.1.1 Capital Contribution

Tangren and ACSB shall contribute to the capital of TMSS in cash as follows:-

Shareholders' Name	Amount of capital injection in TMSS ("RMB")
Tangren	15,000,000
ACSB	10,000,000
Total	25,000,000

3.1.2 Shareholding Structure

Upon completion of the Capital Injection, the shareholding structure shall be as follows:

Shareholders' Name	Registered Capital after the Capital Injection ("RMB")	Proportion
Tangren	25,000,000	60%
ACSB	16,666,700	40%
Total	41,666,700	100%

4. DETAILS OF THE CAPITAL INJECTION

The Parties agrees to inject capital to increase the registered capital of TMSS amounting to Renminbi 25 Million (RMB 25,000,000).

5. RATIONALE, BENEFITS AND PROSPECTS OF THE CAPITAL INJECTION

The rationale of the Capital Injection is to fund the working capital requirements of TMSS to rapidly grow its presence in the China market. TMSS expects to use the additional working capital to, among others, expand its production lines, hire additional headcounts to spearhead the operations and purchase of production equipment.

5.2 Source of Funding

Aemulus will utilise the proceeds raised from the recent private placement exercise for the purpose of the Capital Injection.

6. RISK FACTOR

The risk factor (which may not be exhaustive) in relation to the Capital Injection is set out below:

Business Risk

The Capital Injection will facilitate the implementation of TMSS's business plan. There is no assurance that the Capital Injection will enable Aemulus to achieve the desired objectives.

Notwithstanding the above, the Board will endeavour to monitor TMSS's performance closely and will take necessary steps to mitigate any risk that may arise.

7. LIABILITIES TO BE ASSUMED BY ACSB FOR THE CAPITAL INJECTION

ACSB will not assume any liabilities, including contingent liabilities and guarantees pursuant to this Capital Injection.

8. EFFECTS OF THE CAPITAL INJECTION

The effects of the Capital Injection are as follows:

a) Issued share capital and substantial shareholders' shareholdings

The Capital Injection will not have any effect on the issued share capital as well as the substantial shareholders' shareholdings of Aemulus as the consideration of the Capital Injection will be satisfied wholly in cash.

b) Net Assets ("NA") per share and gearing

The Capital Injection will not have any material effect on the NA per share and gearing of Aemulus Group for the financial year ending 30 September 2022.

c) Earnings and Earnings per Share ("EPS")

The Capital Injection will not have any material effect to the Earnings and EPS of Aemulus Group for the financial year ending 30 September 2022.

9. APPROVALS REQUIRED

The Capital Injection does not require the approval of shareholders of Aemulus or any relevant authorities.

10. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Capital Injection pursuant to the Rule 10.02(g) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad is approximately 5.891% based on the latest consolidated audited financial statements of the Group for the financial year ended 30 September 2021.

11. DIRECTORS AND/OR MAJOR SHAREHOLDERS' INTEREST AND/OR PERSONS CONNECTED TO DIRECTORS AND/OR MAJOR SHAREHOLDERS

Save as disclose below, none of the Directors and/or major shareholders and/or persons connected with the Directors and/or major shareholders of the Company have any direct or indirect interest in the Capital Injection :-

- (i) Mr Ng Sang Beng, the Executive Director / Chief Executive Officer and major shareholder of the Company, is also a director in TMSS. Mr Ng Sang Beng was nominated by the Company to sit on the Board of TMSS to represent the interest of ACSB in TMSS.

Pursuant to Rule 10.08(11)(c) of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, this Capital Injection is a non-related party transaction.

12. DIRECTORS' STATEMENT

The Board after taking into consideration all aspects of the Capital Injection including but not limited to the rationale and financial effects, is of the opinion that the Capital Injection are in the best interest of the Company.

13. ESTIMATED TIME FRAME FOR COMPLETION

Barring unforeseen circumstances, the Board expects that the Capital Injection to be completed within 30 days from the date of the Agreement.

14. DOCUMENTS AVAILABLE FOR INSPECTION

The Agreement is available for inspection at the registered office of the Company at 48 Jalan Chow Thye, 10050 George Town, Pulau Pinang during normal business days from Mondays to Fridays (except public holidays) for a period of three(3) months from the date of this announcement.

This announcement is dated 11 April 2022.