

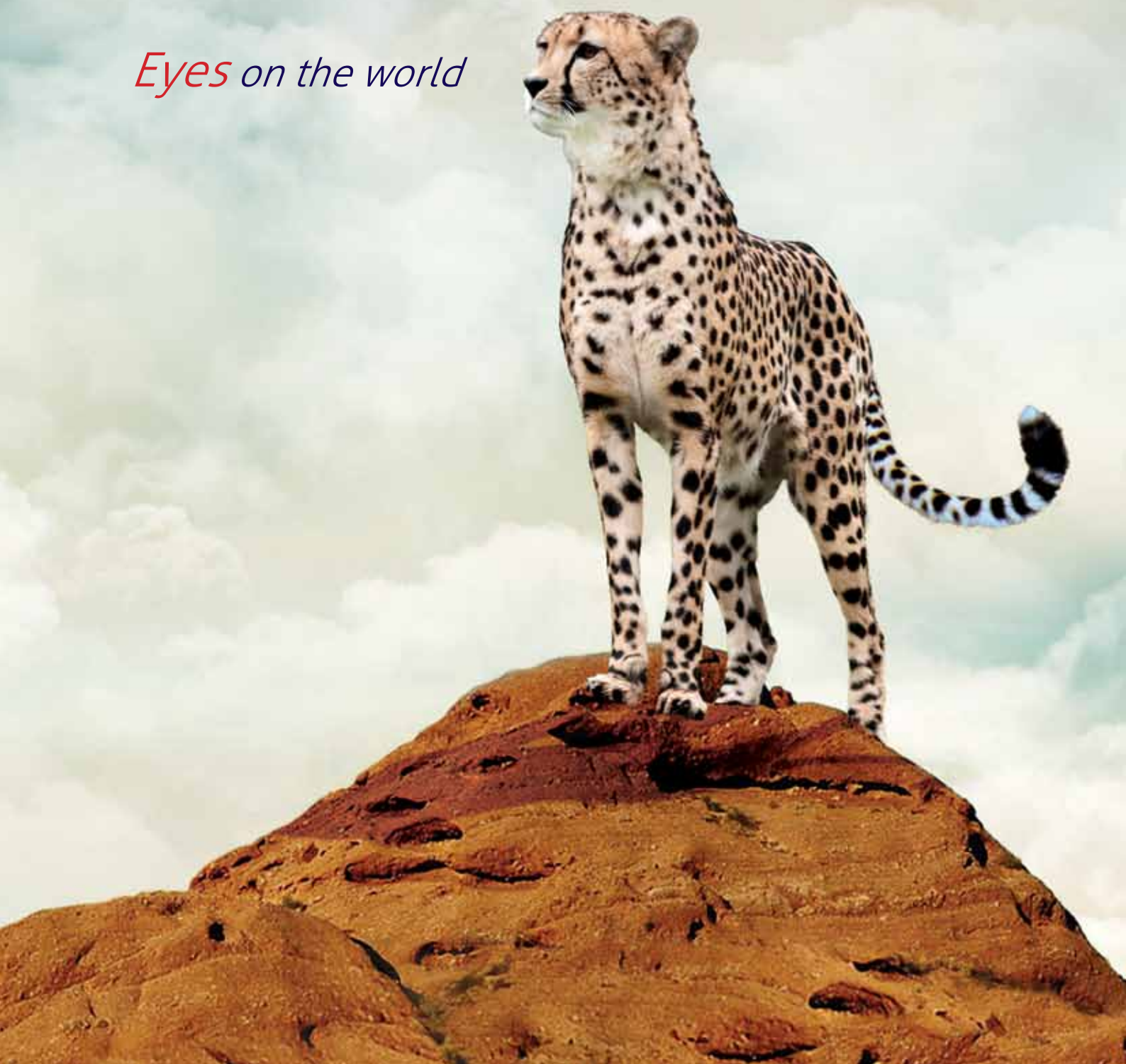


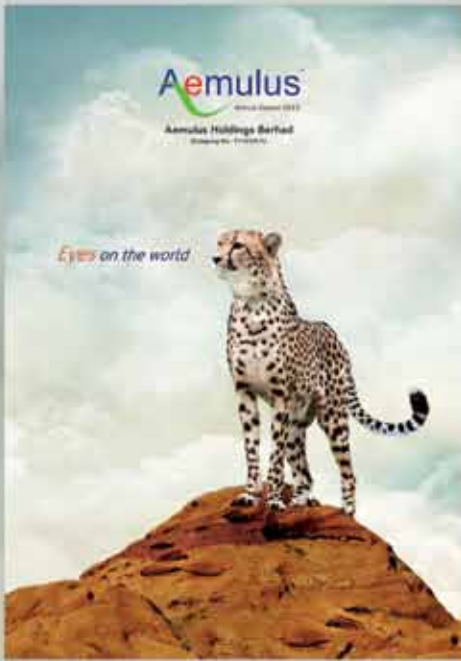
Annual Report 2015

Aemulus Holdings Berhad

(Company No. 1114009-H)

Eyes on the world



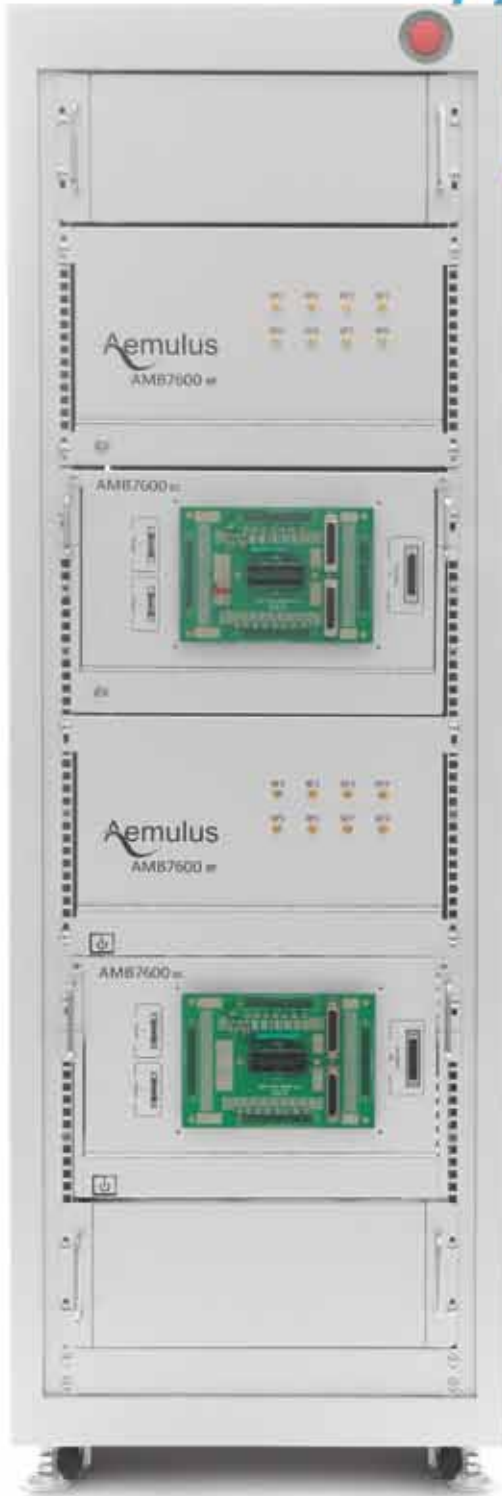


EYES ON THE WORLD

It all began with a dream, an impossible mission but with persistence, hard work and dedication we made that dream come true, we succeeded. Today our designs are marketed throughout the globe but we will not stop there. We will continue to work at upgrading our automotive test equipment to increase its speed since speed is what really matters to us. We are confident of our capabilities and will sprint with aggressiveness to stay ahead of our competitors and continue to take on serving our customers in Malaysia, Asia, US and Germany but today, we have got our eyes set on the world.

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Connectivity Cares

Connectivity has penetrated our lives furtively and before we realised, it has rooted in us that now we can no longer function without it day in and out. It is an intangible sense of security tied to being connected, to reach out and be contacted easily through various wireless gadgets and applications.

AMB7600
(Radio Frequency)





CORPORATE INFORMATION

DIRECTORS

Chok Kwee Bee

Senior Independent Non-Executive Director / Chairman

Ng Sang Beng

Executive Director / Chief Executive Officer

Yeoh Chee Keong

Executive Director / Chief Operating Officer

Kan Ky-Vern

Executive Director / Chief Financial Officer

Wong Shee Kian

Executive Director / Chief Technology Officer

Ong Chong Chee

Independent Non-Executive Director

Friiscor Ho Chii Ssu

Independent Non-Executive Director

AUDIT COMMITTEE

Ong Chong Chee

Chairman

Chok Kwee Bee

Member

Friiscor Ho Chii Ssu

Member

REMUNERATION COMMITTEE

Chok Kwee Bee

Chairman

Ong Chong Chee

Member

Friiscor Ho Chii Ssu

Member

Ng Sang Beng

Member

Kan Ky-Vern

Member

NOMINATION COMMITTEE

Chok Kwee Bee

Chairman

Ong Chong Chee

Member

Friiscor Ho Chii Ssu

Member

COMPANY SECRETARIES

Chee Wai Hong (BC/C/1470)
Tan She Chia (MAICSA 7055087)

REGISTERED OFFICE

51-13-A, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang
Tel No. : (04) 2289 700
Fax No. : (04) 2279 800

BUSINESS ADDRESS

One Precinct
1C-6-02, Lengkok Mayang Pasir
11950 Penang
Tel No. : (04) 6846 000
Fax No. : (04) 6466 799

SPONSOR

TA Securities Holdings Berhad
28th Floor, Menara TA One
22, Jalan P. Ramlee
50250 Kuala Lumpur
Tel No. : (03) 2072 1277
Fax No. : (03) 2026 7241

AUDITORS

Grant Thornton
Chartered Accountants
51-8-A, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang
Tel No. : (04) 2287 828
Fax No. : (04) 2279 828

SHARE REGISTRAR

Tricor Investor & Issuing House
Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel No. : (03) 2783 9299
Fax No. : (03) 2783 9222

PRINCIPAL BANKERS

CIMB Bank Berhad
CIMB Islamic Bank Berhad
HSBC Bank Malaysia Berhad
United Overseas Bank
(Malaysia) Bhd

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia
Securities Berhad
Stock Name : AEMULUS
Stock Code : 0181

<http://www.aemulus.com>

HISTORY, PRINCIPAL ACTIVITIES AND GROUP STRUCTURE

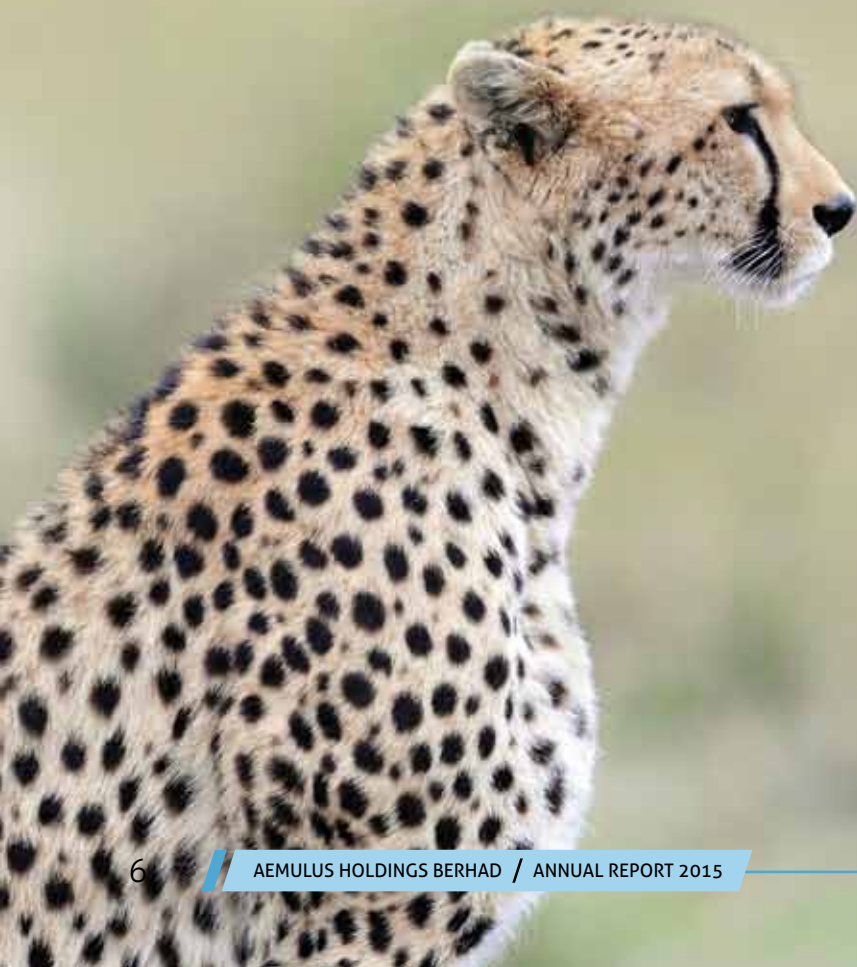
Aemulus Holdings Berhad ("Aemulus") was incorporated in Malaysia on 17 October 2014 under the Companies Act, 1965 as a public limited company under its present name. Aemulus is principally an investment holding company with one (1) wholly-owned subsidiary, namely Aemulus Corporation Sdn Bhd ("ACSB"). ACSB's principal activity is designing and assembling of automated test equipment and test and measurement instruments and the provision of their related services and design consultancy services.

The current group structure is detailed as follows:-

Aemulus Holdings Berhad
(1114009-H)

100%

Aemulus Corporation Sdn Bhd
(798015-M)

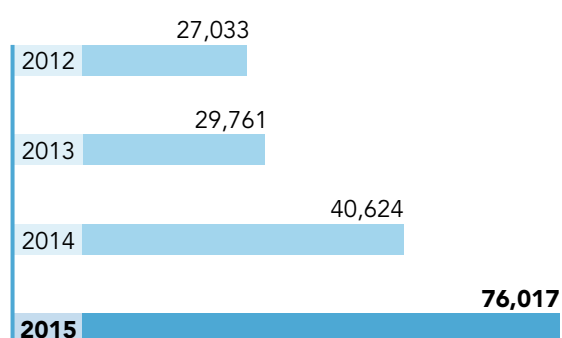




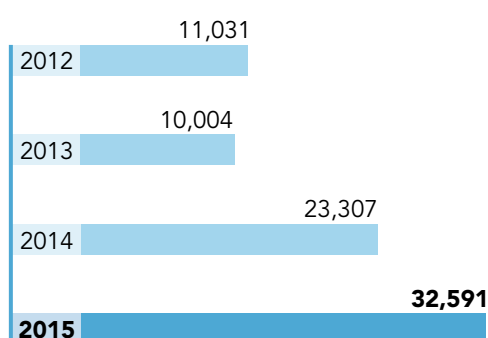
FINANCIAL HIGHLIGHTS

	2012	2013	2014	2015
	RM'000	RM'000	RM'000	RM'000
Total assets	27,033	29,761	40,624	76,017
Equity	23,295	24,347	32,381	68,210
Revenue	11,031	10,004	23,307	32,591
Net profit	1,071	1,001	8,034	9,067

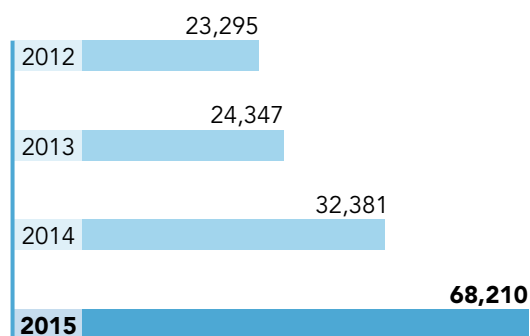
TOTAL ASSETS (RM'000)



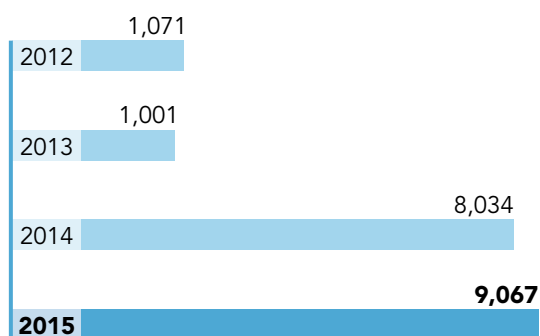
REVENUE (RM'000)



EQUITY (RM'000)



NET PROFIT (RM'000)





“ Our debut in ACE market of Bursa Malaysia Securities Berhad has unlocked a whole new level to explore. ”

NG SANG BENG

Executive Director / Chief Executive Officer

Ng Sang Beng, a Malaysian, aged 40, is our Executive Director/Chief Executive Officer. He was appointed to the Board on 8 December 2014. He is responsible for the strategic operations, business development activities and Research & Development (“R&D”) roadmap of the Group.

He graduated with a Bachelor of Electrical Engineering from Universiti Teknologi Malaysia in 1999. He began his career with Altera Corporation (M) Sdn Bhd (“Altera”) in 2001 as the Test Development Engineer and Component Applications Engineer. He was then promoted to Component Applications Supervisor in 2002. He left Altera in 2004 to co-found Aemulus Sdn Bhd with Yeoh Chee Keong in the same year.

He has been involved in the semiconductor industry for more than fifteen (15) years and has vast knowledge in the area of design and development of semiconductor tester which

focuses on radio frequency, analogue/digital/mixed-signals, Input/Output Buffer Information Specification (“IBIS”), Boundary Scan Description Language, signal integrity and custom field-programmable-gate-array designs.

He was recognised as one of the Endeavour Entrepreneurs by Endeavour Global at its 55th international selection panel 2014.

He currently sits on the board of several private limited companies.

Mr Ng Sang Beng is a member of the Remuneration Committee. He has no any family relationship with any Directors or major shareholders of the Company.

Yeoh Chee Keong, a Malaysian, aged 48 is our Executive Director/Chief Operating Officer. He was appointed to the Board on 8 December 2014. He is responsible for the overall operations of the Group as well as the manufacturing and test department.

He graduated with a Bachelor of Engineering from University of Lincolnshire and Humberside in 2001 and a Diploma in Engineering in 1989 from Kolej Damansara Utama. He started his career in 1993 at Unico Electronics (Penang) Sdn Bhd as the Printed Circuit Board ("PCB") Design Engineer where he was involved in designing burn-in boards for semiconductor tester. In 1998, he joined MCMS Sdn Bhd as the Design and Documentation Engineer. In 2001, he joined Altera as the Senior Manufacturing Engineer where he was involved in load board and characterisation board designs for Altera's field-programmable-gate-array tester.

He has more than fourteen (14) years of design and management experience in the electronics test industry with an extensive experience in PCB design and high speed signal integrity simulations and analysis. He is also well versed with PCB design tools and simulation tools. In 2004, he left Altera to co-found Aemulus Sdn Bhd with Ng Sang Beng.

He currently sits on the board of several private limited companies.

He has no family relationship with any Directors or major shareholders of the Company.



YEOH CHEE KEONG

Executive Director / Chief Operating Officer

"In 2015, we have invested in human capital, and new product design and development to position the company for revenue growth in the next two years"



“It was like a roller coaster ride in 2015 but we managed to overcome all challenges and made our presence in the Automotive Test Equipment industry one step stronger.”

WONG SHEE KIAN

Executive Director / Chief Technology Officer

Wong Shee Kian, a Malaysian, aged 37, is our Executive Director/Chief Technology Officer. He was appointed to the Board on 8 December 2014. He is responsible for overseeing the overall R&D roadmap and R&D activities of the Group. He is the head of all divisions categorised under the Group’s R&D activities (i.e. R&D, New Product Introduction, Software and Product Application divisions). He plays a significant role in the product application division of the Group whereby he provides technical support to the Group’s marketing team such as competitive analysis, product configurations, test time analysis and product demonstration as well as pre-sales and after-sales technical supports and new product planning.

He graduated with a Bachelor of Electrical Engineering degree from University of Malaya in 2002. In 2009, he obtained a Master Degree in Engineering (Microelectronics) from the Multimedia University. He started his career in 2002 at Altera as a Component Applications Engineer and was responsible in characterising Input / Output buffers and developing specific simulation models, e.g. IBIS. He has extensive experience in system-level signal integrity simulation and analysis. He has provided signal integrity and behavioural modelling trainings to engineers including Altera’s regional support centres and worldwide Field Applications Engineers. He was also actively involved in various roll-out activities of new products by Altera. In 2005, he left Altera to join our Group as our R&D Manager and was promoted to Chief Technology Officer in 2006.

He currently sits on the board of several private limited companies.

He has no family relationship with any Directors or major shareholders of the Company.

“We live in an uncertain world; 2015 was a validation to that. What is certain is that Aemulus will continue to go and grow forward over time.”



KAN KY-VERN

Executive Director / Chief Financial Officer

Kan Ky-Vern, Malaysian, aged 34, is our Executive Director/Chief Financial Officer. He was appointed to the Board on 8 December 2014. He is responsible for the overall finance and accounts as well as investors relation functions of the Group.

He graduated with a Bachelor of Commerce, majoring in Accounts & Finance from the University of Melbourne in 2002. He started his career in the auditing profession with Ernst & Young, Kuala Lumpur in 2003 covering sectors of consumer services and telecommunications. He subsequently joined the Corporate Finance department of Alliance Investment Bank Berhad in 2004. He was primarily involved in initial public listing initiatives, financial modelling, business analytics and valuation in various technology and manufacturing companies. In 2005, he joined Accenture Malaysia where he was involved in project management and performance management in the financial services industry. He left Accenture Malaysia in 2006 and during the same year he joined GA Blue International Bhd (now known as Yen Global Bhd) as the financial controller and left in May 2009.

He was appointed as Director of Aemulus Corporation Sdn Bhd, the wholly-owned subsidiary of the Company on 14 March 2008 and subsequently assumed the position of Chief Financial Officer in June 2009, a position he holds until now. He currently sits on the board of several private limited companies.

Mr Kan Ky-Vern is a member of the Remuneration Committee. He has no any family relationship with any Directors or major shareholders of the Company.

“Our committed and talented team at Aemulus can take us to greater heights.”

CHOK KWEE BEE

Senior Independent Non-Executive Director / Chairman



Chok Kwee Bee, a Malaysian, aged 63, is our Senior Independent Non-Executive Director / Chairman. She was appointed to the Board on 8 December 2014 as Independent Non-Executive Director and Chairman. She was designated as Senior Independent Non-Executive Directors on 13 November 2015. She holds a Bachelor of Arts (Honours) degree in Business Studies from Kingston University, United Kingdom and she is also an Associate of the Chartered Institute of Bankers, United Kingdom.

She is currently a director and shareholder of Teak Ventures Sdn Bhd. She is also the Managing Director of Teak Capital Sdn Bhd, a venture capital management company. Prior to that, she was with Walden International, a Silicon Valley based venture capital firm, overseeing the operations and investments of Walden International and BI Walden in Malaysia. She was also previously Head of Corporate Finance at AmInvestment Bank Berhad and has wide experience in all aspects of corporate advisory, initial public offering, mergers and acquisitions and corporate restructuring. She previously held positions as Director of Malaysian Exchange of Securities Dealing & Automated Quotation Bhd (MESDAQ), the Chairman of the Corporate Finance Sub-Committee of Association of Merchant Banks, a member of the Securities Commission Capital Market Advisory Council, the Chairman of the Malaysian Venture Capital and Private Equity Association and a member of the Exchange Committee of Labuan International Financial Exchange.

She is currently a member of the Malaysian Venture Capital Development Council of the Securities Commission Malaysia, a non-executive Board member of the Audit Oversight Board, a non-executive Board member of Hong Leong Bank Berhad, a non-executive Board member of Frontier Novatur Sdn Bhd (a wholly-owned subsidiary by MIMOS Berhad) and a Management Committee Member of the Malaysian Venture Capital Management Berhad and Private Equity Association.

She was appointed as Director of Aemulus Corporation Sdn Bhd on 26 May 2010, a position she holds until now. She also sits on the board of several private limited companies.

Ms Chok Kwee Bee is the Chairman of the Remuneration Committee and Nomination Committee and member of Audit Committee. She has no family relationship with any Directors or major shareholders of the Company.

“The invention and launch of Amoeba 4600 in year 2015 marked another milestone of our product innovation in the Automotive Test Equipment market.”

ONG CHONG CHEE

Independent Non-Executive Director



Ong Chong Chee, a Malaysian, aged 39, is our Independent Non-Executive Director. He was appointed to our Board on 20 July 2015.

He started his career as a tax consultant in Deloitte in 1998 and was promoted to senior manager in 2005. He left Deloitte in 2005 and subsequently, he set up Advent MS Tax Consultants Sdn Bhd (“Advent”) in 2005. He is one of the founders and an executive director of Advent. Advent is currently the tax division of Moore Stephens Malaysia. He has more than 15 years of experience in audit and taxation. His areas of expertise include advisory on tax audit and investigation, business restructuring, mergers and acquisitions, and advisory on real estate and goods and services taxes.

He is a member of the Association of Chartered Certified Accountants, United Kingdom (“ACCA”) since 2002 and a fellow member of ACCA since 2007. He is a council member and a chartered tax practitioner of the Chartered Tax Institute of Malaysia, a chartered accountant of the Malaysian Institute of Accountants, an income tax agent and goods and services tax agent licensed by the Ministry of Finance.

He also sits on the board of several private limited companies.

Mr Ong Chong Chee is the Chairman of the Audit Committee and member of Remuneration Committee and Nomination Committee. He has no family relationship with any Directors or major shareholders of the Company.



“Through turbulent challenges in 2015, Aemulus continues to innovate cost-effective and best-in-class test system solutions for its target market segments.”

FRIISCOR HO CHII SSU
Independent Non-Executive Director

Friiscor Ho Chii Ssu, a Malaysian, age 44, is our Independent Non-Executive Director. He was appointed to our Board on 20 July 2015.

He graduated with a Master of Business Administration from the University of Bath, United Kingdom in 2002. In 1995, he obtained a Bachelor of Science in Electrical Engineering from Washington University, The United States of America in May 1995 and a Bachelor of Arts in Physics from Ohio Wesleyan University, The United States of America in September 1995.

He started his career as an Integrated Circuit Designer at Intel Technology Sdn Bhd in 1995. In 1998, he joined Altera as the Section Manager and set-up a R&D engineering department. He left Altera in 2005 and joined Jaalaa Malaysia Sdn Bhd (a radio frequency Integrated circuit (“IC”) start-up company based in San Diego, The United States of America) as the Director of Engineering where he assisted to set up a R&D and operations engineering center. In 2006 he left to join an advanced miniature camera module developer, Vista Point Technologies (M) Sdn Bhd, before re-joining Altera in 2008 as the Director of Engineering for Software and Intellectual Property Engineering. He left Altera in 2012 and joined Motorola Solutions Malaysia Sdn Bhd (“Motorola”) as the Director of Engineering for 2-way radio products at Motorola, a position he still holds until today. He has approximately 20 years of experience in broad, high technology industries ranging from IC design, test development and software engineering to network/radio communications intellectual property, imaging and radio frequency products development, in addition to the management of supply chain partners, extensive involvement in operations and engagements with customers.

Mr Friiscor Ho Chii Ssu is the member of the Audit Committee, Remuneration Committee and Nomination Committee. He has no family relationship with any Directors or major shareholders of the Company.

Notes:

1. All the Directors do not have any conflict of interest with the Company and they also had not been convicted of any offence within the past ten (10) years, other than traffic offences, if any.
2. The Directors' shareholdings are as disclosed in page 84 of this Annual Report.
3. None of the Directors of the Company hold or have held any Directorships in other public companies, save for Ms Chok Kwee Bee, details of which are as disclosed in her profile at page 12 of this Annual Report.

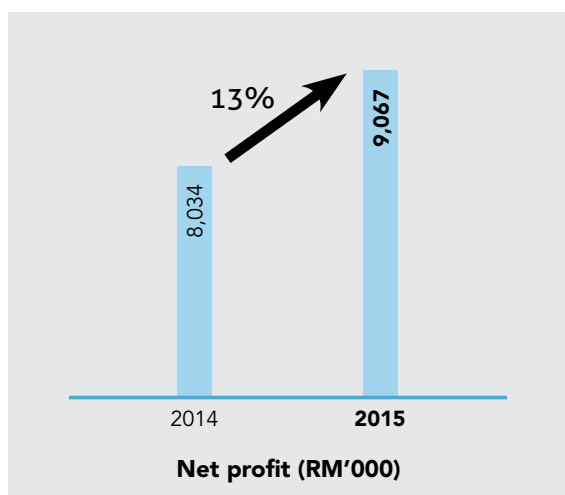
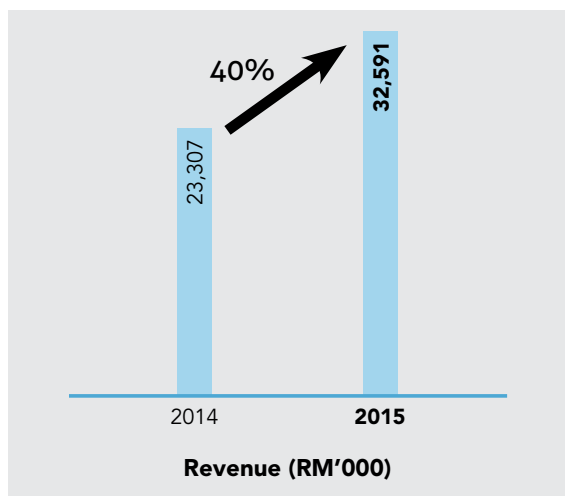


CHOK KWEE BEE

Senior Independent Non-Executive
Director / Chairman

Fellow shareholders,

2015 has been a year full of challenges, excitements and achievements. Riding on the wave of semiconductor test's growth and wider adoption of smart gadgets, company revenue grew by 40% and net profit was up 13%. Both revenue and net profit numbers chalk new records in this 11-year-old-journey, contributed by continuous belief of our customers and our dedicated staff. This year as well, we successfully listed Aemulus Holdings Berhad ("Aemulus") in ACE market of Bursa Malaysia Securities Berhad.



Wireless communication, specifically Radio Frequency band operated has widely penetrated our daily lives. We are now well connected with our loved ones, friends and businesses be it near or far. We learned to share joy, moments and scenes in an easy and quick way thanks to smart gadgets. The wireless features of smart gadgets, in fact, are the ones responsible for these activities. Amoeba 7600 tester of Aemulus is well positioned to meet the test requirements of the electronic chips enabling wireless transmission and receiving.

Staying abreast with the volume of data consumed by each smart gadget, cloud storage has been pushed to new heights. Almost all apps residing in smart gadgets would require certain amount of data to be kept in the cloud. Our emails, pictures, videos, chats, contacts, personal information and documents are mostly backed up in the cloud, with their volume increasing everyday. Cloud storage comprises hundreds of millions of hard disk drives with the number growing rapidly every year. Amoeba 4600 tester of Aemulus was designed to meet this challenge. It verifies the functionality of certain electronic components mandatory to the operation of hard disk drives.

Both sectors, driven by the sales of Amoeba 7600 and Amoeba 4600 have contributed 60% of revenues to the company. We foresee that these two products will continue to shine in our book in the coming years. Ample of cash inflow from our impressive sales in 2015 has fortified our financial position, marked as the strongest in our history. Together with the fund raised from our Initial Public Offering ("IPO"), Aemulus can now better execute its plan to grow the portfolio of its product line by going deeper into the Research and Development ("R&D") of tester architecture, designs and features.

We believe in investing in the future; Tester Research Laboratory is a new initiative by the company, to be fueled by funds raised during our IPO process. This laboratory shall be the cradle or incubator of our future tester design, focusing in RF, mixed-signal and wafer level test solutions. When it comes to investment in R&D, innovation and new concepts of tester design and test methodologies play a critical role in placing Aemulus ahead of the competition. We will continue to invest in talent and the necessary capital expenditures which, we believe will be rewarding and we shall be able to harvest the fruits of this investment over time.

Alongside with the investment in R&D, Aemulus has started to invest in business development activities related to the expansion of sales in People's Republic of China and Taiwan. We believe that the future growth for the company would largely encompass these geographical regions. We expect to witness more tester evaluation and application activities in the near future that would eventually contribute positively to the company. The products to be brought in shall start with our flagship testers, which are Amoeba 7600 and Amoeba 4600.

On behalf of my colleagues on the Board, I wish to thank our Chief Executive Officer, management team and all the talented staff at Aemulus for their relentless dedication which contributed immensely to the success of the company thus far. A big thank you as well to all our clients who have supported and believed in us and our products all these years. We will continue to develop products and services that will greatly add value to your business and growth.

Last but not least, we would like to thank our fellow shareholders and other stakeholders who have supported us from day 1 and throughout our IPO. The total funds raised of RM24.58 million from our IPO will be deployed strategically for the growth of the company and in turn we aim to increase shareholders' value.

We look forward to seizing the many opportunities we see in this industry and overcoming challenges as they come. We will steadfastly expand our product depth and variety, focus on market expansion, building customer relationships and ensuring we are ahead of the innovation curve for years to come.

I thank you for your trust in Aemulus.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT



On December 4th 2015, CEO kickstarted Penang Entrepreneur Startup Conference 2015 at @CAT with his insight on product positioning and monetisation.



We rendered monetary assistance to Penang International Science Fair 2015 via Penang Science Cluster. The fair attracted school children nationwide with their annual robotic competition which sparks creativity and innovation through hands on application.

Corporate conscience is the soul of a company indirectly attributing to the image of a company. Being a newly listed company, Aemulus Holdings Berhad is warming up to be involved in larger scale projects. Yet, our new found status as a listed company does not deter our CEO's continuous efforts in contributing through advocacy.

As a homegrown company in Penang, we are proud of our roots. Aemulus is competing in a niche market within the semiconductor industry and we believe that creativity is an attitude. We see entrepreneurship as an opportunity to achieve growth. We acknowledge that startup companies play a major role in changing the competitive landscape of many local and global industries. Therefore, we took the first step in advocating entrepreneurship via Penang's Accelerator for Creative, Analytics & Technology (@CAT).

The process to instil interest in science and technology amongst children has to start at young age. Aemulus is proud to contribute and participate in the development of a holistic learning programme for the primary and secondary school children in Penang. The combination of theoretical and practical hands-on learning experience was made possible through the Penang Science Cluster.

As part of our goals in building and supporting a high-technology community through advocacy and education, we opened our doors to all local graduate and post graduate students to join Aemulus through our internship programme. Aemulus awarded scholarship to one outstanding intern this year.

The Board of Directors ("Board") is committed to ensure that a high standard of corporate governance is practised throughout the Company and its subsidiary ("the Group") in discharging its responsibilities with integrity, transparency and professionalism to protect and enhance shareholders' value and the financial position of the Group.

The Board is pleased to report on the application of the principles of the Malaysian Code on Corporate Governance 2012 ("Code") and the extent of compliance with the Recommendations of the Code as required under Code during the financial period ended 30 September 2015. The Company was listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 15 September 2015.

1. Establish Clear Roles and Responsibilities

1.1 Board Charter

The Board has on 15 December 2014 adopted a charter to provide a reference for Directors in relation to the Board's role, duties and responsibilities, division of responsibilities between the Board, the Board Committees, the Chairman and Chief Executive Officer. The Board Charter is subject to review periodically in order to ensure consistency with the Board's strategic intent and relevant standards of corporate governance.

1.2 Roles and Responsibilities of the Board

The Board recognises its duties and responsibilities as detailed in the Board Charter as expectations on how they discharge their duties.

The Board assumes the following principal functions and responsibilities:-

- a) Review, approve and monitor the overall strategies and direction of the Group;
- b) Identify the principal risks and implement appropriate system to manage such risks;
- c) Oversee and evaluate the conduct and performance of the Group's business;
- d) Review the adequacy of the Group's internal control policy;
- e) Succession planning, including appointing, assessing training needs and fixing the compensation of the Directors; and
- f) Ensures senior management has sufficient calibre and a succession plan is in place to ensure continuity of management.

The Board has delegated specific duties to three (3) subcommittees (Audit, Nomination and Remuneration Committees). These Committees have the authority to examine particular issues and report the same to the Board with their recommendations. The ultimate responsibility for the final decision on all matters, however, lies with the Board.

The presence of Independent Non-Executive Directors are necessary for the corporate accountability as they provide unbiased and independent views. Even though all Directors have equal responsibility for the Group's operations, the role of Independent Non-Executive Directors is particularly important in ensuring the strategies proposed by the management are discussed and examined while taking into account the long-term implications of the business, the Group, shareholders and other stakeholders' interests.

The Board is alert to the possibility of potential conflicts of interest involving the Directors and the Company and affirms their commitment to ensure that such situations of conflicts are avoided.

1.3 Clear Functions of the Board and Management

To ensure the effective discharge its functions and responsibilities, the Board Charter of the Company clearly set out the relevant matters that are reserved for the Board's approval, as well as those is delegated to the Board Committees, Independent Non-Executive Chairman and Chief Executive Officer.

Key matters reserved for Board's decision include, inter alia, the following:-

- a) Approval of business strategy and Group's operational plan and annual budget;
- b) Acquisition and disposal of assets of the Company or its subsidiaries that are material in nature;
- c) Approval of investment or divestment in a company / business / property / undertaking;
- d) Approval of investment or divestment of a capital project which represents a significant diversification from the existing business activities;
- e) Any other significant business direction; and
- f) Corporate proposal on fund raising.

1. Establish Clear Roles and Responsibilities (Cont'd)

1.4 Code of Conduct and Ethics

The Board has also adopted a Code of Conduct and Ethics which is incorporated in the Board Charter of the Company. The said Code sets forth the expectations of the Company for its Directors and describes sound principles and standards of good practice that each Director is expected to uphold. It is formulated to enhance the standard of corporate governance and promote ethical conduct of the Directors.

Directors are required to uphold the highest integrity in discharging their duties and in dealing with stakeholders, customers, employees and regulators.

1.5 Promoting Sustainability

The Group recognises the importance of sustainability and its increasing impact to the business in a way that is environmentally safe and sound. The sustainability activities are set out in the Corporate Social Responsibility Statement.

1.6 Board meetings and Access to Information and Advice

The Board members have full and unrestricted access to information on the Group's business and affairs in discharging their duties. All Directors are provided with the agenda and a full set of Board papers before each Board Meeting is convened. In addition to discussing the Group's performances in the meeting, certain matters which are reserved specifically for the Board's decision are discussed. These includes the approval of corporate plans and budgets, acquisitions and disposals of assets that are material to the Group, major investments, changes to management and control structure of the Group and key policies, procedures and authority limits.

Senior management staff, investment bankers, accountants or solicitors will be appointed to act as advisers for any corporate proposal to be undertaken by the Group, and will be invited to attend Board meetings at which the corporate proposal is to be deliberated, in order to provide the Board with professional opinion and advice, and to clarify issues that may be raised by any Director.

The Board is regularly updated and advised by the Company Secretaries on new statutory as well as regulatory requirements. Every member of the Board has ready and unrestricted access to the advice and services of the Company Secretaries and the senior management. The Company Secretaries attends all Board and Board Committees' meetings and ensure that meetings are properly convened and that accurate and proper records of the proceedings and resolutions passed are taken and maintained.

Where appropriate, the Directors may obtain independent professional advice at the Company's expense on specific issues to enable the Board to make well-informed decisions in discharging their duties on the matters being deliberated.

2. Strengthen the Composition

To assist the Board in the discharge of their duties effectively, the Board has delegated specific functions to certain committees, namely Audit Committee, Nomination Committee and Remuneration Committee. Each committee will operate within its clearly defined terms of reference. The Chairman of the various committees will report to the Board on the outcome of the committee meetings.

2.1 Audit Committee

The terms of reference of the Company's Audit Committee and its activities during the financial period ended 30 September 2015 are set out under the Audit Committee Report in this Annual Report.

2.2 Nomination Committee

The Nomination Committee comprises 3 Independent Non-Executive Directors. The Nomination Committee is chaired by a Senior Independent Non-Executive Director of the Company.

The duties and responsibilities of the Nomination Committee are guided by its terms of reference. It meets as and when required but the Nomination Committee shall meet at least once a year.

2. Strengthen the Composition (Cont'd)

2.2 Nomination Committee (Cont'd)

The Nomination Committee is authorised by the Board to:-

- a) review the structure, size and composition of the Board;
- b) review the nomination for the appointment or reappointment of the Board members;
- c) recommend Directors who are retiring by rotation to be put forward for re-election; and
- d) ensure that all Board appointees undergo an appropriate introduction and training programmes.

The Nomination Committee did not convene any meeting during the financial period ended 30 September 2015, as the Company was only listed on Bursa Securities on 15 September 2015. Nonetheless, the Nomination Committee has convened its meeting after the financial period ended 30 September 2015 and developed criteria to assess the effectiveness of the Board, the Board committees and individual Director. The evaluation on the Board's effectiveness is divided into the following key areas:-

- Composition
- Strategy and entrepreneurship
- Legal and regulatory requirements
- Corporate governance, risk management and internal controls
- Audit, accounting, financial reporting and taxation
- Human capital
- Sales and marketing
- Production and quality assurance

The process also assesses the competencies of each Director in the areas of their contribution, performance, calibre and personality in relation to the skills, experience and other qualities they bring to the Board.

The Nomination Committee will also undertake annual assessment of the independence of its independent directors based on criteria of independence as per requirements of ACE Market Listing Requirements.

When considering new appointment, the Nomination Committee shall evaluate the balance of skills, knowledge and experience on the board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall consider candidates from a wide range of backgrounds and consider candidates on merit and against objective criteria, taking care that appointees have sufficient time available to devote to the position.

The Nomination Committee and the Board do not set any target on gender, ethnicity and age diversity. Currently, the Company will provide equal opportunity to candidates who have the necessary skills, experience, competencies and other attributes regardless of gender, ethnicity and age. Nonetheless, the Company already has a well-diversified Board and the current composition of the Board with a female director serves well to Recommendation 2.2 of the Code.

2.3 Remuneration Committee

The Remuneration Committee comprises 3 Independent Non-Executive Directors and 2 Executive Directors and is chaired by a Senior Independent Non-Executive Director. It meets as and when required but the Remuneration Committee shall meet not less than once a year.

The Remuneration Committee is governed by its terms of reference and its primary function is recommend to the Board from time to time, the remuneration framework and package of the Executive Directors in all forms to commensurate with the respective contributions of the Executive Directors. The Executive Directors are to abstain from deliberations and voting on the decision in respect of their own remuneration packages. The Board as a whole decides on the remuneration of the Non-Executive Directors, including the Non-Executive Chairman. The individual concerned should abstain from deliberations of their own remuneration packages. Directors' fees are subject to shareholders' approval at the Annual General Meeting.

In general, the remuneration is structured so as to link reward to corporate and individual performance, as in the case of the Executive Directors and senior management. As for the Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular Non-Executive Directors concerned.

2. Strengthen the Composition (Cont'd)

2.3 Remuneration Committee (Cont'd)

The details of remuneration for Directors of Aemulus comprised remuneration paid or payable to the Directors for the financial period ended 30 September 2015. Aggregate remuneration of Directors, categorized into appropriate components, is as follows:-

Category	Salary, allowance, bonus and EPF (RM)	Fee (RM)	Total (RM)
Executive Directors	1,023,451	–	1,023,451
Non-Executive Directors	–	52,360	52,360

The numbers of Directors whose total remuneration fall within certain bands are as follow:-

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
Below RM50,000	–	3
RM100,001 to RM150,000	1	–
RM150,001 to RM200,000	–	–
RM200,001 to RM250,000	1	–
RM250,001 to RM300,000	1	–
RM300,001 to RM350,000	–	–
RM350,001 to RM400,000	1	–

3. Reinforce Independence

3.1 Annual Assessment of Independent Directors

Given the Company was just listed in 15 September 2015, there was no assessment on independence carried out for the Independent Non-Executive Directors during the financial period ended 30 September 2015. The Board will conduct an evaluation on the level of independence on a yearly basis on all the Independent Non-Executive Directors for each financial year.

After the financial period ended 30 September 2015, the Nomination Committee has conducted an assessment of the performance of all Directors. The assessment of the Independent Non-Executive Directors also took into account the individual Director's ability to exercise independent judgement at all times and to contribute to the effective functioning of the Board and whether they met the criteria of independence as prescribed by the ACE Market Listing Requirements of Bursa Securities. The Nomination Committee is satisfied with the level of independence demonstrated by the Independent Non-Executive Directors as well as the result of the assessment on the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual director.

3.2 Tenure of Independent Directors

The Board notes the recommendation of the Code on the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. However, upon completion of the nine (9) years, the Independent Director may continue to serve the Board subject to the Director's re-designation as Non-Independent Director. In the event the Director is to remain designated as an Independent Director, the Board shall first justify and obtain shareholders' approval on a yearly basis.

Presently, the tenure of all the Independent Non-Executive Directors does not exceed a cumulative term of nine (9) years as recommended by the Code.

3. Reinforce Independence (Cont'd)

3.3 Separation of Roles of Chairman and Chief Executive Officer

The role of the Independent Non-Executive Chairman and Chief Executive Director are distinct and separate to ensure that there is a balance of power and authority. The Independent Non-Executive Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board.

The Chief Executive Director has overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions. The Chief Executive Director are responsible to ensure due execution of strategic goals, effective operations within the Group, and to explain, clarify and inform the Board on key matters pertaining to the Group.

All decisions of the Board are made based on decision of the majority and no single Board member can make any decision on behalf of the Board, unless duly authorised by the Board. As such, no single individual or a group of individuals dominates the decision-making process.

3.4 Re-election of Directors

In accordance with the Articles of Association of the Company, at the first Annual General Meeting of the Company, all the Directors shall retire from the office and be eligible for re-election and an election of Directors shall take place each year at the Annual General Meeting of the Company where one third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one third (1/3) shall retire from office and be eligible for re-election. All the Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he/she retires.

The Directors to retire each year shall be those who have been the longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

The Directors shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board but the total number of Directors shall not at any time exceed the number fixed in accordance with the Articles of Association of the Company. Any Director so appointed shall hold office only until the next following Annual General Meeting and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

Directors over the age seventy (70) years are required to render themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

The details of the Directors seeking re-election at the forthcoming first Annual General Meeting are disclosed in page 86 of this Annual Report.

3.5 Composition of the Board

The Board currently consists of seven (7) members, comprising four (4) Executive Directors, three (3) Independent Non-Executive Directors. The Board is led by an Independent Non-Executive Chairman. The Non-Executive Directors complements the Board with a mix of industry-specific knowledge, skill, expertise and commercial experience. There is a clear division of responsibilities among directors to ensure a balance of power and authority. The number of Independent Directors is in compliance with the Listing Requirements of Bursa Securities for the ACE Market which requires the Board to have at least two (2) Independent Directors or 1/3 of the Board of Directors, whichever is higher, to be Independent Directors.

The brief profile of each Board member is presented under Directors' Profile of this Annual Report.

4. Foster Commitment

4.1 Time Commitment

The Board is satisfied with the time commitment given by the Directors of the Company in discharging their duties for the financial period ended 30 September 2015.

There was one (1) Board meeting convened during the financial period ended 30 September 2015 as the Company was only listed on the ACE Market of Bursa Securities on 15 September 2015. Moving forward, the Board is to have at least four (4) scheduled quarterly meetings with additional meetings to be convened when necessary.

The Directors' attendance at the Board meeting is set out as follows:-

Name of Directors	Attendance
Chok Kwee Bee	1/1
Ng Sang Beng	1/1
Yeoh Chee Keong	1/1
Kan Ky-Vern	1/1
Wong Shee Kian	1/1
Ong Chong Chee	1/1
Friiscor Ho Chii Ssu	1/1

4.2 Directors' Training

The Board acknowledges the importance of continuous education and training to enable effective discharge of its duties and encourage Directors to attend talks, training programmes and seminars to update themselves on new developments in the business environment. The Board will through the Nomination Committee to evaluate and determine the training needs of its Directors on an annual basis.

All Directors have attended the Mandatory Accreditation Training Programme during the financial period ended 30 September 2015 as required by Bursa Securities and will continue to attend other relevant training programmes as appropriate to enhance their skills and knowledge.

During the financial period ended 30 September 2015, Mr. Ong Chong Chee has also attended National GST Conference 2015 and National Tax Conference 2015 as conducted by Royal Malaysian Customs Department and Malaysian Inland Revenue Board together with Chartered Tax Institute of Malaysia respectively.

5. Uphold Integrity in Financial Reporting

5.1 Financial Reporting

The Board aims to present a balanced and clear assessment of the Group's financial positions and prospects in the financial statements and quarterly announcements to shareholders, investors and regulatory authorities in line with the financial reporting standards.

The Board is assisted by the Audit Committee to oversee the financial reporting processes and the quality of financial reporting of the Group. All quarterly financial reports and financial statements are reviewed and discussed by the Audit Committee before they are tabled to the Board for consideration. The Statement of Directors' Responsibility in respect of the preparation of the annual audited financial statements is set out in page 34 of this Annual Report.

5.2 Relationship with Auditors

A transparent and appropriate relationship with the auditors, both internal and external has been established through the Audit Committee. The external auditors are invited to discuss the annual financial statements, their audit plan, audit findings and other special matters that require the Board's attention.

6. Recognise and Manage Risks

6.1 Internal Control and Risk Management

An overview of the state of internal controls and risk management within the Group is set out in this Annual Report under the Statement on Risk Management and Internal Control.

6.2 Internal Audit Function

The Group has outsourced the internal audit function to an independent professional firm, which is independent of the activities and operations of the Group. Details on the Statement on Risk Management and Internal Control are furnished on pages 32 to 33 of this Annual Report.

7. Ensure Timely and High Quality Disclosure

7.1 Corporate Disclosure Policies and Procedures

Along with good corporate governance practices, the Company is committed to provide to investors and the public with comprehensive, accurate and material information on a timely basis.

In line with this commitment and in order to enhance transparency and accountability, the Board has on 15 February 2016 adopted an Internal Corporate Disclosure Policies and Procedures to facilitate the handling and disclosure of material information in a timely and accurate manner.

7.2 Leverage of Information Technology for Effective Dissemination of Information

Information of the Group is also accessible through the Company's website (<http://www.aemulus.com>) which is updated on a regular basis. Information available in the website includes among others the Group Annual Report, quarterly financial announcements, major and significant announcements and latest corporate developments of the Group.

8. Strengthen Relationship between Company and Shareholders

The Board recognises the value of investor relations and endeavours to maintain constant and effective communication with shareholders through timely and comprehensive announcements.

The Annual General Meeting is the principal forum dialogue with all shareholders. The participation of shareholders and investors, both individual and institutional, at general meetings is encouraged whilst requests for briefings from the press and investment analysts are usually met as a matter of course.

The Chairman of the general meeting would inform the shareholders on their right to demand for a poll vote at the commencement of the general meeting and would conduct poll voting if demanded by shareholders.

Notice of Annual General Meeting and the annual report are sent to shareholders at least 21 days before the date of the meeting.

9. Workforce Diversity

The Group also has no immediate plans to implement a diversity policy as it is of the view that employment is dependent on each candidate's skills, experience, core competencies and other qualities, regardless of gender, ethnicity and age. The Group will provide equal opportunity to candidates with merit.

COMPLIANCE WITH THE CODE

The Company is committed to achieving high standards of corporate governance throughout the Company and the Group, and the highest level of integrity and ethical standards in all of its business dealings.

This statement is made in accordance with a resolution passed in the Board of Directors' Meeting held on 15 February 2016.

1. Share Buybacks

During the financial period ended 30 September 2015, the Company did not enter into any share buyback transactions.

2. Options, Warrants or Convertible Securities

There were no options, warrants or convertible securities issued/exercised during the financial period ended 30 September 2015.

3. Depository Receipt

The Company did not sponsor any Depository Receipt programme during the financial period ended 30 September 2015.

4. Sanctions and/or Penalties

Except for a late lodgement penalty of RM100.00 imposed on a subsidiary by Companies Commission of Malaysia during the financial period ended 30 September 2015, there was no other sanctions and/or penalties imposed on the Company and/or its subsidiary, directors or management by any regulatory bodies during the financial period ended 30 September 2015.

5. Profit Guarantee

The Company did not receive any profit guarantee from any parties during the financial year.

6. Material Contracts

Saved as disclosed below, there were no material contracts entered into by the Company and its subsidiary involving Directors and major shareholders' interests either still subsisting at the end of the financial year or entered into since the end of the previous financial year :-

- (i) Second Supplemental Agreement dated 5 December 2014 entered into between Ng Sang Beng, Yeoh Chee Keong, Wong Shee Kian, Beach Capital Sdn Bhd, Aemulus Sdn Bhd (collectively, the "Parties"), Aemulus Corporation Sdn Bhd ("ACSB") and Teak Ventures Sdn Bhd ("Teak Ventures") subsequent to the Supplemental Agreement dated 1 July 2013 to further vary certain terms and conditions of the Shareholders Agreement dated 21 October 2009 entered into between the Parties, ACSB and Teak Ventures for the issuance of 20,308,360 Series 'A' redeemable convertible preference shares of RM0.10 each in ACSB ("RCPS") by ACSB to Teak Ventures at a subscription price of RM0.1382 per RCPS.
- (ii) Share Sale Agreement dated 5 December 2014 entered into between Aemulus Holdings Berhad ("Aemulus") and the following Vendors ("SSA"), where Aemulus had pursuant to the SSA acquired the entire issued and paid-up share capital of ACSB comprising 208,478,775 ACSB's ordinary shares of RM0.10 each for a total purchase consideration of RM35,105,998 satisfied via the issuance of 351,059,980 new ordinary shares of RM0.10 each in Aemulus credited as fully paid-up at an issue price of RM0.10 per share :-

Name of Vendors

1. Ng Sang Beng	7. Khaw Seng Wei	13. Tan E-Chiang
2. Yeoh Chee Keong	8. Kan Seow Hua	14. Cheah Lay Imm
3. Aemulus Venture Sdn Bhd	9. Sim Ah Yoong	15. Low Bok Siew
4. Teak Ventures Sdn Bhd	10. Pong Chung Kuan	16. Ong Chuin Tein
5. Beach Capital Sdn Bhd	11. Pong Chung Cheng	17. Moy Shin Fei
6. Wong Shee Kian	12. Friiscor Ho Chii Ssu	18. Teoh Hoay Ming

6. Material Contracts (Cont'd)

- (ii) Share Sale Agreement dated 5 December 2014 entered into between Aemulus Holdings Berhad ("Aemulus") and the following Vendors ("SSA"), where Aemulus had pursuant to the SSA acquired the entire issued and paid-up share capital of ACSB comprising 208,478,775 ACSB's ordinary shares of RM0.10 each for a total purchase consideration of RM35,105,998 satisfied via the issuance of 351,059,980 new ordinary shares of RM0.10 each in Aemulus credited as fully paid-up at an issue price of RM0.10 per share :- (Cont'd)

Name of Vendors

19. Tan Tze Sin	26. Lim Chong Soon	33. Yeoh Cheen Nee
20. Yeoh Poh Thiam	27. Ng Mooi Leng	34. Koay Li Li
21. Ng Chin Wah	28. Lim Ai Phing	35. Yeap Soo Cheng
22. Khor Chin Kwang	29. Tan Chuen Ming	36. Tan Chan Poul
23. Chai Shook Foon	30. Beh Soon Kock	37. Tan Hooi Huang
24. Gan Wei Wah	31. May Ong Chin Hoon	
25. Sebastian Lee Zhen Siang	32. Foo Kwok-Ping	

7. Recurrent Related Party Transactions of a Revenue or Trading Nature

There was no recurrent related party transaction of a revenue or trading nature during the financial period ended 30 September 2015.

8. Variation in Results

There was no material variation between the audited results for the financial period ended 30 September 2015 and the unaudited results for the quarter ended 30 September 2015.

9. Utilisation of Proceeds

The listing of and quotation for the Company's entire enlarged issued and paid-up share capital of RM43,885,000 comprising 438,850,000 shares on the ACE Market of Bursa Malaysia Securities Berhad was completed on 15 September 2015.

In conjunction with and as an integral part of the listing, the Company undertook a Public Issue of 87,790,000 new ordinary shares of RM0.10 at an issue price of RM0.28 per ordinary share ("Public Issue"). Relevant details of the initial public offering were set out in the Prospectus issued by the Company on 26 August 2015.

The gross proceeds from the Public Issue amounted to RM24.58 million and the status of the utilisation of the proceeds raised as at 29 January 2016 as follows:-

Description	Timeframe for Utilisation	Proposed Utilisation	Actual Utilisation	Deviation	%	Balance to be Utilised
		RM'000	RM'000	RM'000		RM'000
1. Working capital	Within 24 months	12,881	1,852	-	-	11,029
2. Research & Development expenditure	Within 24 months	6,000	1,241	-	-	4,759
3. Purchase of property, plant and equipment	Within 24 months	2,000	338	-	-	1,662
4. Marketing, branding and promotion	Within 24 months	1,200	153	-	-	1,047
5. Estimated listing expenses	Immediate	2,500	1,741	759	30.36	759 ^
TOTAL		24,581	5,325	759	3.09	19,256

9. Utilisation of Proceeds (Cont'd)

Note:-

[^] *The excess of RM 759,000 will be utilised for working capital purpose.*

The utilisation of proceeds above should be read in conjunction with the Prospectus of the Company dated 26 August 2015. As stated in the Section 3.10.1 (e), page 27 of the Prospectus of the Company dated 26 August 2015:-

In the event if the actual listing expenses are higher than budgeted, the shortfall will be funded out of the portion allocated for working capital. Conversely, if the actual listing expenses are lower than budgeted, the surplus will be utilised for general working capital purposes.

10. Non-Audit Fees

During the financial period ended 30 September 2015, non-audit fee of RM107,500 were paid to the external auditors and tax compliance fee of RM5,430 were paid to a company in which certain partners of the audit firm are shareholders and directors.



AUDIT COMMITTEE REPORT

MEMBERS POSITION

Mr Ong Chong Chee
Chairman (Independent Non-Executive Director)

Ms Chok Kwee Bee
Member (Senior Independent Non-Executive Director / Chairman)

Mr. Friisor Ho Chii Ssu
Member (Independent Non-Executive Director)

The Terms of Reference of the Committee are as follows:-

1. MEMBERSHIP

The Committee shall be appointed by the Board from amongst the Directors of the Company and shall comprise not less than three (3) members, all of whom shall be Non-Executive Directors and the majority of whom must be independent. All members of the Committee should be financially literate. At least one (1) member of the Committee:-

- must be a member of the Malaysian Institute of Accountants; or
- if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years of working experience and
 - he must have passed the examination specified in Part I of the 1st Schedule to the Accountants Act, 1967; or
 - he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule to the Accountants Act, 1967; or
- fulfils such other requirements as prescribed by Bursa Malaysia Securities Berhad.

The members of the Committee shall elect the Chairman from among their number who shall be an Independent Director. An alternate director shall not be a member of the Audit Committee.

If a member of the Committee for any reason ceases to be a member of the Committee with the result that the number of member is reduced below three (3), the Board shall within three (3) months of that event, appoint such number of new member as may be required to make up the minimum number of three (3) members.

2. ATTENDANCE AT MEETINGS

The Chief Financial Officer/ Finance Manager, representative(s) of the internal auditors and representative(s) of external auditors will be invited to some Audit Committee Meeting. Other Directors and employees may attend any particular audit committee meeting only at the Audit Committee's invitation, specific to the relevant meeting. At least twice a year, the Independent members of the Committee shall meet with the external auditors without the presence of management / executive directors. The Company Secretary(ies) shall be the secretary(ies) of the Committee.

3. FREQUENCY OF MEETINGS

Meetings will be held not less than four (4) times a year. Additional meetings may be held at the discretion of the Committee or at the request of external auditors. The external auditors may request a meeting if they consider that one is necessary. The quorum for any meeting shall be two and the majority members of the Committee present must be Independent Non-Executive Directors.

The Chairman of the Audit Committee should engage on a continuous basis with senior management, such as Chairman, the Chief Executive Officer, Chief Financial Officer / Finance Manager, the head of the internal audit and the external auditors in order to be kept informed of matters affecting the Company.

4. AUTHORITY

The Committee is authorised by the Board:-

- (a) to investigate any activity within its terms of reference.
- (b) to have full and unrestricted access to any information it requires from any employees and all employees are directed to co-operate with any request made by the Committee.
- (c) to have access to resources required to perform its duties.
- (d) to have direct communication channels with the external auditors, the internal auditors or both.
- (e) to convene meeting with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees whenever deemed necessary.
- (f) to direct the internal auditors in its activities and resources.
- (g) to obtain external legal or other independent professional advice, if it considers necessary.

5. DUTIES

The duties of the Committee are:-

- (a) to recommend the appointment / reappointment / nomination / suitability of the external auditors, their audit fee and any questions of their resignation or dismissal to the Board.
- (b) to assess the objectivity, performance and independence of the external auditors (e.g. by reviewing and assessing the various relationships between the external auditors and the Company or any other entity) and internal auditors.
- (c) to establish policies and procedures for the provision of non-audit services by the external auditors and to ensure that there are proper checks and balances in place so that the provision of non-audit services does not interfere with the exercise of independent judgement of the external auditors.
- (d) to review with the external auditors:-
 - the audit plan
 - their evaluation of the system of internal controls
 - their audit reports
 - their management letter and management's response thereto and
 - the assistance given by the employees to the external auditors.
- (e) to review the quarterly results and year end financial statements of the Company and the Group before submission to the Board, whilst ensuring that they are prepared in a timely and accurate manner, focusing particularly on:-
 - public announcements of results and dividend payment
 - any changes in or implementation of major accounting policies and practices
 - major judgmental areas
 - significant adjustments resulting from the audit
 - the going-concern assumption
 - compliance with accounting standards and other legal requirements
 - compliance with regulatory and statutory requirements and
 - significant and unusual events.
- (f) to discuss problems and reservations arising from the interim and final audits and any matters the external auditors may wish to discuss (in the absence of management where necessary).

5. DUTIES (Cont'd)

The duties of the Committee are:- (Cont'd)

- (g) to do the following, in relation to the internal audit function:-
- to review internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function
 - to review the adequacy of the scope, functions, competency and resources of the internal audit function and to ensure that it has the necessary authority to carry out its work
 - to review the appraisal or assessment of the performance of members of the internal audit function
 - to approve any appointment or termination of internal auditors and
 - to be informed of the resignation of any senior members of the internal audit function.
- (h) to keep under review the effectiveness and proper monitoring of internal control system.
- (i) to review any related party transactions and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of the management's integrity.
- (j) to consider the major findings of internal investigations and management's response and ensure co-ordination between the internal and external auditors.
- (k) to review and verify the allocation of options or shares granted to employees pursuant to the employees share option scheme, transactions, procedure or course of conduct that raises questions of management integrity.
- (l) to review with the Board of Directors of the Company whether there is reason (supported by grounds) to believe that the Company's external auditor is not suitable for re-appointment.
- (m) to perform such other functions as may be agreed upon by the Committee and the Board.

6. REPORTING PROCEDURES

The Company Secretary(ies) shall circulate the minutes of meetings of the Committee to all members of the Board.

SUMMARY ACTIVITIES OF THE COMMITTEE DURING THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

The Company was listed on the ACE Market of Bursa Securities on 15 September 2015. However, prior to the listing, the Audit Committee convened one (1) meeting during the financial period under review. The attendance of the Committee members at the meeting is set out as follows:-

Name of Committee Member	Attendance
Mr Ong Chong Chee	1/1
Ms Chok Kwee Bee	1/1
Mr Friisor Ho Chii Ssu	1/1

During the financial period ended 30 September 2015, in discharging their duties and responsibilities, the Committee had reviewed the unaudited financial results and recommended to the Board for approval.



AEMULUS HOLDINGS BERHAD RESTRICTED SHARE PLAN

Aemulus Holdings Berhad Restricted Share Plan ("RSP") which had been approved by the shareholders of the Company at an Extraordinary General Meeting held on 12 December 2014 and shall be in force for a duration of five years from 15 February 2016 until 14 February 2021. However, the RSP may at the discretion of the RSP scheme committee be extended provided always that the initial RSP scheme period stipulated above and such extension made pursuant to the By-Laws shall not in aggregate exceed a duration of ten (10) years.

During the financial year, no allocation of share options was made by the Company pursuant to the RSP and no share options were vested under the RSP.

INTERNAL AUDIT FUNCTION

The internal audit function is outsourced to an independent professional services firm to carry out internal audit services for the Group. Internal audit reports will be presented, together with Management's response and proposed action plans to the Committee on a quarterly basis or as earlier as appropriate.

The Internal Auditors undertake internal audit functions based on the audit plan approved by the Committee. The internal audit plan is derived based on the risk-based approach which addresses all the core auditable areas of the Group based on their risk profile.

Prior to the listing of the Company and in preparation for the listing exercise, the Company had engaged an independent professional services firm to conduct an independent review of the Group's corporate governance, internal control and enterprise risk management. The internal audit report highlighted findings which were discussed with the management and relevant action plans agreed and to be implemented.

The total cost of the internal audit function incurred in respect of the financial period ended 30 September 2015 amounted to RM46,000.

Subsequent to the listing, the Group outsourced the internal audit function to another independent professional services firm to carry out internal audit services for the Group.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code of Corporate Governance 2012 requires listed companies to maintain a sound system of internal controls to safeguard shareholders' investment and the Group's assets.

Guided by the Statement on Risk Management and Internal Control: Guidance for Directors of Public Listed Companies, the Board of Directors of Aemulus Holdings Berhad is pleased to present the Statement on Risk Management and Internal Control which is prepared in accordance with Paragraph 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

RESPONSIBILITY FOR RISK MANAGEMENT AND INTERNAL CONTROL

The Board recognises its overall responsibility for the Group's systems of internal control and for reviewing the adequacy and integrity of those systems. In view of the limitations that are inherent in any systems of internal control, the systems of internal control are designed to manage risk within tolerable levels rather than eliminate the risk of failure to achieve business objectives. Hence, such system by its nature can only provide reasonable and not absolute assurance against material misstatement, error or losses.

The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced, or potentially exposed to, by the Group in pursuing its business objectives. This process has been in place throughout the financial year and up to the date of approval of the annual report. The adequacy and effectiveness of this process have been continually reviewed by the Board and are in accordance with the Internal Control Guidance.

RISK MANAGEMENT FRAMEWORK

The Board practice proactive risks identification in the processes and activities of the Group, particularly in major proposed transactions, changes in nature of activities and/or operating environment, or venturing into new operating environment which may entail different risks, and assess the appropriate risk response strategies and controls. Day-to-day risk management of operations are delegated to key management staff and head of departments to manage identified risks within defined parameters.

Periodic meetings attended by key management staff and head of departments and are held to discuss key operational issues, business performance matters and appropriate mitigating controls, when necessary.

INTERNAL AUDIT

The Board acknowledges the importance of internal audit function and has outsourced its internal audit function to an independent professional accounting and consulting firm, BDO Governance Advisory Sdn Bhd as part of its efforts to provide adequate and effective internal control systems. The performance of internal audit function is carried out as per the annual audit plan approved by the Audit Committee.

The internal audit adopts a risk-based approach in developing its audit plan which addresses all the core auditable areas of the Group based on their risk profile. The audit focuses on high risk area to ensure that an adequate action plan has in place to improve the controls in place. The audit ascertains that the risks are effectively mitigated by the controls. On a quarterly basis or earlier as appropriate, the internal auditors report to the Audit Committee on areas for improvement. The highlighted areas will be followed up closely to determine the extent of their recommendations that have been implemented by the management.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Cont'd)

OTHER KEY ELEMENTS OF INTERNAL CONTROL

Apart from risk management and internal audit, the Group has put in place the following key elements of internal control:

- An organization structure with well-defined scopes of responsibility, clear lines of accountability, and appropriate levels of delegated authority;
- A process of hierarchical reporting which provides a documented and auditable trail of accountability;
- A set of documented internal policies and procedures which is subject to regular review and improvement;
- Regular and comprehensive information provided to management, covering financial and operational performance and key business indicators, for effective monitoring and decision making;
- Consistent monitoring of results against budget, with major variances being followed up and management action taken, where necessary; and
- Close involvement in the daily operation by the senior management.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with Recommended Practice guide ("RPG") 5 issued by the Malaysian Institute of Accountants. RPG 5 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

CONCLUSION

The Board has received assurance from Chief Executive Officer and Chief Financial Officer that the Group's risk management and internal control systems have been operating adequately and effectively, in all material aspects, during the financial year under review and up to date of this statement. Taking this assurance into consideration, the Board is of the view that there were no significant weaknesses in the current system of internal control of the Group that may have material impact on the operations of the Group for the financial year ended 30 September 2015. The Board and the management will continue to take necessary measures and ongoing commitment to strengthen and improve its risk management and internal control environment.

This statement is issued in accordance with a resolution passed in the Board of Directors' meeting held on 15 February 2016.



STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE AUDITED FINANCIAL STATEMENTS

This statement is prepared pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market.

The Directors are required to prepare audited financial statements that give a true and fair view of the state of affairs, including the cash flow and results, of the Group and the Company as at the end of each financial year.

In preparing these financial statements, the Directors have considered the following:

- The Group and the Company have used appropriate accounting policies, and are consistently applied;
- That reasonable and prudent judgements and estimates were made; and
- That the approved accounting standards in Malaysia have been applied.

The Directors are responsible for ensuring that the Company maintains proper accounting records which disclose with reasonable accuracy the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the Companies Act, 1965.

The Directors have general responsibility for taking such steps that are reasonably available to them to safeguard the assets of the Group and the Company, and to prevent and detect fraud and other irregularities.

This statement is made in accordance with a resolution passed in the Board of Directors' Meeting held on 15 February 2016.

FINANCIAL STATEMENTS



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DIRECTORS' REPORT

for the financial period ended 30 September 2015

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial period ended **30 September 2015**.

PRINCIPAL ACTIVITIES

The Company was incorporated on 17 October 2014 and its principal activity is that of an investment holding company.

The principal activities of the subsidiary are described in Note 5 to the financial statements.

RESULTS

	GROUP	COMPANY
	RM	RM
Profit/(Loss) after taxation for the period	<u>9,067,033</u>	<u>(1,201,280)</u>

In the opinion of the directors, the results of the operations of the Group and of the Company for the financial period ended 30 September 2015 have not been substantially affected by any item, transaction or event of a material and unusual nature, nor has any such item, transaction or event occurred in the interval between the end of that financial period and the date of this report other than government grant amounting to RM1,091,387 recognised in the Group income during the financial period.

DIVIDENDS

No dividends have been declared or paid by the Company since the date of incorporation.

The directors do not recommend any dividend payment for the financial period.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial period other than those disclosed in the financial statements.

SHARE CAPITAL AND DEBENTURE

Subsequent to its date of incorporation, the Company increased its authorised share capital from RM400,000 to RM100,000,000 by the creation of an additional 996,000,000 ordinary shares of RM0.10 each.

As part of the listing scheme disclosed in Note 29 to the financial statements, the Company had during the financial period issued:

- a) 351,059,980 new ordinary shares of RM0.10 each at par as consideration for the acquisition of Aemulus Corporation Sdn. Bhd.; and
- b) 87,790,000 new ordinary shares of RM0.10 each as part of the Initial Public Offering exercise at RM0.28 per ordinary share.

The new ordinary shares issued ranked pari passu with the existing ordinary shares of the Company.

Other than the foregoing, the Company did not issue any other share or debenture and did not grant any option to anyone to take up unissued shares of the Company.

DIRECTORS' REPORT

for the financial period ended 30 September 2015 (Cont'd)

DIRECTORS

The directors who served since the date of incorporation are as follows:

Lee Beng San (1st director, resigned on 9.12.14)

Ch'ng Kai Jun (1st director, resigned on 9.12.14)

Ng Sang Beng (appointed on 8.12.14)

Yeoh Chee Keong (appointed on 8.12.14)

Kan Ky-Vern (appointed on 8.12.14)

Wong Shee Kian (appointed on 8.12.14)

Chok Kwee Bee (appointed on 8.12.14)

Ong Chong Chee (appointed on 20.7.15)

Friiscor Ho Chii Ssu (appointed on 20.7.15)

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings, the interests of directors in office at the end of the financial period in shares in the Company during the financial period are as follows:

	← Number of ordinary shares of RM0.10 each →					
	Balance at 17.10.14	Pre-IPO ^(iv) acquisition	Offer for sale	Bought	Sold	Balance at 30.9.15
Direct interest:						
Ng Sang Beng	-	79,937,180	(1,601,600)	20	-	78,335,600
Yeoh Chee Keong	-	54,402,200	(3,227,300)	-	-	51,174,900
Wong Shee Kian	-	16,059,800	(1,428,600)	100,000	-	14,731,200
Chok Kwee Bee	-	-	-	1,000,000	-	1,000,000
Friiscor Ho Chii Ssu	-	5,419,800	-	50,000	-	5,469,800
Ong Chong Chee	-	-	-	1,100,000	-	1,100,000
Deemed interest:						
Ng Sang Beng ⁽ⁱ⁾	-	41,691,400	(2,402,700)	-	-	39,288,700
Yeoh Chee Keong ⁽ⁱⁱ⁾	-	5,238,600	(4,778,600)	-	-	460,000
Kan Ky-Vern ⁽ⁱⁱⁱ⁾	-	30,345,400	-	-	-	30,345,400

⁽ⁱ⁾ Deemed interested by virtue of Section 6A and Section 134(12)(c) of the Companies Act, 1965 held through Aemulus Venture Sdn. Bhd. and spouse.

⁽ⁱⁱ⁾ Other interest held through his spouse pursuant to Section 134(12)(c) of the Companies Act, 1965.

⁽ⁱⁱⁱ⁾ Deemed interested by virtue of Section 6A and Section 134(12)(c) of the Companies Act, 1965 held through Beach Capital Sdn. Bhd. and spouse.

^(iv) These shares were acquired pursuant to the Company's acquisition of the entire share capital of Aemulus Corporation Sdn. Bhd. as part of the listing scheme of the Company. (Refer to Note 29 to the financial statements)

By virtue of his interests in the Company, **Mr. Ng Sang Beng** is deemed interested in the shares of the subsidiary, to the extent that the Company has interests.



DIRECTORS' REPORT

for the financial period ended 30 September 2015 (Cont'd)

DIRECTORS' BENEFITS

Since the date of incorporation, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown in the financial statements) by reason of a contract made by the Company with a director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest, other than those related party transactions disclosed in the notes to the financial statements.

During and at the end of the financial period, no arrangements subsisted to which the Company is a party, with the objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts, and
- (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

- (i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and the Company inadequate to any substantial extent, and
- (ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, and
- (iii) that would render any amount stated in the financial statements of the Group and of the Company misleading, and
- (iv) which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial period which secures the liabilities of any other person, and
- (ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial period.

No contingent liability or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial period which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations as and when they fall due.



DIRECTORS' REPORT

for the financial period ended 30 September 2015 *(Cont'd)*

SIGNIFICANT EVENT

Significant event during the financial period are disclosed in Note 29 to the financial statements.

AUDITORS

The auditors, **Grant Thornton**, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the directors:

Ng Sang Beng

Penang,

Date: 18 January 2016

Kan Ky-Vern



DIRECTORS' STATEMENT

In the opinion of the directors, the financial statements set out on pages 43 to 80 are properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **30 September 2015** and of their financial performance and cash flows for the financial period then ended.

In the opinion of the directors, the supplementary information set out on page 81 has been compiled in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors:

Ng Sang Beng

Kan Ky-Vern

Date: 18 January 2016



STATUTORY DECLARATION

I, **Kan Ky-Vern**, the director primarily responsible for the financial management of **Aemulus Holdings Berhad** do solemnly and sincerely declare that the financial statements set out on pages 43 to 80 and the supplementary information set out on page 81 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Penang, this **18th**)
day of **January 2016**.)

Kan Ky-Vern

Before me,

Goh Suan Bee (No. P125)

Commissioner for Oaths

Penang



INDEPENDENT AUDITORS' REPORT

to the members of Aemulus Holdings Berhad Company No. 1114009-H (Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **Aemulus Holdings Berhad**, which comprise the statement of financial position as at **30 September 2015** of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 43 to 80.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of these financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at **30 September 2015** and of their financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary of which we have acted as auditors have been properly kept in accordance with the provisions of the Act,
- (b) We are satisfied that the accounts of the subsidiary that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes, and
- (c) The auditors' report on the accounts of the subsidiary did not contain any qualification or any adverse comment made under Section 174(3) of the Act.



INDEPENDENT AUDITORS' REPORT

to the members of Aemulus Holdings Berhad Company No. 1114009-H (Incorporated in Malaysia) (Cont'd)

Other Reporting Responsibilities

The supplementary information set out on page 81 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Grant Thornton
No. AF: 0042
Chartered Accountants

Penang

Date: 18 January 2016

John Lau Tiang Hua, DJN
No. 1107/03/16 (J)
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

as at 30 September 2015

	NOTE	GROUP RM	COMPANY RM
ASSETS			
Non-current assets			
Property, plant and equipment	4	4,332,503	-
Investment in a subsidiary	5	-	35,105,998
Intangible assets	6	13,686,335	-
		<u>18,018,838</u>	<u>35,105,998</u>
Current assets			
Inventories	7	11,629,924	-
Trade receivables	8	9,311,260	-
Other receivables, deposits and prepayments	9	2,116,730	5,300
Amount due from a subsidiary	10	-	23,366,105
Other investment	11	646,604	-
Fixed deposits with licensed banks	12	1,434,226	-
Cash and bank balances	13	32,858,982	2
		<u>57,997,726</u>	<u>23,371,407</u>
TOTAL ASSETS		<u>76,016,564</u>	<u>58,477,405</u>
EQUITY AND LIABILITIES			
Share capital	14.1	43,885,000	43,885,000
Share premium	14.2	15,210,093	15,210,093
Merger deficit	14.3	(12,954,053)	-
Retained profits/(loss)		22,068,565	(1,201,280)
Total equity		<u>68,209,605</u>	<u>57,893,813</u>
Non-current liabilities			
Borrowings	15	127,745	-
Current liabilities			
Trade payables	16	4,004,497	-
Other payables and accruals	17	3,374,742	576,417
Provision for warranty	18	261,400	-
Borrowings	15	5,236	-
Provision for taxation		33,339	7,175
		<u>7,679,214</u>	<u>583,592</u>
Total liabilities		<u>7,806,959</u>	<u>583,592</u>
TOTAL EQUITY AND LIABILITIES		<u>76,016,564</u>	<u>58,477,405</u>

The notes set out on pages 49 to 80 form an integral part of these financial statements.

STATEMENTS COMPREHENSIVE INCOME

for the financial period ended 30 September 2015

	NOTE	GROUP 1.10.14 to 30.9.15 RM	COMPANY 17.10.14 to 30.9.15 RM
Revenue	19	32,591,284	-
Cost of sales		<u>(13,390,863)</u>	<u>-</u>
Gross profit		19,200,421	-
Other income		3,120,321	28,701
Administrative expenses		<u>(13,143,427)</u>	<u>(1,222,806)</u>
Profit/(Loss) from operations		9,177,315	(1,194,105)
Finance costs		<u>(75,564)</u>	<u>-</u>
Profit/(Loss) before taxation	20	9,101,751	(1,194,105)
Taxation	21	<u>(34,718)</u>	<u>(7,175)</u>
Net profit/(loss), representing total comprehensive income/(loss) for the period		<u>9,067,033</u>	<u>(1,201,280)</u>
Earnings per share attributable to the owners of the Company (sen)			
- Basic	22.1	<u>2.56</u>	
- Diluted	22.2	<u>-</u>	

The notes set out on pages 49 to 80 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial period ended 30 September 2015

	NOTE	Non-distributable		Merger Deficit	Distributable	Total Equity
		Share Capital	Share Premium		Retained Profits	
		RM	RM	RM	RM	RM
At 17 October 2014 (date of incorporation)		2	-	-	13,001,532 *	13,001,534
Total comprehensive income for the period		-	-	-	9,067,033	9,067,033
<i>Transactions with owners:</i>						
Share issue pursuant to acquisition of a subsidiary	14	35,105,998	-	(12,954,053)	-	22,151,945
Share issue pursuant to Initial Public Offering	14	8,779,000	15,802,200	-	-	24,581,200
Share issue expenses		-	(592,107)	-	-	(592,107)
Total transactions with owners		43,884,998	15,210,093	(12,954,053)	-	46,141,038
Balance at end		43,885,000	15,210,093	(12,954,053)	22,068,565	68,209,605

* This represents the retained profits of Aemulus Corporation Sdn. Bhd. as at 1 October 2014.

The notes set out on pages 49 to 80 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the financial period ended 30 September 2015

	NOTE	Share Capital RM	Non- distributable Share Premium RM	Loss RM	Total Equity RM
At 17 October 2014 (date of incorporation)		2	-	-	2
Total comprehensive loss for the period		-	-	(1,201,280)	(1,201,280)
<i>Transactions with owners:</i>					
Share issue pursuant to acquisition of a subsidiary	14	35,105,998	-	-	35,105,998
Share issue pursuant to Initial Public Offering	14	8,779,000	15,802,200	-	24,581,200
Share issue expenses		-	(592,107)	-	(592,107)
Total transactions with owners		43,884,998	15,210,093	-	59,095,091
Balance at end		43,885,000	15,210,093	(1,201,280)	57,893,813

The notes set out on pages 49 to 80 form an integral part of these financial statements.



STATEMENTS OF CASH FLOWS

for the financial period ended 30 September 2015

	GROUP 1.10.14 to 30.9.15 RM	COMPANY 17.10.14 to 30.9.15 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	9,101,751	(1,194,105)
Adjustments for:		
Dividend income	(20,629)	-
Depreciation	501,903	-
Government grant	(1,091,387)	-
Interest expense	75,564	-
Interest income	(111,829)	(28,701)
Listing expenses	1,149,244	997,941
Loss on disposal of property, plant and equipment	2,626	-
Property, plant and equipment written off	85,981	-
Provision for warranty	77,034	-
Unrealised gain on foreign exchange	(90,071)	-
Operating profit/(loss) before working capital changes	9,680,187	(224,865)
Increase in inventories	(4,279,344)	-
Decrease/(Increase) in receivables	1,056,389	(5,300)
Increase in payables	1,658,728	576,417
Cash generated from operations	8,115,960	346,252
Income tax paid	(19,304)	-
Income tax refund	3,296	-
Interest paid	(11,849)	-
Net cash from operating activities	8,088,103	346,252
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	111,829	13,874
Purchase of unit trusts	(1,708)	-
Purchase of property, plant and equipment	(1,999,174)	-
Placement of fixed deposits	(1,060,316)	-
Net change in subsidiary company's balance	-	(23,351,278)
Net cash used in investing activities	(2,949,369)	(23,337,404)
Balance carried forward	5,138,734	(22,991,152)

The notes set out on pages 49 to 80 form an integral part of these financial statements.



STATEMENTS OF CASH FLOWS

for the financial period ended 30 September 2015 (Cont'd)

	GROUP 1.10.14 to 30.9.15 RM	COMPANY 17.10.14 to 30.9.15 RM
Balance brought forward	5,138,734	(22,991,152)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	24,581,202	24,581,202
Payment of listing expenses	(1,741,351)	(1,590,048)
Proceeds from government grant	901,887	-
Payment of finance lease	(4,216)	-
Payment of term loan	(5,932)	-
Net cash from financing activities	23,731,590	22,991,154
NET INCREASE IN CASH AND BANK BALANCES	28,870,324	2
Effects of changes in exchange rates	57,816	-
CASH AND BANK BALANCES AT BEGINNING	3,930,842	-
CASH AND BANK BALANCES AT END	32,858,982	2
Increase in inventories		
Changes in inventories	(4,285,821)	-
Transfer from property, plant and equipment	6,477	-
Working capital changes	(4,279,344)	-

The notes set out on pages 49 to 80 form an integral part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

– 30 September 2015

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at 51-13-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang.

The principal place of business of the Company is located at One Precinct, 1C-06-02, Lengkok Mayang Pasir, 11950 Bayan Baru, Penang.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 18 January 2016.

Principal Activities

The Company was incorporated on 17 October 2014 and its principal activity is that of an investment holding company.

The principal activities of the subsidiary are described in Note 5 to the financial statements.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with applicable Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“IFRS”) and the requirements of the Companies Act, 1965 in Malaysia.

2.2 Basis of Measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention unless otherwise indicated in the summary of accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

NOTES TO THE FINANCIAL STATEMENTS

– 30 September 2015 (Cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.3 Functional and Presentation Currency

The financial statements are presented in Ringgit Malaysia ("RM") which is also the Group and the Company's functional currency.

2.4 Adoption of Amendments/Improvements to MFRS and IC Interpretation ("IC Int")

At beginning of the current financial period, the Group and the Company adopted the following standards that are mandatory for the current financial period:

Effective for annual periods beginning on or after 1 January 2014

Amendments to MFRS 10, 12 and 127 Investment Entities
Amendments to MFRS 132 Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136 Recoverable Amount Disclosures for Non-Financial Assets
Amendments to MFRS 139 Novation of Derivatives and Continuation of Hedge Accounting
IC Int 21 Levies

Effective for annual periods beginning on or after 1 July 2014

Amendments to MFRS 119 Defined Benefit Plans: Employee Contributions
Amendments to MFRS Annual improvements to MFRS 2010-2012 Cycle
Amendments to MFRS Annual improvements to MFRS 2011-2013 Cycle

Initial application of the above standards did not have any impact to the financial statements of the Group and of the Company.

2.5 Standards Issued But Not Yet Effective

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

Effective for annual periods beginning on or after 1 January 2016

MFRS 14 Regulatory Deferral Accounts
MFRS 10, MFRS 12 and MFRS 128 Investment Entities: Applying the Consolidation Exception
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to MFRS 11 Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 101 Disclosure Initiative
Amendments to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants
Amendments to MFRS 127 Equity Method in Separate Financial Statements
Annual Improvements to MFRS 2012–2014 Cycle

Effective for annual periods beginning on or after 1 January 2018

MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)
MFRS 15 Revenue from Contracts with Customers
Amendments to MFRS 7 Mandatory Date of MFRS 9 and Transition Disclosures

The existing MFRS 111, MFRS 118, IC Int 13, IC Int 15, IC Int 18 and IC Int 131 will be withdrawn upon the adoption of MFRS 15 on 1 January 2018.

2. BASIS OF PREPARATION (CONT'D)

2.5 Standards Issued But Not Yet Effective (Cont'd)

The initial application of the above standards is not expected to have any material impact to the financial statements of the Company upon adoption, except as mentioned below:

MFRS 15 Revenue from Contracts with Customers

MFRS 15 replaces the guidance in *MFRS 111 Construction Contracts*, *MFRS 118 Revenue*, *IC Int 13 Customer Loyalty Programmes*, *IC Int 15 Agreements for Construction of Real Estate*, *IC Int 18 Transfers of Assets from Customers* and *IC Int 131 Revenue – Barter Transactions Involving Advertising Services*. Upon adoption of *MFRS 15*, it is expected that the timing of revenue recognition might be different as compared with the current practices.

The adoption of *MFRS 15* will result in a change in accounting policy. The Company is currently assessing the financial impact of adopting *MFRS 15*.

2.6 Significant Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2.6.1 Judgements made in applying accounting policies

There are no significant areas of critical judgement in applying accounting policies that have any significant effect on the amount recognised in the financial statements.

2.6.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Useful lives of depreciable assets

Plant and equipment are depreciated on a straight line basis over their estimated useful lives. Management estimates the useful lives of the plant and equipment to be 5 to 10 years. Changes in the expected technological developments could impact the economic useful lives and residual values of the property, plant and equipment. Therefore future depreciation charges could be revised.

(ii) Impairment of intangible assets

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying value, the key assumptions applied in the impairment assessment of goodwill and sensitivity analysis to changes in assumptions are disclosed in Note 6 to the financial statements.

(iii) Inventories

The management reviews for slow-moving and obsolete inventories. This review requires judgements and estimates. Possible changes in these estimates could result in revision to the valuation of inventories.

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant Accounting Estimates and Judgements (Cont'd)

2.6.2 Key sources of estimation uncertainty (Cont'd)

(iv) Impairment of loans and receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience of assets with similar credit risk characteristics.

(v) Provision for warranty

The Group provides warranty for manufacturing defects of its products sold. The Group's normal product warranty period is one year. The provision for product warranty is calculated at approximately 2.5% of the cost of products sold.

As the Group's products are constantly upgraded for technology developments, the level of manufacturing defects for the upgraded and/or new products may not necessarily reflect past trends and in such circumstances, the original basis used to calculate the amounts for product warranty claim may need to be revised when it is appropriate.

3. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies adopted by the Group and by the Company are consistent with those adopted in the previous financial years unless otherwise indicated below.

3.1 Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investment in subsidiaries is measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

Upon disposal of investment in a subsidiary, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of Consolidation (Cont'd)

(ii) Business combination

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred, plus
- the recognised amount of any non-controlling interest in the acquiree plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree, less
- the net recognised amount at fair value of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised in profit or loss.

For each business combination, the Group elects whether to recognise non-controlling interest in the acquiree either at fair value, or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Combination through merger

The acquisition of Aemulus Corporation Sdn. Bhd. is accounted for using the merger accounting principle. Accordingly, the results of the subsidiary are presented as if the merger had been effected throughout the current and previous years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting debit difference is adjusted against any suitable reserve. Any share premium, capital redemption reserve and any other reserves which are attributable to share capital of the merged entities, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other capital reserves.

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra group transactions, are eliminated in preparing the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

– 30 September 2015 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment are depreciated on the straight line method to write off the cost of the assets to their residual value over their estimated useful lives, at the following annual rates:

Freehold commercial lot	2%
Office and testing equipment	10% - 20%
Furniture and fittings	10%
Renovation	10%
Motor vehicles	10%

Depreciation on capital expenditure in progress commences when the assets are ready for their intended use.

The residual value, useful life and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Upon the disposal of an item of property, plant and equipment, the difference between the net disposal proceed and its carrying amount is recognised in profit or loss.

3.3 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

Finance lease

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership, which include hire purchase arrangement, are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease

Leases, where the Group does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Intangible Assets

3.4.1 Goodwill

Goodwill acquired through business combination is initially measured at cost being the excess of the cost of business acquired over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

3.4.2 Trademarks and Patents

Trademarks and patents are intangible assets with indefinite useful life and are tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

3.5 Impairment of Non-Financial Assets

The Group and the Company assess at the end of each reporting period whether there is an indication that an asset may be impaired.

For the purpose of impairment testing, recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the profit or loss.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.

3.6 Financial Instruments

3.6.1 Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transactions costs that are directly attributable to the acquisition or issue of the financial instrument.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial Instruments (Cont'd)

3.6.2 Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

(a) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the end of the reporting period which are classified as non-current.

(b) Available-for-sale financial assets

Available-for-sale category comprises investment in equity and debt securities instruments.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

All financial assets are subject to review for impairment.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost.

Financial liabilities are classified as current liabilities, except for those having maturity dates later than 12 months after the end of the reporting period which are classified as non-current.

3.6.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.6.4 Derecognition

A financial asset or part of it is derecognised, when and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial Instruments (Cont'd)

3.6.4 Derecognition (Cont'd)

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3.7 Impairment of Financial Assets

All financial assets (except for financial assets categorised as fair value through profit or loss and investment in subsidiary) are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

An impairment loss in respect of loans and receivables and held-to-maturity investments is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity to profit or loss.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale is not reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

3.8 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined on the weighted average basis.

Cost of finished goods includes direct materials and direct labour.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.9 Cash and Cash Equivalents

Cash comprises cash in hand, cash at bank and demand deposits. Cash equivalents are short term and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, against which bank overdraft balances, if any, are deducted.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

3.11 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

Other borrowing costs are recognised as expenses in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

3.12 Research and Development Expenditure

All general research and development expenditure is recognised in profit or loss in the year in which the expenditure is incurred.

3.13 Government Grants

Government grants are recognised initially as deferred income at their fair values when there is reasonable assurance that the conditions attaching to them will be complied with and the grants will be received.

Grants are recognised as income on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate. Grants related to asset are presented by deducting the grants to the carrying amount of the asset.

3.14 Revenue Recognition

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

Revenue from rendering of services is recognised by reference to the stage of completion of the transaction at the end of the reporting period. Stage of completion is measured by reference to services performed to date as a percentage of total services to be performed.

3.15 Employee Benefits

Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Defined contribution plans

As required by law, companies in Malaysia make contributions to the national pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Income Tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.17 Foreign Currency Translations

Assets and liabilities in foreign currencies at the end of the reporting period are translated into Ringgit Malaysia at the rates of exchange approximating those ruling on that date. Transactions in foreign currencies during the year are converted into Ringgit Malaysia at the rates of exchange approximating those ruling on transaction dates. Gains and losses on foreign exchange are included in the income statement.

3.18 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, who in this case are the Executive Directors of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3.19 Share Capital and Share Premium

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

Share premium includes any premium received upon issuance of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

NOTES TO THE FINANCIAL STATEMENTS

– 30 September 2015 (Cont'd)

4. PROPERTY, PLANT AND EQUIPMENT

GROUP

	Freehold commercial lot	Office and testing equipment	Furniture and fittings	Renovation	Motor vehicles	Capital Work-in-progress	Total
	RM	RM	RM	RM	RM	RM	RM
At cost							
Balance at incorporation	–	–	–	–	–	–	–
Acquisition of a subsidiary	210,000	3,457,789	129,339	184,965	148,375	225,309	4,355,777
Additions	–	1,897,413	226,001	301,036	–	–	2,424,450
Disposal	–	(8,080)	–	–	–	–	(8,080)
Reclassification	–	–	–	225,309	–	(225,309)	–
Set-off against government grant received	–	(425,276)	–	–	–	–	(425,276)
Transfer to inventories	–	(6,700)	–	–	–	–	(6,700)
Written off	–	(21,769)	–	(163,545)	–	–	(185,314)
Balance at end	210,000	4,893,377	355,340	547,765	148,375	–	6,154,857
Accumulated depreciation							
Balance at incorporation	–	–	–	–	–	–	–
Acquisition of a subsidiary	21,700	1,177,397	59,055	87,532	79,777	–	1,425,461
Current charge	4,200	414,407	23,787	44,672	14,837	–	501,903
Disposal	–	(5,454)	–	–	–	–	(5,454)
Transfer to inventories	–	(223)	–	–	–	–	(223)
Written off	–	(8,269)	–	(91,064)	–	–	(99,333)
Balance at end	25,900	1,577,858	82,842	41,140	94,614	–	1,822,354
Carrying amount	184,100	3,315,519	272,498	506,625	53,761	–	4,332,503

Freehold commercial lot is pledged to a licensed bank as security for banking facility granted to the Group.

The carrying amount of office and testing equipment amounting to **RM10,730** (2014: RM11,315) are acquired under finance lease.

NOTES TO THE FINANCIAL STATEMENTS

– 30 September 2015 (Cont'd)

5. INVESTMENT IN A SUBSIDIARY

	COMPANY
	RM
Unquoted shares, at cost	35,105,998

The details of the subsidiary are as follows:

Name of Subsidiary	Effective Equity	
	Interest	Principal Activities
	%	
Aemulus Corporation Sdn. Bhd. ("ACSB")	100%	Designing and assembling of automated test equipment and test and measurement instruments and the provision of their related services and design consultancy services.

On 24 July 2015, the Company acquired the entire equity interest in ACSB comprising 208,478,775 ordinary shares of RM0.10 each for a total purchase consideration of RM35,105,998 satisfied by the issuance of 351,059,980 new ordinary shares of RM0.10 each in the Company at par.

The consolidated financial statements has been prepared using the merger method to account for the acquisition of ACSB. Merger reserve or deficit are determined as the difference between the cost of merger and nominal value of the share capital in the subsidiary acquired and recognised in the statements of financial position.

The recognised merger deficit at the acquisition date is derived as follows:

	GROUP
	RM
Consideration paid by issuance of shares of the Company	35,105,998
Less: Nominal value of the subsidiary's share capital and its share premium	(22,151,945)
Merger deficit	12,954,053

Impact of the acquisition on the consolidated Statements of Comprehensive Income

In the financial period when the merger took place, the subsidiary's profits are included in the Group's profits for the full financial period, irregardless of the effective date of the merger.

NOTES TO THE FINANCIAL STATEMENTS

– 30 September 2015 (Cont'd)

6. INTANGIBLE ASSETS

	GROUP RM
At cost:	
Goodwill	13,663,357
Trademark, patent and industry design	22,978
	<u>13,686,335</u>

The goodwill arising from the business acquisition and other intangible assets have been allocated to the Group's electronic tester segment as the cash-generating unit ("CGU").

For annual impairment testing purposes, the recoverable amount of the CGU are determined based on their value-in-use, which apply a discounted cash flow model using cash flow projections based on approved financial budget and projections covering a five-year period.

Key assumptions used in value-in-use calculations

The key assumptions on which the management has based on for the computation of value-in-use are as follows:

(i) Cash flow projections and growth rate

The five (5) years cash flow projections are based on past experience. The anticipated annual revenue growth rate applied for the five (5) years cash flow projections is 10% based on the anticipated annual revenue growth. A terminal value is assigned at the end of the five (5) year cash flow projections based on an assumed growth rate of 1% in perpetuity. The growth rate of 1% is in line with information obtained from external sources.

(ii) Discount rate

A pre-tax discount rate of 6.31% was applied in determining the recoverable amount of the CGU. The discount rate was estimated based on the available borrowing rate to the Group adjusted for risk premium based on the yield on a ten-year government bond at the beginning of the budgeted year.

The management believes that any reasonable change in the key assumptions would not cause the carrying amount of the intangible assets to exceed the recoverable amount of the CGU. Based on the above review, there is no evidence of impairment on the Group's intangible assets.

7. INVENTORIES

	GROUP RM
Raw materials	4,915,049
Finished goods	6,714,875
	<u>11,629,924</u>

The inventories recognised in profit or loss as cost of sales is RM13,390,863.

NOTES TO THE FINANCIAL STATEMENTS

– 30 September 2015 (Cont'd)

8. TRADE RECEIVABLES

The currency profile of trade receivables is as follows:

	GROUP RM
Ringgit Malaysia	2,839,920
US Dollar	6,471,340
	<u>9,311,260</u>

The trade receivables are non-interest bearing and are generally on 30 to 90 days credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

9. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP RM	COMPANY RM
GST claimable	38,805	–
Government grant	1,515,775	–
Refundable deposits	207,668	–
Prepayments	349,182	–
Other receivable	5,300	5,300
	<u>2,116,730</u>	<u>5,300</u>

10. AMOUNT DUE FROM A SUBSIDIARY

The amount due from a subsidiary is non-trade related, unsecured, non-interest bearing and is repayable on demand.

11. OTHER INVESTMENT

	GROUP RM
Available-for-sale financial assets	
Unit trusts, at fair value	<u>646,604</u>
Market value	<u>646,604</u>

NOTES TO THE FINANCIAL STATEMENTS

– 30 September 2015 (Cont'd)

12. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks are pledged to licensed banks as securities for banking and credit card facilities granted to the Group.

The effective interest rates and maturities of fixed deposits at the end of the reporting period range from 3.05% to 3.20% per annum and 1 to 12 months respectively.

13. CASH AND BANK BALANCES

	GROUP RM	COMPANY RM
Cash and bank balances	6,098,982	2
Short term deposits	26,760,000	–
	32,858,982	2

Short term deposits represent money market deposit which earns effective interest of 3.20% per annum and are placed for a period of 7 to 11 days.

The currency profile of cash and bank balances is as follows:

	GROUP RM	COMPANY RM
Ringgit Malaysia	28,101,806	2
US Dollar	4,619,773	–
Singapore Dollar	137,403	–
	32,858,982	2

14. CAPITAL AND RESERVES

14.1 Share capital

	Number of ordinary shares of RM0.10 each	Amount RM
Authorised:		
Balance at incorporation	4,000,000	400,000
Created during the financial period	996,000,000	99,600,000
	1,000,000,000	100,000,000
At 30 September 2015	1,000,000,000	100,000,000

NOTES TO THE FINANCIAL STATEMENTS

– 30 September 2015 (Cont'd)

14. CAPITAL AND RESERVES (CONT'D)

14.1 Share capital (Cont'd)

	Number of ordinary shares of RM0.10 each	Amount RM
Issued and fully paid:		
Balance at incorporation	20	2
Issued for acquisition of a subsidiary	351,059,980	35,105,998
Public issue	87,790,000	8,779,000
	<u>438,850,000</u>	<u>43,885,000</u>
At 30 September 2015	<u>438,850,000</u>	<u>43,885,000</u>

Subsequent to its date of incorporation, the Company increased its authorised share capital from RM400,000 to RM100,000,000 by the creation of an additional 996,000,000 ordinary shares of RM0.10 each.

As part of the listing scheme disclosed in Note 29 to the financial statements, the Company had during the financial period issued:

- a) 351,059,980 new ordinary shares of RM0.10 each at par as consideration for the acquisition of ACSB; and
- b) 87,790,000 new ordinary shares of RM0.10 each as part of the Initial Public Offering exercise at RM0.28 per ordinary share.

14.2 Share premium

	GROUP AND COMPANY RM
Balance at incorporation	–
Arising from public issue	15,802,200
Share issue expenses	(592,107)
	<u>15,210,093</u>

Share premium comprises the premium paid on subscriptions of shares in the Company over and above the par value of the shares, net of transaction costs associated with the issuing of shares.

14.3 Merger deficit

The merger deficit comprises the differences between the cost of merger and the nominal value of shares and share premium acquired in ACSB as stated in Note 5.

NOTES TO THE FINANCIAL STATEMENTS

– 30 September 2015 (Cont'd)

15. BORROWINGS

	GROUP RM
Non-current liabilities	
<u>Finance lease liabilities</u>	
Minimum payments:	
Within 1 year	101
Future finance charges	(1)
	<u>100</u>
Amount due within 1 year under current liabilities	<u>(100)</u>
	-
<u>Term loan</u>	
Total amount repayable	
Within 1 year	132,881
Amount due within 1 year under current liabilities	(5,136)
	<u>127,745</u>
	<u>127,745</u>
Current liabilities	
Finance lease liabilities	100
Term loan	5,136
	<u>5,236</u>
Total borrowings	<u>132,981</u>

The finance lease liabilities are secured over the leased assets (Note 4).

The term loan is secured over the Group's freehold commercial lot.

NOTES TO THE FINANCIAL STATEMENTS

– 30 September 2015 (Cont'd)

15. BORROWINGS (CONT'D)

A summary of the effective interest rates and the maturities of the borrowings are as follows:

	Average effective interest rate per annum (%)	Total RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM	More than five years RM
Finance lease liabilities	1.23	100	100	–	–	–
Term loan	6.35	132,881	5,136	5,472	18,657	103,616

16. TRADE PAYABLES

The currency profile of trade payables is as follows:

	GROUP RM
Ringgit Malaysia	683,174
US Dollar	3,275,606
Euro	39,942
Singapore Dollar	3,119
Sterling Pound	2,656
	4,004,497

The trade payables are non-interest bearing and are normally settled within 30 to 90 days credit terms.

17. OTHER PAYABLES AND ACCRUALS

	GROUP RM	COMPANY RM
Other payables	827,309	157,052
Accruals	2,353,146	419,365
Deferred income	194,287	–
	3,374,742	576,417

NOTES TO THE FINANCIAL STATEMENTS

– 30 September 2015 (Cont'd)

17. OTHER PAYABLES AND ACCRUALS (CONT'D)

The currency profile of other payables and accruals is as follows:

	GROUP RM	COMPANY RM
Ringgit Malaysia	3,261,870	576,417
US Dollar	112,872	–
	3,374,742	576,417

18. PROVISION FOR WARRANTY

	GROUP RM
Balance at incorporation	–
Acquisition of a subsidiary	184,366
Additions	261,400
Reversal	(184,366)
Balance at end	261,400

The provision for warranty is in respect of warranty granted on products sold. The provision is calculated based on approximately 2.5% of cost of products sold.

19. REVENUE

	GROUP RM
Sale of goods	31,487,889
Services rendered	1,103,395
	32,591,284

NOTES TO THE FINANCIAL STATEMENTS

– 30 September 2015 (Cont'd)

20. PROFIT/(LOSS) BEFORE TAXATION

This is arrived at:

	GROUP RM	COMPANY RM
After charging:		
Auditors' remuneration:		
- Statutory audit	38,000	13,000
- Other service	3,000	3,000
Depreciation	501,903	–
Directors' fee - non-executive	52,360	40,000
Interest expense on:		
- Bank overdraft	3,000	–
- Finance lease	237	–
- RCPS	63,715	–
- Term loan	8,612	–
Listing expenses	1,149,244	997,941
Property, plant and equipment written off	85,981	–
Provision for warranty	77,034	–
* Research and development expenditure	2,714,623	–
Rental of equipment	80,466	–
Rental of premises	520,831	–
** Staff costs	5,042,626	–
And crediting:		
Dividend income from investment in unit trusts	20,629	–
Interest income	111,829	28,701
Realised gain on foreign exchange	1,777,988	–
Rental income	11,400	–
Unrealised gain on foreign exchange	90,071	–

NOTES TO THE FINANCIAL STATEMENTS

– 30 September 2015 (Cont'd)

20. PROFIT/(LOSS) BEFORE TAXATION (CONT'D)

	GROUP RM
* Research and development expenditure	
- Staff costs	<u>2,714,623</u>
** Staff costs	
- Salaries, allowance and bonus	6,937,625
- EPF	773,353
- SOCSO	<u>46,271</u>
	7,757,249
Less: Charge to research and development expenditure	<u>(2,714,623)</u>
	<u>5,042,626</u>

Included in the staff costs are directors' emoluments as shown below:

	GROUP RM
Directors' emoluments	
- Salaries, allowance and bonus	913,532
- EPF	<u>109,919</u>
	<u>1,023,451</u>

21. TAXATION

	GROUP RM	COMPANY RM
Malaysian income tax:		
Based on results for the period		
- Current tax	(53,943)	(7,175)
- Deferred tax relating to the origination and reversal of temporary differences	<u>15,929</u>	<u>-</u>
	(38,014)	(7,175)
Over provision of current tax in prior year	<u>3,296</u>	<u>-</u>
	<u>(34,718)</u>	<u>(7,175)</u>

NOTES TO THE FINANCIAL STATEMENTS

– 30 September 2015 (Cont'd)

21. TAXATION (CONT'D)

The reconciliation of tax expense of the Group and of the Company are as follows:

	GROUP RM	COMPANY RM
Profit/(Loss) before taxation	<u>9,101,751</u>	<u>(1,194,105)</u>
Income tax at Malaysian statutory tax rate of 25%	(2,275,438)	298,526
Expenses not deductible for tax purposes	(437,223)	(305,701)
Income not subject to tax	278,004	-
Pioneer income not subject to tax	2,365,778	-
Net deferred tax movement not recognised*	<u>30,865</u>	<u>-</u>
	(38,014)	(7,175)
Over provision in prior year	<u>3,296</u>	<u>-</u>
	<u>(34,718)</u>	<u>(7,175)</u>

* The deferred tax movement not recognised is in respect of temporary difference arising from the following:

	GROUP RM
Property, plant and equipment	111,000
Provisions	<u>13,000</u>
	<u>124,000</u>

The subsidiary of the Group had obtained the Multimedia Super Corridor status with pioneer status tax incentive. Under this tax incentive, 100% of the statutory income derived from the design and assembly of automated test equipment and test and measurement instruments and the provision of related design consultancy services, will be exempted from income tax up to 7 September 2018.

NOTES TO THE FINANCIAL STATEMENTS

– 30 September 2015 (Cont'd)

22. EARNINGS PER SHARE

GROUP

22.1 Basic earnings per share

Basic earnings per share of the Group is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period as follows:

Profit attributable to owners of the Company (RM)	<u>9,067,033</u>
Weighted average number of ordinary shares of RM0.10 each	<u>354,667,808</u>
Basic earnings per share (sen)	<u>2.56</u>

In the calculation of earnings per share for the financial period, it is assumed that 351,060,000 ordinary shares were in issue since the inception of the Group.

22.2 Diluted earnings per share

There is no diluted earnings per share as the Company does not have any dilutive potential ordinary shares as at the end of the reporting period.

23. SEGMENTAL REPORTING

Business Segments

GROUP

The management determines the business segments based on the reports reviewed and used by the directors for strategic decisions making and resources allocation.

The Group has only one reportable business segment, i.e. electronic tester segment which is involved in the designing and assembling of automated test equipment and test and measurement instruments. As such, no operating segment information is prepared.

Geographical Information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue RM	Non-current assets RM
Malaysia	11,954,718	18,018,838
Singapore	11,539,775	–
China	4,348,251	–
United States of America	4,026,330	–
Other countries	722,210	–
	<u>32,591,284</u>	<u>18,018,838</u>

NOTES TO THE FINANCIAL STATEMENTS

– 30 September 2015 (Cont'd)

23. SEGMENTAL REPORTING (CONT'D)

Non-current assets information presented above consists of the following items as presented in the Group's statement of financial position.

	RM
Property, plant and equipment	4,332,503
Intangible assets	13,686,335
	<u>18,018,838</u>

Information about major customers

The following are major customers with revenue equal to or more than 10% of the Group's total revenue:

	RM
All common control companies of:	
- Customer X	11,478,193
- Customer Y	<u>4,359,809</u>

24. RELATED PARTY DISCLOSURES

(a) Identity of related parties

For the purpose of these financial statements, parties are considered to be related to the Group and to the Company, if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making any financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons including directors having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

(b) Related party transaction

There were no related party transactions during the financial period under review.

(c) Compensation of key management personnel

The Group has no other members of key management personnel apart from the executive directors whose compensation has been shown in Note 20.

Key management personnel are those persons including directors having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company, directly or indirectly.

NOTES TO THE FINANCIAL STATEMENTS

– 30 September 2015 (Cont'd)

25. GOVERNMENT GRANT

The subsidiary of the Group has been granted approval by the Malaysian Investment Development Authority ("MIDA"), vide MIDA's letter dated 6 June 2013 to receive the following grants under the Domestic Investment Strategic Fund pertaining to the subsidiary's activity in "Radio Frequency (RF) Semiconductor Tester":

- (i) a "matching 1:1 research & development grant" up to RM4,387,276, for a period of two (2) years commencing 2013; and
- (ii) a "matching 1:1 training grant" up to RM120,300, for a period of two (2) years commencing 2013.

As at the end of the reporting period, RM1,645,218 has been disbursed to the subsidiary for research and development purposes.

26. COMMITMENTS

GROUP
RM

Capital commitments

Contracted but not provided for:

- Property, plant and equipment

313,834

27. FINANCIAL INSTRUMENTS

27.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as :

- (i) Available-for-sale financial assets ("AFS");
- (ii) Loans and receivables ("L&R"); and
- (iii) Financial liabilities measured at amortised cost ("FL").

	Carrying amount RM	L&R RM	AFS RM	FL RM
GROUP				
Financial assets				
Trade receivables	9,311,260	9,311,260	-	-
Other receivables and refundable deposits	1,767,548	1,767,548	-	-
Other investment	646,604	-	646,604	-
Fixed deposits with licensed banks	1,434,226	1,434,226	-	-
Cash and bank balances	32,858,982	32,858,982	-	-
	46,018,620	45,372,016	646,604	-

NOTES TO THE FINANCIAL STATEMENTS

– 30 September 2015 (Cont'd)

27. FINANCIAL INSTRUMENTS (CONT'D)

27.1 Categories of financial instruments (Cont'd)

	Carrying amount RM	L&R RM	AFS RM	FL RM
GROUP (CONT'D)				
Financial liabilities				
Borrowings	132,981	–	–	132,981
Trade payables	4,004,497	–	–	4,004,497
Other payables and accruals	3,180,455	–	–	3,180,455
	7,317,933	–	–	7,317,933
COMPANY				
Financial assets				
Other receivable	5,300	5,300	–	–
Amount due from a subsidiary	23,366,105	23,366,105	–	–
Cash and bank balances	2	2	–	–
	23,371,407	23,371,407	–	–
Financial liabilities				
Other payables and accruals	576,417	–	–	576,417

27.2 Financial risk management

The Group and the Company are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative activities.

27.2.1 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group and to the Company. The Group's exposure to credit risk arises principally from its trade receivables. The Company's exposure to credit risk arises principally from advances to subsidiary.

i. Trade receivables

The Group extends to existing customers credit terms ranging from 30 to 90 days. In deciding whether credit shall be extended, the Group will take into consideration factors such as the relationship with the customer, its payment history and credit worthiness. The Group subject new customers to credit verification procedures. In addition, debt monitoring procedures are performed on an on-going basis with the result that the Group's exposure to bad debts is not significant.

NOTES TO THE FINANCIAL STATEMENTS

– 30 September 2015 (Cont'd)

27. FINANCIAL INSTRUMENTS (CONT'D)

27.2 Financial risk management (Cont'd)

27.2.1 Credit risk (Cont'd)

i. Trade receivables (Cont'd)

	GROUP RM
Not past due	5,032,667
1 to 30 days past due	995,201
31 to 60 days past due	277,583
Past due more than 60 days	3,005,809
	<u>4,278,593</u>
	<u>9,311,260</u>

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial period.

The Group has trade receivables amounting to RM4,278,593 that are past due as at the end of the reporting period but not impaired as the management is of the view that these debts will be collected in due course.

The Group has concentration of credit risk in the form of outstanding balance due from 4 customers representing 62% of the total trade receivables.

ii. Intercompany balances

The Company provides advances to its subsidiary and monitors the results of the subsidiary regularly.

The maximum exposure to credit risk is represented by their carrying amount in the Company's statement of financial position.

As at the end of the reporting period, there was no indication that the advances to its subsidiary are not recoverable. The Company does not specifically monitor the ageing of the advances to its subsidiary.

27.2.2 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. The Group and the Company actively manage their debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met. As part of their overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash and cash equivalents to meet their working capital requirements.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on the undiscounted contractual payments:

NOTES TO THE FINANCIAL STATEMENTS

– 30 September 2015 (Cont'd)

27. FINANCIAL INSTRUMENTS (CONT'D)

27.2 Financial risk management (Cont'd)

27.2.2 Liquidity risk (Cont'd)

	Carrying amount RM	Contractual cashflows RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM	More than five years RM
GROUP						
Interest bearing borrowings	132,981	208,489	13,527	13,426	40,278	141,258
Trade payables	4,004,497	4,004,497	4,004,497	–	–	–
Other payables and accruals	3,180,455	3,180,455	3,180,455	–	–	–
	7,317,933	7,393,441	7,198,479	13,426	40,278	141,258
COMPANY						
Other payables and accruals	576,417	576,417	576,417	–	–	–

27.2.3 Interest rate risk

The Group's fixed rate instruments are exposed to a risk of change in their fair value due to changes in interest rates. The Group's floating rate instruments are exposed to a risk of change in cash flows due to changes in interest rates.

The interest rate profile of the Group's interest bearing financial instruments based on the carrying amounts as at the end of the reporting period is as follows:

	GROUP RM
Fixed rate instruments	
Financial assets	28,194,226
Financial liabilities	<u>100</u>
Floating rate instruments	
Financial liabilities	<u>132,881</u>

NOTES TO THE FINANCIAL STATEMENTS

– 30 September 2015 (Cont'd)

27. FINANCIAL INSTRUMENTS (CONT'D)

27.2 Financial risk management (Cont'd)

27.2.3 Interest rate risk (Cont'd)

Sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Sensitivity analysis for variable rate instruments

An increase or decrease of 25 basis point at the end of reporting period would not have a material impact on the results of the Group.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

27.2.4 Foreign currency risk

The objectives of the Group's foreign exchange policy are to allow the Group to manage exposures that arise from trading activities effectively within a framework of controls that does not expose the Group to unnecessary foreign exchange risks.

The Group is exposed to foreign currency risk mainly on sales and purchases that are denominated in a currency other than the Group's functional currency. The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes. The currencies giving rise to this risk are primarily US Dollar ("USD") and Singapore Dollar ("SGD").

The Group's exposure to foreign currency risk, based on carrying amounts as at the end of the reporting period is as follows:

	← Denominated in →		
	USD RM	SGD RM	OTHERS RM
GROUP			
Trade receivables	6,471,340	-	-
Cash and bank balances	4,619,773	137,403	-
Trade payables	(3,275,606)	(3,119)	(42,598)
Other payable	(112,872)	-	-
Net exposure	7,702,635	134,284	(42,598)

NOTES TO THE FINANCIAL STATEMENTS

– 30 September 2015 (Cont'd)

27. FINANCIAL INSTRUMENTS (CONT'D)

27.2 Financial risk management (Cont'd)

27.2.4 Foreign currency risk (Cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currency exchange rates against Ringgit Malaysia, with all other variables held constant, of the Group's profit before taxation. A 10% strengthening of the RM against the following currencies at the end of the reporting period would have decreased profit before taxation by the amount shown below and a corresponding weakening would have an equal but opposite effect.

	GROUP RM
US Dollar	(770,264)
Singapore Dollar	(13,428)
Others	4,260
Decrease in profit before taxation	(779,432)

27.3 Fair value information

GROUP AND COMPANY

The carrying amounts of the financial assets and financial liabilities of the Group and of the Company as at the end of the reporting period approximate their fair values due to their short term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

27.3.1 Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1	Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2	Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3	Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
GROUP				
Available-for-sale financial assets				
- Unit trusts	646,604	-	-	646,604

28. CAPITAL MANAGEMENT

The primary objective of the Group's capital management policy is to maintain a strong capital base to support its businesses and maximise shareholders' value.

The Group manages its capital structure and make adjustments to it in the light of changes in economic conditions or expansion of the Group. The Group may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting the amount of dividends to be paid to shareholders or sell assets to reduce debts. A bank of the subsidiary has imposed a debt covenant whereby the subsidiary's gearing ratio shall not exceed 1. The subsidiary has not breached this covenant as it is in a net cash position.

29. SIGNIFICANT EVENT

In conjunction with, and as an intergral part of the Company's listing on the ACE Market of Bursa Malaysia Securities Berhad, the following listing scheme was undertaken by the Company:

(i) Acquisition of ACSB

On 24 July 2015, the Company acquired the entire equity interest in ACSB comprising 208,478,775 ordinary shares of RM0.10 each for a total purchase consideration of RM35,105,998 satisfied by the issuance of 351,059,980 new ordinary shares of RM0.10 each in the Company at par.

(ii) Initial Public Offering and Listing

Upon completion of the acquisition of ACSB, the Company undertook the following:

- (a) A public issue of 87,790,000 new ordinary shares of RM0.10 each in the Company and an offer for sale of 43,885,000 existing ordinary shares of RM0.10 each in the Company by the Offerors, at an issue/offer price of RM0.28 per share.
- (b) Listing of and quotation for its entire enlarged paid-up share capital, comprising 438,850,000 ordinary shares of RM0.10 each on the ACE Market of Bursa Malaysia Securities Berhad.

The listing was completed on 15 September 2015.

30. COMPARATIVE FIGURES

There are no comparative figures as this is the first set of financial statements of the Group and of the Company.



NOTES TO THE FINANCIAL STATEMENTS

– 30 September 2015 (Cont'd)

31. DISCLOSURE OF REALISED AND UNREALISED PROFITS/(LOSS)

The breakdown of retained profits of the Group and of the Company as at the end of the reporting period has been prepared by the Directors in accordance with the directives from Bursa Malaysia Securities Berhad and the Guidance on Special Matter No. 1 - Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements as issued by the Malaysian Institute of Accountants, are as follows:

	GROUP	COMPANY
	RM	RM
Total retained profits/(loss) of the Company and its subsidiary		
- Realised	21,924,184	(1,201,280)
- Unrealised	144,381	-
Total retained profits/(loss) as per statements of financial position	22,068,565	(1,201,280)



LIST OF PROPERTY

Registered Owner / Location	Date of Acquisition	Description	Tenure	Age of building (Years)	Build Up Area (Sq.Ft)	Existing Use	Carrying Amount as at 30 September 2015 RM
1. Aemulus Corporation Sdn Bhd B-2-4, Krystal Point, 303, Jalan Sultan Azlan Shah, 11900 Penang	02.05.2008	One (1) unit at the 2nd floor of a 5-storey commercial building	Freehold	18	1,049	Rented to third-party	184,100
							184,100

ANALYSIS OF SHAREHOLDINGS

as at 29 January 2016

A. Authorised Share Capital	:	RM100,000,000.00
Issued and fully paid-up Share Capital	:	RM43,885,000.00
Class of Shares	:	Ordinary Shares of RM0.10 each
Voting Rights	:	On show of hands – One vote for one person On a poll – One vote for one ordinary share

B. ANALYSIS BY SIZE OF SHAREHOLDINGS

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
1 – 99	0	0.000	0	0.000
100 – 1,000	139	5.885	93,300	0.021
1,001–10,000	970	41.067	6,483,700	1.478
10,001 – 100,000	1,045	44.242	38,864,900	8.856
100,001 – 21,942,499 (*)	203	8.594	132,471,600	30.186
21,942,500 and above (**)	5	0.212	260,936,500	59.459
Total	2,362	100.000	438,850,000	100.000

Remark : * - Less than 5% of Issued Shares
** - 5% and above of Issued Shares

C. SUBSTANTIAL SHAREHOLDERS

NAME	NUMBER OF ORDINARY SHARES OF RM0.10 EACH			
	DIRECT	%	INDIRECT	%
NG SANG BENG	78,335,600	17.850	39,288,700 *	8.953
BOMBALAI HILL VENTURES SDN BHD	65,827,500	15.000	–	–
KHAZANAH NASIONAL BERHAD	–	–	65,827,500 #	15.000
YEOH CHEE KEONG	51,174,900	11.661	460,000 ^	0.105
AEMULUS VENTURE SDN BHD	35,375,000	8.061	–	–
BEACH CAPITAL SDN BHD	30,223,500	6.887	–	–
KAN KY-VERN	–	–	30,345,400 @	6.915
KAN AH CHUN	–	–	30,223,500 +	6.887

Notes:

- * Deemed interested by virtue of his shareholdings of not less than 15% in Aemulus Venture Sdn Bhd pursuant to Section 6A of the Companies Act, 1965 ("the Act") and other interest held through his spouse pursuant to Section 134(12)(c) of the Act.
- # Deemed to have interest pursuant to Section 6A of the Act through its wholly-owned subsidiary, Bombalai Hill Ventures Sdn Bhd.
- ^ Other interest held through his spouse pursuant to Section 134(12)(c) of the Act.
- @ Deemed interested by virtue of being a substantial shareholder of Beach Capital Sdn Bhd pursuant to Section 6A of the Act and other interest held through his spouse pursuant to Section 134(12)(c) of the Act.
- + Deemed interested by virtue of his shareholdings of not less than 15% in Beach Capital Sdn Bhd pursuant to Section 6A of the Act.

ANALYSIS OF SHAREHOLDINGS

as at 29 January 2016 (Cont'd)

D. DIRECTORS' SHAREHOLDINGS

NAME	NUMBER OF ORDINARY SHARES OF RM0.10 EACH			
	DIRECT	%	INDIRECT	%
NG SANG BENG	78,335,600	17.850	39,288,700 *	8.953
YEOH CHEE KEONG	51,174,900	11.661	460,000 ^	0.105
KAN KY-VERN	–	–	30,345,400 ®	6.915
WONG SHEE KIAN	14,731,200	3.357	–	–
CHOK KWEE BEE	1,000,000	0.228	–	–
ONG CHONG CHEE	1,100,000	0.251	–	–
FRIISCOR HO CHII SSU	5,469,800	1.246	–	–

Notes:

* Deemed interested by virtue of his shareholdings of not less than 15% in Aemulus Venture Sdn Bhd pursuant to Section 6A of the Act and other interest held through his spouse pursuant to Section 134(12)(c) of the Act.

^ Other interest held through his spouse pursuant to Section 134(12)(c) of the Act.

® Deemed interested by virtue of being a substantial shareholder of Beach Capital Sdn Bhd pursuant to Section 6A of the Act and other interest held through his spouse pursuant to Section 134(12)(c) of the Act.

E. THIRTY LARGEST SHAREHOLDERS

NAME OF SHAREHOLDERS	NO. OF SHARES	% OF TOTAL ISSUED CAPITAL
1. NG SANG BENG	78,335,600	17.850
2. BOMBALAI HILL VENTURES SDN BHD	65,827,500	15.000
3. YEOH CHEE KEONG	51,174,900	11.661
4. AEMULUS VENTURE SDN BHD	35,375,000	8.060
5. BEACH CAPITAL SDN. BHD.	30,223,500	6.886
6. WONG SHEE KIAN	14,731,200	3.356
7. TAN AH LOY @ TAN MAY LING	6,000,000	1.367
8. FRIISCOR HO CHII SSU	5,469,800	1.246
9. HSBC NOMINEES (TEMPATAN) SDN BHD <i>HSBC (M) TRUSTEE BHD FOR RHB-OSK PRIVATE FUND - SERIES 3</i>	5,191,800	1.183
10. PONG CHUNG CHENG	3,913,700	0.891
11. TAN AH LOY @ TAN MAY LING	3,800,000	0.865
12. LOW BOK SIEW	3,492,600	0.795
13. MOY SHIN FEI	3,278,800	0.747
14. MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD <i>GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (NON PAR 1)</i>	3,121,000	0.711
15. ELSOFT RESEARCH BERHAD	3,100,000	0.706

ANALYSIS OF SHAREHOLDINGS

as at 29 January 2016 (Cont'd)

E. THIRTY LARGEST SHAREHOLDERS (CONT'D)

	NAME OF SHAREHOLDERS	NO. OF SHARES	% OF TOTAL ISSUED CAPITAL
16.	NG SOH HIN	2,800,000	0.638
17.	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD <i>GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (SHF)</i>	2,727,000	0.621
18.	ONG CHUIN TEIN	2,652,600	0.604
19.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD <i>DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG PENNY STOCKFUND</i>	2,573,400	0.586
20.	CAROLYN WONG TARNN YOONG	2,500,000	0.569
21.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD <i>DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG GROWTH FUND</i>	2,482,000	0.565
22.	AMANAHRAYA TRUSTEES BERHAD <i>PUBLIC SELECT ALPHA - 30 FUND</i>	2,404,700	0.547
23.	AMANAHRAYA TRUSTEES BERHAD <i>PUBLIC STRATEGIC GROWTH FUND</i>	2,177,800	0.496
24.	TEOH HOAY MING	2,101,300	0.478
25.	TAN E-CHIANG	1,906,700	0.434
26.	HSBC NOMINEES (TEMPATAN) SDN BHD <i>HSBC (M) TRUSTEE BHD FOR RHB SMALL CAP OPPORTUNITY UNIT TRUST</i>	1,700,000	0.387
27.	STEPHEN LAI TED SIONG	1,497,000	0.341
28.	WENDY POH AI LIN	1,350,000	0.307
29.	TAN TZE SIN	1,240,400	0.282
30.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <i>PLEGDED SECURITIES ACCOUNT FOR TAY HONG PENG (8122762)</i>	1,208,100	0.275

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the First Annual General Meeting of the Company will be held at Ballroom 1 - LG level, Main Wing, Hotel Equatorial Penang, 1 Jalan Bukit Jambul, Bayan Lepas, 11900 Penang, Malaysia on Monday, 21 March 2016 at 10:00 am for the following purposes:

AGENDA

AS ORDINARY BUSINESS :

1. To receive the Audited Financial Statements of the Company for the financial period ended 30 September 2015 together with the Reports of the Directors and Auditors thereon. **Ordinary Resolution 1**
2. To approve the payment of Directors' fee of RM40,000 for the financial period ended 30 September 2015. **Ordinary Resolution 2**
3. To approve the payment of Directors' fees of RM160,000 for the financial year ending 30 September 2016. **Ordinary Resolution 2**
4. To re-elect the following Directors who are retiring in accordance with Article 87 of the Company's Articles of Association:
 - (i) Mr Ng Sang Beng **Ordinary Resolution 3**
 - (ii) Mr Yeoh Chee Keong **Ordinary Resolution 4**
 - (iii) Mr Kan Ky-Vern **Ordinary Resolution 5**
 - (iv) Mr Wong Shee Kian **Ordinary Resolution 6**
 - (v) Ms Chok Kwee Bee **Ordinary Resolution 7**
 - (vi) Mr Ong Chong Chee **Ordinary Resolution 8**
 - (vii) Mr Friiscor Ho Chii Ssu **Ordinary Resolution 9**
5. To re-appoint Messrs Grant Thornton as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **Ordinary Resolution 10**

AS SPECIAL BUSINESS :

6. To consider and if thought fit, to pass with or without modifications the following resolution:

ORDINARY RESOLUTION AUTHORITY TO ISSUE SHARES

"That pursuant to Section 132D of the Companies Act, 1965, and subject to the approvals of the relevant Governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company, at such time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

Ordinary Resolution 11

7. To transact any other business of which due notices shall have been given in accordance with the Companies Act, 1965.

By Order of the Board,

CHEE WAI HONG (BC/C/1470)
TAN SHE CHIA (MAICSA 7055087)
Company Secretaries

Penang

Date : 26 February 2016

Notes :

1. Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company, a proxy may but need not be a member of the Company.
2. The proxy form must be duly completed and deposited at the Registered Office of the Company, 51-13-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than forty-eight (48) hours before the time for holding the meeting.
3. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting.
4. Where a member appoints two (2) proxies, the appointments shall be invalid unless the member specifies the proportions of his shareholding to be represented by each proxy.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation, under its Common Seal or under the hand of its attorney.
6. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
7. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Article 63(2) of the Articles of Association of the Company and Rule 7.16(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors ("ROD") as at 15 March 2016 and only a Depositor whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy to attend and/or speak and/or vote in his/her behalf.

Explanatory Notes on Ordinary Business

Resolution 2 – Payment of Directors' fees

Resolution 2 is to facilitate payment of Directors' fees on current financial year basis, calculated based on the number of independent non-executive directors and the role and responsibilities undertaken by the independent non-executive directors for financial year 2016 and assuming that all Directors will hold office until the end of the financial year. In the event the Directors' fees proposed are insufficient (e.g. due to enlarged Board size), approval will be sought at the next Annual General Meeting for additional fees to meet the shortfall.

Explanatory Notes on Special Business

Resolution 11 – Authority to issue shares

The Ordinary Resolution proposed under item 6 above, if passed, primarily to approve new mandate to give authority to the Board of Directors of the Company to issue and allot shares in the Company up to an amount not exceeding 10% of the total issued capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company without convening a general meeting. This would avoid any delay and costs in convening a general meeting to specifically approve such an issue of shares. This authority, unless revoked or varied by the shareholders of the Company in general meeting, will expire at the conclusion of the next Annual General Meeting.

This authority if granted will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital, acquisition(s) and/or settlement of banking facility(ies).



STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING (pursuant to Rule 8.29(2) of the Listing Requirements of Bursa Malaysia Securities Berhad)

As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at this forthcoming Annual General Meeting.

The Company will seek shareholders' approval on the general mandate for issue of securities in accordance with the Rule 6.04(3) of the Listing Requirements of Bursa Malaysia Securities Berhad. Please refer to the proposed resolution 11 as stated in the Notice of Annual General Meeting of the Company for the details.



CDS Account No.

No. of ordinary shares held

*I / We _____ NRIC No./ Company No. _____
(Full Name in Block Letters)

of _____ being a *Member/ Members of Aemulus
(Full Address)

Holdings Berhad hereby appoint _____ NRIC No./ Company No. _____
(Full Name in Block Letters)

of _____
(Full Address)

or failing him/ her, _____ NRIC No./ Company No. _____
(Full Name in Block Letters)

of _____ as *my/ our proxy/ proxies to
(Full Address)

attend and vote for *me/ us and on *my/ our behalf at the First Annual General Meeting of the Company to be held at Ballroom 1 - LG level, Main Wing, Hotel Equatorial Penang, 1 Jalan Bukit Jambul, Bayan Lepas, 11900 Penang, Malaysia on Monday, 21 March 2016 at 10:00 am, and at any adjournment thereof to vote as indicated below:

No. of Resolution	Resolutions	For	Against
1	Approval of payment of Directors' fees for the financial period ended 30 September 2015		
2	Approval of payment of Directors' fees for the financial year ending 30 September 2016		
3	Re-election of Mr Ng Sang Beng as Director		
4	Re-election of Mr Yeoh Chee Keong as Director		
5	Re-election of Mr Kan Ky-Vern as Director		
6	Re-election of Mr Wong Shee Kian as Director		
7	Re-election of Ms Chok Kwee Bee as Director		
8	Re-election of Mr Ong Chong Chee as Director		
9	Re-election of Mr Friisor Ho Chii Ssu as Director		
10	Re-appointment of Messrs Grant Thornton as Auditors and to authorise the Directors to fix Auditor's remuneration.		
11	Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares		

(Please indicate with an "X" in the spaces provided above to how you wish your vote to be cast. If you do not do so, the proxy may vote or abstain from voting at his/ her discretion)

The proportion of *my/our holdings to be represented by *my/our proxies are as follows:

First named Proxy _____ %
Second named Proxy _____ %
_____ 100%

In case of a vote taken by a show of hands, the *First named Proxy / Second named Proxy shall vote on *my/ our behalf.

As witness my hand this _____ day of _____ 2016.

Signature of Member(s)/ Common Seal

* Strike out whichever is not desired

Contact No.: _____

Notes:

- Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company, a proxy may but need not be a member of the Company.
- The proxy form must be duly completed and deposited at the Registered Office of the Company, 51-13-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than forty-eight (48) hours before the time for holding the meeting.
- A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting.
- Where a member appoints two (2) proxies, the appointments shall be invalid unless the member specifies the proportions of his shareholding to be represented by each proxy.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation, under its Common Seal or under the hand of its attorney.
- Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
- For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Article 63(2) of the Articles of Association of the Company and Rule 7.16(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors ("ROD") as at 15 March 2016 and only a Depositor whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy to attend and/or speak and/or vote in his/her behalf.

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To

The Company Secretaries
Aemulus Holdings Berhad
(Company No. 1114009-H)
51-13-A Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang

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Headquarter

Aemulus Holdings Berhad

1C-06-02, One Precinct
Lengkok Mayang Pasir
11950 Penang.

Tel 604 - 6846 000
Fax 604 - 6466 799

www.aemulus.com