

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

### **PROPOSED BONUS ISSUE OF UP TO 109,712,500 NEW ORDINARY SHARES IN AEMULUS (“BONUS SHARE(S)”) ON THE BASIS OF ONE (1) BONUS SHARE FOR EVERY FOUR (4) EXISTING ORDINARY SHARES IN AEMULUS (“AEMULUS SHARE(S)” OR “SHARE(S)”) HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER (“PROPOSED BONUS ISSUE”)**

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#### 1. INTRODUCTION

On behalf of the Board of Directors of Aemulus (“**Board**”), TA Securities Holdings Berhad (“**TA Securities**”) wishes to announce that the Company proposes to undertake a proposed bonus issue of up to 109,712,500 Bonus Shares on the basis of one (1) Bonus Share for every four (4) Aemulus Shares held at an entitlement date to be determined later (“**Entitlement Date**”).

#### 2. DETAILS OF THE PROPOSED BONUS ISSUE

##### 2.1 Basis and number of Bonus Shares to be issued

The Proposed Bonus Issue entails the issuance of up to 109,712,500 Bonus Shares to be credited as fully paid-up on the basis of one (1) Bonus Share for every four (4) existing Aemulus Shares held by the shareholders of Aemulus whose names appear in Aemulus’ Record of Depositors (“**Entitled Shareholders**”) as at the close of business on the Entitlement Date.

As at 15 January 2018, being the last practicable date prior to this announcement (“**LPD**”), the issued share capital of Aemulus is RM59,095,093 comprising 438,850,000 Aemulus Shares. In addition, Aemulus also has 760,000 outstanding Aemulus Shares granted under its existing restricted share plan (“**RSP**”) (“**Outstanding RSP Shares**”) as at the LPD of which the vesting date is between 12 July 2018 and 12 July 2019 and are unlikely to be vested prior to the completion of the Proposed Bonus Issue.

The Company does not intend to further grant any Aemulus Shares under the RSP to any Directors or senior management of the company and its subsidiaries (“**Aemulus Group**”) from the LPD until the completion of the Proposed Bonus Issue.

In any event, the actual number of Bonus Shares to be issued will depend on the number of Aemulus Shares in issue on the Entitlement Date. Fractional entitlements arising from the Proposed Bonus Issue shall be disregarded and dealt with by the Board in such manner at its absolute discretion as it may deem fit or expedient and in the best interest of the Company.

The Proposed Bonus Issue is not intended to be implemented in stages over a period of time.

##### 2.2 Capitalisation of reserves

The Proposed Bonus Issue shall be wholly capitalised from the share premium account of the Company.

Details of the capitalisation of reserves required for the issuance of the Bonus Shares from the share premium account of the Company based on the Company’s latest audited financial statements for the financial year ended 30 September 2017 is illustrated below: -

<b>Aemulus (Company level)</b>	<b>RM</b>
Share premium as at 30 September 2017 <sup>(1)</sup>	15,210,093
<i>Less: Capitalisation for the Proposed Bonus Issue<sup>(2)</sup></i>	<i>(10,971,250)</i>
<b>After the Proposed Bonus Issue</b>	<b>4,238,843</b>

Notes: -

- (1) *The share premium has become part of the Company's share capital upon the commencement of the Companies Act 2016 ("Act") on 31 January 2017 and the capitalisation of the Proposed Bonus Issue from the share premium account of the Company is in compliance with the Act and Practice Note 1/2017 issued by the Companies Commission of Malaysia for the purpose of subsections 618(3) and 618(4) of the Act.*
- (2) *Based on RM0.10 per Bonus Share, being the reference to the par value of Aemulus Shares immediately before the effective date of the Act.*

Pursuant to Rule 6.31(2)(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**"), a listed corporation undertaking a bonus issue by way of capitalisation must ensure that it has sufficient reserves to cover the capitalisation issue. If the reserves for capitalisation are not based on the annual audited financial statements of the listed corporation, such reserves must be verified and confirmed by the external auditors or reporting accountants of the listed corporation. Where a confirmation by the external auditors or reporting accountants is required, the reserves for capitalisation, which may be adjusted for subsequent events, must be based on the latest audited financial statements or the latest quarterly report, whichever is the later.

The Board confirms that there are sufficient reserves to cover the Proposed Bonus Issue, based on Aemulus' latest audited consolidated financial statements as at 30 September 2017. Hence, Aemulus is in compliance with Rule 6.31(2)(b) of the Listing Requirements.

### **2.3 Ranking of the Bonus Shares**

The Bonus Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing Aemulus Shares, save and except that the Bonus Shares shall not be entitled to any dividends, rights, allotments and/or any other distributions that may be declared, made or paid, the entitlement date of which is prior to the date of allotment of the Bonus Shares.

### **2.4 Listing and quotation for the Bonus Shares**

An application will be made for the listing of and quotation for the Bonus Shares on the ACE Market of Bursa Securities.

## **3. RATIONALE FOR THE PROPOSED BONUS ISSUE**

The Proposed Bonus Issue is intended to: -

- (i) reward the existing shareholders of the Company by increasing the number of Aemulus Shares held by them while maintaining their percentage of equity interest in the Company; and
- (ii) enhance the marketability and trading liquidity of Aemulus Shares on the ACE Market of Bursa Securities.

#### 4. EFFECTS OF THE PROPOSED BONUS ISSUE

##### 4.1 Issued share capital

The proforma effects of the Proposed Bonus Issue on the issued share capital of Aemulus are as follows: -

	<b>No. of Aemulus Shares</b>	<b>RM</b>
Issued share capital as at the LPD	438,850,000	59,095,093 <sup>(1)</sup>
To be issued pursuant to the Proposed Bonus Issue	109,712,500	-
<b>Enlarged issued share capital of Aemulus</b>	<b>548,562,500</b>	<b>59,095,093</b>

Note: -

- (1) Inclusive of RM15,210,093 which has become part of the Company's share capital upon the commencement of the Act. For the Proposed Bonus Issue, RM10,971,250 shall be capitalised from the share premium account of the Company at RM0.10 per Bonus Share, being the reference to the par value of Aemulus Shares immediately before the effective date of the Act.

##### 4.2 Net assets ("NA"), NA per share and gearing

Based on the audited consolidated financial statements of Aemulus as at 30 September 2017, and on the assumption that the Proposed Bonus Issue had been effected as at that date, the proforma effects of the Proposed Bonus Issue on the consolidated NA and gearing of Aemulus are as follows: -

	<b>Audited As at 30 September 2017 (RM)</b>	<b>Proforma I After the Proposed Bonus Issue (RM)</b>
Share capital	59,095,093	59,095,093 <sup>(1)</sup>
Reserves	(12,890,855)	(12,890,855)
Retained profits	26,885,457	26,735,457 <sup>(2)</sup>
Shareholders' funds/NA	<u>73,089,695</u>	<u>72,939,695</u>
No. of Aemulus Shares	438,850,000	548,562,500
NA per Aemulus Share (RM)	0.17	0.13
Total borrowings (RM)	2,890,720	2,890,720
Gearing (times)	0.04	0.04

Notes: -

- (1) Inclusive of RM15,210,093 which has become part of the Company's share capital upon the commencement of the Act. For the Proposed Bonus Issue, RM10,971,250 shall be capitalised from the share premium account of the Company at RM0.10 per Bonus Share, being the reference to the par value of Aemulus Shares immediately before the effective date of the Act.
- (2) After deducting the estimated expenses for the Proposed Bonus Issue of RM150,000.

##### 4.3 Earning and earnings per share ("EPS")

The Proposed Bonus Issue is not expected to have any material effect on the earnings and EPS of the Aemulus Group for the financial year ending 30 September 2018. However, there will be a corresponding dilution in Aemulus' consolidated EPS as a result of the increase in the number of issued Shares pursuant to the issuance of the Bonus Shares.

#### 4.4 Substantial shareholders' shareholdings

The proforma effects of the Proposed Bonus Issue on the substantial shareholders' shareholdings in the Company as at the LPD are set out as follows: -

Substantial Shareholders	As at the LPD				Proforma I After the Proposed Bonus Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Ng Sang Beng	77,115,600	17.572	39,288,700 <sup>(1)</sup>	8.953	96,394,500	17.572	49,110,875 <sup>(1)</sup>	8.953
Bombalai Hill Ventures Sdn Bhd	65,827,500	15.000	-	-	82,284,375	15.000	-	-
Khazanah Nasional Berhad	-	-	65,827,500 <sup>(2)</sup>	15.000	-	-	82,284,375 <sup>(2)</sup>	15.000
Yeoh Chee Keong	50,299,900	11.462	460,000 <sup>(3)</sup>	0.105	62,874,875	11.462	575,000 <sup>(3)</sup>	0.105
Aemulus Venture Sdn Bhd	35,375,000	8.061	-	-	44,218,750	8.061	-	-
Beach Capital Sdn Bhd	30,223,500	6.887	-	-	37,779,375	6.887	-	-
Kan Ky-Vern	-	-	30,345,400 <sup>(4)</sup>	6.915	-	-	37,931,750 <sup>(4)</sup>	6.915
Kan Ah Chun	-	-	30,223,500 <sup>(5)</sup>	6.887	-	-	37,779,375 <sup>(5)</sup>	6.887

Notes: -

- (1) Deemed interested by virtue of his shareholdings of not less than 20% in Aemulus Venture Sdn Bhd pursuant to Section 8 of the Act and other interest held through his spouse pursuant to Section 59(11)(c) of the Act
- (2) Deemed to have interest pursuant to Section 8 of the Act through its wholly-owned subsidiary, Bombalai Hill Ventures Sdn Bhd.
- (3) Other interest held through his spouse pursuant to Section 59(11)(c) of the Act.
- (4) Deemed interested by virtue of being a substantial shareholder of Beach Capital Sdn Bhd pursuant to Section 8 of the Act and other interest held through his spouse pursuant to Section 59(11)(c) of the Act.
- (5) Deemed interested by virtue of his shareholdings of not less than 20% in Beach Capital Sdn Bhd pursuant to Section 8 of the Act.

#### **4.5 Convertible securities**

As at the date of this announcement, Aemulus does not have any other convertible securities.

The Company has Outstanding RSP Shares which have not been vested as at the LPD. Any adjustment to the Outstanding RSP Shares (if required) will only be made on the market day following the Entitlement Date and shall be in accordance with the provisions of the By-Laws governing the RSP. A notice in writing will be given to the RSP grantees in the event of any such adjustment.

#### **5. APPROVALS REQUIRED**

The Proposed Bonus Issue is subject to the following approvals being obtained from: -

- (i) Bursa Securities, for the listing of and quotation for the Bonus Shares on the ACE Market of Bursa Securities under the Proposed Bonus Issue;
- (ii) the shareholders of Aemulus at an Extraordinary General Meeting to be convened; and
- (iii) any other relevant authorities and/or parties, if required.

#### **6. INTER-CONDITIONALITY OF THE PROPOSED BONUS ISSUE**

The Proposed Bonus Issue is not conditional upon any other corporate exercise undertaken or to be undertaken by the Company.

#### **7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM**

None of Aemulus' Directors, major shareholders and/or persons connected with them has any interest, either direct or indirect, in the Proposed Bonus Issue save for their respective entitlements as shareholders of Aemulus under the Proposed Bonus Issue, the rights of which are also available to all other Entitled Shareholders of the Company on the Entitlement Date.

#### **8. DIRECTOR'S RECOMMENDATION**

The Board, after having considered all aspects of the Proposed Bonus Issue including but not limited to the rationale and effects of the Proposed Bonus Issue, is of the opinion that the Proposed Bonus Issue is in the best interest of the Company.

#### **9. ADVISER**

TA Securities has been appointed as the Adviser to Aemulus in relation to the Proposed Bonus Issue.

#### **10. ESTIMATED TIME FRAME FOR SUBMISSION AND COMPLETION**

The application to the relevant authorities for the Proposed Bonus Issue is expected to be submitted within two (2) months from the date of this announcement.

Barring any unforeseen circumstances and subject to all the relevant approvals being obtained, the Proposed Bonus Issue is expected to be completed by the first (1<sup>st</sup>) quarter of 2018.

This announcement is dated 26 January 2018.