



AEMULUS HOLDINGS BERHAD

(Company No. 1114009-H)
("AEMULUS" OR THE "COMPANY")

INTERIM FINANCIAL REPORT FOR SECOND QUARTER ENDED 31 MARCH 2018

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AEMULUS HOLDINGS BERHAD (Company No. 1114009-H)
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018**

	(Unaudited) As at 31.03.2018 RM'000	(Audited) As at 30.9.2017 RM'000
Assets		
Non-Current Assets		
Property, plant & equipment	6,277	6,367
Intangible assets	13,686	13,686
Trade receivables	183	415
	20,146	20,468
Current Assets		
Inventories	16,764	17,597
Trade receivables	17,556	14,488
Other receivables, deposits and prepayments	5,883	6,013
Derivative financial assets	69	5
Tax recoverable	65	47
Other investment	18,212	17,932
Fixed deposits with licensed bank	42	41
Cash and bank balances	5,525	6,373
	64,116	62,496
TOTAL ASSETS	84,262	82,964
EQUITY		
Share capital ^(c)	59,095	59,095
Reserves	(12,757)	(12,891)
Retained profits	29,684	26,885
	76,022	73,089
Non-Current Liabilities		
Term loan	2,248	2,248
Current Liabilities		
Trade payables	2,354	4,136
Other payables and accruals	2,932	2,550
Term loan	378	643
Provision for warranty	328	298
	5,992	7,627
TOTAL LIABILITIES	8,240	9,875
TOTAL EQUITY AND LIABILITIES	84,262	82,964
Net assets per share attributable to owners of the Company(RM) ^(b)	0.17	0.17

Notes:

(a) The unaudited condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 September 2017 and the interim notes attached to this interim financial report.

(b) Based on 438,850,000 ordinary shares in issue.

(c) Share premium is reclassified to share capital in accordance with Section 618(2) of the Companies Act 2016.

AEMULUS HOLDINGS BERHAD (Company No. 1114009-H)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	31.03.2018 RM'000	31.03.2017 RM'000	31.03.2018 RM'000	31.03.2017 RM'000
Revenue	11,246	10,762	20,687	16,358
Cost of sales	(4,230)	(4,151)	(7,583)	(6,313)
Gross profit	7,016	6,611	13,104	10,045
Other income	172	700	399	1,899
Research and development expenses	(1,488)	(1,242)	(3,096)	(2,357)
Administrative expenses	(3,346)	(3,041)	(6,742)	(5,707)
Other expenses	(535)	(636)	(773)	(850)
Profit from operation	1,819	2,392	2,892	3,030
Finance costs	(37)	(12)	(78)	(18)
Profit before taxation	1,782	2,380	2,814	3,012
Taxation	(7)	(7)	(15)	(12)
Profit for the period	1,775	2,373	2,799	3,000
Other comprehensive income, net of tax:				
Item that will be reclassified subsequently to profit or loss:				
Foreign currency translation differences arising from foreign operation	(15)	12	(28)	18
Total comprehensive income for the period	1,760	2,385	2,771	3,018
Earnings per share:-				
Basic ^(b) / Diluted ^(c) (sen)	0.40	0.54	0.64	0.68

Notes:

- (a) *The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 September 2017 and the interim notes attached to this interim financial report.*
- (b) *Based on 438,850,000 ordinary shares in issue as disclosed in Note B11.*
- (c) *Diluted earnings per share for the current financial period is calculated by dividing the profit for the financial period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period adjusted for the effects of dilutive potential ordinary shares as disclosed in Note B11.*

AEMULUS HOLDINGS BERHAD (Company No. 1114009-H)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018**

	← Non-distributable				→ Distributable		Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Merger Deficit RM'000	RSP Reserve RM'000	Exchange Translation Reserve RM'000	Retained Profits RM'000	
At 1 October 2017	59,095	-	(12,954)	81	(18)	26,885	73,089
Total comprehensive income for the period	-	-	-	-	(28)	2,799	2,771
<i>Transaction with owner:</i>							
Recognition of equity- settled share-based payment	-	-	-	162	-	-	162
At 31 March 2018	59,095	-	(12,954)	243	(46)	29,684	76,022
At 1 October 2016	43,885	15,210	(12,954)	-	(8)	19,334	65,467
Total comprehensive income for the period	-	-	-	-	18	3,000	3,018
At 31 March 2017	43,885	15,210	(12,954)	-	10	22,334	68,485

Note:

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 September 2017 and the interim notes attached to this interim financial report.

AEMULUS HOLDINGS BERHAD (Company No. 1114009-H)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018

	31.03.2018 RM'000	31.03.2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,814	3,012
Adjustments for:		
Allowance for obsolete inventories	20	-
Depreciation	552	449
Dividend income	(290)	(323)
Equity-settled share-based payment	162	-
Fair value gain on derivative financial assets	(64)	-
Gain on disposal of property, plant and equipment	-	(16)
Impairment loss on receivables	93	-
Interest expenses	78	18
Interest income	(26)	(14)
Provision for warranty	30	43
Unrealised loss / (gain) on foreign exchange	474	(366)
Operating profit before changes in working capital	3,843	2,803
Decrease / (Increase) in inventories	833	(2,120)
Increase in receivables	(3,377)	(10,749)
(Decrease) / Increase in payables	(1,438)	1,536
Cash used in operations	(139)	(8,530)
Interest paid	(78)	(18)
Income tax paid	(24)	(55)
Net cash used in operating activities	(241)	(8,603)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(466)	(1,042)
Dividend received	290	323
Interest received	26	14
(Withdrawal) / Placement of fixed deposits	(1)	1,430
Proceeds from disposal of PPE	-	37
Net cash (used in) / from investing activities	(151)	762
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from government grant	-	131
Increase in banker's acceptance	-	395
Repayment of term loan	(265)	-
Net cash (used in) / from financing activities	(265)	526
NET DECREASE IN CASH AND CASH EQUIVALENTS	(657)	(7,315)
Effects of changes in exchange rates	89	16
CASH AND CASH EQUIVALENTS AT BEGINNING	24,305	25,286
CASH AND CASH EQUIVALENTS AT END	23,737	17,987

AEMULUS HOLDINGS BERHAD (Company No. 1114009-H)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018 (cont'd)

	31.03.2018	31.03.2017
	RM'000	RM'000
Cash and cash equivalents included in the consolidated statement of cash flows comprise the following:		
Other investment	18,212	16,568
Fixed deposits with licensed banks	42	41
Cash and bank balances	5,525	1,419
	<u>23,779</u>	<u>18,028</u>
Less: Pledged to a licensed bank as securities for banking facilities	(42)	(41)
	<u>23,737</u>	<u>17,987</u>

Notes:

- (a) *The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 September 2017 and the interim notes attached to this interim financial report.*
- (b) *The other investment of the Group has been determined to be part of cash and cash equivalents since the funds are invested in money market instruments and short term deposits and are subject to minimal risk.*

AEMULUS HOLDINGS BERHAD (Company No. 1114009-H)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2018

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

A1. Basis of Preparation

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

The accounting policies and methods of computation adopted by the Group in this unaudited condensed interim financial report are consistent with those adopted in the annual audited financial statements of the Group. The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 30 September 2017 and the interim notes attached to this interim financial report.

A2. Significant Accounting Policies

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

MFRS and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 107 Disclosure Initiative	1 January 2017
Amendments to MFRS 112 Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 12 Disclosure of Interests in Other Entities (under Annual Improvements to MFRS Standards 2014-2016 Cycle)	1 January 2017

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

MFRS and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
IC Interpretation 22 Foreign Currency Transaction and Advance Consideration	1 January 2018
Amendments to MFRS 2 Classification and Measurement of Share – Based Payment Transactions	1 January 2018
Amendments to MFRS 4 Insurance Contracts: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 140 Investment Property : Transfer of Investment Property	1 January 2018
Amendments to MFRS 7 Mandatory Date of MFRS 9 and Transition Disclosures	1 January 2018

AEMULUS HOLDINGS BERHAD (Company No. 1114009-H)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2018

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

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

MFRS and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
Annual Improvements to MFRS 2014-2016 cycle (except for Amendments to MFRS 12 Disclosure of Interest in Other Entities)	1 January 2018
MFRS 16 Leases	1 January 2019
IC Int 23 Uncertainty over Income Tax Treatments	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021

Amendments to MFRS (effective date deferred indefinitely):

Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The existing MFRS 4 and Amendments to MFRS 4 will be withdrawn upon the adoption of the new MFRS 17 which will take effect on or after 1 January 2021.

A3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report of the financial statements for the financial year ended 30 September 2017 was not subject to any qualification.

A4. Seasonal or Cyclical Factors

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

A5. Unusual Items

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

A6. Material Changes in Estimates

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

A7. Debt and Equity Securities

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

A8. Dividend Paid

No dividend was paid in the current quarter.

AEMULUS HOLDINGS BERHAD (Company No. 1114009-H)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2018

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

A9. Segmental Reporting

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

Business Activities

Revenue	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	31.03.2018 RM'000	31.03.2017 RM'000	31.03.2018 RM'000	31.03.2017 RM'000
ATE	10,339	10,310	19,009	15,464
Related services	907	452	1,678	894
	<u>11,246</u>	<u>10,762</u>	<u>20,687</u>	<u>16,358</u>

Principal Markets

Revenue	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	31.03.2018 RM'000	31.03.2017 RM'000	31.03.2018 RM'000	31.03.2017 RM'000
Malaysia	1,190	3,863	2,061	6,853
Singapore	6,472	3,608	12,761	3,728
China	773	2,467	1,902	3,337
United States of America	2,213	724	3,226	2,262
Other countries	598	100	737	178
	<u>11,246</u>	<u>10,762</u>	<u>20,687</u>	<u>16,358</u>

A10. Property, Plant and Equipment

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

A11. Capital Commitments

	31 March 2018 RM'000
Contracted but not provided for:-	
- Property, plant and equipment	<u>4,965</u>

AEMULUS HOLDINGS BERHAD (Company No. 1114009-H)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2018

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

A12. Changes in the Composition of the Group

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

A13. Contingent Liabilities and Contingent Assets

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

A14. Material Events Subsequent to the End of the Quarter

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

A15. Significant Related Party Transactions

There were no significant related party transaction during the current financial period under review.

AEMULUS HOLDINGS BERHAD (Company No. 1114009-H)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2018

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES

B1. Review of Performances

	Individual Quarter 3 months ended		Changes (RM'000 / %)	Cumulative Quarter 6 months ended		Changes (RM'000 / %)
	31.03.2018 RM'000	31.03.2017 RM'000		31.03.2018 RM'000	31.03.2017 RM'000	
Revenue	11,246	10,762	484 / 4	20,687	16,358	4,329 / 26
Profit from operation	1,819	2,392	(573) / (23)	2,892	3,030	(138) / (5)
Profit before taxation	1,782	2,380	(598) / (25)	2,814	3,012	(198) / (7)
Profit for the period	1,775	2,373	(598) / (25)	2,799	3,000	(201) / (7)

Comparison with the preceding year corresponding quarter

Revenue for this quarter ("Q2FY18") has increased 4% or RM0.484 million as compared to the preceding year corresponding quarter ("Q2FY17"). Demand for ATE from the enterprise storage segment, smartphone and tablet segments continue to drive the revenue growth in this quarter.

In tandem with the strengthening of Ringgit Malaysia against USD in this quarter, the Group recorded realised and unrealised foreign exchange loss of RM0.213 million and RM0.229 million respectively. Compared to Q2FY17, a realised foreign exchange gain of RM0.528 million was recorded. This explained the fluctuation of the other income and other expenses as compared to Q2FY17.

Research and development ("R&D") expenses have increased 20% or RM0.246 million as compared to Q2FY17. The administrative expenses also increased 10% or RM0.305 million. Both spending are vital for development of new product, enhancement of the existing product portfolio and to support business growth.

In summary, the Group's profit has experienced a decrease from RM2.373 million in Q2FY17 to RM1.775 million in Q2FY18.

AEMULUS HOLDINGS BERHAD (Company No. 1114009-H)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2018

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

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

Revenue for this financial period ended March 2018 (“FPE2018”) has increased 26% or RM4.329 million, as compared to the corresponding financial period in the previous financial year (“FPE2017”), driven mainly by the demand from the enterprise storage segment.

In terms of other income, the significant decrease was mainly attributed to the foreign exchange losses resulted from the strengthening of Ringgit Malaysia against USD in this financial period.

R&D expenses have increased approximately 31% or RM0.739 million in FPE2018 as compared to FPE2017. Meanwhile, the administrative expenses have increased 18% or RM1.035 million as compared to FPE2017. The Group continues its efforts on the development of new test platform, test solution, talent building and retention initiatives to support the business growth.

In summary, the Group recorded profit of RM2.799 million for this financial period as compared to RM3 million in the previous financial year.

Statement of Financial Position Review

	As at 31.03.2018 RM'000	As at 30.09.2017 RM'000	Changes (RM'000 / %)
Review on Significant Items:-			
Inventories	16,764	17,597	(833) / (5)
Trade receivables	17,556	14,488	3,068 / 21
Trade payables	2,354	4,136	(1,782) / (43)

The inventories have experienced a decline of 5% or RM0.833 million as at Q2FY18, mainly attributed to the consumption of stocks to meet the deliveries to customers.

Trade receivables recorded a 21% or RM3.068 million increase in Q2FY18 as compared to Q4FY17, due to majority of the Q2FY18 orders were delivered to customers in March.

Trade payables have been reduced to RM2.354 million in Q2FY18 from RM4.136 million in Q4FY17. The 43% decrease was mainly due to payments made to the suppliers.

AEMULUS HOLDINGS BERHAD (Company No. 1114009-H)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2018

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

Statement of Cash Flows Review

	As at 31.03.2018 RM'000	As at 31.03.2017 RM'000	Changes (RM'000 / %)
Net cash used in operating activities	(241)	(8,603)	8,362 / 97
Net cash (used in) / from investing activities	(151)	762	(913) / (120)
Net cash (used in) / from financing activities	(265)	526	(791) / (150)

As at 31 March 2018, the net cash used in operating activities is lower than the corresponding period in FPE2017, due to the sales proceeds received from the customers.

In respect of investing activities, the net cash of RM0.151 million utilised in the FPE2018 is mainly attributed to the purchasing of instruments for the R&D and production activities purposes.

In terms of financing activities, cash inflow of RM0.526 million was recorded in FPE2017 due to drawdown of banker acceptance and proceeds from government grant. In contrast, during the FPE2018, the Group repaid RM0.265 million for the term loan pertaining to the acquisition of a piece of land located in Mukim 12, Plot 2, Bayan Lepas Industrial Park, Penang as announced on 23rd January 2017.

B2. Comparison with Preceding Quarter

	Individual Quarter 3 months ended		Changes (RM'000 / %)
	31.03.2018 RM'000	31.12.2017 RM'000	
Revenue	11,246	9,441	1,805 / 19
Profit from operation	1,819	1,071	748 / 70
Profit before taxation	1,782	1,030	752 / 73
Profit for the period	1,775	1,022	753 / 74

Higher profit was recorded in Q2FY18 as compared to the preceding quarter. Profit for the period has increased 74% or RM0.753 million in tandem with the increase in revenue, which was contributed by the increase in customer orders from the enterprise storage, smartphone and tablet market segments.

AEMULUS HOLDINGS BERHAD (Company No. 1114009-H)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2018

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

B3. Prospects

Our performance for the enterprise storage and smartphone & tablet segments have been encouraging this quarter. The revenue from the smartphone & tablet segment was lower as compared with the corresponding quarter of the preceding year. However the overall revenue increased due to growth from the remaining sectors.

Sales in the Far East region continue to grow in Q218 led by the smartphone & tablet market segment. However, we foresee near term challenges to our sales and marketing activities in the Far East region. We will continue to accelerate the development for new products and the improvement of existing products.

Our growth for FY2018 is expected to remain steady.

B4. Profit Forecast or Profit Guarantee

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

AEMULUS HOLDINGS BERHAD (Company No. 1114009-H)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2018

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

B5. Taxation

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	31.03.2018 RM'000	31.03.2017 RM'000	31.03.2018 RM'000	31.03.2017 RM'000
Income tax	(7)	(7)	(15)	(12)

The effective tax rate for the financial period under review was lower than the statutory tax rate due to statutory business income derived from the design and assembly of ATE and test and measurement instruments and the provision of related design consultancy services are exempted from income tax, in line with the pioneer status granted under the Multimedia Super Corridor (“**MSC**”) Malaysia status. The Group via its subsidiary obtained the MSC Malaysia status on 19 December 2007 for a period of five (5) years from 8 September 2008 to 7 September 2013 and was further extended for another five (5) years to 7 September 2018.

B6. Status of Corporate Proposal Announced

Save as disclosed below, there were no corporate proposal announced and not completed as at the date of this report:

On 26 January 2018, on behalf of the Board of Directors of Aemulus, TA Securities Holdings Berhad announced to Bursa Malaysia Securities Berhad (“**Bursa Securities**”) 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 (“Proposed Bonus Issue”).

On 13 February 2018, Bursa Securities approved the Proposed Bonus Issue which was subsequently approved by the shareholders of Aemulus at the Extraordinary General Meeting on 29 March 2018. The entitlement date of the Proposed Bonus Issues was 20 April 2018.

On 23 April 2018, on behalf of the Board of Directors of Aemulus, TA Securities Holdings Berhad announced to Bursa Securities that the Bonus Issues has been completed following the listing and quotation of 109,712,497 Bonus Shares on the ACE Market of Bursa Securities.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2018

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

B7. Group's Borrowings and Debt Securities

The details of the Group's borrowings as at 31 March 2018 are as follows:-

	As at 2nd quarter ended 31 March 2018					
	Long term		Short term		Total borrowings	
	Foreign Denomination '000	RM Denomination '000	Foreign Denomination '000	RM Denomination '000	Foreign Denomination '000	RM Denomination '000
Secured:						
Term Loan	-	2,248	-	378	-	2,626
Unsecured:						
Nil	-	-	-	-	-	-
	As at 2nd quarter ended 31 March 2017					
	Long term		Short term		Total borrowings	
	Foreign Denomination '000	RM Denomination '000	Foreign Denomination '000	RM Denomination '000	Foreign Denomination '000	RM Denomination '000
Secured:						
Nil	-	-	-	-	-	-
Unsecured:						
Nil	-	-	-	395	-	395

- a) Our subsidiary, Aemulus Corporation Sdn Bhd had drawdown a term loan of RM2.979 million to partially fund the payment for the acquisition of a piece of land situated in Daerah Barat Daya and forming part of Mukim 12, Plot 2, Bayan Lepas Industrial Park, Penang. Details of the land acquisition was announced on 23rd January 2017.
- b) Weighted average interest rate of term loan is 4.61% and is subject to the floating interest rate.

AEMULUS HOLDINGS BERHAD (Company No. 1114009-H)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2018

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

B8. Derivative Financial Instrument

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

Derivative forward foreign exchange contract :	Contract value (RM'000)	Fair value Gain (RM'000)
- Less than 1 year	1,197	69

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

B9. Material Litigation

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

B10. Dividends

No dividend was paid, declared or proposed during the financial period under review.

B11. Earnings Per Share ("EPS")

(a) Basic EPS

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Profit attributable to owners of the Company (RM'000)	1,775	2,373	2,799	3,000
Number of ordinary shares ('000) in issue	438,850	438,850	438,850	438,850
Basic EPS (sen)	0.40	0.54	0.64	0.68

AEMULUS HOLDINGS BERHAD (Company No. 1114009-H)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2018

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

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

(b) Diluted EPS

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

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Profit attributable to owners of the Company (RM'000)	1,775	2,373	2,799	3,000
Weighted average number of ordinary shares ('000)	438,850	438,850	438,850	438,850
Adjustment for dilutive effect of RSP ('000)	423	-	423	-
	<u>439,273</u>	<u>438,850</u>	<u>439,273</u>	<u>438,850</u>
Diluted EPS (sen)	<u>0.40</u>	<u>0.54</u>	<u>0.64</u>	<u>0.68</u>

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

	Current Quarter RM'000	Current Year To Date RM'000
Allowance for obsolete inventories	20	20
Impairment loss on receivables	93	93
Depreciation of property, plant and equipment	278	552
Dividend income	(138)	(290)
Fair value gain on derivative financial assets	(64)	(64)
Equity-settled share-based payment	81	162
Interest expenses	37	78
Interest income	(10)	(26)
Loss on foreign exchange		
- Realised	213	207
- Unrealised	230	474