



AEMULUS HOLDINGS BERHAD

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

INTERIM FINANCIAL REPORT FOR FOURTH QUARTER ENDED 30 SEPTEMBER 2019

	Page
CONTENT	
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	2
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	3
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	4
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	5
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2019	7

AEMULUS HOLDINGS BERHAD (Company No. 1114009-H)
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019**

	(Unaudited) As at 30.09.2019 RM'000	(Audited) As at 30.09.2018 RM'000
Assets		
Non-Current Assets		
Property, plant & equipment	24,226	6,504
Intangible assets	13,686	13,686
Other investment	356	356
Development costs	3,973	1,008
Trade receivables	-	1,254
	42,241	22,808
Current Assets		
Inventories	15,763	20,341
Trade receivables	18,666	13,136
Other receivables, deposits and prepayments	921	6,730
Current tax assets	140	336
Other investments	8,854	16,531
Fixed deposits with licensed banks	2,525	551
Cash and bank balances	838	6,528
	47,707	64,153
TOTAL ASSETS	89,948	86,961
EQUITY		
Share capital ^(b)	59,438	59,187
Reserves	(12,925)	(12,865)
Retained profits	27,868	32,181
	74,381	78,503
Non-Current Liabilities		
Borrowings	4,437	1,832
Current Liabilities		
Trade payables	3,934	1,998
Other payables and accruals	4,218	3,748
Derivative financial liabilities	100	101
Provision for warranty	177	249
Borrowings	2,701	530
	11,130	6,626
TOTAL LIABILITIES	15,567	8,458
TOTAL EQUITY AND LIABILITIES	89,948	86,961
Net assets per share attributable to owners of the Company(RM) ^(b)	0.14	0.14

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 2018 and the interim notes attached to this interim financial report.*

(b) *Based on 548,695,704 ordinary shares in issue as disclosed in Note B11.*

AEMULUS HOLDINGS BERHAD (Company No. 1114009-H)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	30.09.2019 RM'000	30.09.2018 RM'000	30.09.2019 RM'000	30.09.2018 RM'000
Revenue	7,546	6,733	28,833	36,958
Cost of sales	(3,802)	(2,891)	(11,181)	(13,627)
Gross profit	3,744	3,842	17,652	23,331
Other income	402	458	974	934
Research and development expenses	(1,449)	(902)	(4,365)	(5,207)
Administrative expenses	(4,591)	(3,040)	(14,762)	(13,498)
Other expenses	(1,784)	-	(2,505)	(93)
(Loss) / Profit from operation	(3,678)	358	(3,006)	5,467
Finance costs	(44)	(37)	(143)	(130)
(Loss) / Profit before taxation	(3,722)	321	(3,149)	5,337
Income tax income / (expense)	4	(19)	(66)	(40)
(Loss) / Profit for the period	(3,718)	302	(3,215)	5,297
Other comprehensive (loss) / income, net of tax:				
Item that will be reclassified subsequently to profit or loss:				
Foreign currency translation differences arising from foreign operation	2	3	(12)	(27)
Total comprehensive (loss) / income for the period	(3,716)	305	(3,227)	5,270
(Loss) / Earnings per share:-				
Basic ^(b) / Diluted ^(c) (sen)	(0.68)	0.06	(0.59)	0.97

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 2018 and the interim notes attached to this interim financial report.*
- (b) *Based on 548,695,704 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 30 SEPTEMBER 2019

	← Non-Distributable →			Distributable		
	Share Capital RM'000	Merger Deficit RM'000	RSP Reserve RM'000	Exchange Translation Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
At 1 October 2018	59,187	(12,954)	134	(45)	32,181	78,503
Total comprehensive loss for the year	-	-	-	(12)	(3,215)	(3,227)
<i>Transaction with owner:</i>						
Issue of shares pursuant RSP vested	251	-	(251)	-	-	-
Interim single tier dividend for financial year ended 30 September 2018	-	-	-	-	(1,098)	(1,098)
Recognition of equity-settled share-based payment	-	-	203	-	-	203
At 30 September 2019	59,438	(12,954)	86	(57)	27,868	74,381
At 1 October 2017	59,095	(12,954)	81	(18)	26,885	73,089
Total comprehensive income for the year	-	-	-	(27)	5,296	5,269
<i>Transaction with owner:</i>						
Issue of shares pursuant RSP vested	177	-	(177)	-	-	-
<i>Issuance of Bonus shares expenses</i>	(85)	-	-	-	-	(85)
Recognition of equity-settled share-based payment	-	-	230	-	-	230
At 30 September 2018	59,187	(12,954)	134	(45)	32,181	78,503

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 2018 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 30 SEPTEMBER 2019

	30.09.2019	30.09.2018
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(3,149)	5,337
Adjustments for:		
Allowance for obsolete inventories	-	(3)
Depreciation	1,470	1,155
Dividend income	(266)	(535)
Equity-settled share-based payment	203	230
Fair value (gain) / loss on derivative financial instrument	(1)	106
Bad debts written off	428	93
Allowance for expected credit loss	1,784	-
Interest expenses	142	130
Interest income	(29)	(52)
Reversal of provision for warranty	(72)	(49)
Unrealised gain on foreign exchange	(260)	(170)
Operating profit before changes in working capital	250	6,242
Decrease / (Increase) in inventories	4,577	(2,740)
Increase in receivables	(418)	(182)
Increase / (Decrease) in payables	2,406	(941)
Cash generated from operations	6,815	2,379
Interest paid	(142)	(131)
Income tax refunded	469	37
Income tax paid	(288)	(366)
Net cash from operating activities	6,854	1,919
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(19,192)	(1,296)
Additions of development costs	(2,965)	(1,008)
Other investment	-	(356)
Dividend received	266	535
Interest received	29	52
Placement of fixed deposits	(1,974)	(509)
Net cash used in investing activities	(23,836)	(2,582)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(1,098)	-
Proceeds from term loan	3,776	-
Repayment of term loan	(530)	(530)
Proceeds from banker's acceptance	623	-
Share issuance expenses	-	(85)
Net cash from / (used in) financing activities	2,771	(615)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(14,211)	(1,278)
Effects of changes in exchange rates	(64)	32
CASH AND CASH EQUIVALENTS AT BEGINNING	23,059	24,305
CASH AND CASH EQUIVALENTS AT END	8,784	23,059

AEMULUS HOLDINGS BERHAD (Company No. 1114009-H)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019 (cont'd)

	30.09.2019	30.09.2018
	RM'000	RM'000
Cash and cash equivalents included in the consolidated statement of cash flows comprise the following:		
Other investments	8,854	16,531
Fixed deposits with licensed banks	2,525	551
Cash and bank balances	838	6,528
Bank Overdraft	(908)	-
	<u>11,309</u>	<u>23,610</u>
Less: Pledged to licensed banks as securities for banking facilities	(2,525)	(551)
	<u>8,784</u>	<u>23,059</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 2018 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 30 SEPTEMBER 2019

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 2018 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
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
Annual Improvements to MFRS 2014-2016 cycle (except for Amendments to MFRS 12 Disclosure of Interest in Other Entities)	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 30 SEPTEMBER 2019

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

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

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

MFRS and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 16 Leases	1 January 2019
Amendments to MFRS 9 Financial Instrument: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
Amendments to Reference to the Conceptual Framework in MFRS Standards	1 January 2020
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 2018 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.

AEMULUS HOLDINGS BERHAD (Company No. 1114009-H)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

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

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

Dividend paid during the financial period ended 30 September 2019 is as follows:

First interim single tier dividend of 0.2 sen per ordinary share amounting to RM1.098 million for the financial year ended 30 September 2018, paid on 27 December 2018.

A9. Segmental Reporting

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

Business Activities

Revenue	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	30.09.2019 RM'000	30.09.2018 RM'000	30.09.2019 RM'000	30.09.2018 RM'000
ATE	6,148	5,454	23,799	31,656
Related services	1,398	1,279	5,034	5,302
	<u>7,546</u>	<u>6,733</u>	<u>28,833</u>	<u>36,958</u>

Principal Markets

Revenue	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	30.09.2019 RM'000	30.09.2018 RM'000	30.09.2019 RM'000	30.09.2018 RM'000
Malaysia	1,531	526	4,870	5,224
Singapore	743	513	10,459	14,498
China	998	60	3,306	3,622
United States of America	114	678	2,516	5,012
Korea	3,063	4,187	4,467	6,907
Taiwan	939	392	2,633	801
Other countries	158	377	582	894
	<u>7,546</u>	<u>6,733</u>	<u>28,833</u>	<u>36,958</u>

AEMULUS HOLDINGS BERHAD (Company No. 1114009-H)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

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

A10. Property, Plant and Equipment

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

A11. Capital Commitments

	30 September 2019
	RM'000
Contracted but not provided for:-	
- Property, plant and equipment	<u>15,796</u>

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 30 SEPTEMBER 2019

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES

B1. Review of Performances

	Individual Quarter 3 months ended		Changes (RM'000 / %)	Cumulative Quarter 12 months ended		Changes (RM'000 / %)
	30.09.2019 RM'000	30.09.2018 RM'000		30.09.2019 RM'000	30.09.2018 RM'000	
Revenue	7,546	6,733	813 / 12	28,833	36,958	(8,125) / (22)
(Loss) / Profit from operation	(3,678)	358	(4,036) / (1,127)	(3,006)	5,467	(8,473) / (155)
(Loss) / Profit before taxation	(3,722)	321	(4,043) / (1,260)	(3,149)	5,337	(8,486) / (159)
(Loss) / Profit for the period	(3,718)	302	(4,020) / (1,331)	(3,215)	5,297	(8,512) / (161)

Comparison with the preceding year corresponding quarter

The Group has recorded an increase in revenue of RM0.813 million or 12% for this quarter ("Q4FY19") as compared to the preceding year corresponding quarter ("Q4FY18"). The increase was mainly driven by the demand for our Radio Frequency (RF) Front End Devices Tester.

The Group continues to invest in developing new and innovative test solutions to address the customers' demand. As a result, the research & Development ("R&D") expenses has increased approximately RM0.547 million or 61% as compared to Q4FY18.

The Group views talent retention as one of the core strategies to drive the business growth. Administrative expenses have increased correspondingly as compared to Q4FY18, mainly attributable to the increase of staff costs.

In accordance with the initial adoption of MFRS 9, the Group has recorded allowance for expected credit loss on trade receivables amounted to RM1.784 million, which explained the increase in other expenses.

In summary, the Group recorded a loss of RM3.718 million in Q4FY19.

AEMULUS HOLDINGS BERHAD (Company No. 1114009-H)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES

B1. Review of Performances

Comparison with the corresponding financial period to date in the previous financial year (“FPE2018”)

Total revenue for FY2019 (“FYE2019”) has decreased RM8.125 million or 22% as compared to the previous financial year (“FYE2018”), attributable to the slowdown in the semiconductor industry, sluggish economic outlook and impact of global trade challenges

R&D expenses have recorded a decrease of RM0.842 million or 16%, due to higher capitalisation of development expenditures recorded in FYE2019 as compared to FYE2018.

Administrative expenses have increased RM1.264 million or 9% in FYE2019 to support the Group’s business operation expansion and talents retention initiatives.

Other expenses recorded at RM2.505 million in FYE2019 mainly due to the allowance for expected credit loss on trade receivables amounted to RM 1.784 million in accordance with the initial adoption of MFRS 9.

In summary, the Group recorded a loss of RM 3.215 million in FYE2019.

AEMULUS HOLDINGS BERHAD (Company No. 1114009-H)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

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

Statement of Financial Position Review

	As at 30.09.2019 RM'000	As at 30.09.2018 RM'000	Changes (RM'000 / %)
Review on Significant Variances:-			
Property, plant & equipment	24,226	6,504	17,722 / 272
Development costs	3,973	1,008	2,965 / 294
Inventories	15,763	20,341	(4,578) / (22)
Trade receivables	18,666	14,390	4,276 / 30
Other receivables, deposits and prepayments	921	6,730	(5,809) / (86)
Borrowings	7,138	2,362	4,776 / 202

Property, plant & equipment ("PPE")

The increase was mainly due to the reclassification of the Group's land and corporate office, namely "Aemulus Base", from other receivables, deposits and prepayments following the commencement of construction in Q2FY19. Subsequent construction costs incurred after Q2FY19 were capitalised as PPE.

Development costs

Development costs have increased RM2.965 million in tandem with the capitalisation of expenditures, such as staff and software costs incurred in developing new products.

Inventories

Inventories have reduced 22% as compared to FYE2018, mainly attributable to its utilisation in the revenue generation and reclassification of some inventories to PPE for its consumption in the R&D and customers' support activities.

Trade receivables

Trade receivables increased mainly attributable to majority of the orders were delivered close to the end of Q4FY19 and longer than expected payment from certain strategic customers.

Other receivables, deposits and prepayments

The decrease was due to the reclassification of Aemulus Base's land and construction costs to property, plant & equipment as explained above.

Borrowings

Total borrowings have increased in line with the construction of Aemulus Base.

AEMULUS HOLDINGS BERHAD (Company No. 1114009-H)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

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

Statement of Cash Flows Review

	As at 30.09.2019 RM'000	As at 30.09.2018 RM'000	Changes (RM'000 / %)
Net cash from operating activities	6,854	1,919	4,935 / 257
Net cash used in investing activities	(23,836)	(2,582)	(21,254) / (823)
Net cash from / (used in) financing activities	2,771	(615)	3,386 / 551

Operating Activities

As at 30 September 2019, the Group recorded net cash inflow of RM6.854 million mainly attributable to the collection from customers.

Investing Activities

As at 30 September 2019, the Group recorded net cash outflow of RM23.836 million mainly due to the acquisition of PPE as explained above, development expenditures capitalised and placement of RM2 million fund as fixed deposit in Q4FY19.

Financing Activities

Cash inflow was recorded in Q4FY19 mainly attributable to the drawdown of term loan for the construction of Aemulus Base.

AEMULUS HOLDINGS BERHAD (Company No. 1114009-H)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

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

B2. Comparison with Preceding Quarter

	Individual Quarter 3 months ended		Changes (RM'000 / %)
	30.09.2019	30.06.2019	
	RM'000	RM'000	
Revenue	7,546	5,446	2,100 / 39
Loss from operation	(3,678)	(927)	(2,751) / (297)
Loss before taxation	(3,722)	(959)	(2,763) / (288)
Loss for the period	(3,718)	(994)	(2,724) / (274)

The Group has incurred loss after taxation of RM3.718 million as compared to preceding quarter, mainly attributable to the allowance for expected credit loss on trade receivables recorded in Q4FY19 in accordance with MFRS 9.

B3. Prospects

The demand for smartphones/tablets device test remain consistent. However, business process visibility from this market segment is low for the subsequent quarters.

The Company is increasing sales and marketing activities in the Far East region to improve our market reach and convert on-going projects into sales. The management is also adopting new business strategies in the Far East region to generate higher revenues. We remain positive on the opportunities to winning new customers and building orders for the new AMB5600 product in this region.

The demand for test systems from the enterprise storage market segment continues to be soft. We do not expect any significant upturn in revenue contribution from this segment in FY2020.

Nonetheless we are excited to ramp up our engineering and business development activities for IoT related test solutions starting next quarter. Interest in AMB5600 test systems for IoT devices is improving.

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 30 SEPTEMBER 2019

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

B5. Income tax expenses

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	30.09.2019 RM'000	30.09.2018 RM'000	30.09.2019 RM'000	30.09.2018 RM'000
Income tax	4	(19)	(66)	(40)

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 customised incentive granted by Minister of Finance of Malaysia announced on 7 August 2019.

B6. Status of Corporate Proposal Announced

There was no corporate proposal announced and not completed as at the date of report.

AEMULUS HOLDINGS BERHAD (Company No. 1114009-H)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

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

B7. Group's Borrowings and Debt Securities

The details of the Group's borrowings as at 30 September 2019 are as follows:-

	As at 4th quarter ended 30 September 2019					
	Long term		Short term		Total borrowings	
	Foreign Denomination '000	RM Denomination '000	Foreign Denomination '000	RM Denomination '000	Foreign Denomination '000	RM Denomination '000
Secured:						
Overdraft	-	-	-	908	-	908
Bankers' acceptance	-	-	-	623	-	623
Term Loan	-	4,437	-	1,170	-	5,607
Unsecured:						
Nil	-	-	-	-	-	-
	As at 4th quarter ended 30 September 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	-	1,832	-	530	-	2,362
Unsecured:						
Nil	-	-	-	-	-	-

- a) Our subsidiary, Aemulus Corporation Sdn Bhd had drawdown additional term loan of RM3.776 million in FYE2019 to partially fund the construction of Aemulus Base.
- b) Weighted average interest rate of term loan is 4.36% 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 30 SEPTEMBER 2019

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

B8. Derivative Financial Instrument

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

Derivative forward foreign exchange contracts :	Nominal Value (RM'000)	Assets/ (Liabilities) (RM'000)
- Less than 1 year	7,738	(100)

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

B9. Material Litigation

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

B10. Dividend Proposed or Declared

No dividend was proposed or declared for the current quarter ended 30 September 2019.

B11. Earnings Per Share ("EPS")

(a) Basic EPS

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	30.09.2019	30.09.2018	30.09.2019	30.9.2018
(Loss) / Profit attributable to owners of the Company (RM'000)	(3,718)	302	(3,215)	5,297
Number of ordinary shares ('000) in issue	548,696	548,562	548,696	548,562
Basic EPS (sen)	(0.68)	0.06	(0.59)	0.97

AEMULUS HOLDINGS BERHAD (Company No. 1114009-H)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

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 12 months ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
(Loss) / Profit attributable to owners of the Company (RM'000)	(3,718)	302	(3,215)	5,297
Weighted average number of ordinary shares ('000)	548,696	548,562	548,696	548,562
Adjustment for dilutive effect of RSP ('000)	923	317	923	317
	<u>549,619</u>	<u>548,879</u>	<u>549,619</u>	<u>548,879</u>
Diluted EPS (sen)	<u>(0.68)</u>	<u>0.06</u>	<u>(0.59)</u>	<u>0.97</u>

AEMULUS HOLDINGS BERHAD (Company No. 1114009-H)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

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

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

	Current Quarter RM'000	Current Year To Date RM'000
Depreciation of property, plant and equipment	405	1,470
Dividend income	(51)	(266)
Fair value loss / (gain) on derivative financial assets	43	(1)
Equity-settled share-based payment	23	203
Bad debts written off	-	428
Allowance for expected credit loss	1,784	1,784
Interest expenses	44	142
Interest income	(6)	(29)
(Gain) / loss on foreign exchange		
- Realised	(22)	171
- Unrealised	(65)	(260)