



AEMULUS HOLDINGS BERHAD
(Company No. 201401037863 (1114009-H))
("AEMULUS" OR THE "COMPANY")

**INTERIM FINANCIAL REPORT
FOR FOURTH QUARTER
ENDED 30 SEPTEMBER 2020**

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AEMULUS HOLDINGS BERHAD (Company No. 201401037863 (1114009-H))
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020**

	(Unaudited) As at 30.09.2020 RM'000	(Audited) As at 30.09.2019 RM'000
Assets		
Non-Current Assets		
Property, plant & equipment	35,087	24,226
Right-of-use asset	222	-
Intangible assets	13,686	13,686
Other investment	356	356
Investment in associate	1,222	-
Development costs	6,049	3,973
	56,622	42,241
Current Assets		
Inventories	15,143	15,763
Trade receivables	14,020	15,640
Contract assets	4,198	2,690
Other receivables, deposits and prepayments	873	921
Amount due from associate	2,671	-
Derivative financial assets	17	-
Current tax assets	5	140
Other investments	2,771	8,854
Fixed deposits with licensed banks	31,271	2,525
Cash and bank balances	1,251	838
	72,220	47,371
TOTAL ASSETS	128,842	89,612
EQUITY		
Share capital ^(b)	90,527	59,438
Reserves	(12,752)	(12,925)
Retained profits	23,920	27,532
	101,695	74,045
Non-Current Liabilities		
Borrowings	12,861	4,438
Lease liability	146	-
	13,007	4,438
Current Liabilities		
Trade payables	4,591	3,934
Contract liabilities	559	337
Other payables and accruals	4,070	3,881
Derivative financial liabilities	-	100
Provision for warranty	95	176
Current tax liabilities	139	-
Borrowings	4,610	2,701
Lease liability	76	-
	14,140	11,129
TOTAL LIABILITIES	27,147	15,567
TOTAL EQUITY AND LIABILITIES	128,842	89,612
Net assets per share attributable to owners of the Company(RM) ^(b)	0.18	0.13

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 2019 and the interim notes attached to this interim financial report.*

(b) *Based on 551,741,269 ordinary shares in issue as disclosed in Note B11.*

AEMULUS HOLDINGS BERHAD (Company No. 201401037863 (1114009-H))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	30.09.2020 RM'000	30.09.2019 RM'000	30.09.2020 RM'000	30.09.2019 RM'000
Revenue	7,215	7,546	19,320	28,833
Cost of sales	(2,838)	(3,801)	(7,065)	(11,181)
Gross profit	4,377	3,745	12,255	17,652
Other income	2,904	466	4,381	938
Research and development expenses	(1,273)	(1,449)	(4,887)	(4,365)
Administrative expenses	(4,041)	(4,883)	(13,645)	(15,054)
Other expenses	(593)	(1,585)	(982)	(2,207)
Profit / (Loss) from operation	1,374	(3,706)	(2,878)	(3,036)
Finance costs	(115)	(15)	(443)	(113)
Profit / (Loss) before taxation	1,259	(3,721)	(3,321)	(3,149)
Income tax expense	(219)	4	(291)	(66)
Profit / (Loss) for the period	1,040	(3,717)	(3,612)	(3,215)
Other comprehensive income, net of tax:				
Item that will be reclassified subsequently to profit or loss:				
Foreign currency translation differences arising from foreign operation	(1)	2	7	(12)
Total comprehensive income / (loss) for the period	1,039	(3,715)	(3,605)	(3,227)
Earnings / (Loss) per share:-				
Basic ^(b) / Diluted ^(c) (sen)	0.19	(0.68)	(0.65)	(0.59)

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 2019 and the interim notes attached to this interim financial report.*
- (b) *Based on 551,741,269 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. 201401037863 (1114009-H))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

	← 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 2019	59,438	(12,954)	86	(57)	27,532	74,045
Total comprehensive loss for the year	-	-	-	7	(3,612)	(3,605)
<i>Transaction with owner:</i>						
Issuance of ordinary shares	31,316	-	-	-	-	31,316
Share issuance expenses	(301)	-	-	-	-	(301)
Issue of shares pursuant to RSP vested	74	-	(74)	-	-	-
Recognition of equity-settled share-based payment	-	-	240	-	-	240
At 30 September 2020	90,527	(12,954)	252	(50)	23,920	101,695
At 1 October 2018	59,187	(12,954)	134	(45)	32,181	78,503
Effects of adopting MFRS 9	-	-	-	-	(336)	(336)
Balance at beginning, restated	59,187	(12,954)	134	(45)	31,845	78,167
Total comprehensive loss for the year	-	-	-	(12)	(3,215)	(3,227)
<i>Transaction with owner:</i>						
Issue of shares pursuant to 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)	27,532	74,045

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 2019 and the interim notes attached to this interim financial report.

AEMULUS HOLDINGS BERHAD (Company No. 201401037863 (1114009-H))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

	30.09.2020	30.09.2019
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(3,321)	(3,149)
Adjustments for:		
Allowance for expected credit loss	209	1,784
Amortisation	331	
Depreciation	2,209	1,470
Dividend income	(145)	(265)
Equity-settled share-based payment	240	203
Fair value gain on derivative financial instrument	(118)	(1)
Bad debt written off	-	423
Gain on disposal of property, plant and equipment	(263)	-
Interest expenses	443	113
Interest income	(199)	(31)
Inventories written down	219	158
Reversal of provision for warranty	(82)	(72)
Unrealised gain on foreign exchange	(46)	(260)
Operating (loss) / profit before changes in working capital	(523)	373
Decrease / (increase) in inventories	402	(2,010)
Increase in receivables	(129)	(5,390)
Net change in associate's balances	(2,671)	-
Increase in payables	1,069	2,415
Cash used in operations	(1,852)	(4,612)
Interest paid	(443)	(113)
Income tax refunded	177	426
Income tax paid	(182)	(296)
Real property gain tax paid	(20)	-
Net cash used in operating activities	(2,320)	(4,595)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(13,070)	(7,798)
Additions of development costs	(2,407)	(2,965)
Dividend received	145	265
Interest received	199	31
Placement of fixed deposits	(3,504)	(1,974)
Proceeds from disposal of property, plant and equipment	396	-
Investment in associate	(1,222)	-
Net cash used in investing activities	(19,463)	(12,441)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from private placement	31,015	-
Dividend paid	-	(1,098)
Proceeds from term loan	9,026	3,776
Proceeds from revolving credit	2,800	-
Repayment of term loan	(265)	(530)
(Repayment of) / proceeds from banker's acceptance	(356)	623
Net cash from financing activities	42,220	2,771

AEMULUS HOLDINGS BERHAD (Company No. 201401037863 (1114009-H))

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020 (cont'd)

	30.09.2020	30.09.2019
	RM'000	RM'000
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	20,437	(14,265)
Effects of changes in exchange rates	8	(10)
CASH AND CASH EQUIVALENTS AT BEGINNING	<u>8,784</u>	<u>23,059</u>
CASH AND CASH EQUIVALENTS AT END	<u>29,229</u>	<u>8,784</u>

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following:

Other investments	2,771	8,854
Fixed deposits with licensed banks	31,271	2,525
Cash and bank balances	1,251	838
Bank overdraft	(35)	(908)
	<u>35,258</u>	<u>11,309</u>
Less: Pledged to licensed banks as securities for banking facilities	(6,029)	(2,525)
	<u>29,229</u>	<u>8,784</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 2019 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. 201401037863 (1114009-H))

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

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 2019 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 Effective Date Amendments)	
MFRS 16 Leases	1 January 2019
Amendments to MFRS 9 Financial Instrument: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 119 Employee Benefits: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128 Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures	1 January 2019
IC Interpretations 23 Uncertainty over Income Tax Treatments	1 January 2019
Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3 Business Combinations: Definition of a Business	1 January 2020
Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material	1 January 2020
Amendments to MFRS 9, MFRS 139, MFRS 7 Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 16 Leases: Covid-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 4 Insurance Contracts: Extension of the Temporary Exemption from Applying MFRS 9	17 August 2020

AEMULUS HOLDINGS BERHAD (Company No. 201401037863 (1114009-H))

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

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
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 Interest Rate Benchmark Reform-Phase 2	1 January 2021
Amendments to MFRS 3 Business Combinations: References to the Conceptual Framework	1 January 2022
Amendments to MFRS 116 Property, Plant and Equipment: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018-2020	1 January 2022
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023

A3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report of the financial statements for the financial year ended 30 September 2019 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 other than the effect arising from the gain on transfer of intellectual property as disclosed in Note B12 to the financial statements.

AEMULUS HOLDINGS BERHAD (Company No. 201401037863 (1114009-H))

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

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

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 financial year.

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	
	30.09.2020 RM'000	30.09.2019 RM'000	30.09.2020 RM'000	30.09.2019 RM'000
ATE	5,754	6,133	12,897	23,784
Related services	1,461	1,413	6,423	5,049
	<u>7,215</u>	<u>7,546</u>	<u>19,320</u>	<u>28,833</u>

Principal Markets

Revenue	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	30.09.2020 RM'000	30.09.2019 RM'000	30.09.2020 RM'000	30.09.2019 RM'000
Malaysia	365	1,531	5,138	4,870
Singapore	3,007	743	5,591	10,459
China	1,636	998	2,188	3,306
United States of America	741	114	1,798	2,516
Korea	21	3,063	2,104	4,467
Taiwan	1,257	939	2,103	2,633
Other countries	188	158	398	582
	<u>7,215</u>	<u>7,546</u>	<u>19,320</u>	<u>28,833</u>

AEMULUS HOLDINGS BERHAD (Company No. 201401037863 (1114009-H))

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

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

	30.09.2020 RM'000
Contracted but not provided for:-	
- Property, plant and equipment	<u>5,219</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

Details of the relationship between the Group and its related parties are as described below: -

		30.09.2020 RM'000
Associate Company	Nature of Transactions	
TMSS Technology (Jiashan) Co., Ltd.	Gain on the transfer of intellectual property	<u>2,645</u>

AEMULUS HOLDINGS BERHAD (Company No. 201401037863 (1114009-H))

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

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 / %)
	30.09.2020 RM'000	30.09.2019 RM'000		30.09.2020 RM'000	30.09.2019 RM'000	
Revenue	7,215	7,546	(331) / (4)	19,320	28,833	(9,513) / (33)
Profit / (Loss) from operation	1,374	(3,706)	5,080 / 137	(2,878)	(3,036)	158 / 5
Profit / (Loss) before taxation	1,259	(3,721)	4,980 / 134	(3,321)	(3,149)	(172) / (5)
Profit / (Loss) for the period	1,040	(3,717)	4,757 / 128	(3,612)	(3,215)	(397) / (12)

Comparison with the preceding year corresponding quarter

The Group's revenue recorded a marginal decrease of 4% in the current quarter ("Q4FY20") as compared to the preceding year corresponding quarter ("Q4FY19"). Demand for the current quarter was derived from the enterprise storage, CMOS Image Sensor and RF Filter markets.

Other income has increased significantly in tandem with the recognition of gain on the transfer of intellectual property to our associate company in China, namely TMSS Technology (Jiashan) Co., Ltd. ("TMSS").

Administrative expenses experienced a decrease of 17.2% as compared to Q4FY19 due to the cost saving initiatives implemented.

Other expenses recorded a significant decrease of 62.6% as compared to Q4FY19. In Q4FY19, the Group has provided an allowance for expected credit loss amounted to RM1.784 million whereas RM0.209 million was provided in Q4FY20.

In summary, the Group recorded a profit of RM1.040 million in Q4FY20.

AEMULUS HOLDINGS BERHAD (Company No. 201401037863 (1114009-H))

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES

B1. Review of Performances (cont'd)

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

Total revenue for FY2020 ("FYE2020") has decreased 33% as compared to the previous financial year ("FYE2019"), due to the soft demand for test system from the enterprise storage market segment and the impact of COVID19 pandemic and implementation of travel and other restrictions locally and globally.

The Group recorded significant increase in the other income this year, contributed by the gain on disposal of the Group's property in Krystal Point Penang and transfer of intellectual property as well as unrealised foreign exchange gain recorded in FYE2020.

Research and development expenses has increased approximately 12% this year as compared to FYE2019. The Group is committed to invest in developing new cutting-edge technology in semiconductor devices testing, enhancement of existing product features and roll-out new testing solutions to address increasing customers' demand.

Administrative expenses reduced by 9.4% due to the cost saving initiatives implemented.

Finance cost increased mainly attributed to the drawdown of term loan to fund the construction of Aemulus Base and banking facilities for working capital purpose.

In summary, the Group recorded a loss of RM3.612 million in FYE2020.

AEMULUS HOLDINGS BERHAD (Company No. 201401037863 (1114009-H))

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

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

Statement of Financial Position Review

	As at 30.09.2020 RM'000	As at 30.09.2019 RM'000	Changes (RM'000 / %)
Review on Significant Variances:-			
Property, plant & equipment	35,087	24,226	10,861 / 45
Investment in associate	1,222	-	1,222 / 100
Development costs	6,049	3,973	2,076 / 52
Trade receivables	14,020	15,640	(1,620) / (10)
Amount due from associate	2,671	-	2,671 / 100
Fixed deposits with licensed banks	31,271	2,525	28,746 / 1,138
Borrowings	17,471	7,139	10,332 / 145

Property, plant & equipment ("PPE")

The increase was due to the capitalisation of construction costs of Aemulus Base.

Investment in associate

The amount of RM1.222 million represents the first phase capital injection into TMSS as announced on 10th April 2020.

Development costs

Development costs have increased 52% in tandem with the capitalisation of expenditures, such as talents and material costs incurred in enhancing existing product features and development of testing solutions for new semiconductor devices.

Trade receivables

Trade receivables has decreased mainly attributable to the collection received from the customers and lower sales recorded in this year.

Amount due from associate

The amount of RM2.671 million was due by TMSS pertaining to the partial transfer of intellectual property in Q4FY20.

Fixed deposits with licensed banks

FD has increased significantly due to the fund received from the private placement completed on 26th August 2020 and pledge of FD as the securities for banking facilities granted to the Group in FYE2020.

Borrowings

Total borrowings have increased in line with the drawdown of term loan for the construction of Aemulus Base.

AEMULUS HOLDINGS BERHAD (Company No. 201401037863 (1114009-H))

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

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

Statement of Cash Flows Review

	As at 30.09.2020 RM'000	As at 30.09.2019 RM'000	Changes (RM'000 / %)
Net cash used in operating activities	(2,320)	(4,595)	2,275 / 50
Net cash used in investing activities	(19,463)	(12,441)	(7,022) / (56)
Net cash from financing activities	42,220	2,771	39,449 / 1,424

Operating Activities

The Group recorded net cash outflow of RM2.320 million as at FYE2020 mainly attributable to the loss recorded.

Investing Activities

Construction of Aemulus Base and placement of fixed deposits with licensed banks explained the net outflow recorded in FYE2020.

Financing Activities

Net cash inflow was recorded this year in line with the drawn down of revolving credit and term loan during the year to support the business operation and construction of Aemulus Base respectively, as well as the completion of private placement.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

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

B2. Comparison with Preceding Quarter

	Individual Quarter 3 months ended		Changes (RM'000 / %)
	30.09.2020	30.06.2020	
	RM'000	RM'000	
Revenue	7,215	5,059	2,156 / 43
Profit from operation	1,374	226	1,148 / 508
Profit before taxation	1,259	106	1,153 / 1,088
Profit for the period	1,040	87	953 / 1,095

The Group's revenue has increased gradually as compared to preceding quarter. We have received increasing customers' enquiries from the Far East region on our flagship products such as AMB5600, AMB7300 and AMB7600SR. We managed to capitalise these opportunities into revenue in this quarter. Coupled with the gain on the transfer of intellectual property, the Group has recorded a higher profit of RM1.040 million in Q4FY20 as compared to preceding quarter.

B3. Prospects

Aemulus ensures compliance with the standard operating procedures and guidelines recommended by the Ministry of Health, Ministry of International Trade and Industry, and other relevant authorities at all times. Precautions are taken to keep our employees safe and to mitigate any negative impact to our operations in Penang from the pandemic.

Recent change in the sales and marketing strategies had produced positive financial results in Q3 and Q4 FY2020 for Aemulus. We are expecting this trend to continue with better demand for our products worldwide.

Our engineering team from Malaysia are already in China since early November 2020 to assist in on-going commercial and technical support activities within the Far East region. As such the risk of disruption to our business in this region is now reduced.

The management will continue to take aggressive actions to further improve our financial performance in FY2021.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

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

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.

B5. Income tax expenses

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	30.09.2020 RM'000	30.09.2019 RM'000	30.09.2020 RM'000	30.09.2019 RM'000
Income tax	(219)	4	(291)	(66)

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.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

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

B6. Status of Corporate Proposal Announced

In conjunction with the completion of Private Placement announced on 26th August 2020, the Company has increased its share capital by 54,940,000 new ordinary shares at an issue price of RM0.57 per placement share. An amount of RM31.3 million has been raised from the Private Placement.

Utilisation of Proceeds from Private Placement

The gross proceeds from the Private Placement of RM31.3 million shall be utilised in the following manner:

Purpose	Timeframe for Utilisation Upon Listing	Amount (RM'000)	Amount Utilised as at 30 September 2020 (RM'000)	Reallocation (RM'000)	Deviation		Balance of Proceed as at 30 September 2020 (RM'000)
					(RM'000)	%	
Future viable investment(s)	Within 24 months	7,000	-	-	-	-	7,000
Research and development expenditure	Within 24 months	7,000	(497)	-	-	-	6,503
Partial repayment of bank borrowings	Within 6 months	5,000	(4,799)	-	-	-	201
Marketing, branding and customer support activities	Within 24 months	1,500	(146)	-	-	-	1,354
General working capital	Within 12 months	10,616	(1,548)	(101)	(101)	(0.95)	8,967
Estimated expenses in relation to the Proposed Private Placement	Within 1 month	200	(301) ^	101	101	50.5	-
Total cash proceeds		31,316	(7,291)	-	-	-	24,025

Note:-

^ The actual amount incurred for expenses in relation to the Private Placement was RM0.301 million with the additional amount of RM0.101 million being reallocated from the amount earmarked for general working capital.

The utilisation of the proceeds as disclosed above should be read in conjunction with the Announcement made by the Company dated 4 August 2020.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

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 2020 are as follows:-

	As at 4th quarter ended 30 September 2020					
	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	-	-	-	35	-	35
Revolving Credit	-	-	-	2,800	-	2,800
Bankers' acceptance	-	-	-	267	-	267
Term Loan	-	12,861	-	1,508	-	14,369
Unsecured:						
Nil	-	-	-	-	-	-

	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	-	4,438	-	1,170	-	5,608
Unsecured:						
Nil	-	-	-	-	-	-

- Our subsidiary, Aemulus Corporation Sdn Bhd had drawdown additional term loan of RM0.5 million in Q4FY20 to partially fund the construction of Aemulus Base.
- The effective interest rate of term loan, overdraft, revolving credit were 3.94%, 5.55%, 4.54% respectively.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

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	3,503	17

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 2020.

B11. Earnings Per Share ("EPS")

(a) Basic EPS

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	30.09.2020	30.09.2019 (restated)	30.09.2020	30.09.2019 (restated)
Profit / (Loss) attributable to owners of the Company (RM'000)	1,040	(3,717)	(3,612)	(3,215)
Number of ordinary shares ('000) in issue	551,741	548,959	551,741	548,959
Basic EPS (sen)	0.19	(0.68)	(0.65)	(0.59)

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

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

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

(a) Basic EPS (cont'd)

For comparison purpose, the Earnings Per Share for the period ended 30 September 2019 has been adjusted to reflect the private placement which was completed on 26 August 2020.

(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	
	30.09.2020	(restated) 30.09.2019	30.09.2020	(restated) 30.09.2019
Profit / (Loss) attributable to owners of the Company (RM'000)	1,040	(3,717)	(3,612)	(3,215)
Weighted average number of ordinary shares ('000)	551,741	548,959	551,741	548,959
Adjustment for dilutive effect of RSP ('000)	1,436	415	1,436	415
	<u>553,177</u>	<u>549,374</u>	<u>553,177</u>	<u>549,374</u>
Diluted EPS (sen)	<u>0.19</u>	<u>(0.68)</u>	<u>(0.65)</u>	<u>(0.59)</u>

For comparison purpose, the Diluted Earnings Per Share for the period ended 30 September 2019 has been adjusted to reflect the private placement which was completed on 26 August 2020.

AEMULUS HOLDINGS BERHAD (Company No. 201401037863 (1114009-H))

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

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
Allowance for expected credit loss	209	209
Depreciation of property, plant and equipment	645	2,209
Dividend income	(18)	(145)
Fair value gain on derivative financial assets	(27)	(118)
Gain on disposal of property, plant and equipment	-	(263)
Gain on transfer of intellectual property	(2,645)	(2,645)
Equity-settled share-based payment	(27)	240
Interest expenses	115	443
Interest income	(84)	(199)
Grant income	-	(105)
Loss / (Gain) on foreign exchange		
- Realised	(22)	322
- Unrealised	408	(46)