



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

**INTERIM FINANCIAL REPORT  
FOR SECOND QUARTER  
ENDED 31 MARCH 2021**

	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 31 MARCH 2021	7

**AEMULUS HOLDINGS BERHAD (Registration No. 201401037863 (1114009-H))**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2021**

	(Unaudited) As at 31.03.2021 RM'000	(Audited) As at 30.09.2020 RM'000
<b>Assets</b>		
<b>Non-Current Assets</b>		
Property, plant & equipment	40,412	35,087
Right-of-use asset	183	222
Intangible assets	13,686	13,686
Development costs	8,416	6,049
Investment in an associate	3,181	1,222
Other investments	356	356
	66,234	56,622
<b>Current Assets</b>		
Inventories	16,723	15,143
Trade receivables	17,700	14,020
Contract assets	13,098	4,198
Other receivables, deposits and prepayments	628	873
Amount due from an associate	564	2,671
Current tax assets	-	5
Other investments	1,983	2,771
Derivative financial assets	-	17
Deposits with licensed banks	24,330	31,271
Cash and bank balances	2,502	1,251
	77,528	72,220
<b>TOTAL ASSETS</b>	143,762	128,842
<b>EQUITY</b>		
Share capital <sup>(b)</sup>	90,831	90,527
Reserves	(12,692)	(12,752)
Retained profits	27,587	23,920
<b>Total equity</b>	105,726	101,695
<b>Non-Current Liabilities</b>		
Lease liability	105	146
Borrowings	18,126	12,881
	18,231	13,027
<b>Current Liabilities</b>		
Provision for warranty	362	95
Trade payables	6,435	4,591
Contract liabilities	737	559
Other payables and accruals	3,855	4,070
Derivative financial liabilities	126	-
Lease liability	79	76
Borrowings	8,202	4,590
Current tax liabilities	9	139
	19,805	14,120
<b>Total liabilities</b>	38,036	27,147
<b>TOTAL EQUITY AND LIABILITIES</b>	143,762	128,842
Net assets per share attributable to owners of the Company(RM) <sup>(b)</sup>	0.18	0.19

**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 2020 and the interim notes attached to this interim financial report.

(b) Based on 605,561,493 ordinary shares in issue as disclosed in Note B11.

**AEMULUS HOLDINGS BERHAD (Registration No. 201401037863 (1114009-H))**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021**

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
Revenue	15,942	2,686	27,431	7,045
Cost of sales	(8,492)	(867)	(13,983)	(2,353)
Gross profit	7,450	1,819	13,448	4,692
Other income	750	704	1,840	1,176
Operating expenses	(5,382)	(4,342)	(9,921)	(8,774)
Research and development expenses	(314)	(739)	(687)	(1,246)
Other expenses	-	(31)	(321)	(326)
Profit / (Loss) from operation	2,504	(2,589)	4,359	(4,478)
Share of loss of associate, net of tax	(43)	-	(126)	-
Finance costs	(223)	(136)	(396)	(228)
Profit / (Loss) before tax	2,238	(2,725)	3,837	(4,706)
Income tax expense	(80)	(20)	(170)	(32)
<b>Profit / (Loss) for the period</b>	<b>2,158</b>	<b>(2,745)</b>	<b>3,667</b>	<b>(4,738)</b>
<b>Other comprehensive income, net of tax:</b>				
<b>Item that will be reclassified subsequently to profit or loss:</b>				
Foreign currency translation differences arising from foreign operation	(13)	3	(17)	11
<b>Total comprehensive income / (loss) for the period</b>	<b>2,145</b>	<b>(2,742)</b>	<b>3,650</b>	<b>(4,727)</b>
Earnings / (Loss) per share:-				
Basic <sup>(b)</sup> / Diluted <sup>(c)</sup> (sen)	0.36	(0.50)	0.61	(0.87)

**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 2020 and the interim notes attached to this interim financial report.*
- (b) *Based on 605,561,493 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 (Registration No. 201401037863 (1114009-H))**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

← 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
<b>At 1 October 2020</b>	<b>90,527</b>	<b>(12,954)</b>	<b>252</b>	<b>(50)</b>	<b>23,920</b>	<b>101,695</b>
Total comprehensive income for the year	-	-	-	(17)	3,667	3,650
<i>Transaction with owner:</i>						
Issue of shares pursuant to RSP vested	304	-	(304)	-	-	-
Recognition of equity-settled share-based payment	-	-	381	-	-	381
<b>At 31 March 2021</b>	<b>90,831</b>	<b>(12,954)</b>	<b>329</b>	<b>(67)</b>	<b>27,587</b>	<b>105,726</b>
<b>At 1 October 2019</b>	<b>59,438</b>	<b>(12,954)</b>	<b>86</b>	<b>(57)</b>	<b>27,532</b>	<b>74,045</b>
Total comprehensive loss for the year	-	-	-	11	(4,738)	(4,727)
<i>Transaction with owner:</i>						
Recognition of equity-settled share-based payment	-	-	144	-	-	144
<b>At 31 March 2020</b>	<b>59,438</b>	<b>(12,954)</b>	<b>230</b>	<b>(46)</b>	<b>22,794</b>	<b>69,462</b>

*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 2020 and the interim notes attached to this interim financial report.*

**AEMULUS HOLDINGS BERHAD (Registration No. 201401037863 (1114009-H))**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

	Note	31.03.2021 RM'000	31.03.2020 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit / (Loss) before tax		3,837	(4,706)
Adjustments for:			
Amortisation of development costs		258	91
Depreciation of property, plant and equipment		1,243	1,046
Depreciation of right-of-use assets		39	-
Dividend income		(11)	(90)
Equity-settled share-based payment		381	144
Fair value loss on derivative financial instruments		143	31
Gain on disposal of property, plant and equipment		-	(263)
Interest expense		396	228
Interest income		(237)	(73)
Provision of / (reversal) of provision for warranty		267	(72)
Share of loss of associate, net of tax		126	-
Unrealised gain on foreign exchange		(220)	(593)
Operating profit / (loss) before working capital changes		6,222	(4,257)
Increase in inventories		(1,580)	(520)
(Increase) / decrease in receivables		(12,115)	2,385
Increase / (decrease) in payables		1,807	(1,420)
Cash used in operations		(5,666)	(3,812)
Income tax paid		(295)	(84)
Interest paid		(396)	(228)
Net cash used in operating activities		(6,357)	(4,124)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions of development costs		(2,625)	(1,149)
Changes in an associate's balances		2,107	-
Dividend received		11	90
Interest received		237	73
Investment in an associate		(2,085)	-
Withdrawal / (placement) of fixed deposits		405	(3,222)
Proceeds from disposal of property, plant and equipment		-	30
Purchase of property, plant and equipment	a	(6,347)	(9,535)
Net cash used in investing activities		(8,297)	(13,713)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of lease liabilities		(38)	-
Drawdown from banking facilities		1,007	2,513
Proceeds from term loan		4,661	6,257
Net cash from financing activities		5,630	8,770

**AEMULUS HOLDINGS BERHAD (Registration No. 201401037863 (1114009-H))**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021 (cont'd)**

	<b>31.03.2021</b>	<b>31.03.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(9,024)	(9,067)
Effects of changes in exchange rates	(17)	(19)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>	29,229	8,784
<b>CASH AND CASH EQUIVALENTS AT END</b>	<b>20,188</b>	<b>(302)</b>

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

Other investments	1,983	4,524
Deposits with licensed banks	24,330	5,747
Cash and bank balances	2,502	558
Bank overdraft	(3,003)	(5,384)
	25,812	5,445
Less: Pledged to licensed banks as securities for banking facilities	(5,624)	(5,747)
	<b>20,188</b>	<b>(302)</b>

*Notes:*

(a) *Property, plant and equipment were acquired by the following mean:*

Cash purchase	6,347	9,535
Hire purchase payables	221	-
Total purchase of property, plant and equipment	6,568	9,535

(b) *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 2020 and the interim notes attached to this interim financial report.*

(c) *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 (Registration No. 201401037863 (1114009-H))**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2021**

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

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**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 2020 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:

<b>MFRS and/or IC Interpretations (Including The Consequential Effective Date Amendments)</b>	
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 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 Interest Rate Benchmark Reform-Phase 2	1 January 2021

**AEMULUS HOLDINGS BERHAD (Registration No. 201401037863 (1114009-H))**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2021**

**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:

<b>MFRS and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
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 4 Insurance Contracts - Extension of the Temporary Exemption from Applying MFRS 9	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
Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates	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 2020 was not subject to any qualification.

**A4. Seasonal or Cyclical Factors**

The Group's business is subject to the cyclicity 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 sales of intellectual properties as disclosed in Note B12 to the financial statements.



**AEMULUS HOLDINGS BERHAD (Registration No. 201401037863 (1114009-H))**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2021**

**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 period.

**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	
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
ATE	14,787	1,423	24,715	3,548
Related services	1,155	1,263	2,716	3,497
	<u>15,942</u>	<u>2,686</u>	<u>27,431</u>	<u>7,045</u>

**Principal Markets**

Revenue	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
Malaysia	3,624	672	6,041	1,949
Singapore	3,237	690	5,698	1,824
China	8,303	3	11,966	276
United States of America	282	327	2,073	638
Korea	33	993	995	2,017
Taiwan	-	-	25	197
Other countries	463	1	633	144
	<u>15,942</u>	<u>2,686</u>	<u>27,431</u>	<u>7,045</u>

**AEMULUS HOLDINGS BERHAD (Registration No. 201401037863 (1114009-H))**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2021**

**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**

	31.03.2021 RM'000
Contracted but not provided for:-	
- Property, plant and equipment	25

**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 party for the current quarter ended 31 March 2021 are as described below: -

		31.03.2021 RM'000
<b>Associate Company</b>	<b>Nature of Transactions</b>	
TMSS Technology (Jiashan) Co., Ltd. ("TMSS")	Sales of goods	8,217

**AEMULUS HOLDINGS BERHAD (Registration No. 201401037863 (1114009-H))**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2021**

**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES**

**B1. Review of Performances**

	Individual Quarter 3 months ended			Cumulative Quarter 6 months ended		
	31.03.2021 RM'000	31.03.2020 RM'000	Changes (RM'000 / %)	31.03.2021 RM'000	31.03.2020 RM'000	Changes (RM'000 / %)
Revenue	15,942	2,686	13,256 / 494	27,431	7,045	20,386 / 289
Profit / (Loss) from operation	2,504	(2,589)	5,093 / 197	4,359	(4,478)	8,837 / 197
Profit / (Loss) before tax	2,238	(2,725)	4,963 / 182	3,837	(4,706)	8,543 / 182
Profit / (Loss) for the period	2,158	(2,745)	4,903 / 179	3,667	(4,738)	8,405 / 177

**Comparison with the preceding year corresponding quarter**

The Group's revenue recorded a significant increase of 494% in the current quarter ("Q2FY21") as compared to the preceding year corresponding quarter ("Q2FY20"). Strong demand for the current quarter was derived from mobile and tablets, RF filter, enterprise storage and automotive markets.

R&D expenses have decreased due to the initial projects have moved into development stages and the expenses are capitalised instead.

Operating expenses have increased in tandem with the business growth. Additional talents are recruited to grow the business, develop new test solutions and enhance product features.

In summary, the Group recorded a profit of RM2.158 million in Q2FY21.

**AEMULUS HOLDINGS BERHAD (Registration No. 201401037863 (1114009-H))**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2021**

**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES**

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**B1. Review of Performances (cont'd)**

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

Total revenue for the current financial period ("FPE2021") has recorded a increase of 289% as compared to the previous financial year ("FPE2020"), attributable to the strong demand from mobile and tablets, RF filter, enterprise storage and automotive markets

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

R&D expenses have decreased due to the initial projects have moved into development stages and the expenses are capitalised instead.

Operating expenses have increased in tandem with the business growth. Additional talents are recruited to grow the business, develop new test solutions and enhance product features.

In summary, the Group recorded a profit of RM3.667 million in FPE2021.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2021

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

**Statement of Financial Position Review**

	As at 31.03.2021 RM'000	As at 30.09.2020 RM'000	Changes (RM'000 / %)
<b>Review on Significant Variances:-</b>			
Development costs	8,416	6,049	2,367 / 39
Investment in an associate	3,181	1,222	1,959 / 160
Inventories	16,723	15,143	1,580 / 10
Trade receivables	17,700	14,020	3,680 / 26
Contract assets	13,098	4,198	8,900 / 212
Other investments	1,983	2,771	(788) / (28)
Deposits with licensed banks	24,330	31,271	(6,941) / (22)
Trade payables	6,435	4,591	1,844 / 40
Borrowings	26,328	17,471	8,857 / 51

Development costs

Development costs increased 39% in tandem with the capitalisation of expenditures, such as talents and material costs incurred in enhancing existing product features and development of new test solutions.

Investment in an associate

The increase of RM1.959 million represents additional capital injection of RM2.086 million into TMSS as announced on 10th April 2020 and sharing losses of associate amounting to RM0.126 million.

Inventories

Inventories increased 10% mainly attributable to strong demand on the sales and more raw materials were purchased to support the on-going production activities and mitigate the risk of global parts shortage.

Trade receivables

Trade receivables increased 26% mainly attributable to the increase of sales in Q2FY21.

Contract assets

Contract assets increased 212% mainly attributable to the sales recognised in March 2021.

Other investments

Other investments decreased 28% mainly attributable to redemption of unit trust.

Deposits with licensed banks

FD has decreased 22% due to the utilisation of the private placement.

Trade payables

Trade payables significantly increased RM1.844 million mainly attributable to the additional purchases of parts to support the on-going and upcoming production.

Borrowings

Total borrowings have increased in line with the drawdown of term loan and trade line facilities for the construction of Aemulus Base and working capital purpose respectively.

**AEMULUS HOLDINGS BERHAD (Registration No. 201401037863 (1114009-H))**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2021**

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

**Statement of Cash Flows Review**

	<b>As at 31.03.2021 RM'000</b>	<b>As at 31.03.2020 RM'000</b>	<b>Changes (RM'000 / %)</b>
Net cash used in operating activities	(6,357)	(4,124)	(2,233) / (54)
Net cash used in investing activities	(8,297)	(13,713)	5,416 / 39
Net cash from financing activities	5,630	8,770	(3,140) / 36

**Operating Activities**

The Group recorded net cash outflow of RM6.357 million due to increase in receivables and inventory as at FPE2021.

**Investing Activities**

Investment in associate, additions of development costs and purchase of property, plant and equipment explained the net cash outflow recorded as at FPE2021.

**Financing Activities**

The drawdown of term loan and trade line facilities for the construction of Aemulus Base and working capital purpose respectively explained the net cash inflow recorded as at FPE2021.

**AEMULUS HOLDINGS BERHAD (Registration No. 201401037863 (1114009-H))**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2021**

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

**B2. Comparison with Preceding Quarter**

	Individual Quarter 3 months ended		Changes (RM'000 / %)
	31.03.2021 RM'000	31.12.2020 RM'000	
Revenue	15,942	11,490	4,452 / 39
Profit from operation	2,504	1,855	649 / 35
Profit before tax	2,238	1,598	640 / 40
Profit for the period	2,158	1,509	649 / 43

The Group's revenue has increased significantly as compared to preceding quarter due to strong demand for the current quarter on mobile and tablets, RF filter, enterprise storage and automotive markets. Coupled with the gain on foreign exchange, the Group has recorded a higher profit of RM2.158 million in Q2FY21 as compared to the preceding quarter.

**B3. Prospects**

We are expecting continuous demand growth from the radio frequency (RF) and CMOS Image Sensors (CIS) market segments for our test equipment in the subsequent quarters.

The RF related products of interest include applications in 5G, wireless communication and infrastructure. With the world continuing to be in a partial or total lock-down situation, the act-from-home activities continue to fuel the demand for gadgets and equipment with RF semiconductor components.

Our testers used in CIS device manufacturing have proven its capabilities in term of performance, scalability and value which have further strengthen our market position. Moving forward, we shall strive to further improve our business engagement with customers and business partners.

Parts shortage, current pandemic and travel restrictions imposed by many countries may affect our business to a limited extent. However, mitigating measures have been taken by the Group.

**AEMULUS HOLDINGS BERHAD (Registration No. 201401037863 (1114009-H))**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2021**

**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 6 months ended	
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
Income tax	(80)	(20)	(170)	(32)

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.



**AEMULUS HOLDINGS BERHAD (Registration No. 201401037863 (1114009-H))**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2021**

**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 26<sup>th</sup> 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 31 March 2021 (RM'000)	Reallocation (RM'000)	Deviation		Balance of Proceed as at 31 March 2021 (RM'000)
					(RM'000)	%	
Future viable investment(s)	Within 24 months	7,000	-	-	-	-	7,000
Research and development expenditure	Within 24 months	7,000	(3,433)	-	-	-	3,567
Partial repayment of bank borrowings	Within 6 months	5,000	(5,000)	-	-	-	-
Marketing, branding and customer support activities	Within 24 months	1,500	(615)	-	-	-	885
General working capital	Within 12 months	10,616	(7,948)	(101)	(101)	(0.95)	2,567
Estimated expenses in relation to the Proposed Private Placement	Within 1 month	200	(301) ^	101	101	50.5	-
<b>Total cash proceeds</b>		<b>31,316</b>	<b>(17,297)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,019</b>

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.

**AEMULUS HOLDINGS BERHAD (Registration No. 201401037863 (1114009-H))**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2021**

**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 2021 are as follows:-

	As at 2nd quarter ended 31 March 2021					
	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	-	-	-	3,003	-	3,003
Revolving Credit	-	-	-	2,026	-	2,026
Bankers' acceptance	-	-	-	1,401	-	1,401
Hire Purchase	-	694	-	174	-	868
Term Loan	-	17,432	-	1,598	-	19,030
Unsecured:						
Nil	-	-	-	-	-	-

	As at 2nd quarter ended 31 March 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	-	-	-	5,384	-	5,384
Revolving Credit	-	-	-	3,000	-	3,000
Bankers' acceptance	-	-	-	136	-	136
Term Loan	-	10,960	-	905	-	11,865
Unsecured:						
Nil	-	-	-	-	-	-

**AEMULUS HOLDINGS BERHAD (Registration No. 201401037863 (1114009-H))**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2021**

**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)	Liabilities (RM'000)
- Less than 1 year	5,754	126

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 31 March 2021.

**B11. Earnings Per Share ("EPS")**

(a) Basic EPS

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Profit / (Loss) attributable to owners of the Company (RM'000)	2,158	(2,745)	3,667	(4,738)
Number of ordinary shares ('000) in issue	605,561	548,959	605,561	548,959
Basic EPS (sen)	0.36	(0.50)	0.61	(0.87)

**AEMULUS HOLDINGS BERHAD (Registration No. 201401037863 (1114009-H))**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2021**

**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:

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>	<b>3 months ended</b>	<b>6 months ended</b>	<b>6 months ended</b>
	<b>31.03.2021</b>	<b>31.03.2020</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
Profit / (Loss) attributable to owners of the Company (RM'000)	2,158	(2,745)	3,667	(4,738)
Weighted average number of ordinary shares ('000)	605,561	548,959	605,561	548,959
Adjustment for dilutive effect of RSP ('000)	887	416	887	416
	<u>606,448</u>	<u>549,375</u>	<u>606,448</u>	<u>549,375</u>
Diluted EPS (sen)	<u>0.36</u>	<u>(0.50)</u>	<u>0.61</u>	<u>(0.87)</u>

**AEMULUS HOLDINGS BERHAD (Registration No. 201401037863 (1114009-H))**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2021**

**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
Amortisation of development costs	129	258
Depreciation of property, plant and equipment	623	1,243
Depreciation of right-of-use assets	19	39
Dividend income	(5)	(11)
Fair value loss on derivative financial assets	207	143
Sales of intellectual properties	-	(824)
Equity-settled share-based payment	133	381
Interest expenses	223	396
Interest income	(108)	(237)
Gain on foreign exchange		
- Realised	(34)	(124)
- Unrealised	(695)	(220)