



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

**INTERIM FINANCIAL REPORT
FOR SECOND QUARTER
ENDED 31 MARCH 2023**

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023**

	(Unaudited) As at 31.03.2023 RM'000	(Audited) As at 30.09.2022 RM'000
Assets		
Non-Current Assets		
Property, plant and equipment	42,872	44,245
Right-of-use asset	26	65
Intangible assets	13,686	13,686
Development costs	18,031	16,200
Investment in an associate	5,379	5,985
Other investments	65	65
Trade receivables	1,651	1,651
	81,710	81,897
Current Assets		
Inventories	33,121	33,979
Trade receivables	54,629	56,304
Contract assets	4,327	8,791
Other receivables, deposits and prepayments	1,516	1,501
Current tax assets	615	642
Derivative financial assets	17	143
Deposits with licensed banks	42,648	56,238
Cash and bank balances	6,924	3,641
	143,797	161,239
TOTAL ASSETS	225,507	243,136
EQUITY		
Share capital ^(b)	155,219	154,716
Reserves	(12,474)	(12,597)
Retained profits	37,428	46,887
Total equity	180,173	189,006
Non-Current Liabilities		
Borrowings	15,454	16,404
Deferred tax liabilities	530	530
	15,984	16,934
Current Liabilities		
Provision for warranty	489	744
Trade payables	3,251	8,199
Contract liabilities	867	481
Other payables and accruals	2,267	2,422
Amount due to an associate	968	955
Borrowings	21,463	24,235
Lease liability	27	68
Current tax liabilities	18	92
	29,350	37,196
Total liabilities	45,334	54,130
TOTAL EQUITY AND LIABILITIES	225,507	243,136
Net assets per share attributable to owners of the Company (RM) ^(b)	0.27	0.29

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 2022 and the accompanying explanatory notes attached to this interim financial report.*

(b) *Based on 668,215,869 ordinary shares in issue as disclosed in Note B11.*

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
Revenue	5,288	19,205	15,136	37,785
Cost of sales	(1,942)	(9,882)	(6,492)	(17,381)
Gross profit	3,346	9,323	8,644	20,404
Other income	966	666	1,277	1,044
Operating expenses	(6,991)	(4,752)	(13,022)	(10,691)
Research and development expenses	(1,377)	(573)	(2,794)	(1,248)
Other expenses	-	-	(1,925)	-
(Loss) / Profit from operation	(4,056)	4,664	(7,820)	9,509
Share of (loss) / profit of associate, net of tax	(20)	(24)	(441)	1
Finance costs	(523)	(305)	(1,049)	(612)
(Loss) / Profit before tax	(4,599)	4,335	(9,310)	8,898
Income tax expense	(88)	276	(149)	241
(Loss) / Profit for the financial period	(4,687)	4,611	(9,459)	9,139
Other comprehensive income, net of tax:				
Item that will be reclassified subsequently to profit or loss:				
Foreign currency translation differences arising from foreign operation	(3)	(6)	(7)	(7)
Total comprehensive (loss) / income for the financial period	(4,690)	4,605	(9,466)	9,132
(Loss) / Earnings per share:-				
Basic (sen) ^(b)	(0.70)	0.72	(1.42)	1.42
Diluted (sen) ^(c)	(0.70)	0.72	(1.41)	1.42
*Included in operating expenses:				
ESG expenses	(116)	(144)	(232)	(240)

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 2022 and the accompanying explanatory notes attached to this interim financial report.*

(b) *Based on 668,215,869 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.*

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

	← Non-Distributable →				Distributable		
	Share Capital RM'000	Merger Deficit RM'000	Fair Value Reserve RM'000	RSP Reserve RM'000	Exchange Translation Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
At 1 October 2022	154,716	(12,954)	(291)	709	(61)	46,887	189,006
Total comprehensive loss for the financial period	-	-	-	-	(7)	(9,459)	(9,466)
<i>Transaction with owners of the Company:</i>							
Issue of shares pursuant to RSP vested	503	-	-	(503)	-	-	-
Recognition of equity-settled share-based payment	-	-	-	633	-	-	633
At 31 March 2023	155,219	(12,954)	(291)	839	(68)	37,428	180,173
At 1 October 2021	91,367	(12,954)	(291)	174	(53)	34,371	112,614
Total comprehensive income for the period	-	-	-	-	(7)	9,139	9,132
<i>Transaction with owners:</i>							
Issuance of ordinary shares	63,712	-	-	-	-	-	63,712
Share issuance expenses	(878)	-	-	-	-	-	(878)
Recognition of equity-settled share-based payment	-	-	-	498	-	-	498
At 31 March 2022	154,201	(12,954)	(291)	672	(60)	43,510	185,078

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 2022 and the accompanying explanatory 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 2023

	Note	31.03.2023 RM'000	31.03.2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / Profit before tax		(9,310)	8,898
Adjustments for:			
Amortisation of development costs		1,617	586
Depreciation of property, plant and equipment		1,588	1,368
Depreciation of right-of-use asset		39	39
Dividend income		-	(7)
Equity-settled share-based payment		633	498
Fair value loss / (gain) on derivative financial instruments		125	(10)
Gain on disposal of property, plant and equipment		(57)	-
Interest expense		1,049	612
Interest income		(576)	(483)
(Reversal of) / Provision for warranty		(255)	76
Share of results of associate		441	(1)
Unrealised profit arising from transactions with associate		165	(297)
Unrealised loss / (gain) on foreign exchange		1,102	(401)
Operating (loss) / profit before working capital changes		(3,439)	10,878
Decrease / (Increase) in inventories		858	(12,212)
Decrease / (Increase) in receivables		4,895	(16,796)
(Decrease) / Increase in payables		(4,592)	3,342
Cash used in operations		(2,278)	(14,788)
Income tax paid		(189)	(204)
Interest paid		(1,049)	(612)
Net cash used in operating activities		(3,516)	(15,604)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions of development costs		(3,447)	(3,311)
Changes in an associate's balance		13	92
Dividend received		-	7
Interest received		576	483
Withdrawal / (Placement) of fixed deposits		8,768	(18,444)
Proceeds from disposal of property, plant and equipment		79	-
Purchase of property, plant and equipment		(237)	(1,873)
Net cash from / (used in) investing activities		5,752	(23,046)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from private placement		-	62,834
Payment of lease liabilities		(40)	(39)
(Repayment of) / Drawdown from banking facilities		(787)	633
Repayment of term loan		(303)	(784)
Net cash (used in) / from financing activities		(1,130)	62,644

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 (cont'd)

	31.03.2023	31.03.2022
	RM'000	RM'000
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,106	23,994
Effects of changes in exchange rates	(13)	(7)
CASH AND CASH EQUIVALENTS AT BEGINNING	29,852	16,915
CASH AND CASH EQUIVALENTS AT END	30,945	40,902

The cash and cash equivalents are represented by:

Other investments	-	-
Deposits with licensed banks	42,648	67,009
Cash and bank balances	6,924	6,506
Bank overdraft	(2,267)	-
	47,305	73,515
Less: Fixed deposits pledged to licensed banks	(8,062)	(7,330)
Fixed deposits with maturity more than three months	(8,298)	(25,283)
	30,945	40,902

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 2022 and the accompanying explanatory notes attached to this interim financial report.*
- (b) *The other investments 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.*

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2023

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 have 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 Market Listing Requirements of Bursa Malaysia Securities Berhad.

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 2022 and the accompanying explanatory notes attached to this interim financial report.

A2. Significant Accounting Policies

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

MFRS and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 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

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2023

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 17 Insurance Contracts and Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts - Initial application of MFRS 17 and MFRS 9 - Comparative Information	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
Amendments to MFRS 112 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 16 Leases - Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101 Presentation of Financial Statements - Non-Current Liabilities with Covenants	1 January 2024
Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Yet to determine

A3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report of the financial statements for the financial year ended 30 September 2022 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.

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.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2023

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

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	
	31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
ATE	3,963	17,882	12,249	34,669
Related services	1,325	1,323	2,887	3,116
	<u>5,288</u>	<u>19,205</u>	<u>15,136</u>	<u>37,785</u>

Principal Markets

Revenue	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
China	1,055	13,437	5,151	23,285
Malaysia	1,307	3,959	5,227	7,573
Singapore	877	736	1,899	2,207
Korea	1,207	-	1,594	540
United States of America	153	535	437	1,585
Other countries	689	538	828	2,595
	<u>5,288</u>	<u>19,205</u>	<u>15,136</u>	<u>37,785</u>

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2023

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

There were no capital commitments for the purchase of any property, plant and equipment or any other expenses that were not accounted for in the financial statements of the quarter under review.

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 2023 are as described below: -

		31.03.2023 RM'000
Associate Company	Nature of Transactions	
Tangming Shengshi Technology (Jiashan) Co., Ltd.	Sales of goods	1,055
	Intellectual properties cost	337

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2023

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES

B1. Review of Performances

	Individual Quarter 3 months ended			Cumulative Quarter 6 months ended		
	31.03.2023 RM'000	31.03.2022 RM'000	Changes (RM'000 / %)	31.03.2023 RM'000	31.03.2022 RM'000	Changes (RM'000 / %)
Revenue	5,288	19,205	(13,917) / (72)	15,136	37,785	(22,649) / (60)
(Loss) / Profit from operation	(4,056)	4,664	(8,720) / (187)	(7,820)	9,509	(17,329) / (182)
(Loss) / Profit before tax	(4,599)	4,335	(8,934) / (206)	(9,310)	8,898	(18,208) / (205)
(Loss) / Profit for the financial period	(4,687)	4,611	(9,298) / (202)	(9,459)	9,139	(18,598) / (204)

Comparison with the preceding year corresponding quarter

The Group's revenue recorded a decrease of 72% in the current quarter ("Q2FY23") as compared to the preceding year corresponding quarter ("Q2FY22") due to cautious capital expenditure spending from customers which foresee a slowdown in semiconductor industry and deferment of delivery for the quarter under review due to slowdown in customers' expansion pace.

Operating expenses have increased mainly due to increment of staff related costs in order to recruit and retain talent.

R&D expenses have increased due to amortisation cost and more R&D resources are deployed in the research activities for new product development purposes.

Finance cost increased mainly attributed to the drawdown of trade line facilities for working capital purpose.

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
FINANCIAL PERIOD ENDED 31 MARCH 2023**

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 the current 6-months financial period ended 31 March 2023 ("FPE2023") has recorded a decrease of 60% as compared to corresponding 6-months financial period ended 31 March 2022 ("FPE2022") due to cautious capital expenditure spending from customers which foresee a slowdown in semiconductor industry and deferment of delivery for the quarter under review due to slowdown in customers' expansion pace.

Operating expenses have increased mainly due to increment of staff related costs in order to recruit and retain talent.

R&D expenses have increased due to amortisation cost and more R&D resources are deployed in the research activities for new product development purposes.

Finance cost increased mainly attributed to the drawdown of trade line facilities for working capital purpose.

In summary, the Group recorded a loss of RM9.459 million in FPE2023.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
FINANCIAL PERIOD ENDED 31 MARCH 2023

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

Statement of Financial Position Review

	As at 31.03.2023 RM'000	As at 30.9.2022 RM'000	Changes (RM'000 / %)
Review on Significant Variances:-			
Development costs	18,031	16,200	1,831 / 11
Trade receivables	56,280	57,955	(1,675) / (3)
Deposits with licensed banks	42,648	56,238	(13,590) / (24)
Trade payables	3,251	8,199	(4,948) / (60)
Borrowings	36,917	40,639	(3,722) / (9)

Development costs

Development costs increased 11% 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 decreased 3% mainly attributable to the collection received from the customers.

Deposits with licensed banks

Deposits have decreased 24% due to withdrawal of fixed deposits for general working capital purpose.

Trade payables

Trade payables have decreased 60% mainly due to the payments to suppliers.

Borrowings

Total borrowings have decreased 9% due to repayment of banking facilities in FPE2023.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2023

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

B2. Comparison with Preceding Quarter

	Individual Quarter 3 months ended		Changes (RM'000 / %)
	31.03.2023 RM'000	31.12.2022 RM'000	
Revenue	5,288	9,849	(4,561) / (46)
Loss from operation	(4,056)	(3,765)	(291) / (8)
Loss before tax	(4,599)	(4,711)	112 / 2
Loss for the period	(4,687)	(4,772)	85 / 2

The Group recorded a loss of RM4.69 million in Q2FY23 mainly attributable to the lower revenue as explained in B1.

B3. Prospects

We see that the market condition in Q3FY23 to be similar to Q2FY23 with potential upside. The upside relies on the speed of demand recovery in the China Market Region as well as the changes in world semiconductor inventory level.

All global E&E market segments are currently not showing significant sign of increasing demand. The silver lining within this global phenomenon is to focus on business development and customer engineering engagement activities. This situation may lead to market recovery in the next 3 to 6 months.

The Group is braving through the global uncertainties both economically and geopolitically in nature. The fundamentals of the Group remain strong in terms of bookings, products, financial and business opportunities.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2023

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	
	31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
Income tax	(88)	276	(149)	241

The subsidiary of the Group is granted a customised incentive granted by Minister of Finance of Malaysia announced on 7 August 2019 whereby 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 for a period of five (5) years from 31 December 2018 to 30 December 2023.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2023

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

B6. Status of Corporate Proposal Announced

- (a) 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 Completion	Amount (RM'000)	Amount Utilised as at 31 March 2023 (RM'000)	Reallocation (RM'000)	Deviation		Balance of Proceed as at 31 March 2023 (RM'000)
					(RM'000)	%	
Future viable investment(s)	Within 48 months *	7,000	-	-	-	-	7,000
Research and development expenditure	Within 24 months	7,000	(7,000)	-	-	-	-
Partial repayment of bank borrowings	Within 6 months	5,000	(5,000)	-	-	-	-
Marketing, branding and customer support activities	Within 24 months	1,500	(1,500)	-	-	-	-
General working capital	Within 12 months	10,616	(10,515)	(101)	(101)	(0.95)	-
Estimated expenses in relation to the Proposed Private Placement	Within 1 month	200	(301) ^	101	101	50.5	-
Total cash proceeds		31,316	(24,316)	-	-	-	7,000

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.

* The timeframe for utilisation of future viable investments was extended for 2 years based on the Announcement made by the Company dated 25 August 2022.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2023

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

B6. Status of Corporate Proposal Announced (cont'd)

- (b) In conjunction with the completion of Private Placement announced on 13th December 2021, the Company has increased its share capital by 60,678,000 new ordinary shares at an issue price of RM1.05 per placement share. An amount of RM63.7 million has been raised from the Private Placement.

Utilisation of Proceeds from Private Placement

The gross proceeds from the Private Placement of RM63.7 million shall be utilised in the following manner:

Purpose	Timeframe for Utilisation Upon Completion	Amount (RM'000)	Amount Utilised as at 31 March 2023 (RM'000)	Reallocation (RM'000)	Deviation		Balance of Proceed as at 31 March 2023 (RM'000)
					(RM'000)	%	
Future investments/ acquisitions/ collaborations	Within 24 months	7,000	-	-	-	-	7,000
Research and development expenditure	Within 24 months	12,000	(11,655)	-	-	-	345
Capacity expansion	Within 24 months	9,000	(167)	-	-	-	8,833
Additional investment in its joint venture	Within 12 months	13,000	(6,565)	(6,435) *	(6,435)	(49.50)	-
Repayment of borrowings	Within 6 months	9,000	(9,000)	-	-	-	-
Sustainability and environmental, social and governance ("ESG") efforts	Within 24 months	500	(500)	-	-	-	-
Working capital	Within 12 months	12,412	(18,769)	6,357	6,357	51.22	-
Estimated expenses in relation to the Proposed Private Placement	Upon completion	800	(878) ^	78	78	9.75	-
Total cash proceeds		63,712	(47,534)	-	-	-	16,178

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2023

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

B6. Status of Corporate Proposal Announced (cont'd)

Note:-

^ The actual amount incurred for expenses in relation to the Private Placement was RM0.878 million with the additional amount of RM0.078 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 15 November 2021.

* The balance of additional investment in its joint venture was transferred to working capital based on the Announcement made by the Company dated 2 December 2022.

B7. Group's Borrowings and Debt Securities

The details of the Group's borrowings as at 31 March 2023 are as follows:-

	As at 2nd quarter ended 31 March 2023					
	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	-	-	-	2,267	-	2,267
Revolving credit	-	-	-	16,434	-	16,434
Bankers' acceptance	-	-	-	752	-	752
Finance lease liabilities	-	1,162	-	411	-	1,573
Term loan	-	14,292	-	1,599	-	15,891
Unsecured:						
Nil	-	-	-	-	-	-

	As at 2nd quarter ended 31 March 2022					
	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:						
Revolving credit	-	-	-	4,500	-	4,500
Bankers' acceptance	-	-	-	2,990	-	2,990
Finance lease liabilities	-	1,204	-	351	-	1,555
Term loan	-	15,865	-	1,599	-	17,464
Unsecured:						
Nil	-	-	-	-	-	-

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2023

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 (RM'000)
- Less than 1 year	4,514	17

The Group's derivative financial assets as at the end of the reporting period comprise forward foreign exchange contracts which are used to manage the foreign currency exposures arising from the Group's receivables denominated in USD and RMB. 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 2023.

B11. Earnings Per Share ("EPS")

(a) Basic EPS

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
(Loss) / Profit attributable to owners of the Company (RM'000)	(4,687)	4,611	(9,459)	9,139
Weighted average number of ordinary shares ('000)	668,216	644,334	668,216	644,334
Basic EPS (sen)	(0.70)	0.72	(1.42)	1.42

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2023

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		Cumulative Quarter	
	3 months ended	3 months ended	6 months ended	6 months ended
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
(Loss) / Profit attributable to owners of the Company (RM'000)	(4,687)	4,611	(9,459)	9,139
Weighted average number of ordinary shares ('000)	668,216	644,334	668,216	644,334
Adjustment for dilutive effect of RSP ('000)	1,877	1,314	1,877	1,314
	670,093	645,648	670,093	645,648
Diluted EPS (sen)	(0.70)	0.71	(1.41)	1.41

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

	Current Quarter	Current Year
	RM'000	To Date
	RM'000	RM'000
Amortisation of development costs	795	1,617
Depreciation of property, plant and equipment	798	1,588
Depreciation of right-of-use asset	19	39
Equity-settled share-based payment	241	633
Fair value loss on derivative financial assets	16	125
Interest expenses	523	1,049
Interest income	(336)	(576)
Loss / (Gain) on foreign exchange		
- Realised	30	83
- Unrealised	(661)	1,102

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 MARCH 2023

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

B13. Environmental, social and governance (“ESG”) efforts

	Current Quarter RM'000	Current Year To Date RM'000
Breakfast, lunch and dinner subsidy to employees	92	202
COVID-19 related expenses	-	1
Donation and sponsorship	19	20
Others	5	9
Total:	116	232

To ease the burden of Penang Shan Children’s Home, Aemulus sponsored a total of RM10,000 to them with an additional RM2,000 worth of back-to-school supplies from the kind contributions of our staff. In our long-term sustainability efforts to be fully supportive on the importance of pursuing higher education among the younger generation, a sponsorship of RM3,000 was made to IEM x ESUM YES Open Day 2023 as well. On a side note, extending a helping hand to the less fortunate community within our means has always been our foremost priority. Hence, a sponsorship of RM4,000 was made to BAWA Tech upon learning that they could use some help for the underprivileged blind community from different parts of the world. TARUMT International Researcher and Student Conference (IRSC) 2023’s focus this year centres around the highly-trending topic of sustainability. As we support the cultivation of young talents to be actively involved in sharing their research findings which are pertinent to the economic climate, we channeled RM2,000 in support of their event.