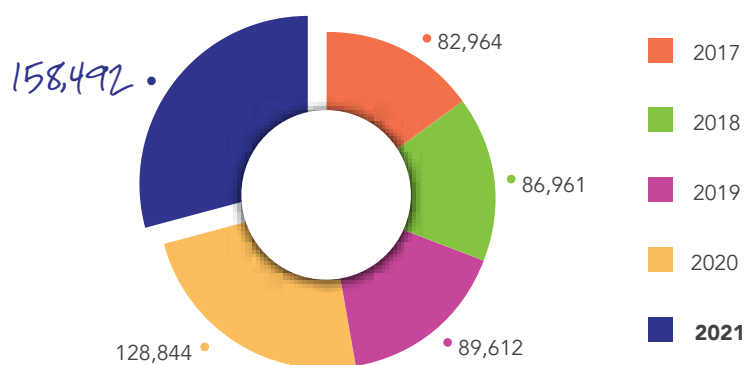


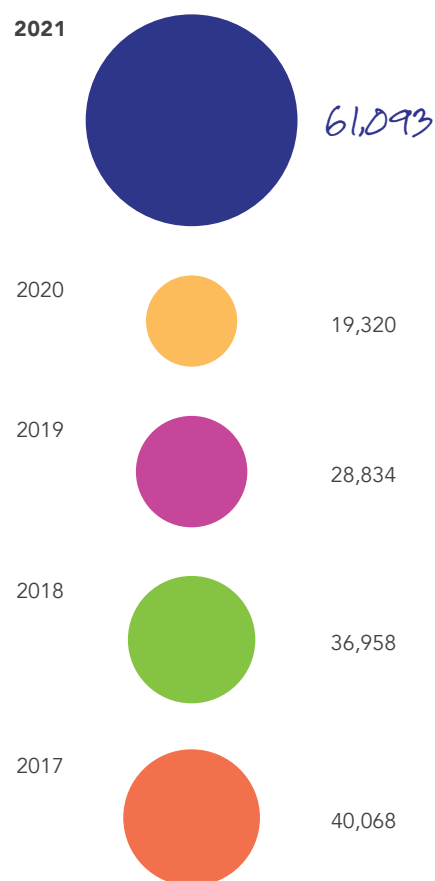
FINANCIAL HIGHLIGHTS

	2021 (RM'000)	2020 (RM'000)	2019 (RM'000)	2018 (RM'000)	2017 (RM'000)
Total assets	158,492	128,844	89,612	86,961	82,964
Equity	112,614	101,696	74,045	78,503	73,090
Revenue	61,093	19,320	28,834	36,958	40,068
Net profit/(loss)	10,450	(3,612)	(3,215)	5,296	7,552

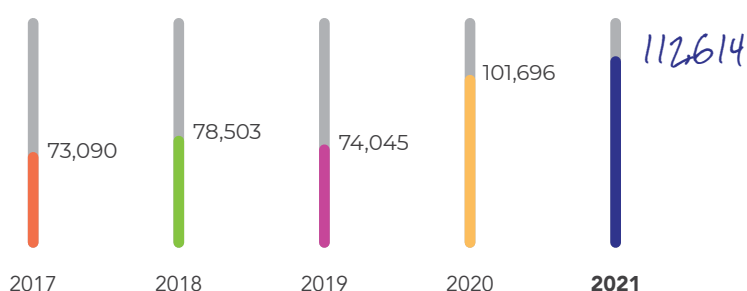
TOTAL ASSETS (RM'000)



REVENUE (RM'000)

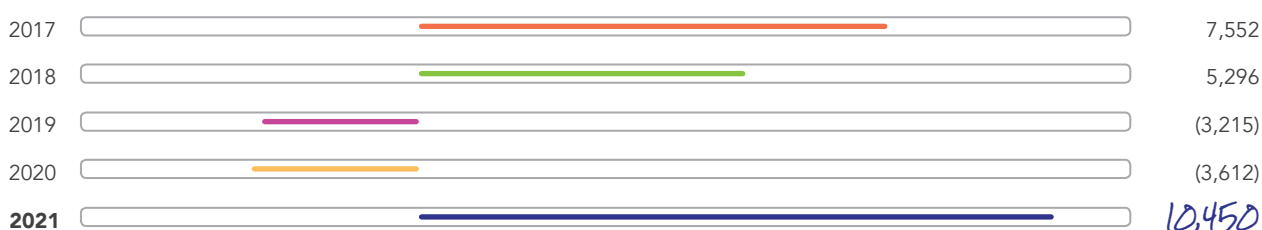


EQUITY (RM'000)



NET PROFIT/(LOSS)

(RM'000)



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND OPERATIONS

As a design house, Aemulus Holdings Berhad (“Aemulus”) architects and markets semiconductor testers or ATE. We focus primarily on RF and mixed-signal semiconductor test markets, followed by automotive and lighting markets. Our objective is to constantly enhance and provide test solutions that propel our customers towards optimum productivity and operational efficiency.

To achieve this objective, our strategies include: investing in research on new test methodologies, algorithms, test instrumentation designs, and test software; as well as research on how data science can help testers in predictive analysis and maintenance.



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL PERFORMANCE REVIEW



REVENUE
(RM'000)

RM61.093 mil

▲
216%

increase RM41.773 mil, as compared to FYE2020



COST OF SALES
(RM'000)

RM28.741 mil

▲
307%

increase RM21.676 mil, as compared to FYE2020



GROSS PROFIT
(RM'000)

RM32.352 mil

▲
164%

increase RM20.098 mil, as compared to FYE2020



**RESEARCH AND
DEVELOPMENT EXPENSES**
(RM'000)

RM1.488 mil

▼
70%

decrease RM3.399 mil, as compared to FYE2020



**ADMINISTRATIVE
EXPENSES**
(RM'000)

RM20.122 mil

▲
44%

increase RM6.155 mil, as compared to FYE2020



**PROFIT/(LOSS)
AFTER TAX**
(RM'000)

RM10.450 mil

▲
389%

increase RM14.062 mil, as compared to FYE2020



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL PERFORMANCE REVIEW (CONT'D)

In FYE2021, Aemulus achieved the highest revenue and PAT of RM61.1 million and RM10.5 million since its inception, representing a tremendous growth of 216% and 389% compared to FYE2020. The increase is attributable to the successful implementation of strategies in turning around the business. Undoubtedly, it was also the result of favourable sales from China and the Rest of the World market deriving from the increased demand of ATE after the outbreak of COVID-19.

Gross profit margin has decreased in FYE2021 due to the average gross profit margin in China's sales being lower. However, the lower gross profit margin for sales in China is compensated with higher sales volume.

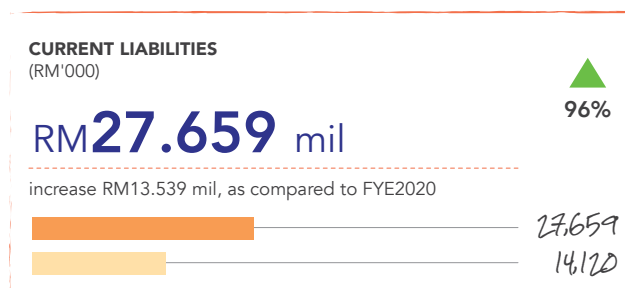
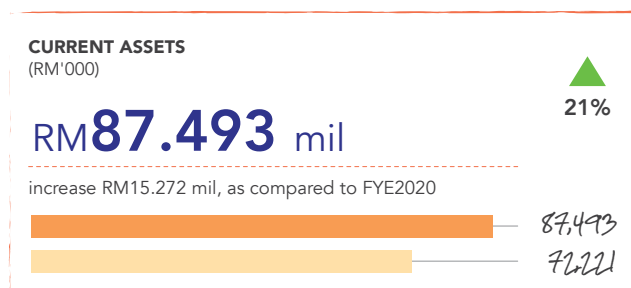
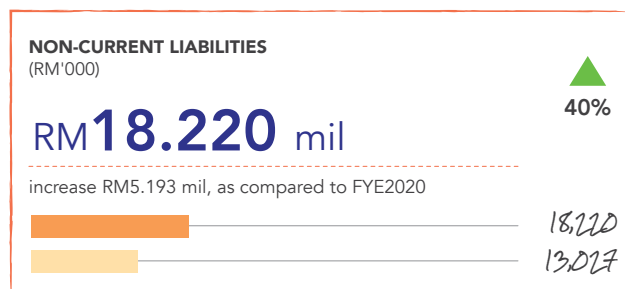
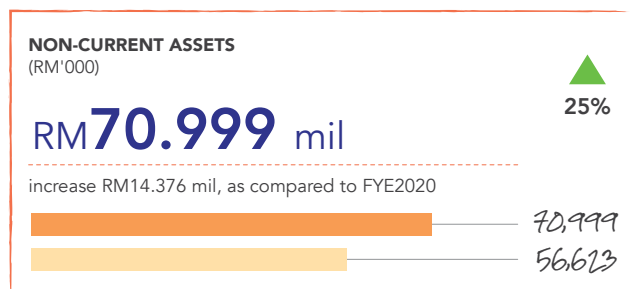
R&D expenses has decreased RM3.4 million as compared to FYE2020, attributable to the capitalisation of talent and materials cost spent in developing new test solutions to meet the market demand and enhancing our products features as we moved from research stage to development stage during the year.

Administrative expenses increased RM6.2 million in tandem with the expansion of our business activities which was mainly due to an increase in our talent pool; our total headcount increased from 130 to 182 staff within a year.



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL POSITION REVIEW



NON-CURRENT ASSETS

The 25% increase in the Non-Current Assets category reflects several major investments made by Aemulus during the financial year, such as land transfer, capital injection into TMSS in China and our investment in R&D.

Aemulus Base, our iconic headquarters, was completed in July 2020. It is one of our most valuable assets which carries a value of RM28.7 million. An increase in PPE was mainly due to the successful transfer of the adjacent piece of land during the year which amounted to RM5.0 million.

The Group has injected an additional RM2.1 million into TMSS as the second phase capital injection in accordance with the joint venture agreement. As of to-date, we have injected RM3.3 million into TMSS.

R&D activities continue to drive our product development and delivery of advanced testing solutions to our customers. Talent costs & development materials invested in the R&D are capitalised accordingly, which amounted to RM5.6 million this year.

CURRENT ASSETS

The Group's current assets was RM87.5 million as of FYE2021 in comparison to RM72.2 million as of FYE2020. It was primarily due to the increase of trade receivables and an increase of contract assets by RM1.0 million. The increase in

trade receivables was due to higher sales generated towards the end of FYE2021 resulted in the corresponding increase in trade receivables. Majority of contract assets in FYE2021 are billed subsequently in FYE2022.

NON-CURRENT LIABILITIES

Long term loans have increased in tandem with the drawdown of term loans during the year to fund the transfer of land.

CURRENT LIABILITIES

Current liabilities have also increased to RM27.7 million in comparison to RM14.1 million in FYE2020. This was attributed to the increase in trade payables by RM3.6 million, contract liabilities by RM2.2 million and short term borrowings by RM5.6 million. Increase in trade payables is attributable to larger purchase of raw materials and stock up due to worldwide parts shortage to support our FYE2021 sales. Contract liabilities for FYE2021 are expected to be fulfilled and recognized in FYE2022. Increased in short term borrowings is attributable to utilisation of trade facilities such as banker acceptance and revolving credit to fund our operation of business and working capital.

DIVIDEND POLICY

We do not have an explicit dividend policy.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

BRINGING YOU BACK TO THE MEETING TABLE WHEN THE MANAGEMENT DISCUSSED ABOUT OUR BUSINESS...

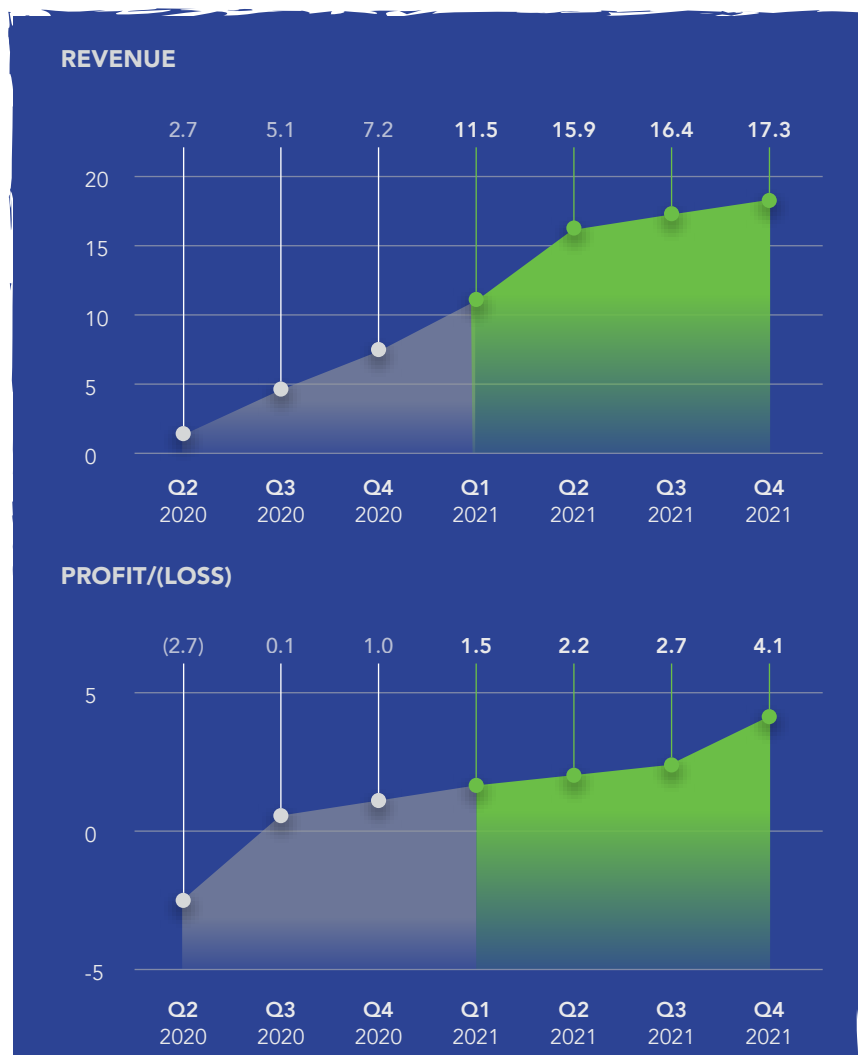
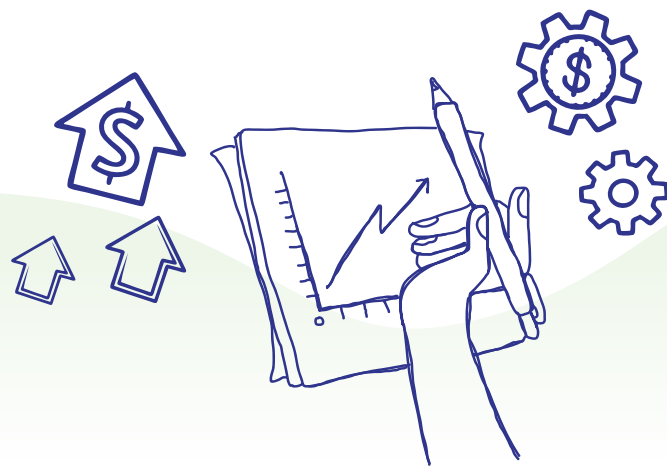
OVERVIEW OF BUSINESS ACTIVITIES, TRENDS AND OUTLOOKS

When Aemulus' CFO, Chin Wah keyed in the last variable in an Excel worksheet labeled with OPEX (operating expenditures), the number **10.5** immediately appeared in the formulated cell labeled with PAT (net profit after tax). He grinned, picked up his mobile and called the CEO. The person on the other side paused after hearing that number, beamed, and broke the silence, "Nice, send it out!" Sang Beng consented to email out the finalized accounts to the Board of Directors. The PAT was a RM10.5 million for FYE2021.

The delightful atmosphere at both sides could well be understood given the Group was in the red in the last two financial years. The financial numbers associated with FYE2021 accounts were impressive. Those indices were achieved not without challenges and disruptions. These made them even more striking.

Key Indices

The Group crafted a record revenue and a record profit of RM61.1 million and RM10.5 million correspondingly in FYE2021, at the backdrop of scourges of events and crisis that hit the semiconductor industry and global economy hard. Restrictive productivity associated with Movement Control Order (MCO) 2.0, 3.0, curtailed operations due to COVID-19 quarantine, and disruptions in supply chain caused by worldwide wafer and component shortages were some of the mentioned scourges the Group has braved through.



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)



OVERVIEW OF BUSINESS ACTIVITIES, TRENDS AND OUTLOOKS (CONT'D)

Key Indices (cont'd)

Putting things into perspective, the Group gathered RM19.3 million of revenue and suffered a loss of RM3.6 million in the previous financial year. The differences were significant. Signs of recovery was noticeable towards the second half of FYE2020, when the Group started to turnaround in the third quarter of the previous financial year (Q3'20) with a small profit of RM0.1 million.

Out of the eight quarters spread over two financial years, the Group has reported a continuous growth in revenue and profit for seven (7) consecutive quarters. The last quarter of FYE2021 chalked a revenue of RM17.3 million and if this number is to be compared with the revenue of RM2.7 million in Q2'20, the Group has made a whopping 540% growth in just eighteen (18) months. PAT wise during the similar period, the Group flabbergasted the investors with a magnitude of RM6.8 million profit difference by making a mark of RM4.1 million profit in Q4'21, as compared to a loss of RM2.7 million in Q2'20. This lowest quarter result

happened when MCO 1.0 was declared in March 2020.

The financial performance FYE2021 of the Group started off with RM11.5 million of revenue and RM1.5 million of profits in Q1'21, ended with RM17.3 million of revenue and RM4.1 million of profit in Q4'21.

The Right Strategy

In a discussion among the senior management with regards to the financial performance in FYE2021, the general consensus was that the strategy deployed during the year was spot on.

"This year is our foundation year," mentioned by the CEO numerous times. The strategy, it was. Exactly what the Group did along the line of that strategy, circled around building or strengthening the foundation in various functions within the Group.

The strategy first echoed in Procurement and Operation functions. Other than being a CFO, Chin Wah heads the Group's operation too. The implementation of the strategy was more of a lesson learnt from the automotive industry. *"A shortage of semiconductors has left car firms unable to install the*

electronics that control entertainment systems, safety features and driving aids..." mentioned by the article, Pinned by chips published in The Economist in August, 2021. The best practice in the supply chain of the automotive and many other industries was based on *just-in-time* strategy, optimizing cash flow and production effectiveness.

And as the article continued, carmakers trimmed down orders of electronics predicting a weaker sales in 2020 and a slower recovery in 2021. The consequences were disastrous.

Procurement and Operation tweaked the strategy towards *just-in-case*, as opposed to *just-in-time*. Procurement went through structural changes including doubling up personnel in Procurement with focused assignments, putting the dynamics of risky materials into their radar and strengthening the relationship with suppliers, to name a few. They looked at instant statistics and numerical indicators rather than the conventional *plan-and-forget* tactics. The Management of Operation effectiveness was another key success factor too. *Plan-ahead* strategy is no longer effective, given the unpredictability of our production up-time and the delivery schedules from our suppliers. This happened due to the inconveniences associated with COVID-19 like quarantine of employees, 14-day-shut-down by health authorities and MCO at the vendor side.

The Management was motivated to deal with the scourges and acted swiftly in tandem with the volatility because the objective of Operation was well defined, *to meet the delivery schedule.*

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

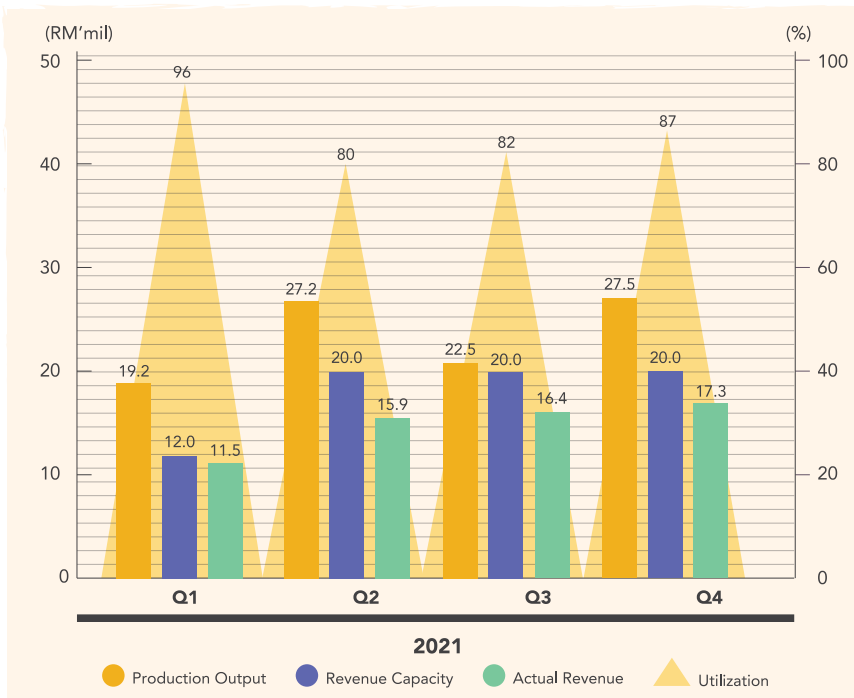
OVERVIEW OF BUSINESS ACTIVITIES, TRENDS AND OUTLOOKS (CONT'D)

Revenue Capacity

“What’s our revenue capacity?” was the question thrown out by the CEO in one of the Operation review meetings. The Head of Planning projected her screen and started explaining. “There are two items for me to share in regards to capacity. We can tell how much we have shipped for revenue using the sales number. Because for the past few quarters we worked till the very last hour of the quarter to meet our sales targets, we can safely say that the sales number is pretty close to our revenue capacity.”

She continued, “revenue capacity is a snapshot when we observe at the last workstation of our Production; on the other hand, production output is the revenue capacity plus the work-in-progress capacity. We put a percentage of completion to a few critical workstations and using those weightages, we are able to calculate the maximum capacity of our Operation.”

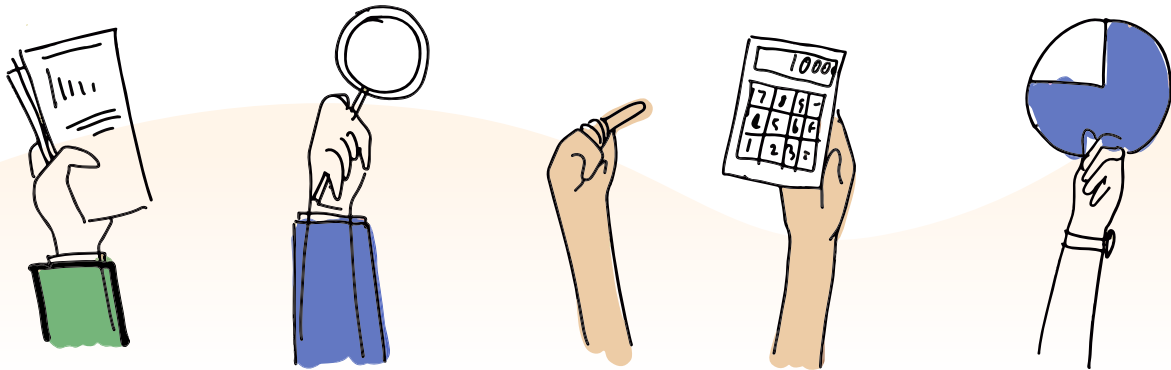
In fact, the exercise of doing such measurements started in Q1’21 but the Planners were not sure if this was an accurate calculation. They then continued to work out such measurements over the next three quarters. By now, they were convinced of the method to calculate and the data itself. That was an important milestone.



Why? If we refer back to the revenue (revenue capacity) of FYE2021, it reads RM61.1 million. Then we make reference to the revenue capacity chart above, it reads RM80.0 million for the maximum annual revenue capacity based on a single production site at Aemulus Base in Penang - we are not far from hitting the upper limit. This information was used to convince the Management and the Board to proceed for fund raising activity in order to expand the production capacity.



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)



OVERVIEW OF BUSINESS ACTIVITIES, TRENDS AND OUTLOOKS (CONT'D)

Business Intelligence

"There's one thing I would like to mention here," the Head of Planning kept everyone from leaving the meeting room. A chart with lots of vertical color-coded lines was displayed on the screen. It was eye-catching.

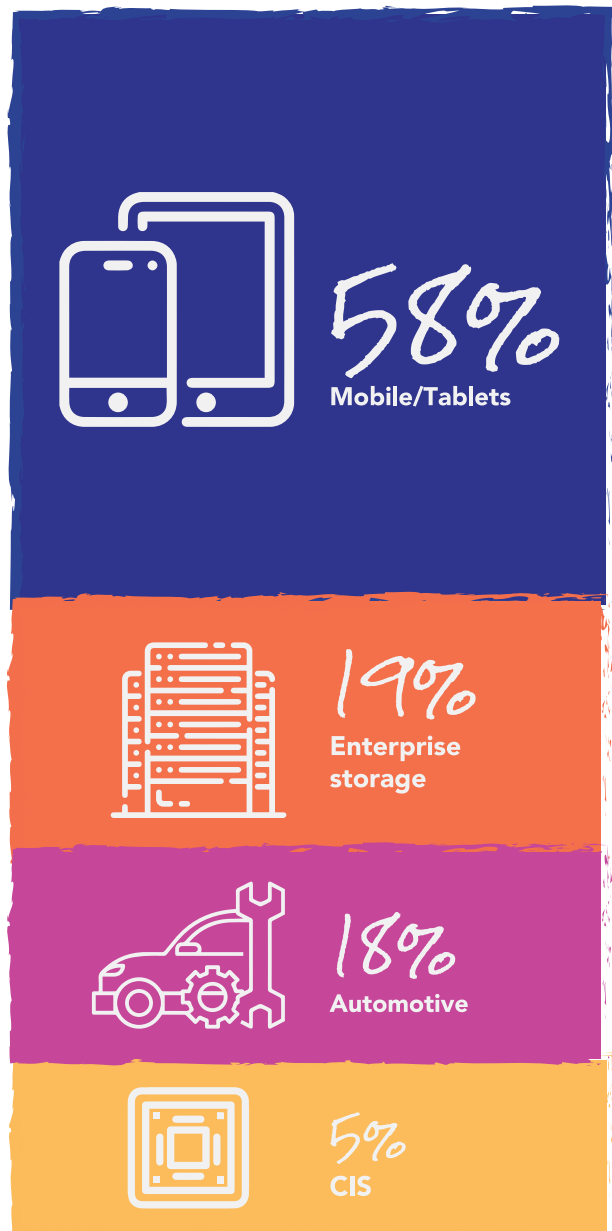
"We dumped every plan-till-complete-date data of each workstation in Enterprise Resource Planning ("ERP") to our Moridaru server," she then pointed her finger to where the Moridaru team sat, "they helped me to filter the data and I discussed the anomalies I observed with the AI team. Look at the chart!"



As the Head of Planning navigated the room through the chart, the anomalies appeared to be the vertical lines with significant length, as compared to their peers. These are so called the "over planned" workstations. Using the intelligence produced by Moridaru, bottlenecks were identified, and resolved; inefficient buffers were taken out, and optimized.

The result? The revenue capacity was optimized with an increase from RM12.0 million in Q1'21, to RM20.0 million in Q2'21, or a staggering 67% increase with negligible addition to capital expenditures, as illustrated in the chart above.

Revenue Composition & 5G Radio Frequency



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OVERVIEW OF BUSINESS ACTIVITIES, TRENDS AND OUTLOOKS (CONT'D)

Revenue Composition & 5G Radio Frequency (cont'd)

The mobile/tablets market remained the largest contributor to the Group's revenue in FYE2021. The demand for radio frequency front-end semiconductor devices ("RFFE") pushes the sales of RF testers of the Group which mainly derives from China. The restrictions of traveling due to COVID-19 would have dwarfed the sales & marketing activities and revenue stream from China, given the Group has been operating from Malaysia; the conundrum was addressed by the rainfall-in-a-drought-like joint-venture company ("JV"), TMSS.

TMSS was incorporated in August 2020 in Jiashan, China. Despite the short period of establishment, TMSS has pulled its weight in contributing to the FYE2021 revenue. *"China has contributed 39% of our revenue in FYE2021, as compared to 11% in FYE2020,"* reported by the CEO in one of the quarterly investor briefings, *"not to forget that this increase in percentage is a multiplier of the three-times-revenue-jump from RM19.3 million in FYE2020 to RM61.1 million in FYE2021."*

By observing the significant increase in engineering activities in this region, and the positive demand forecasts shared by the customers, confidence is building for the Group to claim that China shall remain a strong region in revenue contribution when stepping into FYE2022. Similarly, the mobile/tablets market shall ride on that wave and stand firm as the dominant

market in our revenue composition for the same period.

In a research report published by the French research house, Yole Development in June 2020, there were approximately 83 million subscribers to 5G network. *"That number represents a mere 1% of the 6.1 billion mobile phone users in the world,"* highlighted by the CEO in a strategy meeting. *"We are just at the beginning of the runway,"* he explained. The Group designed AMB7600-SR, AMB7600-SR5 and AMB7300 testers to cater for the 5G radio frequency front-end devices market.

The enterprise storage market stood as the second largest contributor to the Group's revenue in FYE2021 (19%), closely followed by the automotive market (18%). The same year glimpsed complementary metal oxide semiconductor image sensor ("CIS") market with a small contribution of 5%.

CMOS Image Sensors

"The Board of Directors of the Company wishes to inform that Aemulus Corporation Sdn. Bhd. ("ACSB"), a wholly-owned subsidiary of the Company had on 16 June 2021, entered into a Purchase Agreement with a new customer based in China for the purpose of matters related to the delivery of the Group's 5600 series test systems over 3.5 years, subject to the receipt of purchase orders (the "Contract")," read in an announcement made by the Group on 4 August 2021. The value of the Contract was quoted as RM22.0 million over a period of 3.5 years.

As spelled out in the Contract, approximately one-third of the Contract value shall be recognized in FYE2022, but not without challenges and risks. These challenges and risks refer to the usual suspects in such challenging times: worldwide wafer and part shortages, restrictions of traveling, delay in shipments, inconveniences associated with COVID-19 mutations, just to name a few.

The CIS market is new to the Group. The glimpse of it in FYE2021 might understate its potential in FYE2022 and beyond. The success of securing such large order within 18 months from the day AMB5600-CIS testers made its debut was a great achievement. This CIS-specific tester model was customized from a generic AMB5600 tester solution which did not sell well in the generic form. To learn from the mistakes (in making generic testers) and rectify them within a reasonable timeframe was certainly worthy of commendation.

"China to Hold the Highest Market Share," Mordor Intelligence, a research house based in India made such a bold summary in one of their publications on the web. *"... According to Tsinghua University, China's market size of biometric recognition technologies is expected to reach CNY 34 billion in 2021,"* appeared as one of the salient points in the article. The Group believes that the future largest group of consumers shall be in the China market, and by having a foothold in that market through the Contract, the Group is confident of the success of AMB5600-CIS testers.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OVERVIEW OF BUSINESS ACTIVITIES, TRENDS AND OUTLOOKS (CONT'D)

R&D versus Third-Party

From the surface, we may be abounded with questions circling what made the venture into the CIS market seemed easy for the Company. It was never easy. After the Group identified the CIS market as one of the strategic market to focus on back in early 2020, the R&D team customized a design and implemented it in the generic 5600 testers. The R&D team then worked closely with a few targeted customers to enhance the performance of the testers, more importantly solving their pain points. The collaboration resulted in a better tester solution, later designated as AMB5600-CIS.

As we receded across the major markets of the Group the mobile/tablets (5G) and the CIS markets require more frequent updates or enhancements to the testers, as opposed to the automotive and enterprise storage markets. These progressions of development work are incremental, modular and scalable. They need heavy investment in monetary and human resources too. The Group spent RM7.3 million and RM7.0 million for R&D in FYE2020 and FYE2021 respectively. The number is expected to increase steadily over the next few years.

The debates over self-designs versus off-the-shelf-designs for new product development got heated in one wet October afternoon, when Penang fell in a rainy season with an average precipitation of over 400mm. *"Should we explore collaboration instead of either two?"* the CTO, Shee Kian suggested an alternative. *"Well, we can easily segregate the hardware*



acceleration part and the functional part. There are a few partners who are interested in collaborating with us: we use their functional part of the design and we focus on developing the hardware acceleration design," Shee Kian elaborated. *"I do agree with this idea. I think time-to-market is key,"* VP of Product, Sales & Marketing, E-Chiang concurred. Voices of agreements overwhelmed the room.

This marks a shift in R&D strategy going forward. Reinventing the wheel is something the Group wants to avoid; owning the intellectual property (IP) of designs makes the Group have control over the cost and competitive edge. The idea of collaboration by splitting the IP ownership is believed to work if the collaborating partners are the right ones. Certain binding agreements and control over the collaboration will most likely be applied when working with these partners.

An Obstacle Race

A cover page of The Economist on 9 October 2021 showing a small green apple standing lonely in a long three-layer-shelf, portraying an ambient of emptiness in our typical grocery mart. The headline reads *"The shortage economy: The world economy's shortage problem"*. The culmination of the article was right below the headline. It spelled *"Scarcity has replaced gluts as the biggest impediment to global growth"*.

But businesses need to continue. The impediment as described shall be seen as many obstacles with smaller magnitude by the Group. The supply chain conundrum that engulfs the world semiconductor industry which may last for another one or two years shall be considered as operational or management challenges to deal with on a daily basis. The journey until we get over the conundrum is an obstacle race.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)



OVERVIEW OF BUSINESS ACTIVITIES, TRENDS AND OUTLOOKS (CONT'D)

An Obstacle Race (cont'd)

The world shall most likely see relatively more countries opening up of their borders for business traveling. This is positive for companies but comes with additional costs in terms of time and human capital. Managing businesses in different geographical regions becomes more difficult. In fact, there is no one-strategy-for-all approach. The Group implements independent approaches to the sales & marketing strategy in different geographies and the approaches may change over time depending on the effectiveness. This at a minimum, gives the Group time to react if the objectives are not met.

The Group discussed the change of Procurement and Operation strategy previously. The just-in-time approach went well in FYE2021 but the Group could not rule out the negative effects associated with it. First of all, the raw material market is at a price hike satisfying the supply-

demand equation. In order to fulfill the demand for delivery, parts may come in at an extravagant tag. The South China Morning Post on 11 September 2021 reported that a total of RMB2.5 million fine was imposed on three chip distributors in China for abnormal price increase. Secondly, the inventory value in FYE2022 shall be at a much higher level. The operation planning may be required to extend its visibility from three months in the pre-Covid era to nine months going forward. Stocking up parts to address part shortage issues is unavoidable.

The journey in FYE2022 could be a rough one, an obstacle race. At each obstacle, the Group shall refer to instant data and statistics, more than the past long-historical information, not because they are erratic, but they may not be relevant. Using such information, tactical approaches instead of strategic plans are far more practical in overcoming the immediate obstacles. Partnerships, collaborations and work-together are aligned with the approach of leveraging on the strength of each party and this shall be the guidelines for the Management to win this obstacle race.



SUSTAINABILITY REPORTING

A FULFILLING BUCKET LIST & REWARDING GAINS



THE EMPLOYEE'S PERSPECTIVE

After several seconds of me struggling to adjust my gradient-coloured 4-ply mask (it has been an essential fashion accessory for the past year), I picked up my stainless steel utensils together with my eco-friendly bento box and marched into the pantry.

The sideways of the pantry's entrance was thronged with 3 recycle bins, 1 food waste disposal bin and 1 bento-box-recycling bin. It is apparent to me that the Group is taking their ESG initiative very seriously.

Not a surprise. **The Group has just recently bagged the annual Sustainability and CSR Malaysia Award 2021** that was held in Shangri-La Hotel Kuala Lumpur.

It was a clear sky on a Monday morning, all attendees can be seen suited-up and perfectly glammed for the event. Together with our CEO and Hooi Kar, I was jazzing to the live music that reverberated the Grand Ballroom. Thunderous claps can be heard each time an award recipient goes on stage.



It was an overwhelming and proud moment when "Aemulus Holdings Berhad" was announced. What's more significant is that the Group was the only one in the Manufacturing industry to receive this award. This is news and I was elated!

It was our First but it did not take us long enough to achieve our First milestone on our Sustainability journey. This award is a symbolism of recognition, commitment and the Group's lifelong efforts.





"6 o'clock." My watch indicates that it is time for some mental-soothing moments. I instantly caught a glimpse of some engineers scurrying to Level 2 Zone B. I, too, followed behind.

Stepping into Süleyman, the huffs and puffs of staff can be heard. Running on the treadmill, their shirts are drenched in sweat. A pair of fair-skinned "twins" (not literally) who are still donning their skirts chose to give a shot at the Pool table. A honey-coloured ping pong ball bounced to my right foot the next second. I picked it up and was returned with a **"Thanks, mate!"**

It was heartwarming to witness a stark difference from how it was empty with no human souls when we first moved into Aemulus Base previously - to the fully occupied and SOP-adherence Süleyman. Mind-blowing.

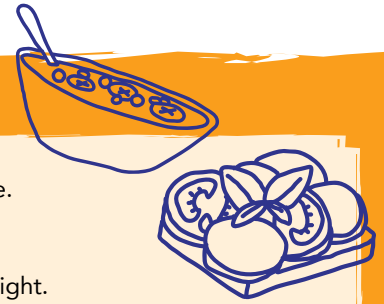


My thoughts were distracted by the not-too-distant murmurs. **"You've heard about the Highest-Calorie-Burned Challenge going on this month? Seems like the S&M guy is leading at the moment..."**

As the Challenge came to an end, our Software Geek, Ryan, topped the list and one of our sports ladies, Cheen Nee, was the Winner for the Ladies category! See. The real differentiator of staying active in sports is the Mentality, not the Gender.

A-Spartan, the birth of our in-house Sports Club has been fruitful. Ping Pong tournaments, hiking trips, morning runs, Yoga / Tabatha classes, just to name a few - are attributable to the active promotion by the energetic A-Spartan committees. They strive to eliminate the common sedentary lifestyle amongst the office staff. They advocate the importance of a healthy body and mind.

SUSTAINABILITY REPORTING (CONT'D)



My empty stomach is rumbling again, but my Grabpay... it says 'RM6.00' in balance. Rummaging through my drawers for any light bites was to no avail as well.

"The Golden Trolley of Eatery will not disappoint perhaps", hoping silently that I was right.

Crossing The Town Hall in a couple of strides. True enough. There was a huge selection of savoury biscuits / light bites to munch on. And one thing in common? They are all sugar-free or low-in-sugar. **"That should keep my diet in check."**

Thinking of an accompaniment to my biscuits, I withdraw a coffee sachet from the pantry's mini rack. Taking a closer look at it, it is an original (OG) coffee - no added sugar. And the encouraging part? Sugar sachets are completely wiped out in Aemulus.

As I navigate through the cubicles, my daily bento lunch is here (finally!). Fish and Chips. My pick for the day is Western as I just had Belacan Chicken with rice yesterday.

Let's put up a checklist for our fully subsidised daily meals. Variety - checked. Taste - checked. Convenience - checked. Cost-saving - checked. Breakfast initiative was just rolled out BUT our Dinner subsidy has lived the same amount of time as our Lunch subsidy.



"I've just realised that there isn't any 'Marital Status' field in our Application Form. I thought that's the standard?" one of our wittiest Managers asked. Standard. Years of being in Aemulus and I've learned. The flaw in the world's system is that individuals are confined to a standard set of rules and norms.

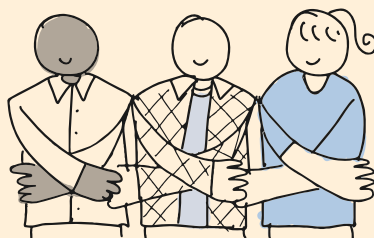
But in Aemulus, the Company cultivates and lays a platform for individuals to shine

like a gem and Be Different. As a young lady myself, the amendment is notable. Gender diversity should be the New Norm instead - even when in a male-dominated industry. Exceptions like these should not be tolerated.

"Ideas that were shaped in the past should evolve in accordance to the time and modernity of the era", I

thought aloud. The birds must have overheard that they decided to quit chirping altogether. Cute. A unanimous response as if an indication of agreement.

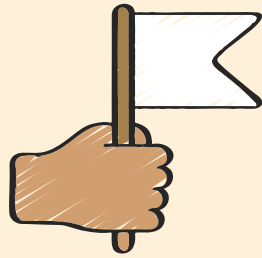
GENDER



DIVERSITY

SUSTAINABILITY REPORTING (CONT'D)

Sitting behind the wheels of my 70km/h moving speed car, it was difficult to ignore the sight of white flags tied to the fence / balcony of houses. A quick glance at the news alert on my mobile phone. It reads **"Malaysian netizens have started the White Flag initiative to help out the needy..."**



This is alarming. The intermittent lockdowns imposed on us citizens have resulted in the lives of many to be unsettled and disrupted. Many were clueless on where to get help until this initiative went into motion.

Inspired by this initiative, our CEO instantaneously sprung into action. RM50,000 worth of funds were set aside to provide financial assistance to the family members of our staff who are in need.

'Victor Flag' is the name. In the Navy, flags are used to communicate among ships in the high seas. The letter V, for Victor Flag is a design of diagonal red crosses on a white background. It means, **"I require assistance."**

It was comforting to know that the Group cares about the well-being of our employees and their family members. **"Blessed."** A feeling I have deep within. To be a part of a sustainable long-term growth company that underlines the significance of ESG.

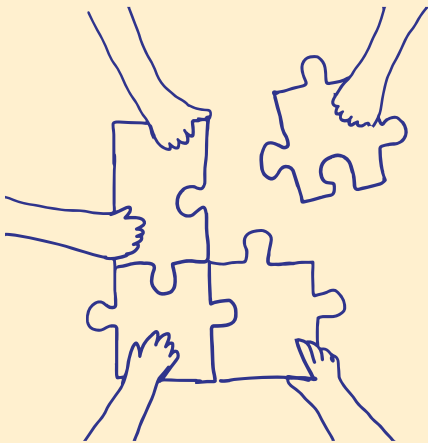




SUSTAINING 2022

AEMULUS MANAGEMENT TRAINING

*"To me, the training was unique, it was conducted as a series of ongoing debates. It was not so much of the topic per se, but the opportunity to observe and self-observe, over some time, how communication is as much about personalities, as it is about the points of the topics discussed... In the end, **successful communication is as a successful stage play, the awareness of the personalities on the stage is as important as the well-written script,**"* concluded Martin after participating in a number of Aemulus Management Training. Such training is not the typical classroom type, instructor-led nor structured syllabus program; the training is a self-calibrated, self-learned and open discussions, literally a debate and no winner is necessary.



*Marcus, strengthened the disparity, " it is different... We have topics for the managers to debate on and to share their personal thoughts. In this way, **we promote diversity of thoughts or what we call cognitive diversity, welcoming different perspectives...** The topics also centered around recent situations and challenges we face like on COVID-19 and ESG concerns, this helps in broadening our horizons"* One of the topics of debate during the Aemulus Management Training reads "Exploring Diversity and Accepting Differences in Opinions" which tells it all. This topic was particularly impactful when Peter commented, "Managing conflicting opinions by participating in real life scenarios has given me the insight on how to properly lead and resolve situations in a fruitful manner. Through the scenario-based training, we were subjected to mixed responses and ideas"

On another occasion, Cheen Nee and Tien Chen strongly advocated that the world is not sustainable, unless drastic measures are being taken by mankind. The topic "**Is Our World Sustainable?**" triggered both to dive deeper into the fast fashion industry. From there, it was them who educated us that indeed the fashion industry was working hard to introduce brands which use recycled or sustainable materials because the players acknowledged the wastage associated with that industry, and therefore we should be supportive of those brands. This set the platform for them to voice out loud their opinions for topics related to sustainability. Cheen Nee mentioned eagerly, "**it's like a stage for a dance performance to me, and I always look forward to the next one.**"

SUSTAINABILITY REPORTING (CONT'D)

AEMULUS GOES CIRCULAR



Source: <https://ellenmacarthurfoundation.org/circular-economy-diagram>

In one of the meetings with investors whereby I was asked to share about our Sustainability philosophy, one of them cut me off and said, "better focus on profit first." The rush of adrenaline resulted in my face flushing, certainly not because of shyness. I stuttered, paused and my eyeballs moved rapidly seeking for the right answer. Don't get me wrong. I was speechless not because I didn't have an answer to that question, rather because of the ignorance of the person in neglecting ESG.

"Prof Khaled Soufani, Director of the Circular Economy Centre (CEC) of University of Cambridge Judge Business School might have an answer to your concern, by the way..." Help came in. "The 3P's were repeatedly highlighted by him, People, Planet and

Profit. People for Social, Planet for Environment and Profit for Economic," our CEO told the audience.

As a matter of fact, in an interview with *The Edge* in which the article, *Circular Economy: Aemulus Plans to be Circular* (<https://www.theedgemarkets.com/article/circular-economy-aemulus-plans-be-circular>) was published in December 2021, he explained once before, "Proper corporations should do something bigger and have a bigger purpose. The topic of ESG didn't really resonate with me until the programme taught me about the [priorities of] people, planet and profit ... If a company is not making money, we are wasting natural resources."

Then, how could the Sustainability effort not have anything to do with profit?

"As a corporation, we believe that we could make a more impactful effort. Starting 2022, I'll be given a noble and meaningful assignment which is to dedicate my work towards turning Aemulus business into a circular economy model," I proudly declared. The mentioned article by *The Edge* further elaborated one of the methods to do so. We could re-architect our test modules such that we separate the functional submodule (which could become obsolete over time) from the processing submodule (which the life cycle is much longer). The processing submodule could then be repurposed for educational means or recycled into a new system with informed purchase by the customers, **not without challenges**.

One of the earliest drivers of the Circular Economy concept is Ellen MacArthur Foundation. The Foundation defines the Circular Economy as "a generic term that describes an economy that is regenerative by design. A Circular Economy is therefore an economic system which was designed to reuse materials for multiple production cycles, so as to reduce waste." This is a perfect reference for us to start from. The Foundation has done its serious and impactful work on this topic.

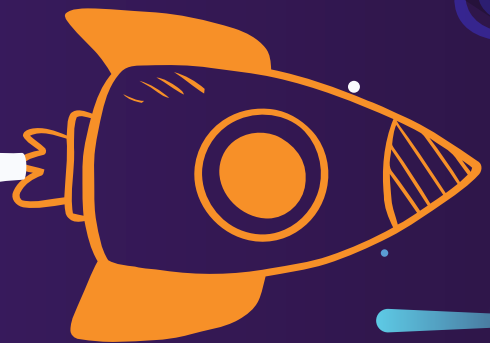
FY2022, IT'S OUR TURN NOW.

AEMULUS' CHRONOLOGICAL SUMMARY OF 2021 EVENTS

Travelling Back in Time

"Passengers, buckle up!

We are now travelling at the speed of light. Don't lose your grip! We should arrive in no time."



A strong beam of lights blinded everyone...

THE SHARK TANK

The year was filled with multi-colours - various pops of colours added intense glow to our Base. It illuminates. Rather than the mundane boardroom-like meeting, the Management spiced things up with the proposal of "Software in the Shark Tank". It was a 1-day event for the Software Team to pitch about their ideas and the winning Team was rewarded.

The battle was heated. Their burning spirits to bag the Gold prize was evident. The stern-looking Panels weren't an easy opponent to begin with. As the Software Team(s) braved the challenge, they were applauded for the feat they put up.



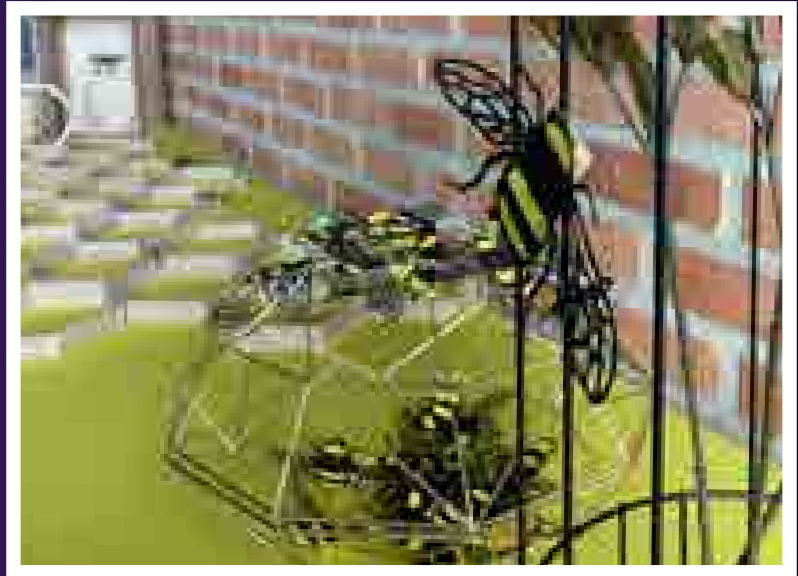
AEMULUS' CHRONOLOGICAL SUMMARY OF 2021 EVENTS (CONT'D)



UNITY AS ONE

Fast forward to the fulfilling month of the ramped-up operations to meet the high demands in Q2'21. The Operation Team was able to heave a sigh of relief when it came to the end of the fruit-bearing season. "Unity as One" was coordinated and put together to credit their hard work. A pleasant surprise for the Arsenal dwellers to shake it off.

The games were specially curated, by two talented Team Building Specialists. The central focus was to strengthen the bond between our staff, promote unity and encourage open communication. The plus point? Our staff is rejuvenated and their productivity was improved.



Smaller events were scattered throughout the year. We have the finest hospitality and a lavish setup to welcome our guests. Either Chinese, Western or Nyonya we have an option for you - just tell us your preference and voila! Your piping hot meal is served.

This year has been fulfilling and we anticipate that FYE2022 wouldn't be any less.

