

Corporate Information

Board of Directors

Dato' Seri Lee Kah Choon	Independent Non-Executive Director/Chairman
Ng Sang Beng	Executive Director/Chief Executive Officer
Ong Chong Chee	Independent Non-Executive Director
Friiscor Ho Chii Ssu	Independent Non-Executive Director
Ch'ng Suat Ping (appointed on 28 April 2022)	Independent Non-Executive Director
Yeoh Chee Keong (resigned on 28 April 2022)	Executive Director/Chief Operating Officer
Wong Shee Kian (resigned as Executive Director on 28 April 2022)	Executive Director/Chief Technology Officer
Ng Chin Wah (resigned as Executive Director on 28 April 2022)	Executive Director/Chief Financial Officer

Nomination Committee

Ch'ng Suat Ping (Chairman)
Ong Chong Chee (Member)
Friiscor Ho Chii Ssu (Member)

Audit Committee

Ong Chong Chee (Chairman)
Friiscor Ho Chii Ssu (Member)
Ch'ng Suat Ping (Member)

Risk Committee

Friiscor Ho Chii Ssu (Chairman)
Ong Chong Chee (Member)
Ch'ng Suat Ping (Member)

Remuneration Committee

Friiscor Ho Chii Ssu (Chairman)
Ng Sang Beng (Member)
Ong Chong Chee (Member)
Ch'ng Suat Ping (Member)

Company Secretaries

Chee Wai Hong (BC/C/1470)
SSM PC No. 202008001804
Tan She Chia (MAICSA 7055087)
SSM PC No. 202008001923

Registered Office

48, Jalan Chow Thye,
10050 George Town,
Pulau Pinang, Malaysia.
Tel No. : (604) 226 2188

Business Address

No.25, Jalan Sultan Azlan Shah
Zon Perindustrian Bayan Lepas
Phase 1, 11900 Bayan Lepas
Pulau Pinang, Malaysia.
Tel No. : (604) 684 6000
Fax No. : (604) 646 6799

Auditors

Grant Thornton Malaysia PLT
(AF:0737)
Chartered Accountants
Level 5, Menara BHL
51 Jalan Sultan Ahmad Shah
10050 Penang
Tel No. : (604) 228 7828
Fax No. : (604) 227 9828

Share Registrar

Tricor Investor & Issuing House
Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel No. : (603) 2783 9299
Fax No. : (603) 2783 9222

Principal Bankers

United Overseas Bank (Malaysia) Bhd.
CIMB Bank Berhad
CIMB Islamic Bank Berhad
HSBC Bank Malaysia Berhad
AmBank (M) Berhad
CTBC Bank Co. Ltd
Maybank Islamic Berhad

Stock Exchange Listing

ACE Market of Bursa Malaysia
Securities Berhad
Stock Name : AEMULUS
Stock Code : 0181

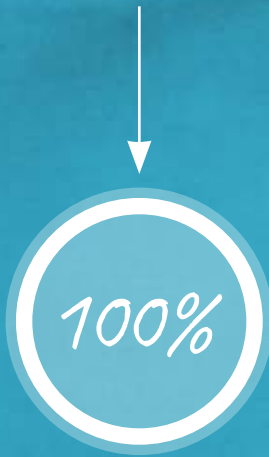
Company Website

www.aemulus.com

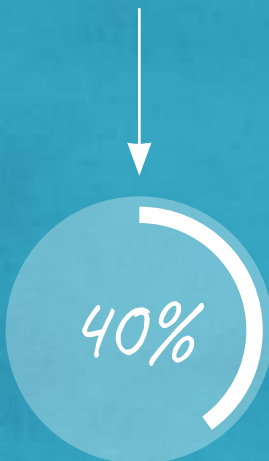
Corporate Structure



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



AEMULUS CORPORATION SDN BHD
Registration No. 200701039983 (798015-M)



TANGMING SHENGSHI TECHNOLOGY (JIASHAN) CO. LTD ("TMSS")
Registration No. 91330421MA2JE6JP6C



The Chairman's Statement

*Welcome
aboard!*



Dato' Seri Lee Kah Choon
Independent Non-Executive Director / Chairman

The Chairman's Statement (Cont'd)

Starting Afresh

The sun is beaming and the young leaves glisten; escaping rays of sunlight peek through the lush green trees that are now blossoming with flowers. This is precisely how 2022 can best be described : the rays of hope emerge for people after a 2-year-long battle with an unseen virus that still exists today, though we have learnt to adapt and live with it. We are encouraged to note that the economy and businesses are picking up and gaining strong momentum.

A Rising Demand

The Group's focus has always been in Mobile / Tablets, followed by Automotive, Data Centre and finally Complementary Metal Oxide Semiconductor Image Sensor ("CIS"). This year, we noticed rising demand in the Automotive industry and the Group will be placing higher emphasis in this segment.

The financial position of the Group remains strong and healthy. During the year, the Group successfully undertook and completed a private placement exercise on 13 December 2021 with net proceeds of RM62.8 million after deducting exercise costs of RM0.9 million. The Group's cash and cash equivalent position increased to RM55.0 million at the end of 2022 with healthy liquidity and gearing position.

Despite the challenging environment, I am pleased to report that the Group has achieved a profit after tax of RM12.5 million, which is a 20% improvement of our profit after tax of RM10.5 million of the previous year.

Going forward, we expect our joint venture in TMSS to contribute positively to the Group's growth in tandem with China's positive economic forecast for 2023 driven by the winding down of China's strict Covid policies.

Environment, Social & Governance ("ESG")

On the ESG front, the Group was appointed by the State Government to spearhead the ESG theme under Penang's 50th Year of Industrialisation Celebration. Events organised by the Group included:

- The Green Architecture Symposium ("GAS"), showcasing the Group's HQ, the Base - on how a conducive working environment can be created out of sustainable building designs and creative architecture.
- The Penang Small and Medium Enterprises ("SMEs") Olympics 2022 which acted as a platform to foster friendship among the industry's supply chain stakeholders.

In the upcoming year, the Group intends to amplify the ESG efforts further with the staff's healthy lifestyle as the main focus.

In A Nutshell

Without a doubt, the success of the Group depends on dedicated and loyal employees and their talent that we can harness. Without them, the Group will not be what it is today.

My heartiest congratulations to the management team for a tremendous year. Given the mixed news on the outlook for the semiconductor industry, the Group remains cautious on prospects for 2023. There is continued demand for the Group's products and services as our customers transition towards 5G, business digitalisation and electric-vehicles technology. The Group will continue to focus on customer centric business strategies and to strengthen our operational efficiencies to grow revenue consistent with our positive outlook for 2023.

Profile of Directors

Dato' Seri Lee Kah Choon

Independent Non-Executive Director / Chairman



Nationality

Malaysian



Age

62



Gender

Male



Date of Appointment

9 February 2021

Dato' Seri Lee Kah Choon, Malaysian, male, aged 62, is our Independent Non-Executive Director / Chairman. He was appointed to our Board on 9th February 2021.

He graduated with a LLB (Bachelor of Law) from the Southampton University, United Kingdom ("U.K.") and a MA (Master of Arts) from the City University, London.

He is currently a Director of government-linked corporations Invest-in-Penang Berhad, Penang Development Corporation and Penang Hill Corporation since 2008. He is also a Director of Natiogate Holdings Berhad and L&P Global Berhad.

He is a member of the Investment Committee of Areca Capital, a licensed fund manager for individuals, corporations and institutions. Apart from board & corporate matters, he also acts as legal counsel to these companies. Industries covered by these companies / corporations include: trading, food production, tourism, township & property development, wealth management & startups mentoring.

He is a Barrister at Law (Middle Temple) and a Certified Financial Planner.

He is the Chairman of various private companies.

He has no family relationship with any Directors or major shareholders of the Company.



Profile of Directors (Cont'd)

Ng Sang Beng

Executive Director / Chief Executive Officer

 Nationality	 Age	 Gender	 Date of Appointment
Malaysian	46	Male	8 December 2014

Ng Sang Beng, Malaysian, male, aged 46, is our Executive Director / Chief Executive Officer. He was appointed to the Board on 8th December 2014. He is responsible for the strategic operations, business development activities, and research and development (“R&D”) roadmap of the Group.

He graduated with a Bachelor of Electrical Engineering from University of Technology Malaysia in 1999. He began his career with Altera Corporation (M) Sdn Bhd (“Altera”) in 2001 as the Test Development Engineer and Component Applications Engineer. He left Altera in 2004 to co-found Aemulus Sdn Bhd with Yeoh Chee Keong in the same year.

He has been involved in the semiconductor industry for more than 20 years and has vast knowledge in the area of design and development of semiconductor tester.

He was recognised as one of the Endeavour Entrepreneurs by Endeavour Global at its 55th international selection panel 2014.

He currently sits on the board of several private limited companies.

Mr Ng Sang Beng is a member of the Remuneration Committee. He is the founder, council chairman and beneficiary of Crystal Clear (L) Foundation, which is the major shareholder of the Company, save as disclosed relationship, he has no family relationship with any Directors or major shareholders of the Company.



Profile of Directors (Cont'd)

Ong Chong Chee

Independent Non-Executive Director



Nationality

Malaysian



Age

46



Gender

Male



Date of Appointment

20 July 2015

Ong Chong Chee, Malaysian, male, aged 46, is our Independent Non-Executive Director. He was appointed to our Board on 20th July 2015.

He started his career as a Tax Consultant in Deloitte in 1998. He left Deloitte in 2005 and subsequently, he set up Moore Advent Tax Consultants Sdn Bhd ("Moore Advent") in 2005.

He is a member of the Association of Chartered Certified Accountants, UK ("ACCA") since 2002 and a fellow member of ACCA since 2007. He is a fellow member and a chartered tax practitioner of the Chartered Tax Institute of Malaysia, a chartered accountant of the Malaysian Institute of Accountants, a certified public accountant of the Malaysian Institute of Certified Public Accountants, an associate member of The Institute of Internal Auditors Malaysia, and an income tax agent licensed by the Ministry of Finance.

He currently sits on the board of several private listed companies.

Mr Ong Chong Chee is the Chairman of the Audit Committee and the member of the Nomination Committee, the Remuneration Committee and the Risk Committee. He has no family relationship with any Directors or major shareholders of the Company.



Profile of Directors (Cont'd)

Friisor Ho Chii Ssu

Independent Non-Executive Director

 Nationality	 Age	 Gender	 Date of Appointment
Malaysian	51	Male	20 July 2015

Friisor Ho Chii Ssu, Malaysian, male, aged 51, is our Independent Non-Executive Director. He was appointed to our Board on 20th July 2015.

He graduated with a Master of Business Administration from Malaysian Institute of Management and the University of Bath, UK in 2002.

He started his career as an Integrated Circuit Designer at Intel Technology Sdn Bhd in 1995. In 2005, he joined Jaalaa Malaysia Sdn Bhd as the Director of Engineering (“DOE”) where he went on to set up an R&D and operations engineering center.

He has almost 25 years of experience in broad, high technology industries ranging from Integrated Circuit (“IC”) design, test development and many more. Since 2015, he has held a leadership role in global managed and support services inclusive of network operations centre (“NOC”), security operations centre (“SOC”), just to name a few.

Mr Friisor Ho Chii Ssu is the Chairman of the Risk Committee and the Remuneration Committee, and a member of the Audit Committee and the Nomination Committee. He has no family relationship with any Directors or major shareholders of the Company.



Profile of Directors (Cont'd)

Ch'ng Suat Ping

Independent Non-Executive Director



Nationality

Malaysian



Age

46



Gender

Female



Date of Appointment

28 April 2022

Ch'ng Suat Ping, Malaysian, female, aged 46, is our Independent Non-Executive Director. She was appointed to our board on 28th April 2022.

She graduated with a Bachelor of Law from the Monash University in Melbourne, Australia.

She worked as a litigation and conveyancing lawyer from year 2001 and is now a Partner with Vello & Associates. Ms Ch'ng is also an Australian lawyer.

She sits on the board of development companies in Australia and is a Director of Ghee Hiang Manufacturing Co Sdn Bhd.

Ms Ch'ng Suat Ping is the Chairman of the Nomination Committee and a member of the Audit Committee, the Remuneration Committee and the Risk Committee. She has no family relationship with any Directors or major shareholders of the Company.



Notes:

1. All the above Directors do not have any conflict of interest with the Company.
2. Other than traffic offences, none of the Directors of the Company have any convictions of offences within the past 5 years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.
3. The Directors' shareholdings are as disclosed in this Annual Report.
4. None of the Directors of the Company hold any Directorships in other public companies and listed issuers, save for Dato' Seri Lee Kah Choon, details of which are as disclosed in the profile on page 26 of this Annual Report.

Profile of Key Senior Management

Wong Shee Kian

Chief Technology Officer



Nationality

Malaysian

Wong Shee Kian, Malaysian, male, aged 44, is our Chief Technology Officer. He is responsible for overseeing the overall R&D roadmap and R&D activities of the Group. He is the head of all divisions categorised under the Group's R&D activities.



Age

44

He graduated with a Master Degree in Engineering (Microelectronics) from Multimedia University in 2009, and a Master Degree in Data Science and Analytics from Universiti Sains Malaysia in 2021. In 2002, he started his career at Altera as a Component Applications Engineer. He has extensive experience in system-level signal integrity simulation and analysis. In 2005, he left Altera to join our Group as the R&D Manager and was promoted to Chief Technology Officer in 2006.



Gender

Male

He currently sits on the board of several private limited companies.



Date of Appointment

1 January 2006

He has no family relationship with any Directors or major shareholders of the Company.

He does not hold any directorships in any other public companies and listed issuers.

Ng Chin Wah

Chief Financial Officer



Nationality

Malaysian

Ng Chin Wah, Malaysian, male, age 43, is our Chief Financial Officer. He graduated from University of Malaya with a Bachelor Degree in Accountancy (Honours) in 2003. He is a Chartered Accountant and a member of the Malaysian Institute of Accountants.



Age

43

He started his career in 2003 as an Audit Assistant with Ernst & Young, Penang. In 2009, Mr Ng joined our Group as the Finance Manager. In March 2017, he was appointed as Chief Financial Officer. He is responsible for the overall finance and accounts functions of our Group.



Gender

Male

He was awarded "Best Chief Financial Officer for Investor Relations Under SmallCap Companies Category" at the Investor Relations Awards 2018 by Malaysian Investor Relations Association ("MIRA").



Date of Appointment

1 March 2017

He has no family relationship with any Directors or major shareholders of the Company.

He does not hold any directorships in any other public companies and listed issuers.

Profile of Key Senior Management (Cont'd)

Ong Chuin Tein

Senior R&D Director



Nationality

Malaysian



Age

44



Gender

Male



Date of Appointment

1 April 2013

Ong Chuin Tein, Malaysian, male, age 44, was appointed as Senior R&D Director on 1st April 2013. He graduated from University of Malaya with a Bachelor in Electrical Engineering degree in 2002.

In 2005, he joined our Group as a Project Manager and was subsequently promoted to Senior R&D Director. His journey with the Group was described as profoundly challenging and best suited his areas of interest. His extensive knowledge of market intelligence provided him a head start in developing products that are in tune with the market needs; from a wide array of PXle modules to high pin count digital testers.

He has no family relationship with any Directors or major shareholders of the Company.

He does not hold any directorships in any other public companies and listed issuers.

Low Bok Siew

R&D Director



Nationality

Malaysian



Age

43



Gender

Male



Date of Appointment

1 April 2013

Low Bok Siew, Malaysian, male, age 43, was appointed as R&D Director on 1st April 2013. He graduated from University of Malaya with a Bachelor in Electrical Engineering degree in 2002.

He joined our Group in 2005 as a Project Manager and was promoted to R&D Director in 2013. He has extensive working experience in Analog Mixed Signal, and Switch Mode Power Supply designs.


He has no family relationship with any Directors or major shareholders of the Company.

He does not hold any directorships in any other public companies and listed issuers.


Profile of Key Senior Management (Cont'd)

Moy Shin Fei


Chief Architect of Software & Data Science


 Nationality
Malaysian

Moy Shin Fei, Malaysian, male, age 43, was appointed as Senior Software Director on 1st April 2014 and subsequently appointed as Chief Architect of Software & Data Science on 5th March 2018. He graduated from University Kebangsaan Malaysia with a Bachelor in Electrical, Electronics and System Engineering degree in 2002.

 Age
43

He joined our Group as the R&D Manager in 2005. He was promoted to Senior Software Director in 2014 and subsequently appointed as Chief Architect of Software & Data Science in 2018. He is responsible to define our software roadmap and architecting scalable software. In tune with software market trend and transition, he plans our entry into Industry 4.0.

 Gender
Male


 Date of Appointment
5 March 2018

He has no family relationship with any Directors or major shareholders of the Company.


He does not hold any directorships in any other public companies and listed issuers.

Tan E Chiang


Vice President of Product, Sales & Marketing


 Nationality
Malaysian

Tan E Chiang, Malaysian, male, age 45, was appointed as Senior Marketing Director on 1st April 2010 and subsequently appointed as Vice President of Product, Sales & Marketing on 5th March 2018. He graduated from University of Technology Malaysia with a Bachelor in Electrical Engineering majoring in Telecommunication in 1999.

 Age
45

He joined our Group in 2007 as the Marketing Manager. He was promoted to Senior Marketing Director in 2010 and subsequently appointed as Vice President of Product, Sales & Marketing in 2018. He is adept in long-term marketing strategy including product definition, market segmentation, brand building, and customers retentions. With his well-connected network, he has fortified the Group's brand foundation among the key players in the ATE industry both locally and internationally. He is in charge of his extended team members offshore to cater to the growing international customer base.

 Gender
Male

 Date of Appointment
5 March 2018

He has no family relationship with any Directors or major shareholders of the Company.

He does not hold any directorships in any other public companies and listed issuers.

Profile of Key Senior Management (Cont'd)

Sean Lin Hsiu-Hung

Taiwan General Manager



Nationality

Taiwanese

Sean Lin Hsiu-Hung, Taiwanese, male, age 52, joined our group as Taiwan General Manager in 2015. He graduated from National Chiao Tung University of Taiwan with a Bachelor in Electronic Engineering majoring in Telecommunications in 1997.



Age

52

He has a wide range of experience in the semiconductor test industry from managing the Asian region's outsourced assembly and test ("OSAT") companies to the supply chain of the global fabless' demand.



Gender

Male

He is in charge to drive sales within Taiwan and he works closely with the marketing team in strategising new market penetration, creating opportunities, and optimising sales volume. Keeping track of global fabless requirements, he continues to grow sales volume through the demand of Asia's OSAT in the South East Asia and Far East.



Date of Appointment

2015

He has no family relationship with any Directors or major shareholders of the Company.

He does not hold any directorships in any other public companies and listed issuers.

Notes:

1. All the above Key Senior Management do not have conflicts of interest with the Company.
2. Other than traffic offences, none of the Key Senior Management of the Company has any convictions for offences within the past 5 years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Financial Highlights

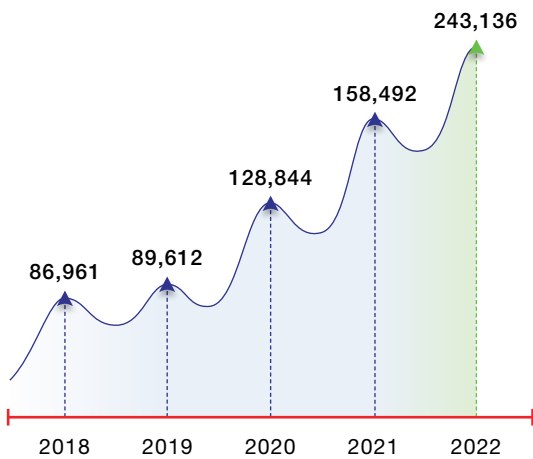
	2018 (RM'000)	2019 (RM'000)	2020 (RM'000)	2021 (RM'000)	2022 (RM'000)
Total assets	86,961	89,612	128,844	158,492	243,136
Equity	78,503	74,045	101,696	112,614	189,006
Revenue	36,958	28,834	19,320	61,093	73,035
Net profit/(loss)	5,296	(3,215)	(3,612)	10,450	12,516



TOTAL ASSETS
(RM'000)

53% ▲

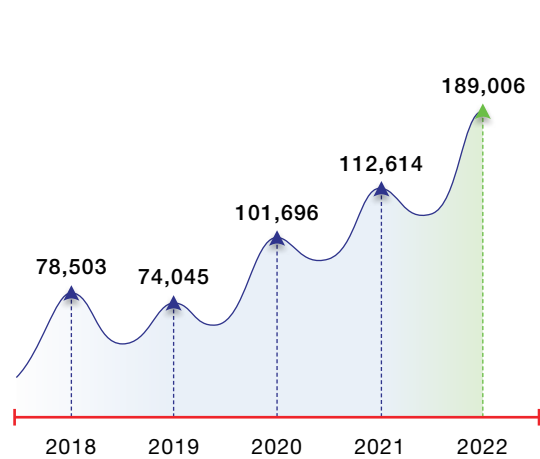
RM **243,136**



EQUITY
(RM'000)

68% ▲

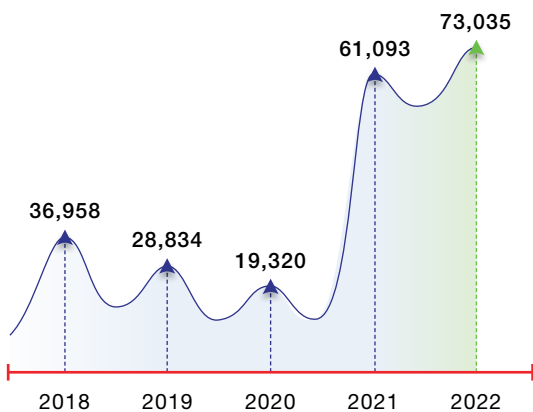
RM **189,006**



REVENUE
(RM'000)

20% ▲

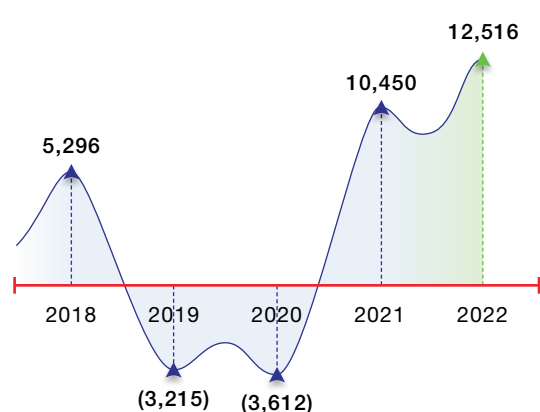
RM **73,035**



NET PROFIT/(LOSS)
(RM'000)

20% ▲

RM **12,516**



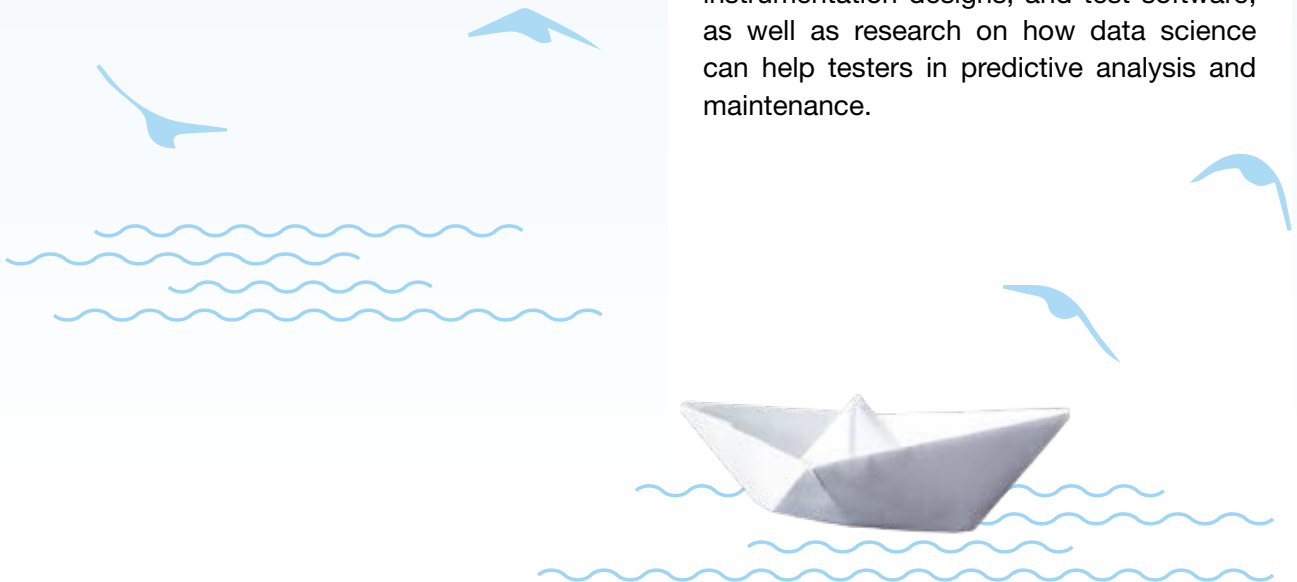
Management Discussion And Analysis



Business and Operations

As a design house, Aemulus Holdings Berhad (“Aemulus”) architects and markets semiconductor testers or ATE. We focus primarily on Radio Frequency (“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.



Financial Performance Review

► Revenue



► Cost of Sales



► Gross Profit



► Research and Development Expenses



► Administrative Expenses



► Profit after Tax



Management Discussion And Analysis (Cont'd)

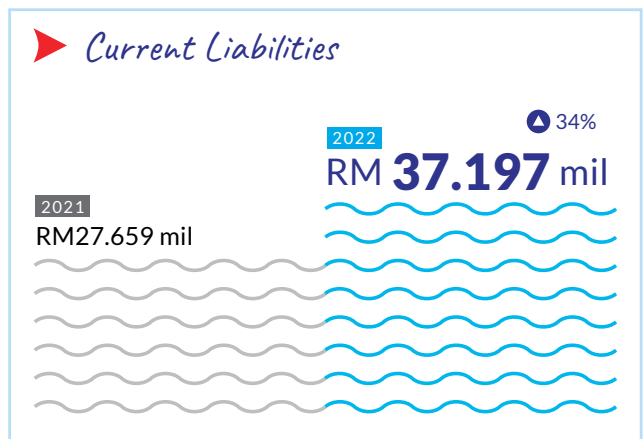
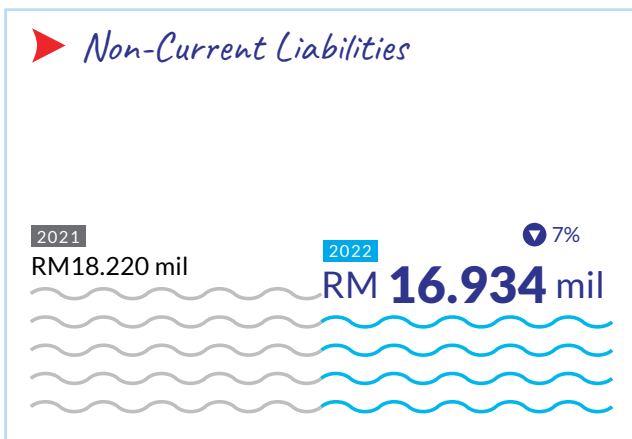
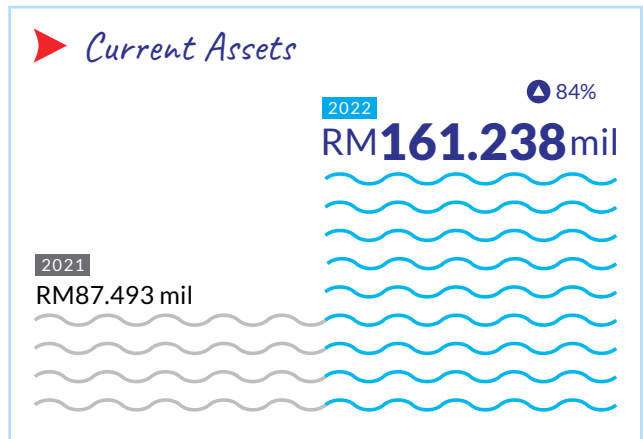
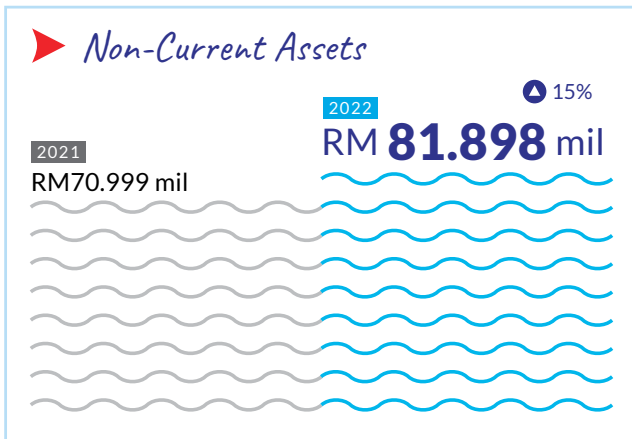
Financial Performance Review (Cont'd)

In the financial year ended (“FYE”) 2022, Aemulus achieved the highest revenue and profit after tax (“PAT”) of RM73.0 million and RM12.5 million respectively, since its inception, representing a robust growth of 20%, as compared to FYE2021. It was the result of favourable sales from China and the rest of the world (“ROW”) markets deriving from the rising demands in CIS and the Automotive industries.

The gross profit margin has decreased in FYE2022, partly contributed by the averagely lower profit margin for sales to the China market. Another significant factor which affected the gross margin was the increasing material costs due to the worldwide shortage of parts.

R&D expenses have increased RM1.6 million as compared to FYE2021, attributable to the additional headcount in our R&D department as new talent is needed to develop new test solutions to meet the market demand and enhancing our product features to stay competitive in terms of technology. Our R&D total headcount has increased approximately 20% throughout the period of the year.

Financial Position Review



Management Discussion And Analysis (Cont'd)

Non-Current Assets

The 15% increase in Non-Current Assets reflects several major investments made by Aemulus during the financial year, such as CAPEX expenditure in property, plant and equipment, capital injection into TMSS in China and our investment in R&D.

The Group has injected an additional RM6.6 million into TMSS based on our plan as stated in the announcement relating to our private placement exercise in December 2021. To-date, we have injected RM9.9 million into TMSS.

R&D activities continue to drive our product development and delivery of advanced testing solutions to our customers. Talent costs and development materials invested in R&D are capitalised accordingly, which amounted to RM6.9 million this year.

Current Assets

The Group's current assets was RM161.2 million as of FYE2022 in comparison to RM87.5 million as of FYE2021. It was primarily due to the increase of fixed deposit ("FD") placements, trade receivables and inventories amounting to RM31.4 million, RM23.1 million and RM18.2 million respectively. The increase in trade receivables was due to higher sales generated towards the end of FYE2022 resulting in the corresponding increase in trade receivables.

The increase in inventories was mainly attributable to stock up for forecast build and to mitigate the risk of global parts shortages and is one of the purposes stated in the announcement relating to our private placement exercise in December 2021 (categorised under working capital).

FD placements have increased significantly due to the temporary deposit of the funds received from the private placement completed on 13th December 2021.

Non-Current Liabilities

Long term loans have decreased as we repaid the term loan accordingly based on the term schedule during the year.

Current Liabilities

Current liabilities have increased to RM37.2 million in comparison to RM27.7 million in FYE2021. This was mainly attributed to the utilisation of trade facilities such as banker acceptance and revolving credit to fund the increase in our operation of business and working capital.

Dividend Policy

We do not have an explicit dividend policy.



Management Discussion And Analysis (Cont'd)

Overview of Business Activities , Trends and Outlooks

“We shall start now,” whispered the ESG Manager, Hazel Wong to the Chief Executive Officer, Ng Sang Beng at 10:30am during *The Strategy and Outlook 2023* investor briefing at Kedah Ballroom.

Voted as the best hotel in Kuala Lumpur by popularity when competing in the Kuala Lumpur Mayor’s Tourism Awards in 2014, Hotel Shangri-La Kuala Lumpur was a 37-year-old-hotel with timeless interior architecture.

Around the same time last year, the Group finalised the PAT at RM10.5 million. This financial year (FYE2022), the Group announced a PAT of RM12.5 million, at the back of RM73.0 million revenue, up 20% from RM61.1 million in FYE2021.

“FYE2022 was generally good. After a streak of profit growth for eight quarters, we saw our profit slowed down in the last two quarters of FYE2022. Yet, in the full year, the PAT of FYE2022 grew 20%,” Sang Beng started his investor briefing.

Figure 1. Eight Quarters of PAT Growth (Q3'20 to Q2'22)

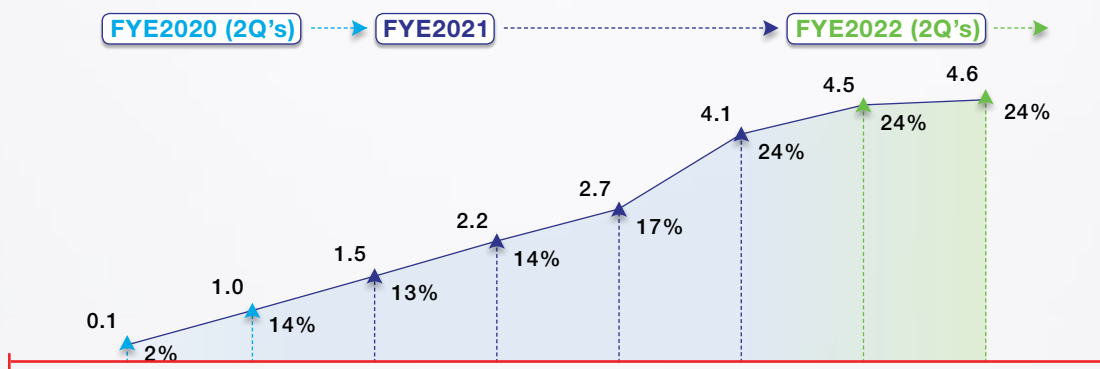
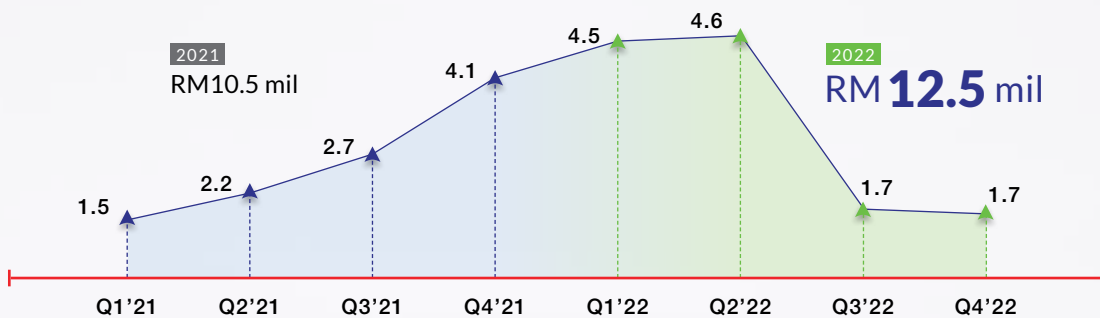


Figure 2. FYE2022 Quarterly PAT



Management Discussion And Analysis (Cont'd)

Overview of Business Activities , Trends and Outlooks (Cont'd)

► The Hurdles

“During FYE2022, as mentioned frequently, we faced hurdles in running our business. First, we had travelling restrictions whereby a large percentage of our businesses are outside of the country; second, the quarantines and illnesses associated with the pandemic; and lastly, worldwide parts shortages. These are difficult challenges for us,” Sang Beng continued.

In FYE2022, more than 70% of the revenues were outside of Malaysia. Korea and the Philippines opened their borders to all travellers in April; Taiwan in October; China is on the way. Products like ATE as what the Group designs and produces require experts to set up, deploy and provide training. The vacuum of such expertise slowed down business development and engineering engagement activities.

Needless to elaborate, the pandemic has burdened the human resources planning of the Group. Internally, the reduction in manpower and close-contact quarantines dwarfed the effectiveness of project management. “How do we define close-contacts? Why are so many of them being brought into quarantine?” One of the managers challenged the Group’s human resource personnel. “We are following the SOP given by the Government,” a dull answer was hurled back to the manager. The frustration echoed throughout all departments.



The parts shortages issue, during the first two quarters of the fiscal year, was serious and no one dared to make a bet. *Just-in-case*, as we proudly called it our strategy in FYE2021, fittingly sealed up the gaps in the supply chain. What the Group did was to expand its procurement team and suppliers in such a way that similar parts or services could be procured in time and quickly.

In one of the presentations by the Chief Financial Officer, Ng Chin Wah in July 2022, he highlighted two strategies to address parts shortage issues. The first one was to forecast-build commonly used test modules and tester types. On the second one, he said, “We want to stock-up long lead time materials because in the recent communication with our vendors,

“

the manufacturers have revised their lead time to between 30 to 53 weeks; some are up to 90 weeks.

”

The strategy worked most of the time. The downside was the accumulated inventory value.

Management Discussion And Analysis (Cont'd)

Overview of Business Activities , Trends and Outlooks (Cont'd)

► Change is the only Constant

“The dilemma was always about whether to buy (at high price) or to wait. Yet, the clock never stops ticking and even if 1% of the parts do not arrive, we are not able to complete the build of our testers,” explained Sang Beng. If we looked at the point when a decision was to be made - the Planners pushing for delivery of tester shipment, the price of the parts skyrocketing due to part shortage, the Procurement personnel had to make a decision. Often, it was merely a bet - if the decision was to buy, betting the price *did not come down* so as not to be perceived as making a wrong decision later, if the decision was not to buy, betting the price *did come down* and they managed to place orders in time.

In one of the internal “financial insights” meetings in July, an out-of-space topic was discussed. It was about turning tides against the *just-in-case* procurement strategy. But if we looked at the general feedback by the customers in that month, we could hardly see a strong reason to change. In the same month, The Economist published an article titled (<https://www.economist.com/business/2022/07/10/after-a-turbocharged-boom-are-chipmakers-in-for-a-supersize-bust>), *“After a Turbocharged Boom, are Chipmakers in for a Supersize Bust?”*

► Shifting Gear

In the following months, targets and objectives were renewed. Efforts to lower inventories had been doubled down and new purchases were being scrutinised more. The shift came at the right time as the market has shown its weakening signs in September, the last month of the fiscal year. Things were expected to get worse in the coming months.

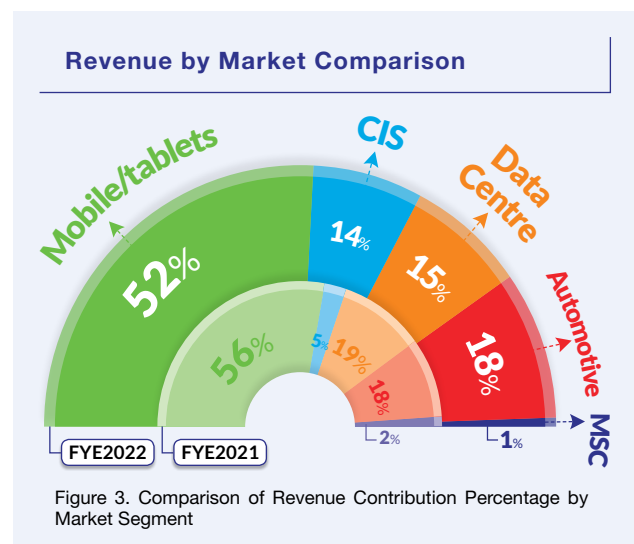
The Group had seen the automotive related market segments steal the limelight in FYE2022. The percentage of revenue contributed by both the automotive market and the CIS market had soared to 32% in FYE2022, as compared to 23% in FYE2021. This was also reflected by the shift of focus by CIS customers from applications in mobile phones and surveillance to applications in automotive.

The Economist article pointed out that the weakening demand, especially in graphic chips which were being associated with video-game devotees and cryptocurrency miners, synchronised with the time-honoured **semiconductor cycle** - the consequence of the lag between demand and new supply. Will a recession further soften the demand looming?

And then a new report came in later. In November, IC Insights published one of its researchers (<https://www.emsnow.com/after-record-sales-in-2022-semi-sales-forecast-to-fall-5-in-2023/>), declaring

“ After a Record Sales in 2022, *Semi Sales Forecast to Fall by 5%* in 2023 ”

Looking at the bright side, the “financial insight” meeting in July 2022 did trigger concerns within the finance department after all.



Management Discussion And Analysis (Cont'd)

Overview of Business Activities, Trends and Outlooks (Cont'd)

► Shifting Gear (Cont'd)

Despite the relatively strong shipments of testers for mobile / tablets market segment in FYE2022, the shipments are expected to decrease in FYE2023. Based on the strategy of sales in FYE2022, the Group wished to aggressively populate the market in China with its 5G RF solutions through its joint-venture company, TMSS. The strategy aimed to get new RF startup companies in China to adopt the Group's solutions at the early stage. This effort was slowed by the side effects of very strict pandemic control in China.

As China quickly shifted their pandemic management strategy, the country might open up sooner than generally expected. That could possibly revive the tester shipments to China in the second half of the calendar year.



► The Trillion Dollar Market

The fiscal year for 2023 could be a challenging year for the Group, at the back of a looming world recession and uncertain pandemic situation in China. Yet, if we look at the Group's business composition, it is well positioned in the growth of the trillion dollar market for this decade.

As McKinsey & Company had indicated (<https://www.mckinsey.com/industries/semiconductors/our-insights/the-semiconductor-decade-a-trillion-dollar-industry>), the semiconductor industry in this decade (2021 to 2030) is heading to a trillion dollar value by the end of the decade. It is going to be a whopping 80% growth from the USD590 billion market value in 2021 to a forecasted value of USD1,065 billion in 2030.

An excerpt of the report published in April 2022 said,

“ About 70 percent of growth is predicted to be driven by just three industries: automotive, computation and data storage, and wireless. ”

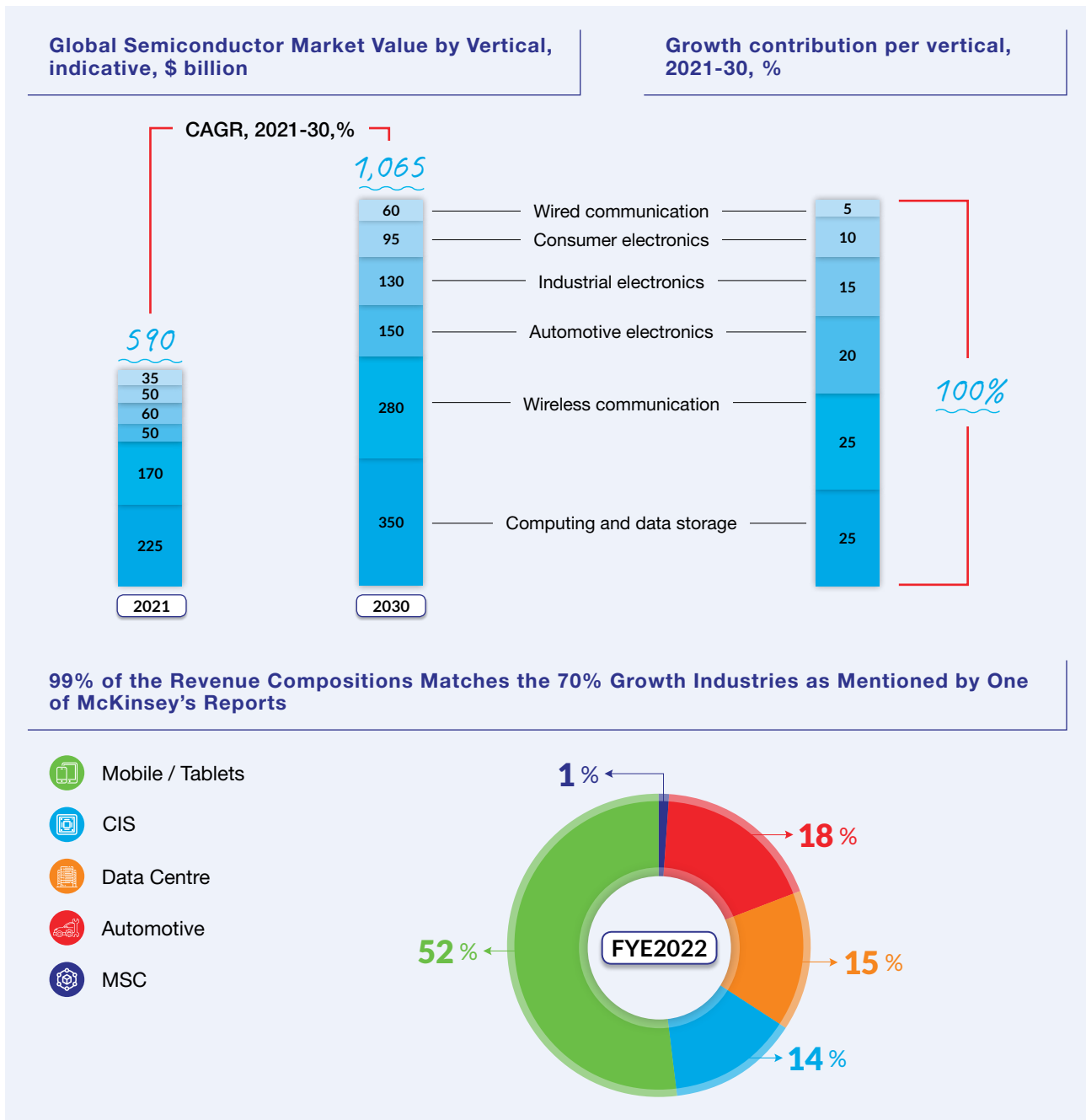
If we match the three industries to the market segmentation of the Group, the automotive and CIS market segment (automotive), the data centre market segment (computation and data storage) and the mobile / tablets market segment (wireless), the 70% of growth as mentioned by the McKinsey report would be 99% of the revenue compositions of the Group in FYE2022.



Management Discussion And Analysis (Cont'd)

Overview of Business Activities , Trends and Outlooks (Cont'd)

► The Trillion Dollar Market (Cont'd)



As the management of the Group put it, "... our fundamentals remained strong. We are not so worried over the looming recession, if it ever happens in 2023; we are more concerned about grabbing the opportunity when the next wave comes."

Sustainability Reporting

Matter-of-Fact: Action-Packed & Doodles of Aemulus 2022

Narrating from a third person's point of view. (Main character is Calvin)

ENVIRONMENTAL

What We Did

“Introducing the 13 theme drivers of Penang’s 50th Year of Industrialisation Celebration...” the caption headlined Calvin’s LinkedIn’s Home Feed. It caught his attention because he spotted a familiar logo at the bottom of the poster. “Aemulus.” “ESG.” He paused as he collected his thoughts.



“Wow. Unbelievable. We may be comparatively smaller in size but our ESG initiatives...is **on the chart**.” His inner soul did a little twirl as he tried to contain his excitement. “Impressive.” Was the only vocabulary he could thought of.

Follow-up events that are narrated below were our **voices** as the ESG theme driver of this year-long celebration...

Fast forward to the Green Architecture Symposium (GAS) in March.

Sustainability Reporting (Cont'd)



ENVIRONMENTAL (CONT'D)

With Calvin walking casually along the link bridge of Aemulus Base (AB) 2F...

"...Thank you to our esteemed speakers and guests for attending our Green Architecture Symposium (GAS) event."

The voice and the speech caught his full attention.

"Serina Hijjas, Dr. Tan Loke Mun, John Bulcock, Dr. Kody Kato..." "WHAT?!"

Despite Calvin being a R&D Engineer, a part of him has always being particularly fond of sustainable architectures. His leisure time revolves around browsing architectural websites and being fascinated by their beauty.

And these architects now in front of him are literally renowned architects he has "met" on the screen!

"YEEEEPSSS!" he was suppressing his emotions and the urge to squeal!

"Cooler buildings, cooler environment. Planting in the green heart makes it feels up to 20% cooler." The Vice President of The Malaysia Green Building Council, Serina Hijjas spoke about how green environment reduces stress levels.

John Bulcock, Director of Design Unit Architects, concurred saying that "If buildings have no mind and soul behind them, they become an economic activity only..."

Calvin took a seat on the corner of the concrete bench at The Walhalla Hall. He wanted to learn more. "The world around us is changing and we try to capture these changes

to create a comfortable, living environment for our clients and the public. It has led to projects that are created from gravitational forces and projects that change colour in response to heat." Dr. Kody Kato explained how a simple idea of theirs led to the proposal of a thermally responsive factory. Calvin was so glued to the projector screen and he couldn't be bothered with the tap he received on his shoulder.

Dr. Tan Loke Mun, Director of Archicentre, voiced his current concerns "we are in the age of disruption, and many things I have seen in the recent two years puts green in the back burner. And that troubles me a lot..."

But being one of the green pioneers in Malaysia, Dr. Tan is still very hopeful of transforming the world back to the 'Garden of Eden'. "We need to do the right thing." Dr. Tan realised that publications of architectures in the tropics are uncommon, so, he did a lot of those; when he intended to reach a wider audience – he made Youtube videos. Calvin was amazed by the fighting spirits and the amount of courage Dr. Tan displayed.

GAS has seen a gathering of green-focused architects, green suppliers, SMEs, and architectural students. GAS was a platform specially curated for knowledge-sharing purposes and to spread the awareness.

Not many **realised** the need for sustainable architectures, hence, it is our **role** to be vocal about it.

Post-event rewards? It led to the organizing of a similar event 'A Discourse by MLG' held at our Base. Architectural students from various universities selected our Base for one of their study visits.



Sustainability Reporting (Cont'd)



ENVIRONMENTAL (CONT'D)



"Aemulus' Earth Day's Herb and Tree-Planting activity is now going LIVE."



Dialing in to Youtube...

It was a live footage of our C-suite officers surrounded with pots of ready-to-plant herbs and trees. The Management team were all gathered at the Red Carpet Entrance as well.

Calvin was caught up in a virtual meeting and couldn't be there in-person... but he made an effort to see it live, virtually.

These herbs and trees were given to us by the Penang State Forestry Department as part of their "100 million Tree-Planting Campaign 2021-2025". An ecosystem was constructed and more than half a year later, the trees are on a growth spurt, our herb plants are growing in all directions that repotting is now required.

On a particular Monday morning, Calvin spotted our gardener, Kristie, crouching over the herb garden whilst going about her daily gardening maintenance.

"Is it difficult maintaining these?" Calvin asked while pointing at the herbs.

"Not really. It just requires an optimum temperature with the right amount of water and sunlight and abundant care," Kristie continued, "They are all looking really good now!"

"Nice." This small act of greening the Earth denotes our support and devotion in our ESG Pledge. We believe that it's the little things incorporated daily by every individual that will make a big difference.



"How many Riiipoints have you collected?" Rou asked.

Calvin was busy stacking his bags of recyclable clothes onto the weighing scale at the parking area. "Several hundreds for now."

"Have you ever gotten anything so far?" said Rou.

"For sure. I've been using these Riiipoints to exchange for cash vouchers. You recycle your unwanted stuff, and you get some incentive? Isn't that good?" Calvin said as he dropped his bags of clothes into the multi-coloured recycle bins.

"Scan that QR. There's a list of categories and the Riiipoints you are getting are stated in there."

Rou replied, "Oh yea? I actually like how it rhymes – **Recycle with Riiicycle.**"

Peeking into the recycle bins, all of them were filled to the brim. "Afterall, recycling is all about self-awareness." Calvin thought to himself.

Sustainability Reporting (Cont'd)



ENVIRONMENTAL (CONT'D)

Zooming Into the Future

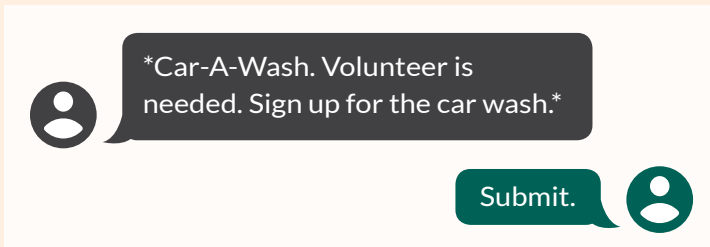
Adding more green touches to our Base is comparable to the 'more sambal for extra kick' in our Nasi Lemak. With the spaces we have, there are future plans to have vertical vegetation / gardens in our workplace. Green walls are beneficial in various ways – it stimulates creativity, reduces stress levels, acts as a sound barrier...and the list goes on.

The Management is also looking into automated systems in which harvested rainwater may be used to water plants automatically. Several aspects such as its energy efficiency, relevance, and suitability will be taken into consideration before its implementation.



SOCIAL

What We Did



**Car-A-Wash. Volunteer is needed. Sign up for the car wash.* The WhatsApp communication was delivered to all recipients of All Staff group chat.*

Calvin has always been very engaging in giving back to the community because being in Aemulus for years, he has been thoroughly educated on the significance of sustainability.

"Submit." He immediately signed up to be a Volunteer.

Equipped with microfibre cloths, vibrant yellow sponges, multi-coloured pails and our armed warriors were then dispatched to work.

The 2-day car wash was a success. Funds were raised through this in-house event, and an equivalent amount was matched by the Company. The funds were then donated to Rumah Kebajikan Seri Cahaya Pulau Pinang.



Sustainability Reporting (Cont'd)



SOCIAL (CONT'D)



Laces tied, towels prepped. Here came the long-awaited Penang SMEs Olympics 2022! This event was a depiction of the S of ESG dopamine encourages achievements and physical activities are the main contributor to one's overall health and the prevention of noncommunicable diseases.



There were 13 companies participating in total.

Calvin was **all set**. Not only was Calvin ready to sprint, he held a supreme role in the grand opening of the event by YAB Tuan Chow Kon Yeow.

He was the flag bearer who handed over the flag to YAB Tuan Chow Kon Yeow and was one of the key members of the organising committees.

The roaring sound of the drums reverberated across the stadium with the lion dance being the icing on the cake. The sea of blue consisted of spectators and participants alike, donning our Penang SMEs Olympics 2022 official T-shirt and waving flags bearing the logos of each participating company.



Long jump, futsal, 100m / 400m run, table tennis, tug-of-war were some of the games showcased.

It wasn't a battle but rather it accentuated the sense of togetherness of a diverse community, strengthening the idea of inclusivity and creating good times altogether! A small group of people may influence, but a large community will inspire.

"Tug-of-War was the highlight," Calvin recalled. "It was a nerve-wrecking moment witnessing the two strongest teams facing off."

It was not for the faint-of-heart to begin with.

Sustainability Reporting (Cont'd)



SOCIAL (CONT'D)



After three intense rounds of battle, the ultimate victory went to the ladies' team of Aemulus. Calvin learnt later from the interviews with the ladies that their trains of thought kept resonating to 'give up'.

One of the Tug-Of War' ladies, Tiffany, shared her experience "after the 1st win, it dawned on me that it wasn't the fact that we couldn't win because we were lacking physical strength but our mindsets to win would determine our victory."

When asked on the team's strategy, Kee Chern said "the trick was to have our eyes tightly shut and listen to the command of our Boss. This allowed us to stay focused and to avoid the intimidation of our opponents getting a hold over us."

Calvin also had his fair share of jubilee fun.

"First placing – **Calvin Chee**. Congratulations!"

He was beaming with pride with his gold medal in hands – he had stolen the attention of the audiences with his lightning speed on the running track.

The event was a success and a reflection that anything is possible.

"That's true. Aemulus is different." Calvin acknowledged that.



Sustainability Reporting (Cont'd)



SOCIAL (CONT'D)

The unfamiliar faces of two young ladies entered The Town Hall. There were whispers of “Who are they”, “Which department are they from?”, “They look pretty young.”

No doubt. They were only high schoolers doing their internships here during their summer breaks.

“They are 13?!” Calvin exclaimed. He tried his best to recall what he was doing at the age of 13.

You see. In Aemulus, we don’t assess someone by their age, gender or years of experience. We offer equal opportunities for everyone to shine because everyone is equal. You don’t get better privilege just because your age ‘fits’ what is considered suitable for a position. What we do is we **grow** and **cultivate** them.



For the past several months, mini food stalls and food trucks that offer local delicacies were called in weekly on what we coined as ‘Leisure-Friday’.

The idea behind was to support small / less commercialised local businesses that were thriving. They were, in fact, the hidden gems that were yet to be uncovered by the majority and we were of the opinion that they should be given more recognition.

Some examples were Roti Benggali, Organic Soy Milk, and Char Koay Kak.

“My favourites.” Calvin wasn’t shy to admit that.

Marching through Quarter End again. The skillful masseuse from St. Nicholas were called in for a massage session for our staff.

“I totally need a neck and joint cracking session!” Calvin was exhilarated over it.

All slots were snapped up in a blink.

Staff were seated at The Lower Walhalla Hall, waiting for their turn patiently. To maximise his waiting time, Calvin captured the moments and “**SEND**”.

It was instantly documented on Calvin’s personal Instagram story.

“WOW. It was intense but it definitely loosened the knots I had.” Calvin was told by Karen before his turn.

Satisfying – was all he could say to describe it.



Indeed. Being physically handicapped is not an equation of shortcomings. It is a motivation, a challenge - to work around your gift and continue to shine as an individual. It may be an obstacle but it shouldn’t be a hindrance in stopping you from doing great things.

Sustainability Reporting (Cont'd)



SOCIAL (CONT'D)



“2022 Penang Bridge International Marathon (11 December 2022) is back at it again!”

“Staff who sign up under Aemulus will have 50% of their participation fee subsidised by the Company.” It was announced by one of our in-house sports clubs, the A-Spartan committees.

“Woohoo! I’m definitely going to take part in the 10km run, at the very least.” He was delighted that the Company is taking sports seriously.

The subsidy was certainly a great encouragement to all staff and the high participation rate was pleasing to the eye.

To rejuvenate the exhausted souls, weekend cycling, hiking and runs are quite the norm and are enjoyed immensely by the outdoor sports lovers and nature lovers alike.

Calvin is not one to miss. He is very much aware of the intention of the Company to organise these activities – to stimulate the staff to adopt a healthy and active lifestyle, and to strike a good balance between work-life.

“Great initiative,” he believed.

The turnout rate increased significantly as compared to a year ago.



FINALLY. The most-anticipated and iconic event of Aemulus made its return after TWO (distant) years of hiatus! It was brought to a temporary halt when social events were discouraged due to the pandemic.

“Annual Symposium 2023 is to be held at Angsana Teluk Bahang and the theme is Enchanted Night (Disney!)” The poster was disseminated to all staff in our usual WhatsApp message style.

Sustainability Reporting (Cont'd)



SOCIAL (CONT'D)

Calvin was recruited to be a helper instead of the chance to showcase his 'newbie performance'.

For the inquisitive folks, the Daybreak Conference is a time when all staff assemble to learn about the directives of the Company in the upcoming year.

Whilst our Nightfall Euphoria has witnessed some of our very talented staff setting the stage ablaze with their astounding vocals, over-the-top costumes, witty play, and swag dance moves!

In the days leading up to the event, the Committees were busy going through rounds of rehearsals and adding some final touches to their scheduling preparations – to ensure that everything was smooth sailing.

Their hard work and efforts were apparent during D-Day. It was an exhilarating night for all - everyone was grooving to the songs, cheering loudly for the performing groups and toasting to a better year ahead!

Juggling between two roles – as a spectator and a helper – Calvin was on 100 percent battery mode! He loved the idea of how Aemulus was about working hard and playing hard.

And one thing was for sure – that's **exactly** what he wanted.



Sustainability Reporting (Cont'd)



SOCIAL (CONT'D)

Zooming Into the Future



'Work-life balance' is a relatively common term used as a 'benchmarking goal' by organisations to instil motivation in their staff. But what's lesser known is the '**work-life support**' that is lacking.

When humans are snowed under piles of work, stress intensity rises, and more often than not, they seek clarity from the internet – some may be professional advices, others may be hearsay 'facts'.

The mental health of our staff should be prioritised. Long working hours does not translate to higher productivity. As such, enforcement of dedicated working hours and mandated day-off twice a month are in the books. This would no doubt prevent burnouts and encourage efficiency instead.

An on-site workplace day care for our staff with children below the age of 6 is under consideration. Additionally, this would also open up partnership opportunities with other (smaller) day care centres. "Worry less about the bad traffic, and picking up your child in the nick of time – it's service at your doorstep."

Engaging a counsellor permanently to educate our staff and having regular mental health assessments, heart-to-heart talks should also be beneficial in the long run.

Apart from these, the Management are planning to engage single moms out there to provide food catering to our staff for two weeks in every quarter – with all cooking ingredients sponsored by Aemulus.

Upskilling classes will also be offered to orphans, and the underprivileged community such as in ping pong, dancing, singing, and language, to name a few.



Sustainability Reporting (Cont'd)



GOVERNANCE

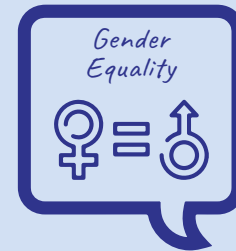
What We Did

A lean-looking lady with a classy yet cheerful demeanour was spotted alongside the CEO. With a mysterious aura, she greeted Phe Mie, our Human Resource Associate Director and they exchanged their name cards.

“She must be the new lady board member everyone has been speaking about,” thought Calvin.

The Management has been very encouraging of having lady directors on board. Despite being a male-dominated industry, women are not lacking in any way. Some old-fashioned organisations merely lack the acknowledgement and realisation of gender equality. But at Aemulus, we want to cultivate lady directors and ‘being qualified for the role’ isn’t only measured by the years of experience.

Not long ago, the ACE Market of Bursa Malaysia mandated that by June 2023, 1 director of the listed corporation must be a woman. And for us? We have appointed a lady board member several months ahead of this new listing ruling.



Zooming Into the Future

To form a close-knitted relationship, there would be more involvement and participation between our lady Director and our Staff. Increased direct interaction will foster a healthy relationship between the Management and Staff.

Aemulus' Chronological Summary of 2022 Events

2.0.2.2.

The year that normalisation of the widespread pandemic had inadvertently (and eventually) grown on us. People were slowly but surely going back to the pre-pandemic days. There was acceptance, that COVID-19 would live with us for an unforeseen amount of time. We are now grateful, that COVID-19 is no longer deadly and is rather mild for the most part. However, staying healthy and being vigilant is still very much encouraged.



Earlier in the year, **Car-A-Wash** the tagline "Get your car splashed for a good cause!" Our staff were split into groups (of course voluntarily) – some were the clients whilst some were the physical contributors. The good deeds were put to a good cause – for the needy of Rumah Kebajikan Seri Cahaya Pulau Pinang.



Aemulus' Chronological Summary of 2022 Events (Cont'd)



To kickstart our levelled-up ESG Pledge, **Green Architecture Symposium (GAS)** was organised as part of Penang's 50th Year of Industrialisation Celebration and intended to spread the awareness on the significance of adopting green architectures. We had full-swing support from some of Malaysia's most renowned architects and were honoured to have them as speakers of GAS. It was a rewarding and beneficial event for various groups of people - green suppliers, aspiring architects, thriving businesses.

When the season of giving approaches, Kuih Ros, Mazola, Putu Kacang - were some of the selections crowding the shelves of the grocery stores.

And for the *curious* folks, how did WE celebrate?



With an **in-house Raya-cookies baking session** AND distributing them to the underprivileged kids of Rumah Anak Kesayangan! The smiles on their faces were priceless and worthwhile after a long day spent in The Balconie of Aemulus Base with baking gloves and aprons!



Aemulus' Chronological Summary of 2022 Events (Cont'd)



In April 2022, our in-house Sports Club, A-Spartan, held a **Wellness Program** which boasted a Health Screening Package Promotion for our staff, booths selling healthy snacks, a Blood Donation Drive and a Health Talk by a health expert.

In conjunction with Earth Day, a Herb & Tree-Planting activity was held, courtesy of the Penang State Forestry Department as part of their **"100 million Tree-Planting Campaign 2021-2025"**. The creation of a herb garden and an ecosystem on its own were formed.



Aemulus' Chronological Summary of 2022 Events (Cont'd)

With the great honour of being the main driver of the ESG theme of Penang's 50th Year of Industrialisation Celebration, Aemulus hosted a **Penang SMEs Olympics 2022** in July 2022 with a simple goal in mind – to encourage people to get back on track with their active lifestyle and engage in sports activities that the Pandemic deprived us of. It was a book-of-records-worthy moment for us to host 500 people for the first time ever in the stadium of USM, Penang! A special shoutout to Globetronics, Iso Technology, Pentamaster, Ideal Vision Integration, Cortex Robotics, GSH Precision Technology, Opulent Solutions, Oppstar Technology, Starfive Technology, Swift Bridge Technologies, SMI Paper Industry, Value Sources and RDT Enterprise for being a huge part of it.



Year 2022 was a carnival-like, momentous, and eventful year for Aemulus. We scaled many peaks, we pranced across the clouds, and for the most part, fulfilled enough adventures that it resembled a Harry Potter series. 2023 should be a continuation - no exception.