



AemulusTM

Aemulus Holdings Berhad
Registration No. 201401037863 (1114009-H)

Catching The Next Wave

Annual Report **2023**



Catching the Next Wave

Cover Rationale

This Annual Report encapsulates Aemulus Holdings Berhad's ("Aemulus") strategic expertise in the design, engineering, and development of Automated Test Equipment ("ATE"). It signifies a skilful embrace of change, symbolised by catching the next wave and harnessing favourable conditions in our industry. Picture Aemulus as a proficient fisherman navigating the vast seascape of our industry. The tide and waves align harmoniously, reflecting Aemulus' strategic approach to navigating unpredictable currents. This metaphor illustrates our proficiency in riding the business waves. Beyond a mere tagline, it embodies Aemulus' philosophy—preparedness to capitalise on emerging opportunities. This report delves into Aemulus' strategies, where each decision is a calculated step towards growth. In the words of William Arthur Ward, "Opportunities are like sunrises. If you wait too long, you miss them." This encapsulates Aemulus' ethos of urgency and proactivity. The Annual Report unveils our tales of triumph and resilience, showcasing how seizing opportunities propels Aemulus to ride the crest of success.



INSIDE THIS REPORT

18

Corporate Information

19

Corporate Structure

20

The Chairman's Statement

22

Profile of Directors

28

Profile of Key Senior Management

31

Financial Highlights

32

Management Discussion and Analysis

41

Sustainability Reporting

53

Aemulus' Chronological Summary of 2023 Events

58

Corporate Governance Overview Statement

70

Additional Compliance Information

77

Audit Committee Report

81

Statement on Risk Management and Internal Control

83

Statement of Directors' Responsibility in Relation to the Audited Financial Statements

84

Financial Statements

159

List of Property

160

Analysis of Shareholdings

162

Notice of Annual General Meeting

167

Statement Accompanying Notice of Annual General Meeting

Appendix A

Proxy Form



“ *Pen your wish and craft
a bright future ahead!* **”**

“ A delightful smile and a handful of happiness to make the deers' day – the dose of positivity we need daily! ”





“ Give it a toss in the game of luck. A hit or a miss but it is not the outcome that matters – it's the process of trying that counts. ”

“

*Attentiveness, patience
and perseverance.
The greatest treasures to
attain success.*

”



“ Sprinkle on the colours,
we need the sparkles
to enlighten the world. ”





“

*Focus, target and launch!
Your determination will unlock
the doors to achievement.*

”



“ Just do it! There’s no good or bad when making art. Creativity is freedom on its own, not bound to any norms. ”

“Imagination is the beginning of creation. Explore another form of art by painting on glasses!”





“ *Don't rest on your laurels -
ride your way to big dreams
and enhanced goals!* **”**



“ Patriotism should be instilled in the young souls from an early age. It is not superiority but a responsibility. ”

“

Lift your heads up high in confidence. Sky is the limit, soar high and touch the sky!

”





“ Fuel yourself
with a hearty cup of
breakfast to embrace
the possibilities of a
brand new day. ”



“

*Sprout your potential
just like the plants
and bloom your beauty
just like the flowers!*

”



“

*Like the 'WAW' factor;
step out of your own element
and be the extraordinary.*

”



“ Exchanging of knowledge is essential
– it elevates your thoughts and
widens your horizons. ”



“ Different accessories, different vibe but ultimately The Royals. Never feel like a misfit, it is okay to be different because your true value shines. ”

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

Independent Non-Executive Director

Tursina Binti Yaacob

Independent Non-Executive Director
(appointed on 9 May 2023)

— NOMINATION COMMITTEE

Ch'ng Suat Ping (Chairman)
Ong Chong Chee (Member)
Friiscor Ho Chii Ssu (Member)
Tursina Binti Yaacob (Member)
(*appointed as a member on 8 August 2023)

— AUDIT COMMITTEE

Ong Chong Chee (Chairman)
Friiscor Ho Chii Ssu (Member)
Ch'ng Suat Ping (Member)
Tursina Binti Yaacob (Member)
(*appointed as a member on 8 August 2023)

— 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

Suite 16.06, MWE Plaza, No. 8,
Lebuh Farquhar, 10200 George Town,
Pulau Pinang, Malaysia.
Tel No. : (604) 226 2188
Email : enquiry@ascendbps.com

— 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
Email : is.enquiry@my.tricorglobal.com

— PRINCIPAL BANKERS

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

— 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

*Dear
Shareholders,*



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

THE CHAIRMAN'S STATEMENT (CONT'D)

Current Position

"Rough seas make stronger sailors. Tough times build greater people." – Robin Sharma

The quote sums up Aemulus situation in 2023 in one sentence.

Market condition was negative and orders were down. It was the act of pulling through one after another challenge that filled 2023. Despite it being arduous, the Aemulus team was fighting strong.

Back in 2022, according to Gartner, global semiconductor revenue was projected to decline by 11.2% in 2023.

In line with the above projection, the Department of Statistics Malaysia had reported back in September 2023 that Penang's export (semiconductor export makes up 60% of the total export) - declined 10.1% year-on-year.

Despite weak revenues and losses, the Group did not slow down in the business development activities and engineering engagement with customers. During this period, we had worked together with customers in new areas and in new projects, exploring new opportunities and preparing for the next upturn.

Looking Forward

The Group foresees a better year in 2024 based on the market trends, customer demand and the effort the Group had put in in 2023. The Group is optimistic projects and development works done in 2023 will go into production in 2024. The introduction of new products will certainly boost the Group's revenue going forward.

Corporation Risks

Taking cognisant of the risk megatrends facing corporations today, the Group has set up a Risk Management Working group with dedicated senior executives tasked to oversee these risks and report to the board quarterly.

Environment, Social & Governance ("ESG")

The Group is currently focusing chiefly on Scope 1 of the ESG regime, that is activities that are under direct control of the Group.

In this regard, the Group has successfully completed the implementation of 30% female directors on its Board.

The Group is also pleased to report that Aemulus Base building's extension is currently at its tender stage. Carbon reducing features will be the top priority for this extension.

Conclusion

The business downturn in 2023 was part of the cyclical nature of semiconductor industry. With the development works the Group had undertaken in 2023, the Group is confident to face the coming year with optimism.

The Group wishes to thank the unwavering support given by all employees, stakeholders and supporters during this challenging times.


PROFILE OF DIRECTORS



Dato' Seri Lee Kah Choon

Independent Non-Executive Director / Chairman

 Nationality
Malaysian

 Age
63 years old

 Gender
Male

 Date of Appointment
9 February 2021

Dato' Seri Lee Kah Choon, Malaysian, male, aged 63, 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 also the Chairman of Federal Oats Mills and sits on the boards of Natiogate Holdings Berhad and L&P Global Berhad as their Senior Independent Director. He is also an Independent Director of Northeast Group Berhad.

He is also a member of the Investment Committee of Areca Capital, a licensed fund manager for individuals, corporations and institutions.

He had served as a board member of various federal and state government linked companies and corporations; Parliamentary Secretary; Member of Parliament & Municipal Councillor.

He was a practicing lawyer with his own private legal practice from 1987 to 2004, after being called to the Bar of Malaya in 1987 and Bar of England & Wales in 1986.

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

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
Malaysian

 Age
47 years old

 Gender
Male

 Date of Appointment
8 December 2014

Ng Sang Beng, Malaysian, male, aged 47, 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
47 years old

 Gender
Male

 Date of Appointment
20 July 2015

Ong Chong Chee, Malaysian, male, aged 47, 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
Malaysian

 Age
52 years old

 Gender
Male

 Date of Appointment
20 July 2015

Friisor Ho Chii Ssu, Malaysian, male, aged 52, is our Independent Non-Executive Director. He was appointed to our Board on 20th July 2015.

He graduated with a Bachelor's in Electronics Engineering from Washington University, US in 1995, followed by an MBA from the Malaysian Institute of Management and the University of Bath, UK in 2022.

He started his career as an Integrated Circuit Designer at Intel Technology Sdn Bhd in 1995. He moved on to Altera Corp in 1998 to found

a Test Development Engineering organization. In 2005, he joined Jaalaa Malaysia Sdn Bhd as a Director of Engineering to set up R&D and operations organizations.

He has over 25 years of experience in broad, high technology industries ranging from semiconductor and radios to software and global managed services. In recent years, he founded a network operations centre (NOC) and security operations centre (SOC) at an MNC supporting global customers. He is currently the Malaysia site lead for a US semiconductor MNC.

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 47 years old
	Gender Female
	Date of Appointment 28 April 2022

Ch'ng Suat Ping, Malaysian, female, aged 47, 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.


PROFILE OF DIRECTORS (CONT'D)



Tursina Binti Yaacob

Independent Non-Executive Director

 Nationality
Malaysian

 Age
51 years old

 Gender
Female

 Date of Appointment
9 May 2023

Tursina Binti Yaacob, Malaysian, female, aged 51, is our Independent Non-Executive Director. She was appointed to our board on 9th May 2023.

She is a long-time investment analyst. She began her career as an analyst in 1997 at a local bank-backed stockbroking arm. Throughout her experience as a sell- and buy-side analyst, she has closely monitored local and international companies in various sectors. Subsequently, Tursina joined as Director at KFH Research Ltd, and produced strategic insights into the global Islamic finance industry for regulators, Kuwait Finance House and corporate clients.

She served Kumpulan Wang Persaraan (Diperbadankan) for ten years in various capacities, as the Head of Research Department in 2012 before rotated as the Head of Human Resources Department in 2020 and Head of Project Management Office – Target Operating Model in the same year. These roles have provided her with strategic and functioning experience in investment management as well as the operations of an organisation.

She holds a Master Degree in Business Administration specializing in Strategic Management from Universiti Teknologi

Malaysia. She is a Certified Financial Planner member and an Islamic Financial Planner certificant.

She is currently an Independent Director of Permodalan BSN Berhad and a Member of the Investment Committee at Ficus SEA Sdn Bhd.

Pn Tursina Binti Yaacob is a member of the Nomination Committee and Audit 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 22 of this Annual Report.
5. The details of the number of Board meetings attended by the Directors of the Company for the financial year are disclosed on page 60 of this Annual Report.

PROFILE OF KEY SENIOR MANAGEMENT

Ng Chin Wah

Chief Financial Officer

 Nationality Malaysian	 Age 44 years old	 Gender Male	 Date of Appointment 1 March 2017
--	---	--	---

Ng Chin Wah, Malaysian, male, age 44, 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.

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.

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”).

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.

Wong Shee Kian

Chief Technology Officer

 Nationality Malaysian	 Age 45 years old	 Gender Male	 Date of Appointment 1 January 2006
--	---	--	---

Wong Shee Kian, Malaysian, male, aged 45, 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.

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.

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

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 45 years old	 Gender Male	 Date of Appointment 1 April 2013
--	---	--	---

Ong Chuin Tein, Malaysian, male, age 45, 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 44 years old	 Gender Male	 Date of Appointment 1 April 2013
--	---	--	---

Low Bok Siew, Malaysian, male, age 44, 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	 Age 44 years old	 Gender Male	 Date of Appointment 5 March 2018
--	---	--	---

Moy Shin Fei, Malaysian, male, age 44, 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.



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.

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	 Age 46 years old	 Gender Male	 Date of Appointment 5 March 2018
--	---	--	---

Tan E Chiang, Malaysian, male, age 46, 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.

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.

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.

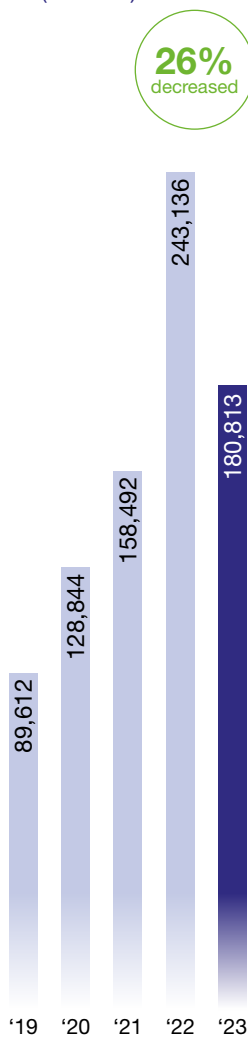
Notes:

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.

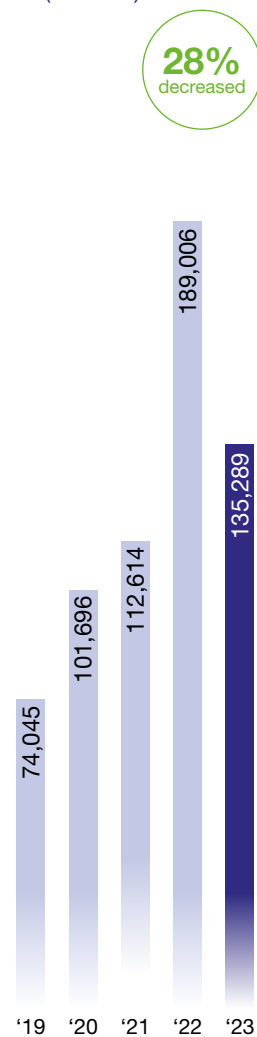
FINANCIAL HIGHLIGHTS

	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000
Total assets	89,612	128,844	158,492	243,136	180,813
Equity	74,045	101,696	112,614	189,006	135,289
Revenue	28,834	19,320	61,093	73,035	25,098
Net (loss)/profit	(3,215)	(3,612)	10,450	12,516	(54,656)

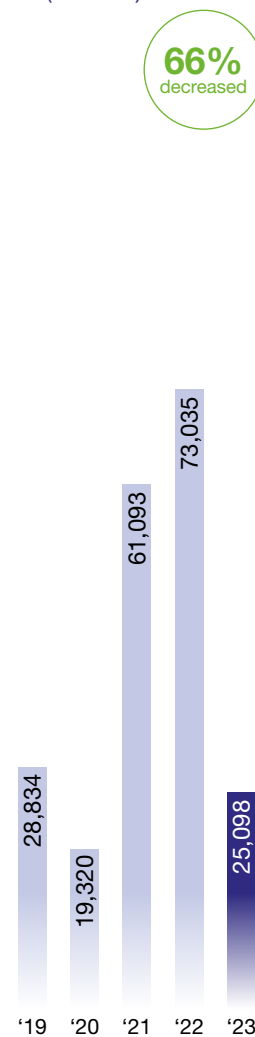
Total Assets (RM'000)



Equity (RM'000)



Revenue (RM'000)



Net (loss)/profit (RM'000)

