



AMTEL HOLDINGS BERHAD
199601037096 (409449-A)

27th Annual General Meeting
23 May 2024



MSWG QUESTIONS & ANSWERS

Operational & Financial Matters

Question 1

The Company proposed to effect the amendment to the Constitution as follows:

“That the existing Clause 251 be deleted in its entirety and substituted with the following new Clause 251 to be read as follows:

Final dividends

251. If the Board consider that the profits of the Company justify such payments, they can pay final dividends on any class of shares of any amounts, on any dates and for any periods which they decide”

What is the rationale for the proposed amendments to the Company’s Constitution, empowering the Board of Directors to declare a final dividend to the shareholders without the need to convene a general meeting for shareholders’ approval?



The proposed amendment to Clause 251 of the Company's Constitution is to align with Section 132 of the Companies Act 2016 where directors may authorise a distribution at such time and in such amount as the directors consider appropriate, if the directors are satisfied that the company will be solvent immediately after the distribution is made. Additionally with the amendment, the Company may distribute the final dividend payment earlier, for instance upon finalisation of the audited financial statements without having to wait for the approval from the shareholders at the annual general meeting.

Operational & Financial Matters

Question 2

“Despite the provision of RM230,000 for the one-off impairment loss on trade receivables, the segment still managed to turn around to register profit after tax of RM0.54 million as opposed to loss after tax of RM0.39 million in FYE 2022.”(Page 18 of Annual Report 2023 “AR2023”)

(a) The one-off impairment loss on trade receivable was attributable to which customer?

Operational & Financial Matters

The impairment loss was provided based on our expected credit loss assessment as required by MFRS 9 "Financial Instruments" and is attributable to several customers. Some of these debts have been long outstanding and the management had taken the position to write down these balances during the financial year.

Question 2 (Cont'd)

(b) What were the collection attempts before this provision was made?

Our project teams had made assertive attempts to collect the outstanding debts. Although impairment loss has been provided, we continue to pursue to recover the debts with our best efforts. If warranted, we will proceed with legal actions to recover these debts.

Question 2 (Cont'd)

(c) Does the Company still maintain ongoing business with this customer? If yes, please provide the reasons.

No, we do not maintain ongoing business with these customers.

Operational & Financial Matters

Question 3

“In response to these dynamic conditions, we maintain a steadfast commitment to innovation and technical proficiency. This involves significant investment in our products, services, and research and development efforts.” (Page 19 of AR2023)

(a) How much has the Company invested in research and development during FY 2023?



We have invested approximately RM700,000 in various hardware prototypes. Besides that, a significant portion of our Research and Development spending is allocated to personnel, including in-house software and hardware engineers, whose salaries and related expenses have been charged out as operating expenses during the FY 2023.

Question 3 (Cont'd)

(b) What are the key products and services that the Company has innovated as a result of the said significant investment?

Please refer to our Chairman's Statement & Management Discussion & Analysis (Page 20 of AR 2023) wherein we mention about the unveiling of our latest groundbreaking one-of-a-kind product - LOKATAG Pro, the first and only Connected Toll Reader and Dashcam in collaboration with Zurich Insurance on 23rd January 2024 at a media launch and signing ceremony event.



LOKATAG Pro is not just a traditional hardware, it's the cornerstone of an Internet-of-Things (IoT) within the car ecosystem. It symbolises our brand - LOKATAG's vision and core values as we usher in a new era of automotive accessories, where safety, innovation and connectivity converge seamlessly into one intelligent platform known as "LOKA Ecosystem".



Operational & Financial Matters

Question 4

The Company held a total of RM3.37 million investment properties as of 30 November 2022. During the FY 2023, the Company acquired additional investment properties valued at RM0.76 million (Statements of financial position and Statements of cash flow)

How does the holding of investment properties align with the Company's overall strategy?



The RM0.76 million is the final progress payment made upon vacant possession after obtaining certificate of fitness (Borang F) relating to three (3) properties acquired in the previous year.

The holding of investment properties that have upside potential is in line with the Group's strategy to maximise the returns of the Group, while still remain focused in our core Information & Communication Technology and Telecommunications, Infrastructure & Service segment.

Operational & Financial Matters

Question 5

The Company wrote down and wrote off a total of RM0.18 million and RM0.15 million of inventories respectively during the FY 2023 (FY 2022: RM0.02 million write-offs) (Page 110 of AR 2023)

(a) What is the reason behind the increase in inventory write-downs and write-offs in FY 2023 compared to the previous year?

Our Group assesses the carrying value of its inventories on a regular basis in compliance with the requirements of MFRS. The write down and write off during the FY 2023 relate to the ICT segment and mainly comprises spare parts, accessories and components which reach end-of-life and obsolete due to re-engineering.

Question 5 (Cont'd)

(b) How does the Company plan to improve inventory forecasting and control to minimise future write-downs and write-offs?

We have hired an experienced external consultant to assist us in refining our overall operations and inventory management system. Some of the initiatives undertaken are warehouse management, optimizing inventory procurement processes, enhancing quality control measures, maintaining open and regular communication with our suppliers and customers on the new requirements and product designs.



Corporate Governance Matters

Question 1

The Company continues to depart from Practice 5.2 of the Malaysian Code on Corporate Governance (“MCCG”) which states that at least half of the board should comprise independent directors. For Large Companies, the board comprises a majority independent directors.

Only two of out six directors in Amtel are currently independent directors. In explaining the departure, Amtel mentioned that the appointment of an additional Independent Non-Executive Director will be considered when a suitable candidate is identified in line with the Group’s strategic objectives.



Does the Company have a timeline to comply with Practice 5.2 of MCCG? Has the Company interviewed any candidates for the position of independent director to date?

Since the appointment of Ms. Ang Mei Ping, the Company has yet to interview any candidates for the position of independent director but we do intend to comply with Practice 5.2 of MCCG at the appropriate time when suitable candidates have been identified.

Corporate Governance Matters

Question 2

Practice 5.9 of the Malaysian Code of Corporate Governance (MCCG) stipulates that 30% of the Board should comprise women.

As of FY 2023, there was only one-woman director out of six directors on the Board. The Company mentioned that the Board would also consider increasing female representation when a vacancy arises and/or suitable candidates are identified.

Does the Company have a timeline for complying with Practice 5.9 of the MCCG? What efforts are being made to identify a suitable female candidate?

The female representative at the Board was appointed on 24th May 2023. We are still looking for the right candidate, as we place a strong emphasis on meritocracy based on relevant qualifications, experience, knowledge and expertise that will enhance the Board's value in our selection process.

Sustainability Matters

Question 1

“Our Board of Directors (“Board”) plays a key role in supporting sustainability initiatives. Our Group Chief Executive Officer and management team are responsible for identifying and managing ESG risks and opportunities, as well as measuring our Group’s sustainability performance.”

Please elaborate on the key climate-related risks identified by the Board and management team so far? What mitigating measures are to be implemented?



Our Board of Directors and management team have identified key climate-related risks, including physical risks such as pollution and global warming, as well as transition risks such as regulatory changes, market shifts towards sustainable products, and technological advancements.

In order to mitigate these risks, here are some of the measures we have already implemented and will continue to put emphasis:



- Incorporating our products and services with green and sustainable innovations
- Setting up of our Green Technology Division looking into EV-related products and services in line with our National Sustainability Agenda to reduce our country's carbon footprint
- Providing continuous ESG training to all employees
- Ensuring regulatory compliance

- Setting up solar panels on Wisma Amtel's rooftop
- Promoting reusing, reducing and recycling activities among employees
- Paperless office culture through the use of electronic documents in place of hard copy documents

Sustainability Matters

Question 2

“The Solar PV system is fully operational since mid-September 2022. As of FYE 2023, the Solar PV system has generated a total of 106,918.54 kWh (2022: 16,391.71 kWh), which translate into an equivalent total savings close to RM50,000 (2022: RM8,000).”

(a) How much has the Company invested in the Solar PV system?

The Company had invested approximately RM210,000 in the Solar PV system.

Sustainability Matters


Question 2 (Cont'd)


(b) What percentage of the Group's annual electricity consumption can the fully operational Solar PV system provide?

Approximately 60%.

Thank You

Amtel Holdings Berhad (KLSE: 7031) 199601037096 (409449-A)

 No. 12, Jalan Pensyarah U1/28, Hicom-Glenmarie Industrial Park, 40150, Shah Alam, Selangor, MALAYSIA.

 603-5632 6788

 info@amtel.com.my

 amtel.com.my

