



AMTEL HOLDINGS BERHAD
199601037096 (409449-A)

24th Annual General Meeting
5 May 2021

MSWG

QUESTIONS & ANSWERS

OPERATIONAL AND FINANCIAL MATTERS

Question 1

The ICT segment remains Amtel's core business, accounting for 79.0% of its Group revenue (2019: 85.4%). Its business operations began to improve after May 2020 when the government allowed certain sectors to operate during the MCO. Since then, the Group was fast to clear most of its backlog without much interruption. This had led to higher sales in the second half of FYE 2020. (Page 17 of Annual Report - AR)

Has the sales volume reverted to pre-Covid times? If not, what is the percentage of current sales to pre-Covid sales? What is the outlook for FYE 2021?

Despite the resumption of our operations, the sales volume fell below pre-Covid times in the third financial quarters of FYE 2020. This was mainly caused by the temporary disruption of our customers manufacturing productions due to MCO. Although sales rebounded in the last financial quarter of FYE 2020 with volume surpassing pre-Covid time, our Group's sales volume in FYE 2020 was still lower than FYE 2019.

In the first financial quarter of FYE 2021, our sales increased by 42.7% as compared to preceding year corresponding quarter. The sales of our existing products have been increasing steadily and we managed to roll out one new product (which is the Digital Video Recorder) early this year to our existing automotive customer. We foresee that this new product will contribute positively to our improved performance in the remaining financial quarters. While we expect the outlook for FYE 2021 to remain positive for the Group, we are cautiously monitoring the current global semiconductor chip shortage situation which might hamper the entire automotive industry as a whole.

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Question 2

The success of the ICT products and services relies heavily on its pricing policy, quality and relevance of its products and services. The Group will continue to strengthen its competitive edge through various localization efforts while at the same time, integrating green features and new innovations, such as those related to artificial intelligence (AI), that will improve and expand its product range and services and eventually, broaden its customer base. (Page 18 of AR)

(a) What is Amtel's competitive edge over its peers?

We are a qualified Tier 1 supplier. Our subsidiary, Amtel Cellular Sdn Bhd, has been awarded with IATF 16949:2016 certification (a globally recognised Quality Management System for the automotive industry) by Lloyd's Register Quality Assurance Limited since 2011.

We continue to invest in our own in-house research and development team that develops new solutions and services specifically tailored to meet our customers' requirements, rather than just focusing on traditional manufacturing or assembly services.

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Question 6

The Group also hopes to introduce new innovative product offerings such as incorporating Advanced Driver Assistance Systems (ADAS) with AI features into the products. (Page 19 of AR)

What is the progress made on this new initiative? When are the product offerings expected to be launched?

This new product offerings is currently still at the design and development stage so we are unable to share more information at this juncture. We intend to launch it to the market by year 2022 subject to our final test completion and customer readiness.

Thank You

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