



PRIVATE & CONFIDENTIAL

**Minutes of the 52nd Annual General Meeting of Federation of Malaysian Manufacturers
(FMM) Perak held on Thursday, October 15, 2020 at FMM Perak at 11:00 am**

Present:

Ordinary Members:

Member Companies

Asia Printed Circuit Sdn Bhd
Chek Hup Sdn Bhd
Everwin Plastic Sdn Bhd
Hasrat Meranti Sdn Bhd
LTP Engineering Sdn Bhd
Magnalium Sdn Bhd
MSBB Engineering Sdn Bhd
Nam Pharma Sdn Bhd
Ngan Yin Food Industries Sdn Bhd
Nutri Action Sdn Bhd
OKA Concrete Industries Sdn Bhd
PMW Concrete Industries Sdn Bhd
Sheng Foong Plastic Industries Sdn Bhd
Sidney Industries Sdn Bhd
Tan Kor Seng & Sons Rubber Works Sdn Bhd
Tasek Corporation Berhad

Toyo Plastic (M) Sdn Bhd
Toyobo Textile (Malaysia) Sdn Bhd
UAC Berhad
Uniko Calcium Carbonate Industry Sdn Bhd
Welnuts Sdn Bhd
Yee Lee Edible Oils Sdn Bhd

Representatives

Encik Edmund Wong Khin Kong
Encik Ooi Hean Joo
Encik Tony Cheam Swee Aik
Encik Mok Tuck Meng
Encik Tan Teik Hwa, Bernard
Encik Ting Chien Cher
Encik Liew Yi Herng
Encik Won Foo Yee
YBhg. Dato' Gan Tack Kong
Encik Chua Kay Lin
Ir. Ong Koon Ann
Encik Zulkepli Hj. Hussin
Encik Yeong Sai Key
Encik Tan Seow Heng
Encik Tan Keng Chee
Encik Daniel Devadass A/L T.
Ganapathy @ Supramniam
Encik Mark Chan Chow Loong
Mr. Masato Hirakawa
Encik Zubair Abdullah
Cik Audrey C. Shanta
Encik Surentran Somasundram
Encik Yap Sin Kheong

FMM Secretariat:

Encik Louis Gnanapragasam, Senior Manager
Encik Mahinder Singh, Manager
Cik Nicole Choe Pui Sze, Assistant Manager
Puan Evonne Tan Foo Hoon, Executive

1.0 Chairman's Address

The Chairman, Encik Tan Seow Heng, delivered his address. The text is attached as Annex 1.

2.0 Report of the FMM Perak Committee for the financial year ended June 30, 2020

The FMM Perak Committee's report for the financial year ended June 30, 2020 was adopted at the proposal by Encik Zulkepli Hj. Hussin of PMW Concrete Industries Sdn Bhd and seconded by Encik Yap Sin Kheong of Yee Lee Edible Oils Sdn Bhd.

3.0 To Transact Any Other Business of Which Proper Notice Has Been Given

No Notice was given.

However, members from the floor raised their concerns in complying with the Workers Minimum Standards of Housing & Amenities (Amendment) Act 2019. The deadline had been extended until end December 2020 but getting the approvals from the relevant authorities and non-uniformity by local councils compounds the problem. The Chairman, Mr. Tan Seow Heng responded that the Branch Committee will further deliberate this matter at its meeting later.

4.0 Adjournment

There being no other business the meeting adjourned at 11:40 am with a vote of thanks to the Chair.



Louis Gnanapragasam, P.M.P., A.M.P.
for Chairman
Federation of Malaysian Manufacturers (FMM) Perak

LG

Prepared: October 21, 2020

Approved: October 21, 2020

**FMM Perak
52nd Annual General Meeting
October 15, 2020**

Chairman's Address and Report

Ladies and Gentlemen,

Good Morning and it is my pleasure to welcome you to our FMM Perak's 52nd Annual General Meeting. This is the first time I am addressing you as the Branch Chairman and I can't imagine that I had already completed one term since we last met on October 17, 2019.

Ladies and Gentlemen,

The first half of 2020 will surely go down as one of the most challenging for Malaysian industries following the Covid-19 outbreak that has affected many countries. Most economic sectors except for the essential industries and services were subjected to MCO, CMCO and most recently the RMCO. These were difficult decisions that the Government was compelled to take to curtail the spread of Covid-19. It became more challenging when considering that the Global economic outlook was already weighed by various uncertainties since 2018 resulting in many disruptions and in particular the ongoing prolonged trade conflict between United States and China.

The seriousness of the bleak economic outlook is probably best reflected in our recently concluded FMM-MIER Business Conditions First-half 2020 survey participated by our members nationwide. The following are some of the key findings of this survey.

- **Business activity crashed in 1H2020, as reported by 77% of respondents**
- **71.6% need between 4 months to 2 years for business recovery to pre-Covid-19**
- **Local sales and export sales declined for 75% and 69% respondents, respectively**
- **66% need to reduce labour costs and most to adopt headcount freezes**
- **Until December 2020, 42% of respondents will reduce headcount up to 30%**
- **Lean manufacturing is a top strategy for business recovery**

The FMM-MIER Conditions Survey Special Perak report also mirrored the national report albeit manufacturing for the 1H2020 was weaker than national performance except for local sales and the general outlook was slightly better. In the 2H2020 business, expectations are lower than the national outlook except for a marginally stronger export sale. In short, we have to brace ourselves for tough times ahead.

The Government on its part introduced PENJANA or referred to as the Short-Term Economic Recovery Plan in June 2020 as the way forward to relieve cash flow of business by offering remissions of penalties for late tax payments. Of the many initiatives included in this Plan, our members responded that the tax deduction/capital allowance for Covid-19 related expenses, wage subsidy until September 2020 and reduction in work week, Special Reinvestment Allowance, tax deduction to implement or enhance flexible work arrangement and extension of Accelerated Capital Allowance on eligible capital expense including ICT equipment until December 31, 2020, were beneficial to them.

Unfortunately, the Covid-19 pandemic continues to be persistent and according to the Director-General of the Ministry of Health, Tan Sri Dr Noor Hisham Abdullah, Malaysia is now facing a third wave of the Covid-19 infections. What is more worrying is the new virus mutation found in the Kedah and Sabah clusters is highly infectious and this is already reflected in the recent increased number of Covid-19 cases that had been reported nationwide. As members would be aware following the spike in the number of Covid-19 cases in Klang, the Special National Security Council imposed the Conditional Movement Control Order (CMCO) from October 9-23, 2020. This has now been extended to Selangor, KL and Putrajaya from October 14 – 27, 2020. However, economic sectors are allowed to operate during the CMCO period on condition that there is strict compliance with the Standard Operating Procedures (SOPs). Though the number of cases for Perak is low except for the cluster in Kamunting I earnestly urge all members not to be complacent but to strictly comply with the SOPs and be always vigilant. To this end, I have been told that some of our members had established a Special Task Force on Covid-19 in their respective companies to closely monitor the movement of their employees both internally and externally. Meetings are held daily just to ensure that employees and external visitors adhere strictly to the KKM's SOPs. I think this is laudable and something we can adopt in our own companies.

Ladies and Gentlemen,

Your Branch was equally affected by the Covid-19 pandemic and for the first time was not able to meet its financial targets as the Institute's training programmes and Branch activities scheduled for the second half of the financial year in 2020 had to be aborted. However, despite the many challenges faced by the Branch, the Secretariat during the MCO and CMCO period was kept busy in addressing members' issues and concerns in complying with the Standard Operating Procedures. We also worked closely with the Directors of MITI, MIDA and Invest Perak's Pulse to assist members to obtain MITI's approval to operate their factories, meet urgent customer orders and other logistic issues. Our State Exco for Industry, Investment and Corridor Development YB Dato' Shahrul Zaman bin Datuk Yahya has also been working with us very closely by taking time to visit our members and find out the challenges faced by them and how the State Government could assist them. YB Dato' Shahrul is also taking an active interest in the Industrial Park Management Committees and to date had attended the IPMC meetings in Manjung, Taiping, Parit Buntar, Kuala Kangsar, Tanjong Malim and Teluk Intan.

I am pleased to report that your Branch continued to assist members in the areas of infrastructure and utilities, trade and business facilitation the details of which are contained in the Annual Report 2019/2020. I am also pleased to inform you that under the MyMudah programme, MPC is working closely with FMM to regulate the procedures for the export of kaolin following complaints from our members in Perak over the many challenges and delays faced by them in obtaining Approved Permits to export. A two-day workshop facilitated by MPC was recently held in Ipoh from October 8-9, 2020 to obtain feedback from the kaolin industries to streamline the procedures for efficiency and transparency. The report will be submitted to the Economic Action Council for possible implementation.

Ladies and Gentlemen,

In conclusion, I would like to express my sincere appreciation to the State Government, and agencies namely, MITI, MIDA, Invest Perak and to our members for their continued support and close cooperation in these challenging times. I would also like to put on record my heartfelt appreciation to our Immediate Past Chairman, YBhg. Dato' Gan Tack Kong for his immense guidance and support, members of our Branch Committee, regional sub-committees and to the various working committees for their dedication, time and effort in attending to the various issues affecting our members.

*Tan Seow Heng
Branch Chairman
October 15, 2020*