

BRIDGING THE GAP

ANNUAL
REPORT 2021



What's Inside



OUR VISION

To be a progressive trade association providing leadership to the plastics industry.



OUR MISSION

- We provide direction and leadership to upgrade the plastics industry through effective government liaison, strategic alliances as well as specialised training and industry studies.
- We promote sustainability practices and the proper usage of plastics with due care to the environment and the community.

02

Notice of Annual General Meeting

03

Corporate Information

05

From the Desk of the President

14

VOICE from the MEMBERS



20 Human Resource Development



34 Sustainability



39 Government and Industry

15

Report of the Central Committee
(From July 2020 to June 2021)

15 Membership of the Association (March 2021)

19 Financial Review

19 Human Resource Development

27 Sustainability

35 Government and Industry

43 International Liaison

45 Raw Materials

45 Process Groups

46 Report from Branches

51 Plastics Eagle-MPMA

52

List of Committees: 2020 – 2022

56

MPMA's Presidents

57

Financial Statements

Notice of Annual General Meeting

Notice is hereby given that the

54th

Annual General Meeting of the
**Malaysian Plastics Manufacturers
Association**



10.00 am



**Tuesday
22 June 2021**



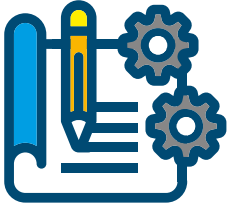
**Virtually via
ZOOM**

AGENDA

1. To confirm the Minutes of the 53rd Annual General Meeting held on 3 December 2020.
2. To consider and adopt the Annual Report for the period of July 2020 to June 2021.
3. To consider and adopt the audited accounts of the Association for the year 2020.
4. To appoint an external auditor.
5. To review the progress of the following activities:
 - i. Human Resource Development
 - ii. Sustainability
 - iii. Government and Industry
 - iv. International Liaison
6. To receive reports from MPMA Branches:
 - i. Johor Branch
 - ii. Northern Branch
 - iii. Perak Branch
 - iv. Sabah Branch
 - v. Sarawak Branch
7. To consider any other matters.

EDDIE FONG SEAK FOH
Secretary-General

Corporate Information



PROFILE

The Malaysian Plastics Manufacturers Association (MPMA), established in 1967, is a progressive trade association providing leadership and quality service to its members and the plastics industry. MPMA is the official voice of the Malaysian plastics industry, representing its members and the industry in Government interaction, spearheading the plastics industry's growth by providing the platforms to assist members to be globally competitive.

MPMA's current emphasis, inter alia, is to upgrade the technological level of the plastics industry by providing higher skills technical training for members, in particular, on Industry 4.0.

In all aspects of its activities, MPMA places special attention to its social responsibility towards the environment, by promoting sustainability practices for the protection of the environment and community.

MPMA currently has about 750 members comprising Ordinary members, which represent about 60 percent of plastics manufacturers in the country and account for 80 percent of the country's total production of plastic products.



OBJECTIVES

- To promote the use, manufacture and processing of plastics.
- To protect, assist and enhance the interest of manufacturers of plastics products.
- To organise and provide various means of training to help upgrade the technological level of the plastics industry.
- To encourage co-operation among manufacturers of plastics products, both within and outside Malaysia.
- To gather, analyse and provide statistical and technical data as well as other information of interest to the industry.
- To provide a platform for members to interact and to foster closer rapport among members.
- To co-operate with other trade associations, non-governmental organisations and other bodies of common interest to ensure the healthy growth of the plastics industry.
- To collaborate with the Government in the promotion of the plastics industry towards achieving the country's vision of becoming a developed nation.
- To promote the growth of the plastics industry and transform it into a global player taking into cognisance its social responsibility, via sustainability practices towards the environment and community.

Corporate Information



MPMA'S NETWORK

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Sabah Branch

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Fax : +6088-499033
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From the Desk of the President

On behalf of the Central Committee, I am pleased to present the Annual Report of the Association for the period from July 2020 to June 2021 and the audited accounts for the financial year ended 31 December 2020.

UPDATES ON THE MALAYSIAN ECONOMY

After registering a 0.7% growth in the first quarter of 2020, the Malaysian economy experienced a decline for the subsequent three quarters, resulting in a pandemic-driven reduction of 5.6% for the entire year. Domestically, the targeted containment measures, including the Movement Control Order (MCO), Conditional Movement Control Order (CMCO) and the Recovery Movement Control Order (RMCO), had severely impacted most of the economic activities.

Period-on-period change

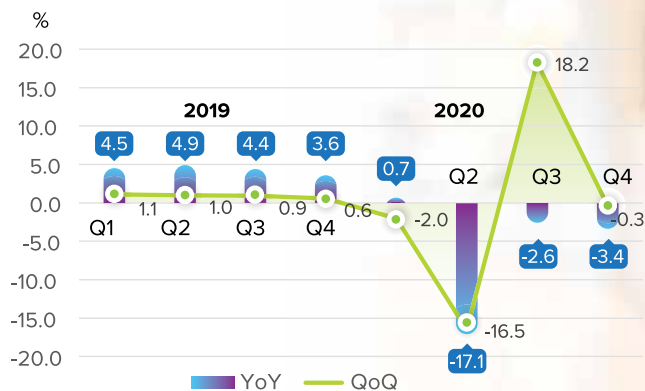


Figure 1: Malaysia's Quarterly GDP
Source: Bank Negara Malaysia

The manufacturing sector in 2020 registered a decrease of 2.1% in sales value to RM1,346.6 billion compared to RM1,375.5 billion in 2019. The quantum of decrease is much lower than the decrease in GDP, given that some of the sub-sectors within the manufacturing sector had registered positive growth, particularly the electrical & electronics, food & beverages as well as the glove sub-sectors.



From the Desk of the President

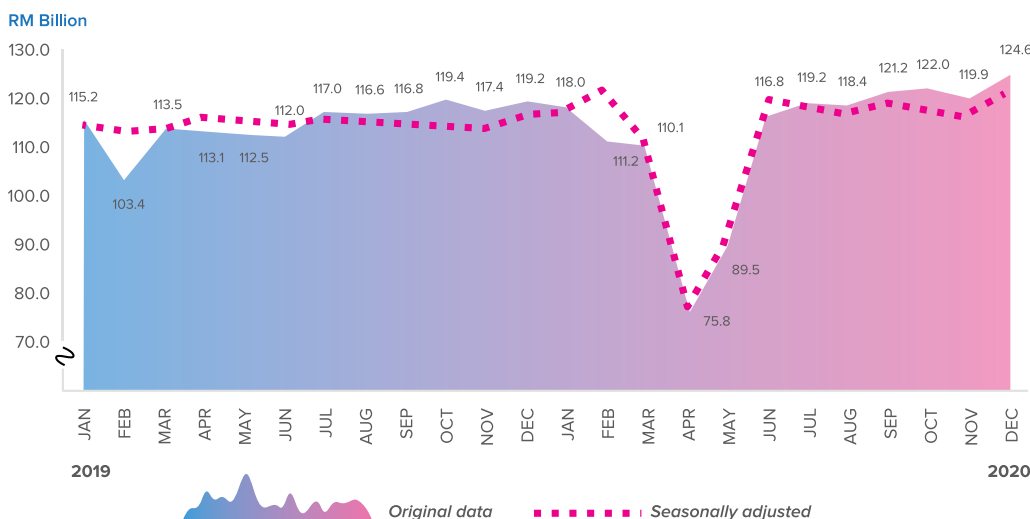


Figure 2: Sales by the Manufacturing Sector (January 2019 – December 2020)

Source: Department of Statistics

The global economy is climbing out from the depths to which it had plummeted during the great lockdown in 2020 and expected to grow at about 6% for 2021. With the vaccination programme roll out gathering speed, demand is likely to increase in most market sectors. According to Bank Negara Malaysia, the Malaysian economy is expected to grow between 6% and 7.5% this year, with Covid-19 vaccinations and more robust external demand driving recovery from the 5.6% contraction for 2020. However, an increase in Covid-19 cases during the 2nd quarter of 2021 which resulted in the imposition of MCO 3.0 will have a dampening effect on these projections. Preliminary estimates at the time of writing is that MCO 3.0 may reduce the projection GDP by about 1%, with the projected GDP growth being lowered to between 5% to 6.5%.

PERFORMANCE OF THE PLASTICS INDUSTRY

Despite the impact of the MCO and CMCO, the plastics industry managed to register a mild growth in 2020. Sales turnover increased by 2.3%

from RM47.35 billion for 2019 to RM48.46 billion for 2020, based on the revised method of compilation by the Department of Statistics. Growth was less impacted by Covid-19 pandemic as the plastics industry is a key supporting industry to the essential sectors, including electrical & electronics, medical supply as well as the food & beverages sectors. The strong

demand from the consumer electronics sub-sector was mainly due to the work from home policy which resulted in consumers having to purchase various electronic items. Export of plastics products declined by 11% to RM13.3 billion for 2020, compared to RM15.0 billion for 2019. Lower export value was due to weaker demand from the European Union, Japan, Korea and Australia as the Covid-19 pandemic impacted these countries. It is also partly attributed to the lower selling prices from lower input costs due to lower raw resin costs.

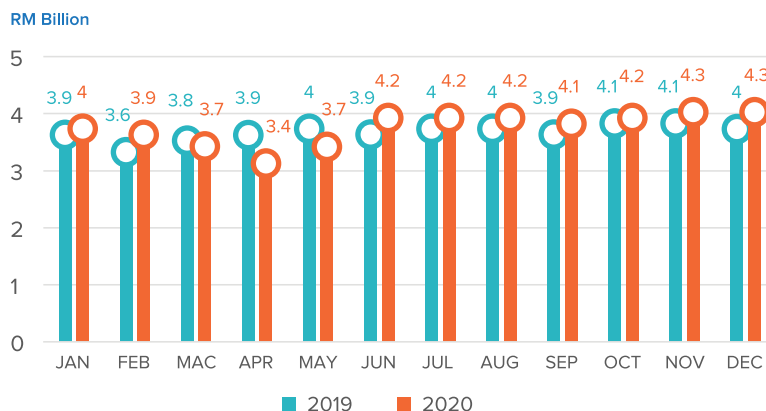


Figure 3: Sales by the Plastics Industry (January 2019 – December 2020)

Source: Department of Statistics

From the Desk of the President

RECOVER FROM THE IMPACT OF THE COVID-19 PANDEMIC

Business recovery during the first 5 months of 2021 was still fragile and uneven. Covid-19 cases surged again in November/December 2020, forcing the authorities to re-implement MCO 2.0 in mid-January and again in May 2021 as MCO 3.0. The manufacturing sector which employs approximately 35% of the total documented foreign workers in this country has been identified as one of the major sectors of the Covid-19 clusters. Nevertheless, MCO 2.0 had less impact on the industry as compared to MCO 1.0 which was implemented in 2020. All industry sectors were allowed to operate at 100% capacity under MCO 2.0, subject to full compliance of the Standard Operating Procedures (SOP). Recovery in the export sector was still affected by the close border policy in certain export destinations. The logistics issues, particularly the shortage of vessels and containers which began in the fourth quarter of 2020 continued to affect the exporters during the first and second quarters of 2021.

ASSISTING MEMBERS TO BE ON THE RIGHT PATH OF RECOVERY

The biggest challenge during the period was maintaining business activities at optimum level whilst keeping the employees safe from Covid-19. Realising the severe impact of MCO 1.0 on businesses, both the Government and the industrial sectors worked together very closely to identify ways and means to keep the economy open under strict compliance of the SOPs. The effectiveness of the SOPs requires complete understanding and collaborations from the manufacturers and their employees. MPMA has been communicating with members on SOP compliance and feedback to the authorities for improvements.

The successful roll-out of the vaccination programmes coupled with the massive economic stimulus packages announced worldwide, particularly by the two largest economies globally, that is, China and the United States, will augur well for a strong global economic recovery. The recently concluded free trade

agreement, namely the Regional Comprehensive Economic Partnership (RCEP), which is the largest trade bloc measured by population, would offer Malaysian companies market access opportunities to a third of the world's population.

In the medium to long-term, the economic recovery looks promising, and no one will want to miss these growth opportunities. However, maximising these opportunities required a clear understanding of the business trends and adopting the right strategies. To assist members in being on the right path of recovery, MPMA had organised a series of webinars to inform members on the outlook of the industry, issues and challenges, and the appropriate growth strategies.

PLASTICS SUSTAINABILITY

Sustainability might be an area with the least priority for us to focus on while the Covid-19 pandemic takes centre stage in all aspects of our daily lives. However, for MPMA, its sustainability efforts did not stop as time is even more crucial for education, awareness and outreach programmes to advocate responsible usage of plastics as plastics usage surged since the pandemic.

With it being a challenge to conduct programmes physically, MPMA embraced technology in trying times to continue its sustainability efforts and to engage with students and the public. Programmes were conducted virtually and centred on the 'Plastic, Sustainability & You' module to educate and increase awareness on topics such as cleanliness and sustainability, properties and benefits of plastics as well as waste management and the 3Rs (Reduce, Reuse and Recycle).

Despite MPMA exhausting its resources in sustainability, negative media coverage once again hit the plastics industry. This round, the target of the media was the plastics recycling sector. The complexity of importing plastics scraps with the interference of illegal operators had painted a negative perception towards plastics recycling. MPMA continued to work closely with the Malaysian Plastics Recyclers Association (MPRA) to address this issue as the Government and the

From the Desk of the President

public need to realise that achieving a Circular Economy will fail without the existence and growth of the plastics recycling sector.

MANAGING MANPOWER ISSUES WITH TALENT DEVELOPMENT

The Covid-19 pandemic has dramatically impacted the lives and livelihoods of people all around the world, and Malaysia is no exception. In the area of manpower resources, the pandemic brought with it a need to urgently review the employment landscape – from a sudden closure of workplaces and work from home to movement restriction policies.

As responsible employers, we have to move towards “Safe Working and Safe Living” in the current and post-Covid-19 world of work. By doing so, we can guarantee all workers a safe and healthy work environment and enable them to perform their jobs well and return home to their loved ones safe and sound.

The Government has allocated RM6 billion on the furtherance of TVET under Budget 2021. This includes an allocation of RM30 million for the Skills Development Fund Corporation (PTPK) and RM60 million for the National Dual Training System Plus (SLDN+). To further drive the industry-academia collaboration, the Government is offering a tax incentive for the commercialisation of resources and non-resource based R&D findings by the public and private higher learning institutions.

It cannot be emphasised enough that TVET education must meet the requirements of the labour market, with a focus on high-quality skills that matches the occupational standards of developed countries. The newly established Malaysian Plastics Industry Talent Accreditation Council (MaPITAC) aims to ensure this by diligently accrediting related plastics courses. Lifelong learning must be encouraged to upgrade skills, maintain employment and adapt to new forms of work. Investment in human resources development is necessary to make workers more versatile and adaptable and keep economies growing.

This pandemic, we have witnessed how technology can work for us, and not against us. Technology – digital platforms, adaptive work arrangements enable us to continue with work, even when daily lifestyles are disrupted. Therefore, there is a need to ensure adequate opportunities for existing workers to upskill or learn new skills to meet employment demands of the digital technology. This strategy requires a significant mindset shift from employers, particularly those who still hold preconceived biases over such technology. MPMA is collaborating with universities and training providers to assist companies with their digitalisation journey.

Today, many companies appear to be enthusiastic about incorporating technology into their organisation's operation. As transformation challenges vary from organisation to organisation, it is crucial to understand that certain technological solutions may not be a fit for all and not to fall into technology trap, where the luxury of ready-made software and applications overshadow actual practical usefulness for the organisation. MPMA will be initiating an i4.0 sub-committee to address this matter and regularly provide information to members who are keen to automate their production.

MOVING FORWARD

The ramping up of the national vaccination programme will give hope to the business sector for a more sustained recovery from the pandemic recession, though the recent spike of Covid-19 cases in India and some of the European and South American countries, as well as the imposition of MCO 3.0 has added some uncertainties. At the home ground, the implementation of the MCO 3.0 in May 2021 would affect certain sub-sectors and the subsequent chain effects could impact the whole economic sector as well. I therefore strongly urge members to comply with the SOPs set up by the authorities and take all the necessary measure to protect your workers, as well as allow your operations to continue safely.

From the Desk of the President

Nevertheless, it is envisaged that the situation would improve from the second half of 2021 as the National Vaccination Programme would be expedited with the scheduled arrival of more vaccines from June 2021 onwards. Members must therefore prepare themselves to tap on the pent-up demand in both the domestic and export sectors. The Government is always encouraging Malaysian SMEs to explore the export market by providing the necessary support and guidance. One good example is the recent announcement on the increase of the lifetime limit of the Market Development Grant (MDG) from RM300,000 to RM500,000. This would allow SMEs who have exhausted their MDG claims earlier to re-expand their export promotional plans.

I have repeatedly stressed that to be successful in the global market, we must move up the value-chain by emphasising consistent product quality and cost efficiency to gain a stronger competitive edge over the regional and international competitors. This could be achieved by continuous investment in suitable machines, technology and human talents. This growth strategy is becoming increasingly important because of the shortage of human resources in the country and the Government's policy to reduce the dependence on foreign workers. I hope that members would take this route on the way to successfully taking on the global market.

Thank you and Stay Safe.

DATUK LIM KOK BOON

MPMA President

会长回顾

我很高兴能代表中央理事会提呈本会2020年7月至2021年6月的年度报告，以及截至2020年12月31日财政年度的经审计帐目。

马来西亚经济状况的最新动态

马来西亚经济于2020年第一季度取得0.7%增长之后，随后余下3个季度均出现下滑之态，形成年度经济因疫情而下降了5.6%。国内针对性的防疫措施，包括行管令（MCO）、有条件行管令（CMCO）和复原期行管令（RMCO）都严重影响了大部分经济活动。

Period-on-period
change

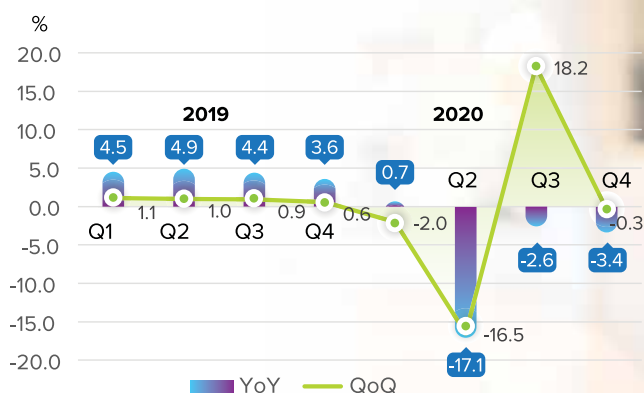


Figure 1: Malaysia's Quarterly GDP
Source: Bank Negara Malaysia

与制造业于2019年的1万3千755亿令吉的销售价值相比，2020年销售价值下降2.1%，达1万3千466亿令吉。基于某制造业内的子行业，特别是电气与电子、食品与饮料及手套子领域皆取得积极增长，导致制造领域的下降幅度远低于国内生产总值（GDP）的下降幅度。



会长回顾

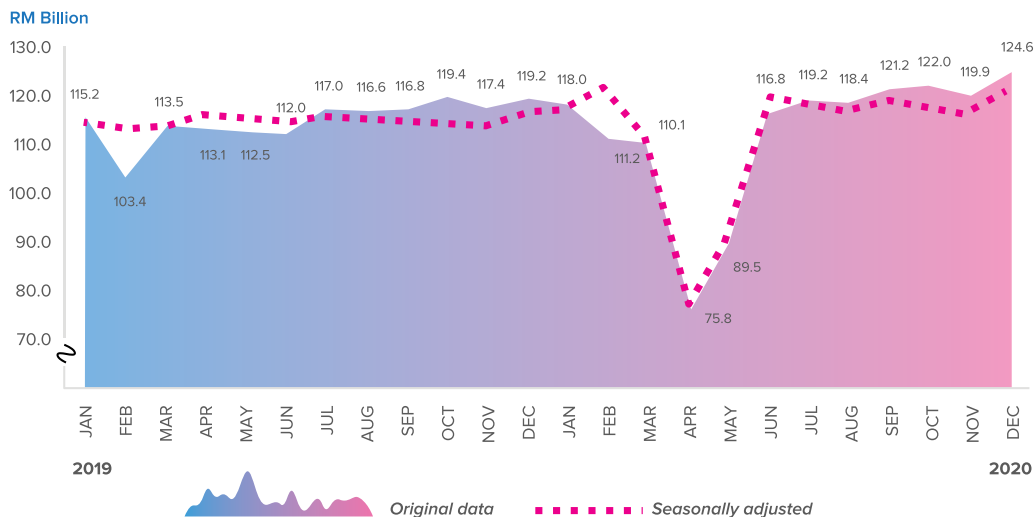


Figure 2: Sales by the Manufacturing Sector (January 2019 – December 2020)

Source: Department of Statistics

全球经济正逐渐从2020年大封锁所导致的萧条中复苏，并预计于2021年可取得6%增长率。随着疫苗接种迅速推进，大部分市场领域需求料将增长。根据国家行数据显示，随着疫苗接种及外部强劲需求推动下，将令于2020年萎缩5.6%的经济复苏，马来西亚经济预期将于今年增长6%至7.5%。然而2021年第二季度导致实施行管令3.0的严峻疫情则可能抑制相关增长预期。于撰写本文时的初步估计为行管令3.0将可能降低约1%的预期国民生产总值（GDP），令相关数值增长率降低至5%至6.5%之间。

塑料业表现

即便受到行管令和有条件行管令的影响，塑料业仍于2020年取得轻微增长。根据统计局改进的汇集方式显示，销售额从2019年的4百

73亿令吉增长2.3%，达2020年的4百85亿令吉。基于塑料业为必需经济领域，包括电气与电子、医疗设备以及食品与饮料业的主要支援行业，因此疫情对其的增长影响较小。消费者对电子业的强劲需求主要源于居家工作政策，导致他们必须购置各种电子产品。与2019年的150亿令吉

相比，2020年塑料产品出口量下降11%达133亿令吉。出口额降低的主要原因是欧盟、日本、韩国和澳大利亚因当地疫情严峻，导致需求量下降所致。另外也归因于较低的原料树脂成本拉低投资成本而进一步令销售价格下降。

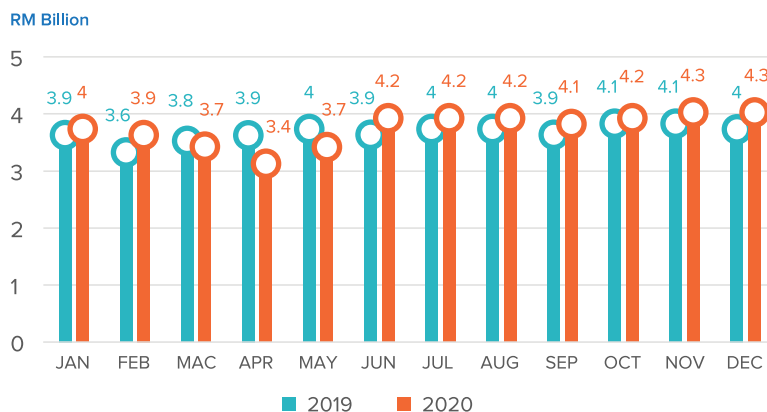


Figure 3: Sales by the Plastics Industry (January 2019 – December 2020)

Source: Department of Statistics

会长回顾

从新型冠状病毒疫情中的复原

2021年首5个月的行业经济复苏仍呈疲弱且不平稳之态。新型冠状病毒疫情于2020年11月/12月再次激增，迫使当局于1月中旬重新实施行管令2.0，并于5月再次实行行管令3.0。占据国内雇用约35%持证外籍劳工的制造业已被确定为主要新型冠状病毒感染群之一。尽管如此，与2020年所实施的行管令1.0相比，行管令2.0对业界的影响较小。随着在全面遵守防疫标准作业程序（SOP）下，所有行业领域皆获准在行管令2.0期间100%运作。然而，出口领域的复原情况仍然受到某些目的地的封锁边境政策所影响。

始于2020年第四季度所出现的船舶与集装箱短缺问题持续影响着2021年第一与第二季度的出口商。

协助会员迈向正确复原途径

于此期间所面对的最大挑战是在保持最佳水平的业务活动之际，也确保员工免受新冠病毒的侵扰。基于意识到行管令1.0对企业的严重影响，政府与各造行业领域密切合作以共同确定如何在严格遵守SOP的前提下，保持经济开放的方式与方法。SOP需获得制造商与其员工的全面理解与合作方能有效实行。马来西亚塑料厂商工会（MPMA）已就相关SOP合规性与会员进行沟通，并向当局反馈以供改进。

全球各国疫苗接种计划的成功推行，特别是全球两大经济体，即中国与美国所宣布的大规模经济刺激方案，将预示着全球经济强劲复苏之态。最近缔结的自由贸易协定，即按人口来计算的最大贸易集团之“区域全面经济伙伴关系协定”（RCEP），当为马来西亚公司提供进军占据世界三分之一人口的市场机会。

以中长期来看，经济复苏前景备受看好，而且也没有人愿意错失这些增长机会。然而，要最大化善用这些机会则有赖于对

业务趋势具有清晰了解和采取正确策略。为工会助会员迈向正确复苏之路，MPMA特备了一系列向会员介绍业界前景、问题与挑战及适当增长策略的网络研讨会。

塑料品的可持续性发展

当新冠疫情肆虐横行于日常生活之际，塑料业的可持续性发展也许不是优先关注的领域。然而，就MPMA而言，对其可持续性的努力不当停止，反而更应在疫情泛滥导致塑料品使用激增之时，加强倡导以负责任的方式与态度来使用塑料的教育、醒觉和宣传计划。

基于无法展开实体活动，MPMA在这最困难的时期里，采用科技继续展开其可持续性发展的努力和与学生及公众的交流。相关活动是以虚拟方式及围绕在“塑料、可持续性与您”的模块上推行，主旨是教育和提升对清洁与可持续性、塑料特性与优点以及废物管理和3R（减少、再利用、再循环）等的觉醒课题。

尽管MPMA尽力推广可持续发展，但负面媒体报道却再次打击塑料业。媒体于此次报道的着重点为塑料回收领域。进口塑料废料的复杂性再加上非法经营者的扰乱，令塑料回收蒙受负面影响。MPMA将继续与马来西亚塑料回收协会（MPRA）密切合作以处理此问题，然而政府与公众当意识到若没有塑料回收业的存在与发展，将难以实现循环经济目标。

通过人才发展处理人力资源问题

新冠疫情已严重影响世界各地，包括马来西亚人民的生活与生计。在人力资源领域方面，疫情带来了迫切审视就业形势的需求——从突然关闭工作场所和居家工作至行动管制政策。

身为负责任的雇主，我们必须在当前时局与疫情之后的情况

会长回顾

里，塑造一个迈向“安全工作与生活”的工作环境。就此行动可让我们保证所有员工都享有能让他们安全健康完善工作的工作环境，以及在完工后能安全健康的回到至亲身边。

政府已于2021年财政预算案中，拨款60亿令吉来推动技职教育与专业培训（TVET）。这包括3千万令吉予技职发展基金机构（PTPK）和6千万令吉予国家双培训课程（SLDN+）。为进一步推动产学合作，政府提供税收优惠予公立与私立高等学院的商业化资源与非资源研发成果。

于此需再度强调TVET当满足劳工市场需求，首要专注于符合发达国家高质技能的职业标准。新建立的马来西亚塑料工业人才认证委员会（MaPITAC）旨在通过认证相关塑料课程来达成此项目标。终身学习当备受鼓舞以提高技能、保持就业机会和适应新工作形式。随此，投资于人力资源发展是必要的，因为它能让员工更具竞争力与适应性，并且也有助于保持经济增长。

这次疫情令我们目睹科技所带来的效益。新科技一数码平台、适应式工作部署让我们得以继续工作，即便日常生活方式已受到干扰。随此，当备有能让现有员工提高技能或学习新技能，以满足数码科技就业需求的机会。此类策略当要求雇主改变他们的观点，特别是那些仍然对相关科技持有先入为主之见解的雇主。MPMA正与大学及相关培训提供者合作以协助公司开展其数字化之旅。

如今，许多公司热衷于将科技纳入其机构运营的转型当中。由于各机构与组织间的转型挑战皆有所不同，因此至关重要的是要清晰了解某些科技解决方案并不适用于各领域以及不当陷入科技陷阱当中，导致现有软件 and 应用程序的优势蒙蔽其对相关机构或组织的实际应用度。MPMA将在成立一个i4.0小组委员会来处理此问题之余，也会定期向有意将其生产操作自动化的会员提供有关信息。

展望未来

即便印度和一些欧洲及南美国家的新冠疫情病倒激增，再加上行管令3.0所实施的系列预防措施造成些微不确定因素，但国家疫苗接种计划的实施将为国内商业领域带来希望，使其能从疫情所造成的经济衰退中持续复苏。至于国内，在2021年5月所实行的行管令3.0也将影响某些行业，而其后的连锁效应则将影响整个经济领域。因此，我强烈呼吁会员遵守当局所制定的SOP，并采取一切必要措施以保护您的员工及让您能继续安全作业。

尽管如此，随着国家疫苗接种计划预期当在2021年6月获得更多疫苗而加速接种行动下，这一情况料将于2021年下半年获得改善。随此，会员当做好完善准备，以面对国内、外的积压需求。政府一直通过提供必要支援与引导来鼓励国内中小型企业开拓出口市场。最佳例子就是最近宣布的市场发展基金（MDG）上限更从30万令吉提高至50万令吉。这将允许之前已耗尽其MDG权益的中小型企业能进一步扩展其出口促销计划。

我谨此再次强调，如果我们要在全球市场上取得成功，就必须加强可靠的产品质量与成本效率以提升价值链，以期在区域与国际竞争对手中获得更强的竞争优势。而此目标则可通过持续投资于合适机器、技术与人才来实现。这增长策略将在国内人力资源逐步短缺及政府有意减少对外籍员工过度依赖的政策下，变得越发重要。我希望会员能借由此方针来达成其成功在全球市场分一杯羹的愿景。

谢谢。祝愿安全、健康。

拿督林国文

马来西亚塑胶厂商协会会长

VOICE from the MEMBERS

“MPMA is always finding ways to bridge the gap between government and our business needs.”

Anthony Woon
Operations Manager, Today's
Plastics Industries Sdn Bhd

“MPMA's webinar topic organised were consistently current and relevant for our industry.”

Lim Chun Yow
Managing Director,
BP Plastics Holding Bhd

“

“Like every industry, we had to manoeuvre around the impacts of this pandemic and the unprecedented resulting effects. With a constant information shared by MPMA, Janoschka Malaysia assure that we remain operational and continue to support customers and stakeholders globally to manage essential services. We are committed to ensuring business continuity while protecting our people.

We recognise that this may be a prolonged effort and fully aware of MPMA's commitment to help us to navigate through these challenges and advance our business objectives. We extend our sincere thanks to MPMA for their ongoing support and

loyal dedication during this challenging time. ‘We are all in this together, and we will get through it together’.”



Gunasilan Nagaiya
Head of QSHE, Janoschka Malaysia Sdn. Bhd

”

“

MPMA has been instrumental in assisting our efforts towards employee training initiatives, and properly aligning the Industry 4.0 strategy. Their wide-reaching resources has proven useful with countless support to local SMEs and propelling their reach into the international markets.



Tan Wye Kit
Poly-Max Sdn Bhd, (Certified ISO9001:2015,
ISO45001:2018, ISO14001:2015 manufacturer)

”

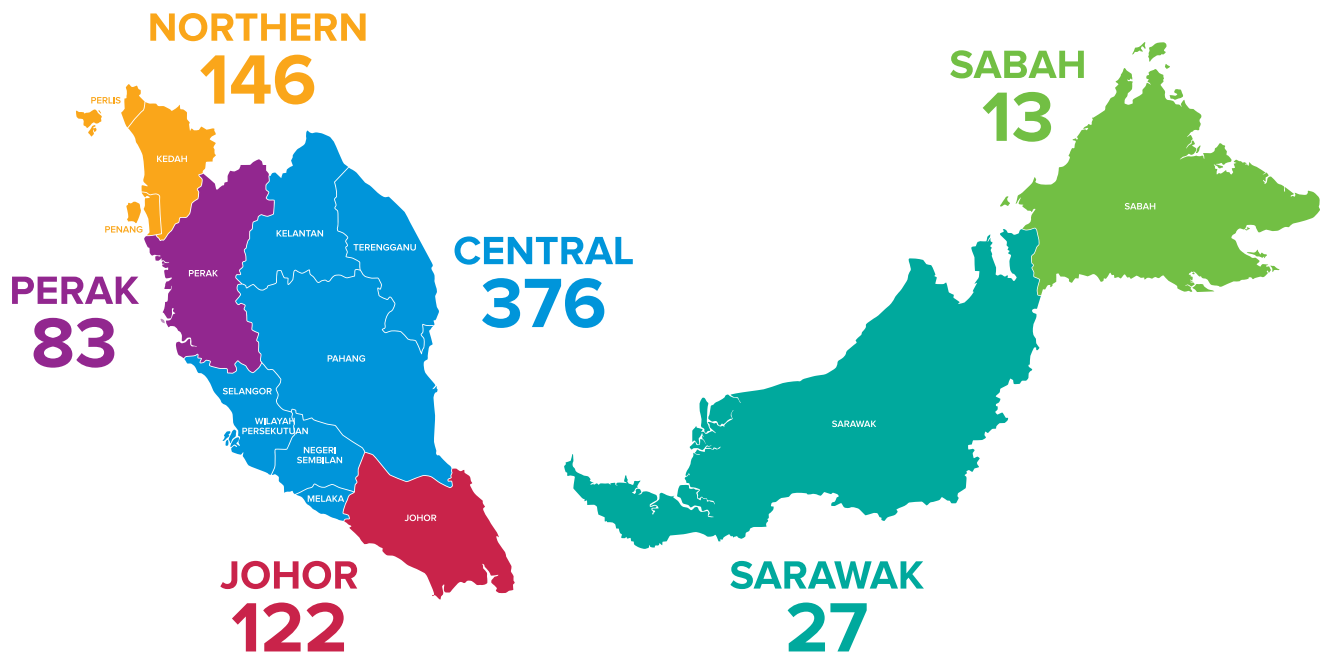
“Through the years, MPMA has been driving transformational change for our industry to ensure the longevity of our business. To always stay relevant in the market place.”

Vincent Ling Kock Chieh
Executive Director, Foraypack
Industry Sdn Bhd

Report of the Central Committee

(From July 2020 to June 2021)

1. MEMBERSHIP OF THE ASSOCIATION (MARCH 2021)



1.1 Membership Services

“MPMA does what no single company can do on its own.”

Mr CY Chow
MPMA Vice-President & Chief Executive, Combi-Pack Sdn Bhd



Report of the Central Committee

(From July 2020 to June 2021)

Strong and Effective Advocacy

50
Meetings



Productivity and Manufacturing Efficiency via Specialised Industry Training Programmes



5 Training Sessions

Note: Due to the pandemic and social distancing rules, training activities were not possible

www.mpma.org.my

661,659
Page Views



www.plasticsdirectory.org.my

37,480 Page Views

MPMA facebook

1,020 Followers and Likes



Economic and Industry Intelligence

57 Circulars

8 Webinars with
869 Attendees

1.2 Membership Activities

During the pandemic period, MPMA continued to share information and interact with members via MPMA's eChannels and via webinars. The following is the list of MPMA's webinars:

1	21 January 2021	Manufacturing Leadership in the Digital Era	84 attendees
2	27 January 2021	Supply Chain Management - Shipping & Logistics	103 attendees
3	8 February 2021	Employer's Obligations & Guidelines for Quarantine Facilities - Covid-19	170 attendees
4	9 March 2021	Raw Material Trends for 2021	120 attendees
5	15 March 2021	Industry Outlook & RCEP	140 attendees
6	6 April 2021	From the Boardroom to the Shop Floor	86 attendees
7	21 April 2021	MPMA-MIDA Webinar on Grants	101 attendees
8	4 May 2021	UNEA-5 and its Significance to the Plastics Industry	65 attendees

Report of the Central Committee

(From July 2020 to June 2021)

1.3 Communications and MPMA's eChannels

“The Covid-19 pandemic has driven MPMA to adopt technology for communications. MPMA's eChannels delivers information faster and easier for members' access.”

Ms Ng Peg Shi

MPMA Membership Chairperson & General Manager, Plastik V Sdn Bhd



Throughout the Covid-19 pandemic, MPMA had facilitated on behalf of industry with the Government to allow plastics manufacturers and their supply chain to operate, whilst elucidating the Standard Operating Procedures (SOPs) to members. MPMA's circulars are published in a timely manner and made available at www.mpma.org.my and through MPMA's eChannels such as email and WhatsApp, so that members can quickly understand what they needed to do, to continue operations during the pandemic.

1.4 MPMA's Websites

www.mpma.org.my



Page Views:

661,659 Views

Readers stay on average of

6 Minutes

Most Visited Pages:

- Covid-19 Updates
- Pages on Government Acts

Top 3

Users Location:



www.plasticsdirectory.org.my



Page Views:

37,480 Views

Most Visited Pages:

- Members by State
- Members by Alphabetical Order
- General Search

Top 3

Users Location:



Report of the Central Committee

(From July 2020 to June 2021)

1.5 MPMA Annual General Meeting

The 53rd Annual General Meeting (AGM) was held virtually on 3 December 2020 with about 150 members attending or by proxies. Due to Selangor being placed under the Conditional Movement Control Order (CMCO), the AGM was conducted via video conferencing.

MPMA Annual
General Meeting



1.6 MPMA Members Survey 2021

MPMA undertook a Members Survey in January 2021 so as to better understand members expectations of MPMA in light of the Covid-19 pandemic. The Survey provided MPMA with the opportunity to redefine its core services and provide a fresh insight for MPMA to develop its strategies for the plastics industry.

A total of 112 respondents (or 15% of total membership of 750 members) had participated in the Survey. Some of the key highlights are as follows:

- In terms of the importance of information from MPMA circulars, members rate the information at 98% importance.
- 96% of respondents are of the opinion that MPMA's training is important.
- 93% of respondents said that sustainability was important to their business and agreed that the public has a poor perception of plastics and its impact on the environment. In this regard, 96% of respondents were of the opinion that MPMA's Sustainability activities were necessary for the industry.
- In terms of seminar topics that members requested MPMA to organise, the top three topics were: 1. government related in terms of procedures, compliance, etc.; 2. processing and related technical topics; 3. plastics industry trends and outlook.
- Overall, 97% of respondents rated MPMA's service as important.

Report of the Central Committee

(From July 2020 to June 2021)

2. FINANCIAL REVIEW



The amalgamated income for MPMA for year

2020

amounted to

RM2,271,514



The Association recorded an amalgamated deficit of **RM13,953** before taxation for the year.

Please refer to the section on Financial Statement.

3. HUMAN RESOURCE DEVELOPMENT

“MPMA provides consistent training to elevate our competencies and mind-set to embrace the challenges ahead which drive us to take one step further.”

Lily Lim

Assistant Operations Manager, Lok Kawi Plastic Industries Sdn Bhd



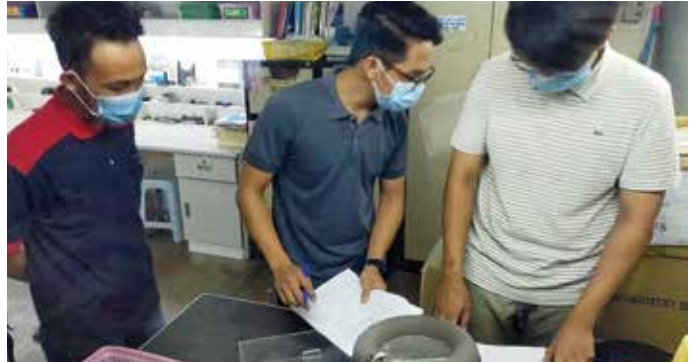
3.1 SME Skills Scheme

MPMA was appointed as a training provider for the SME Skills Scheme under the Human Resource Development Fund (HRDF) end December 2019. The training was for HRDF and non-HRDF registered employers.

Training Dates	Details	Pax
16 March & 8 - 10 October 2020	Scientific Injection Moulding for Technicians , Plasform Sdn Bhd, Kajang.	14
8 - 11 December 2020	Scientific Injection Moulding for Senior Technicians , Prestige Dynamics Industries Sdn Bhd, Prai, Penang (under MPMA - PTTC Northern)	11

Report of the Central Committee

(From July 2020 to June 2021)



Training on Scientific Injection Moulding for Technicians at Plasform Sdn Bhd



Training on Scientific Injection Moulding for Senior Technicians at Prestige Dynamics Industries Sdn Bhd

Report of the Central Committee

(From July 2020 to June 2021)

3.2 MPMA-Plastics Technology Training Centre

The following training activities were organised under the MPMA-Plastics Technology Training Centre (MPMA-PTTC):

3.2.1 MPMA-PTTC Perak

Date	Details	No of Pax
22 December 2020	Briefing Session on ECP-PLC Programme The Perak Entrepreneur & Skills Development Centre (PESDC) provided a briefing on the Expert Craftsman Programme-Programming Logic Control Systems (ECP-PLC).	6
		
Briefing on ECP-PLC Mechatronics Programme under the PENERAJU grant by PESDC		

3.3 Occupational Safety and Health

MPMA, with the support of the Pertubuhan Keselamatan Sosial (PERKESO), took proactive steps to continuously inculcate awareness on areas related to Occupational Safety and Health (OSH) through various educational programmes such as producing OSH Handbook and conducting research projects. The following are the OSH activities organised during the period in review.

3.3.1 Research Study on Hazard Identification, Risk Analysis & Risk Control (HIRARC)

PERKESO awarded MPMA some funding to conduct a study on "Incidents and Determination of Root Causes to Assist in Accident Prevention at the Workplace in the Plastics Industry in Malaysia". The study was in response to a pilot report conducted in 2018 entitled "Hazard Identification, Risk Analysis and Risk Control (HIRARC) in the Workplace: A Pilot Study of the Plastics Manufacturing Industry in Peninsular Malaysia".

The 2020 Study was carried out to ensure that all stakeholders inculcate HIRARC awareness amongst staff and consciously practice SAFETY FIRST at the workplace. Seven member companies participated in this exercise.

Report of the Central Committee

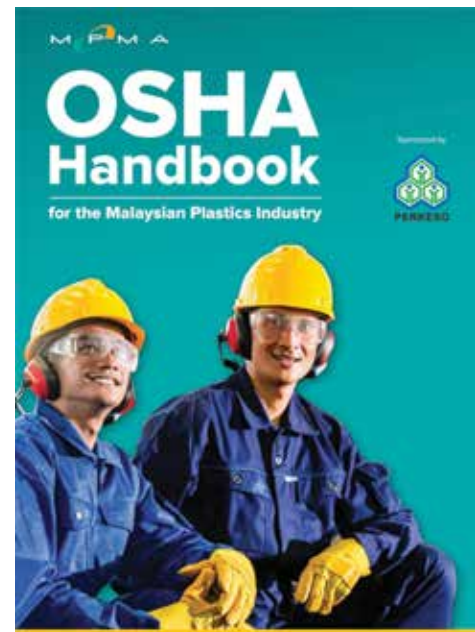
(From July 2020 to June 2021)

3.3.2 Occupational Safety & Health Act (OSHA) Handbook


PERKESO awarded a grant to MPMA in 2020 to publish the 2nd Edition of the OSHA Handbook 2020. The Handbook outlines the minimum standards for Occupational Safety and Health in the workplace - hazards that should be controlled to prevent accidents and work-related diseases. The Handbook can be downloaded from the MPMA website or use the following link: <https://mpma.org.my/v4/wp-content/uploads/2020/10/OSHA-Handbook.pdf>

3.3.3 OCCUPATIONAL SAFETY AND HEALTH COORDINATOR (OSH-C) COMPETENCY PROGRAMME

On 8 January 2020, MPMA was appointed by the Department of Occupational Safety and Health (DOSH) as a Certified Training Provider for the Occupational, Safety and Health Coordinator (OSH-C) Programme for three years. It was very difficult for MPMA to carry-out any trainings in 2020 due to the guidelines set by the Government in view of the pandemic. MPMA applied to DOSH to allow the course to be conducted via online, and in February 2021, MPMA was given the approval.



In 2021, MPMA carried out the following two trainings:

Training Dates 	Details 	Pax 
2 - 4 March 2021	Occupational, Safety and Health Coordinator Online Programme	15
17 - 19 March 2021	Occupational, Safety and Health Coordinator Programme at Poly-Max Sdn Bhd, Banting Selangor	16

Members who are keen to certify their staff and conduct this Programme in-house are welcome to contact MPMA for more details.



OSH-C Programme participants



Participants at Poly-Max OSH-C Programme

Report of the Central Committee

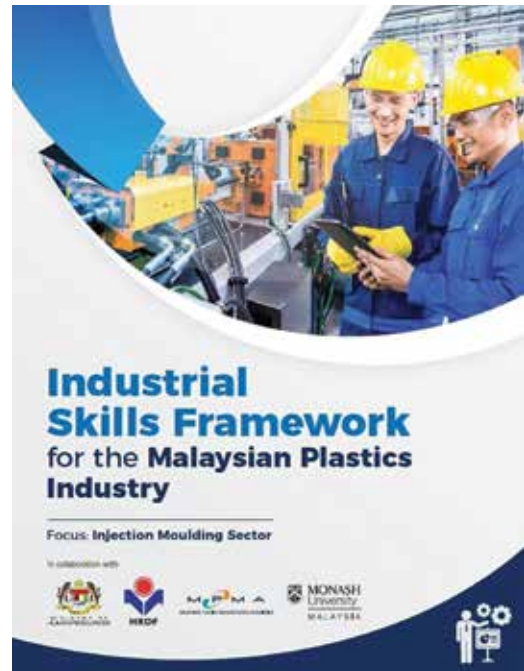
(From July 2020 to June 2021)

3.4 Industrial Skills Framework (IndSF) for the Malaysian Plastics Industry, Focus: Injection Moulding Sector

The Industrial Skills Framework (IndSF) for the Malaysian Plastics Industry was a project by HRDF's Plastics Sectorial Training Committee (STC) and was published by MPMA in collaboration with HRDF and Monash University Malaysia.

This study sets out a guiding skills framework for HRDF and the plastics sector to improve and strengthen skills development, participation and worker retention as a way to ensure that the workforce is appropriately equipped to meet the needs of the plastics industry in a fast changing global economy. The framework identifies the diverse skills needed for current and future needs of the plastics industry. It provides guidance not only for those in the plastics sector but also to individuals in other sectors wishing to advance their careers. This framework provides a bold vision and an opportunity for individuals to learn, upskill and reskill in response to critical challenges faced by industry and help prepare them for the fourth industrial revolution.

Work on the IndSF for the Malaysian Plastics Industry has depended on, and will continue to depend on active involvement of stakeholders who are subject matter experts from the plastics industry, representatives from the academia and government agencies.



3.5 Big Data Analytics – Perspectives from the Malaysian Plastics Manufacturing Industry

We live in an increasingly digital world. The ability to understand, analyse, and interpret the vast quantities of data generated daily is paramount as digitalisation permeates our personal, public, and business lives. Therefore, encouraging businesses to adopt big data (BD) and big data analytics (BDA) is critical for a country's economic growth. This is a view shared by the Malaysian government, which has BDA as part of the country's Industry 4.0 programme.

Given the importance of BDA, a survey was conducted to understand the views of Malaysian plastics manufacturers about this technology. The primary intention of this report is to provide insights into BDA challenges the plastics manufacturing industry faces and make recommendations to help address these issues.

The following recommendations distil the responses from the survey and have the intention of helping to improve BDA adoption in the Malaysian plastics manufacturing industry.

- i. Improve knowledge of BDA in the Malaysian plastics manufacturing industry
- ii. Develop internal information technology capabilities
- iii. Strengthen the Malaysian Government's BDA support


Contact the MPMA Secretariat to view the report in full.

Report of the Central Committee

(From July 2020 to June 2021)

3.6 PENJANA KERJAYA UNIKL Scheme

MPMA is in collaboration with University Kuala Lumpur Malaysia Italy Design Institute (UniKL MIDI) for the PENJANA Kerjaya MPMA UniKL programmes on Polymer Processing Technology (PPT) and Polymer Manufacturing Automation Technology (PMAT). These “Place and Train” programmes are fully-funded for unemployed graduates and retrenched workers aged between 18 and 35 years. The ongoing project is open to all unemployed Malaysian citizens who have relevant technical qualifications. All potential candidates are personally interviewed and selected by the participating companies.

Programme 	Company 	No. of Pax 
Polymer Processing Technology (PPT)	Sipro Plastic Industries Sdn. Bhd	20
	Prestige Dynamics Industries Sdn Bhd	4
	CPI (KL) Sdn Bhd	4
	Plastictecnic (M) Sdn Bhd	1
Polymer Manufacturing Automation Technology (PMAT)	Hee Plastic Industries Sdn Bhd	1
	Zer Plastic Sdn Bhd	2
	See Hau Global Sdn Bhd	1
	Mah Sing Plastics Industries Sdn Bhd	1
	Plastictecnic (M) Sdn Bhd	2



PMAT trainees receiving their certificates of completion

Report of the Central Committee

(From July 2020 to June 2021)

The first batch of 29 trainees under the PPT programme had successfully completed the training in January 2021 and currently undergoing internship at Sipro Plastic Industries Sdn Bhd, Prestige Dynamics Industries Sdn Bhd, CPI (KL) Sdn Bhd and Plastictecnic (M) Sdn Bhd.

The second batch of seven trainees were recruited for the PMAT programme which was held on 19 March 2021.

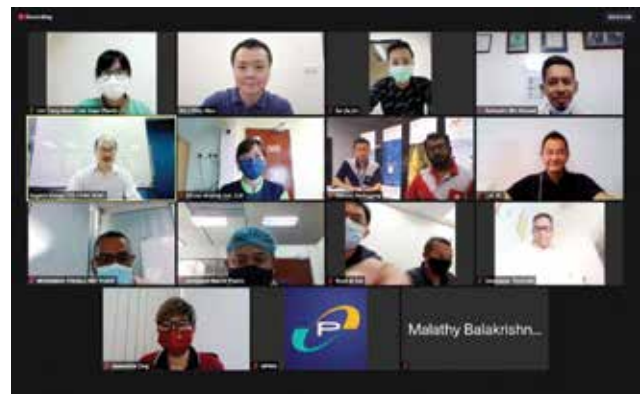
This PPT and PMAT Programme are still ongoing. Members who are interested in are welcome to enquire for details from the MPMA office or log in to the MPMA website at www.mppma.org.my

3.7 Lean Manufacturing Waste Reduction Techniques Online Training Programme

MPMA conducted an online training programme on “Lean Manufacturing Waste Reduction Techniques” from 29 to 30 March 2021. The programme focused on understanding how LEAN philosophies in manufacturing can help reduce waste and increase efficiency. It also aims to impart skills to identify areas to reduce/eliminate operational wastes, improve work efficiency and increase operation capabilities. A total of 14 participants participated in the training programme.



Mr Tee (trainer) explaining slides to the participants



Participants of the 29-30 March 2021 online training

3.8 WEBINARS

3.8.1 Manufacturing Leadership in the Digital Era

The webinar on “Manufacturing Leadership in the Digital Era” was a collaboration between MPMA and Monash University Malaysia. The webinar was conducted on 21 January 2021 with 84 participants.

Manufacturing Leadership in the digital era

DATE & TIME
Thursday, 21 January 2021 9:00 AM - 11:30 AM

PROGRAMME

- 9:00 am **Welcome Remarks** by Ms Angelica Lim, Facilitator, Monash University Malaysia (MUM)
- 9:05 am **Address** by Prof Mahendran Nair, Director, Global Asia in the 21st Century Research Platform, MUM
- 9:15 am **Address** by Mr Eddie Fong, Secretary-General, Malaysian Plastics Manufacturers Association (MPMA)
- 9:25 am **Embracing the Challenges and Seizing Opportunities of the 4th Industrial Revolution**, Assoc. Prof Dr Edwin Tan, Chief Pw Head, Mechanical Discipline, School of Engineering, MUM
- 9:45 am **Towards Smart Manufacturing - Transforming Legacy Assets into Smart Machines**, Dr Veen Raghavan, Senior Lecturer, School of Engineering, MUM
- 10:30 am **Smart Factory: Data Automation to Predictive Maintenance**, Ts Dr Chua Wei Shyan, Head, Malaysian Smart Factory & Design Human Resource Development Centre (SHRDC)
- 11:00 am **Closing Remarks** by Mr Eddie Fong

Report of the Central Committee

(From July 2020 to June 2021)

The webinar received a lot of questions from plastics manufacturers on how to take the leap to Industry 4.0. Some companies had taken up projects with the University and SHRDC subsequent to the webinar.

3.8.2 From the Boardroom to The Shop Floor – Developing Talent for Manufacturing Success

The webinar on “From the Boardroom to The Shop Floor – Developing Talent for Manufacturing Success” was held on 6 April 2021. A total of 86 participants from the industry and academia attended the webinar. With the increasing demand for manufacturing, recruiting, retaining and developing staff with the right skills is key to expanding business operations and improving productivity. Panellists from Selangor Human Resource Development Centre (SHRDC), HRDF & Routsis Training Inc. discussed the challenges, roles and the leadership structure at the webinar.



3.9 HANDS-ON, ONLINE, ONGOING

Online Plastics Training by Routsis Training

MPMA had secured good tiered discounts with Routsis Training for its plastics processing courses. All members are strongly encouraged to pursue training opportunities for their employees via e-learning platforms to continuously up-skill their workers.

Report of the Central Committee

(From July 2020 to June 2021)

4. SUSTAINABILITY

2015-2020

ESTIMATED REACH OF SCHOOL PROGRAMMES:



Number of Schools:
>356 Schools



Number of Teachers:
>389 Teachers



Number of Students:
>28,217 Students

ESTIMATED AMOUNT OF WASTE DIVERTED FROM LANDFILLS:



**16,418.31
kg**

ESTIMATED AMOUNT OF PLASTICS RECYCLED:



**4,006.81
kg**

“The Covid-19 pandemic opened up new possibilities for MPMA in utilising technology to reach out further to more students and the public on plastics and sustainability.”

Ms CY Wee
Chairman, MPMA Sustainability Sub-Committee & Director, Chong Wah Plastics Sdn Bhd



Report of the Central Committee

(From July 2020 to June 2021)

Despite the challenges posed by the Covid-19 pandemic, MPMA's sustainability efforts did not stop as the time is even more crucial for engagement, education, awareness and outreach programmes to be conducted to advocate responsible use of plastics since its usage had surged during the pandemic. The pandemic indirectly brought about the realisation to the public on the importance of plastics, not just as a carrier of items in the form of plastics bags, but as a life-saving material in the form of face masks and shields, isolation gowns, other types of Personal Protective Equipment (PPE) and more.

During the period in review, discussions surrounding plastics and sustainability continued to take place not just locally but regionally and internationally. Key areas which MPMA had been focusing on were as follows:

4.1 United Nations Environment Assembly-5

United Nations Environment Assembly (UNEA) is the world's highest-level decision-making body on the environment, with a universal membership of 193 Member States. UNEA meets every two years, and in the last two sessions of the meeting, marine litter and plastics pollution were a part of the discussion topics.

A proposal from the Nordic Council to UNEA on a global agreement to prevent plastics pollution had the attention of the global plastics industry as it covers a broad scope of plastics processes and products with the key objective of curbing production of plastics.

Such measures/action items need to be reviewed and properly defined as plastics has undeniably become such an essential material in our daily lives. Curbing the production of plastics will not only disrupt the whole plastics supply chain but will affect many other industries which are dependent on the plastics industry.

Representation in UNEA mainly consists of related Government ministries, in which for Malaysia is the Ministry of Environment and Water (KASA). MPMA had several meetings with KASA to express the industry's views on such measures and to explore areas in which KASA and MPMA can further work on together in order to address the issue of marine litter and plastics pollution.

MPMA had also organised a webinar entitled 'UNEA-5 and Its Significance to the Plastics Industry' with the intention of educating our members to this matter.



The 'UNEA-5 and Its Significance to the Plastics Industry' Webinar (clockwise from top left: Ms CY Wee, Dr Ryan MacFarlane, En Eddy Mazuaansyah and En Akbar Md Thayoob)



Report of the Central Committee

(From July 2020 to June 2021)

4.2 Plastics Recycling Sector

“The way forward is to develop a Circular Economy that reuses instead of discarding materials. This can be done through developing a more comprehensive waste management system, not just locally but globally. With better waste management solutions and policies, plastics materials will be captured for recycling or properly disposed of and not end up in the environment.”

Mr CC Cheah

Chairman, MPMA Recycling Sub-Committee & Director, See Hau Global Sdn Bhd



During the period in review, the challenges posed towards the plastics recycling sector were negative media reporting on plastics scraps imports as well as Basel Convention rules and procedures for Malaysia.

On the adverse media reports, many were misleading and based on misconceptions. Remarks published in these reports lack a clear understanding of the subject matter, such as on Approved Permit (AP) rules governing imports of CLEAN plastics scraps and Basel Convention rules for transboundary shipments of CLEAN plastics scraps. Both MPMA and the Malaysian Plastics Recyclers Association (MPRA) had responded to the adverse reports by correcting

the misinformation and highlighting that legal recyclers were compliant to rules governing imports of plastics scraps and explaining the need for the recycling industry to achieve Circular Economy.

Further to this, Mr CC Cheah, Chairman of the MPMA Recycling Sub-Committee, had undertaken several media interviews to discuss about plastics scraps imports.

The MPMA-MPRA media responses and media interviews can be found on the MPMA Facebook page.

Report of the Central Committee

(From July 2020 to June 2021)

“MPMA and MPRA are firmly committed to the principle that plastics do not belong in the environment. Plastics should be used responsibly, reused and recycled. Without the recycling sector, Malaysia will not be able to develop into a sustainable economy and create new value to benefit society and the environment.”



Dato' Johnson Yoon

Committee Member, MPMA & Managing Director, Shye Guan Plastic Industries Sdn Bhd



MPMA-MPRA issued a joint statements on adverse reports



Report of the Central Committee

(From July 2020 to June 2021)

On Basel Convention rules and procedures for Malaysia, both MPMA and MPRA had met with and sent several correspondences to the Department of Environment (DOE) to discuss the matter. Among others, topics discussed included the clarification of B3011 and Y48 according to Basel Convention rules; the current AP rules and procedures governing the import of clean plastics scraps; corresponding with the authorities in Europe to inform of Malaysia's participation in the Basel Convention; and third party inspection.

During the period in review, the MPMA Recycling Sub-Committee had also managed other matters as follows:

1. Discussions with the National Solid Waste Management Department under the Ministry of Housing and Local Government (MHLG) on the implementation of the RM20 per tonne levy for imports of plastics scraps (for the record, this is a criteria in the AP rules for plastics scrap imports). The Sub-Committee had also met with YB Datuk Hajah Zuraida Binti Kamaruddin, MHLG Minister, on the matter.



Mr CC Cheah at Melody FM for an interview on issues surrounding plastics scraps imports

2. Participated in virtual meetings with the ASEAN Federation of Plastic Industries (AFPI) Importation of Plastics Waste Working Group. The Working Group shares information on the issues and challenges for plastics scraps imports amongst AFPI members. At the time of reporting, the Working Group is discussing a proposal to improve the international HS Codes for plastics scraps – HS3915. The current HS codes only applies to ethylene, styrene and vinyl chloride. AFPI is proposing to use additional codes for polymers of propylene, acrylic polymers, PET, PP, ABS, etc.

Meeting with YB Datuk Hajah Zuraida Binti Kamaruddin, Minister, MHLG, on implementation of levy on plastics scraps imports

Report of the Central Committee

(From July 2020 to June 2021)

4.3 Sustainability Activities

4.3.1 Collaboration with Petronas Chemicals Group (PCG)

With the completion of the 'Plastic, Sustainability & You' module in 2019, which Petronas Chemical Group (PCG) had collectively developed with Pusat STEM Negara under Ministry of Education (MoE), MPMA and Solid Waste Management and Public Cleansing Corporation (SWCorp), PCG embarked on a virtual 'Train The Teachers' programme with participation of about 1,200 primary and secondary schools nationwide. Teachers were briefed on the module content chapter-by-chapter to ensure their understanding of the module and to encourage the module's usage in schools.

MPMA had also supported PCG in its annual Be Green campaign, held virtually in Kajang, Kertih, Bintulu and Kuantan. The Be Green campaign 2020 involved



Participating students from SK Air Baruk attempted the quiz in school under the supervision of a teacher



The top three individual winners for the secondary school category were all from SMK Naning. They received the tablet and smartphones, respectively

collecting recyclables in several identified villages in the four areas, and residents submitted their collection virtually through photo postings on PCG Be Green social media channels.

4.3.2 MPMA-Dow School Environmental Challenge 2020

Held for the fifth consecutive year, the School Environmental Challenge programme this year had been a breakthrough as it was held virtually with the participation of a pool of 2,479 students from 27 primary and secondary schools in Melaka. The programme was designed around the 'Plastic, Sustainability & You' module, which was collectively developed in 2019 by PCG, Pusat STEM Negara under MoE, MPMA and SWCorp.

The module was converted into an online quiz which ran for six weeks. Alternate weeks of study week and

Report of the Central Committee

(From July 2020 to June 2021)

quiz week were allocated for students to understand the module content before attempting the quiz. Throughout the six weeks, we witnessed a decline in the number of attempts by students mainly due to lack of infrastructures such as laptop/smartphone and internet access as the country was in the MCO state. Despite that challenge, we observed excellent performance from students who participated and outstanding dedication from schools and teachers towards the programme.

Best performing schools and students were rewarded with laptops, tablets, smartphones and cash prizes to equip schools and students with adequate equipment for a practical online teaching/learning experience.



Positive feedback was received from the webinar participants, with a better understanding of the plastics industry and its commitment towards sustainability. As most of the participating undergraduates were from the Chemical Engineering course, the webinar had made them realise their roles in the plastics industry and the endless possibilities of sustainable development and progress which the sector can bring about.

4.3.3 MPMA-Chevron Phillips Chemical 'Why Plastics?' Webinar 2020

This webinar was designed to provide insights on the plastics industry and its sustainability agenda targeting youths. With the Institution of Chemical Engineers (IChemE) Malaysia as a collaborator for the webinar, a total of 234 lecturers and undergraduates from 18 public and private universities nationwide attended the two-day webinar. Various stakeholders from the plastics supply chain were invited as speakers at the webinar to speak on topics such as plastics manufacturing, responsible plastics management and plastics circularity. It is hoped that the webinar will address the many misconceptions about plastics by providing better clarity about the Malaysian plastics industry.



Guests and speakers
on the Day 1 of the
webinar



Report of the Central Committee

(From July 2020 to June 2021)

4.3.4 The Green Truck

One of the key milestones achieved under the period of review is the completion of The Green Truck. The first in Malaysia, The Green Truck, is a mobile recycling truck designed to demonstrate the plastics recycling process on the spot. The idea of having such a truck is inspired by the vision of bringing plastics recycling closer to Malaysian students and the public. Public awareness towards recycling is still low. Most people perceive recycling as just separating recyclables from non-recyclables and throwing them into respective recycling bins without understanding what happens beyond the bins. The Green Truck, fitted with simple educational recycling machines (shredder, injection and extruder), can educate students and the public on what happened beyond the recycling bins, specifically the process involved in transforming plastics waste into new valuable recycled plastic products. Co-sponsored by ExxonMobil Chemical and Scientex Berhad, The Green Truck will be driven to schools and public events for education and awareness programmes to raise awareness on plastics as a valuable material and the importance of responsible plastics waste management through recycling.



The Green Truck



Simple recycling machines (from right to left: shredder, injection machine and extrusion machine) were fitted inside The Green Truck

Report of the Central Committee

(From July 2020 to June 2021)

5. GOVERNMENT AND INDUSTRY

“The decision by MITI Malaysia to terminate the anti-dumping investigation of PET resin is a big relief to PET resin users like us. We wish to thank MPMA for assisting us during the investigation process - by conveying our concerns to MITI on the proposed imposition of anti-dumping duties. Great job!”

Mr Eric Lim
General Manager, Jebsen & Jessen



The biggest challenge during the period in review was maintaining business activities at optimum level and keeping the employees safe from Covid-19. MPMA had been participating in several meetings with the Government on how best both the Government and the industry sector could collaborate to sustain business recovery and keep the pandemic's spread at a minimal level.

5.1 Labour Issues

The labour issues mainly focused on foreign workers policies, shortage of workers and efforts to contain the spread of the Covid-19 pandemic at the workplace.

- (i) *Employees' Minimum Standards of Housing and Amenities Act 1990.*

1 September 2020 - The Employees' Minimum Standards of Housing and Amenities Act 1990 (Act 446) was enforced.

8 September 2020 – MOHR announced that the Government would provide a grace period until 31 December 2020 for employers to comply with Act 446.

17 September 2020 - MPMA submitted an appeal to MOHR to allow a further 12-month grace period until the end of August 2021 for companies to undertake the extensive adjustments required according to the Act.

- (ii) *Foreign Workers Policies*

22 January 2021 – MPMA attended the Ministry of International Trade and Industry (MITI) Focus Group Discussion on foreign workers policy and employment in the manufacturing sector. MITI informed that the Government is determined to reduce the number of foreign workers in the long-term. Employers are reminded to comply with the 20:80 foreign/local worker ratio by 31 December 2022. The Government would assist

Report of the Central Committee

(From July 2020 to June 2021)

companies in reducing the dependency on foreign workers.

MPMA had highlighted to MITI its efforts to assist its members in this area by offering affordable training to upskill the local workforce and automate the industry. The establishment of an Accreditation Council - the Malaysian Plastics Industry Talent Accreditation Council (MaPITAC), regulates and ensures the quality of related technical training offered in Malaysia.

MITI also reminded the industry to comply with the International Labour Organisation (ILO) standards. They failed, resulting in their export shipments being rejected, particularly by the US and EU buyers.

(iii) *Safe@Work*

After the sudden surge in Covid-19 cases nationwide towards the end of 2020, the Government announced the MCO re-implementation across six states beginning 13 January 2021. The MCO and the subsequent Conditional Movement Control Order (CMCO) had affected the business operations of the manufacturing sector due to the stringent requirements under the Standard Operating Procedure (SOP).

22 February 2021 – MITI held an Industry Consultation Session to obtain views and comments from the industry on the draft SOP of Safe@Work SOP for the manufacturing sector and its related services.

Safe@Work requires employers to create a safeworking bubble to isolate close contact workers from other workers in hostels and factories. The formation of the safe work bubble would allow comparable contact workers

to continue working in the factory even if screening test results have not been obtained. This will enable businesses to continue to operate even when there are positive cases at the workplace.

19 March 2021 – MITI announced the SOP of Safe@Work for the manufacturing sectors and its related services, which would be implemented effective 1 April 2021. MPMA strongly encouraged its members to participate in this Safe@Work initiative by MITI to reduce infection risk and to break the Covid-19 chain and keep the economy functional.

(iv) *Survey on Employment of Local Workers*

The plastics industry is gradually recovering from the impact of COVID-19. However, plastics manufacturers have difficulties meeting the increasing demand due to a shortage of workers. The plastics industry currently employs about 80,000 workers, of which 40% are foreign workers. Since the Government had frozen the intake of new foreign workers, workers' shortage would escalate and severely impact the plastics manufacturing industry.

In October 2020, MPMA conducted a survey on the recruitment of local workers amongst the members. The survey revealed that 23 members attempted to recruit local workers to fill up the vacancies for general workers, production workers and operators. Over the period from June to September 2020, these members were attempting to recruit 2958 workers but only managed to recruit 1672 (success rate: 57%). However, by early October, half the recruited local workers have left their employers, with only 817 remaining in employment. The turnover rate is more than 50% within three months, as shown in Table below:

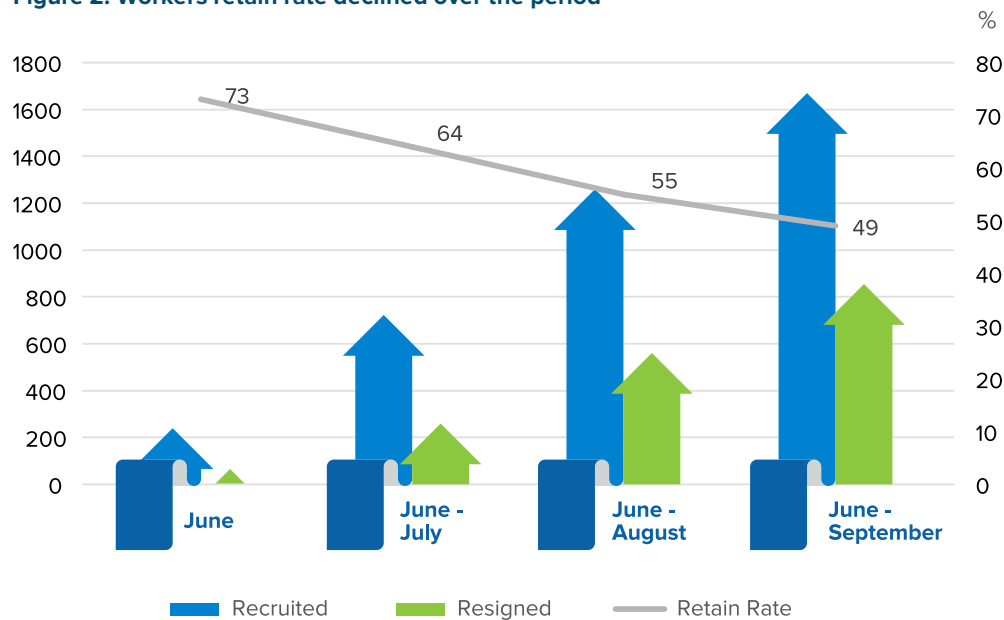
Report of the Central Committee

(From July 2020 to June 2021)

Figure 1: Number of workers recruited and retained over the period from June to September 2020

Month	Targeted	Recruited	Success Rate	Workers Recruited Over the Period		Workers Resigned Over the Period	Workers Remained in Employment	Retain Rate
June	596	240	40%	June	240	65	175	73%
July	792	485	61%	June-July	725	262	463	64%
Aug	851	536	63%	June-Aug	1,261	560	701	55%
Sep	719	411	57%	June-Sept	1,672	855	817	49%
Total	2,958	1,672	56%	-	-	-	-	-

Figure 2: Workers retain rate declined over the period



MPMA had highlighted the difficulties to recruit and maintain local workers and requested the Government authorities to approve the applications for the new intake of foreign workers.

Report of the Central Committee

(From July 2020 to June 2021)

5.2 Ministry of International Trade and Industry Dialogue 2020

On 30 October 2020, MPMA submitted a memorandum to the MITI with the following proposals:

- (i) To allow the intake of the new foreign workers from countries that are less affected by the Covid-19.
- (ii) To allow cross-deployment of foreign workers amongst different economic sectors.
- (iii) To revive the 6P amnesty programme to legalise illegal foreign workers.
- (iv) To revert the Sales and Services Tax (SST) system to the Goods and Services Tax (GST) value-added tax system.
- (v) To reduce the corporate tax by one percentage point from 24% to 20% gradually over four years.
- (vi) To extend the Wage Subsidy Programme for another three months from January to March 2021 on a reduced scale.
- (vii) To extend the moratorium financial relief scheme for another six months from 1 October 2020 to 31 March 2021.
- (viii) To abolish the 10% import duty for PVC resin.

MPMA has yet to receive the feedback from MITI with regards to the above.

5.3 United Nations Development Programme (UNDP)

i. Responsible Party Agreement between UNDP and MPMA

The United Nation Development Programme (UNDP) had contributed to MPMA USD100,000, whereby MPMA members had repurposed their operations during the COVID-19 pandemic to produce PPEs primarily for the production of isolation gowns for our country's front liners.

3 July 2020 - A total of 40,300 pieces of isolation gowns were delivered to Pharmaniaga Logistics Sdn Bhd.

24 July 2021 - A Mock Memorandum of Understanding (MOU) Signing Ceremony was arranged by UNDP, signed by MPMA's President, Datuk Lim Kok Boon and UNDP Resident Representative for Malaysia, Singapore and Brunei Darussalam, Mr Niloy Banerjee, and witnessed by MITI's Director, Sectoral Policy Division, Ms Shireen Jasmin Ali.



Mr Niloy Banerjee (left) and Datuk Lim Kok Boon at the signing ceremony

Report of the Central Committee

(From July 2020 to June 2021)



Datuk Noraini Soltan (R2) and Dato' Raymond Sng (R1) handing over PPEs to Dato' Sri Dr. Adham bin Baba, Minister of Health

28 August 2020 - the handing over this contribution and the handing over a donation of 5,000 pieces of CPE Isolation Gowns by Stenta Group and 5,000 details of face shields by Foraypack Industry Sdn Bhd to YB Dato' Sri Adham bin Baba, Minister of Health. Representing MPMA were Datuk Noraini Soltan and Dato' Raymond Sng.

19 October 2020 - MPMA received a letter acknowledging the receipt of all isolation gowns under the Responsible Party Agreement. In its letter, UNDP extended its utmost gratitude for the high level of professionalism, efficiency and initiative displayed by MPMA throughout the course of this partnership.

5.5 National Covid-19 Vaccination Programme

Vaccination – Industry Level

26 March 2021 – YB Tuan Khairy Jamaluddin, Minister of Ministry of Science, Technology and Innovation (MOSTI) briefed the leaders from the industry trade associations on the National Covid-19 Vaccination Programme. The Government recognises the importance of the industries on the country's economy and would classify industry players as “economic sector” and would include them as vaccine recipient groups under Phase

2 of the Vaccination Programme. The Programme would be implemented under the concept of public-private partnership of vaccination at factories or industrial areas whereby the private sector would provide the site and finance the cost of administering the vaccine. The Government would bear the cost of the vaccine. The Programme would initially cover factories in the states of Selangor, Penang and Johor before being extended nationwide.

April 2021 - MITI has requested industry associations to assist the Government in creating herd immunity amongst industries by encouraging companies to register voluntarily for the immunisation programme via MySejahtera. Industry Associations and Chambers of Commerce were requested to forward the list of companies to MITI where at least 80% of their employees (both local and foreign) have registered for the vaccination. In late March 2021, MPMA circulated the template to members who wish to participate in the programme. By the end of April 2021, a total of 80 companies have submitted the information on approximately 8,000 employees who had registered themselves via MySejahtera to be considered for the programme.

Report of the Central Committee

(From July 2020 to June 2021)

National Public-Private Immunisation Framework for Vaccination

13 April 2021 - MITI conducted a briefing to trade associations from the manufacturing sector on the proposed National Public-Private Immunisation Framework for Vaccination. The proposed framework consists of two models:

Model 1 - Public-Private Partnership (PPP) Immunisation Model

Targeted at manufacturing, oil and gas and related services sectors. Cost of vaccines are borne by the government. However, cost of administering the vaccines in terms of management of company panel/public doctors (approved by Protect Health) and setting-up of the Vaccine Management Centre (PPV) according to MOH's specifications is borne by the industry.

The threshold for on-site vaccination for companies has been reduced from 5,000 pax to 1,500 pax – either per company basis or a combination of a few companies within a certain location. It is up to companies to make arrangements with neighbouring factories to achieve the minimum required cluster for vaccination.

Companies can register their employees/workers for the Vaccination Programme **effective 1 May 2021** at <http://www.vaksincovid.gov.my>. Registration is open for both local and foreign workers including contract workers.

Pilot Test under Model 1

MITI has opened application for companies to take-part in a pilot test for on-site vaccination. The pilot test will be able to determine whether or not companies are able to meet the guidelines set by the Government and adhere to the Standard Operating Procedures (SOP) for on-site vaccination.

Companies that wish to participate in the pilot test can send their application to pilot.vaccine@miti.gov.my with subject header 'PILOT TEST FOR ON-SITE VACCINATION'. Companies

are required to give details of their company name, list of employees already registered via MySejahtera and possible vaccine management centre location.

The pilot test should be implemented mid-May 2021.

Model 2 - Private Immunisation Model (Special Requests)

Targeted at business travelers that require prioritisation for vaccination due to importance of business travel – locals or expatriates (Employment Pass holders) and Board of Directors. Application is to be submitted by email to vaccine4industry@miti.gov.my with **effective 28 April 2021**.

Company must provide details such as to indicate interest in vaccination for business travelers, number and details of employees looking to travel and a strong justification for travel.

Subsequent to the email, MITI will provide a form for business travelers to apply. Not all applications will be approved for vaccination. CITF will assess applications based on importance of traveling abroad.

Only Sinovac is available for the economic sector vaccination programme (Model 1 and 2) due to the availability of the vaccine. The Government will be able to offer other vaccines once it is available.

As of 10 May 2021, the above 2 models are postponed as there is a lack of vaccines due to the Covid-19 cases spike worldwide.

5.6 Webinars

With physical conferences, workshops and events cancelled during MCO, MPMA has decided to evolve and embark on the new tactical opportunities to connect our members with the current trends/ strategies and announcements from the government via online webinars.

Report of the Central Committee

(From July 2020 to June 2021)

5.6.1 Supply Chain Management – Shipping and Logistics – 27 January 2021

Importers and exporters experienced tremendous pressure from the severe shortage of vessels/containers and the spike in freight costs amidst global demand since the fourth quarter of 2020. The congestion at Port Klang further aggravated the situation.

Experts from the shipping industry were invited to share their knowledge on the outlook of the global shipping landscape and some beneficial tips on how businesses can mitigate the shipping and logistics issues. A total of 103 participants registered for the Webinar.



5.6.2 Employers' Obligations & Guidelines for Quarantine Facilities – Covid-19 – 8 February 2021

MPMA with Malaysia Ministry of Health (MOH) and Ministry of Human Resource (MOHR) organised a webinar for the public and our members, highlighting the relevant Acts and Guidelines of quarantine stations and treatment centres. This was during the spike in Covid-19 cases in foreign workers in February 2021 whereby our MOH facilities were running out of beds and industries were recommended to self-quarantine their employees with the necessary guidelines. A total of 170 participants attending the Webinar.



5.6.3 Industry Outlook & Regional Comprehensive Economic Partnership (RCEP)

Datuk Lim Kok Boon, MPMA's President, presented the Plastics Industry Outlook for 2021 and the recovery strategies for sustainable growth during post-Covid. Speakers from MITI also shared their advice on how the Regional Comprehensive Economic Partnership (RCEP) could benefit the industry in terms of exports and

Report of the Central Committee

(From July 2020 to June 2021)

international trade. The Webinar provided some insights on what is needed for the plastics industry to drive transformation and deliver greater prosperity and resilience in 2021. 140 participants attended the Webinar.

5.6.4 MIDA-MPMA Webinar on Government Assistance

MPMA, in collaboration with Malaysian Investment Development Authority (MIDA), has been organising seminars on an annual basis to update members on the latest incentives and facilitations available for the manufacturing sector. The government had recently announced several initiatives under the “Pemeriksaan” economic stimulus package to support business recovery. The webinar also highlighted some of the latest government facilitation for SMEs to adopt automation and digital technology to ensure sustainable growth. 101 participants registered for the Webinar.

5.7 Anti-Dumping Investigation on Imports of PET Resins Originating From China, Indonesia, Japan, Republic of Korea, United States and Vietnam

28 July 2020 - MITI Malaysia initiated an anti-dumping investigation on Imports of Polyethylene Terephthalate (PET) Resins Originating from China, Indonesia, Japan, Republic of Korea, United States (US) and Vietnam.

19 August 2020 - MPMA met up with MITI and the Malaysian Bottled Water Association (MBWA) to inform MITI of the industry’s concerns on the possible anti-dumping duties to be imposed on PET resins again. From 2005 to early 2020, MITI has been imposing anti-dumping duties on PET resins importing from several countries that the Malaysian PET converters were



typically sourcing for their imports of PET resins.

27 August 2020 - MPMA submitted a memorandum responding to the anti-dumping investigation. MBWA had also submitted its memorandum separately since both associations are representing different industrial segments in the PET products market.

28 December 2020 – MITI informed that the Government has found sufficient evidence to continue with further investigation on importing the subject merchandise from China, Indonesia, Korea, and Vietnam. Provisional anti-dumping duties up to 57.75% were imposed on PET resins importing from these countries. At the same time, the Government also has determined that the volume of imports of the subject merchandise originating from Japan and the US to be negligible and therefore terminated the anti-dumping investigation on both countries.

21 April 2021 – In its final determination report, MITI informed that the PET resins importing from these alleged countries did not harm the PET resins industry in Malaysia. Therefore, the investigation is terminated.

Report of the Central Committee

(From July 2020 to June 2021)



R3: Pn Norazah Abdul Jabbar, Director of Trade Practices Section of the Multilateral Policy and Negotiation Division, MITI, R4: Mr KK Lam, President of MBWA and representatives from MPMA, met on 19 August 2020 to discuss the anti-dumping investigation

6. INTERNATIONAL LIAISON

6.1 Combined Council Meetings of the 18th Term ASEAN Federation of Plastic Industries and the 30th Asia Plastics Forum

The combined Council Meetings of the 18th Term AFPI and the 30th Asia Plastics Forum (APF) was held on 17 September 2020 virtually with the attendance of 54 country leaders and representatives. Malaysia was represented by Datuk Lim Kok Boon, Mr Callum Chen, Datuk Noraini Soltan, Mr CC Cheah, Ms CY Wee, Mr CY Chow and the Secretariat. Malaysia held the Chairmanship of the 18th Term AFPI from 2018 to 2020. The Chairmanship for the 19th Term AFPI (2020 to 2022) was passed to Myanmar during the meeting..

Some of the discussions which took place at the AFPI Council meeting were as follows:

1. The Japan Chemical Industry Association (JCIA) presented a report of the JAIME Human Resource Development (HRD)

for Improvement of Plastics Waste Management training held from 12th to 18th February 2020 at the Association for Overseas Technical Cooperation and Sustainable Partnerships (AOTS), Tokyo Kenshu Center, Japan. Similar training programme might be planned and organised again as participating countries find the training programme useful.

2. Members of AFPI presented an update on the 'AFPI Common Strategy on Environmental Issues: Sustainability' respectively.
3. Set up of an AFPI Importation of Plastics Waste Working Group to discuss challenges and way forward surrounding the issue of importation of plastics scraps.
4. Set up of a Material Flow Analysis (MFA) for ASEAN Working Group to work on submitting a proposal to AEPW on developing the MFA for ASEAN.

Report of the Central Committee

(From July 2020 to June 2021)



Delegates of the Combined Council Meetings of the 18th Term AFPI & 30th APF

On APF matters, led by Mr Callum Chen, APF Secretary-General, the meeting heard the following presentations:

1. Plastics Waste Management - Post COVID-19 by Mr CC Cheah of MPMA
2. Stakeholder Collaboration Towards the Circularity of Plastics by Mr Peter Quintana of PPIA
3. Updates on Global Plastics Alliance and World Plastics Council by Ms CY Wee of MPMA on behalf of Mr Stew Harris from ACC
4. Updates on Alliance to End Plastic Waste by Mr Lim Keng Huat of AEPW
5. Updates on Operation Clean Sweep by Ms Crystal Cheah of MPMA

6.2 AFPI Importation of Plastics Waste Working Group Meeting

Please refer to the report under the Sustainability Section – Recycling Sub-Committee (page 29 item no. 42)

6.3 Global Plastics Alliance Meeting

The Global Plastics Alliance (GPA) 2020 Meeting was held virtually on 14 and 15 December 2020 with the attendance of about 70 participants from over 22 countries. Malaysia was represented by Datuk Lim Kok Boon, Mr Callum Chen, Mr CC Cheah, Ms CY Wee and the Secretariat. Besides the Roundtable Country Reports presented annually by each member country, other topics discussed at the meeting included UNEA-5 and the Global Plastic Agreement, Operation Clean Sweep (OCS) and the future of GPA in representing the plastics industry globally.

Report of the Central Committee

(From July 2020 to June 2021)

7. RAW MATERIALS

7.1 Plastic Resins Producers Group (PRPG) Dialogues

The meetings conducted via video conferencing under the Chairmanship of MPMA for 2020-2021 were as follows:

21 July 2020	MPMA-PRPG Dialogue
23 November 2020	MPMA-PRPG Dialogue
28 April 2021	MPMA-PRPG Dialogue

At these meetings, members of the PRPG shared market information related to major type of resin from independent source while MPMA provided a report on the performance of the plastics industry. MPMA and PRPG also worked together to promote plastics sustainability.

markets operate, and future investments are also held back or reduced.

However, with the massive roll-out of vaccination programmes worldwide beginning in 2021, things have changed. The global economy would experience a vast improvement in 2021 over last year. One significant development is the sharp rise in crude oil price, which has driven the prices of resins up significantly. MPMA had invited five speakers from S&P Global Platts to share their knowledge on the outlook of the raw material market trends. A total of 120 participants registered for this Webinar.

7.2 Seminars on Raw Material Market Trends

Latest Raw Material Market Insights and Trends – 9 March 2021

The ongoing COVID-19 pandemic, which started more than a year ago, has caused unprecedented disruption to the way our global



8. PROCESS GROUPS

There were no activities reported during the period in review due to the MCO and CMCO.

Report of the Central Committee

(From July 2020 to June 2021)

9 REPORT FROM BRANCHES

9.1 MPMA Johor Branch

18 September
2020

MPMA Johor Branch 32nd Annual General Meeting

The MPMA Johor Branch's Annual General Meeting (AGM) was held at the Branch's Conference Hall with 46 members.



The Branch Committee at the AGM



Members at the AGM

8 October 2020

Johor Bahru Chinese Chamber of Commerce And Industry (JBCCI) Trade Association Interaction Dinner 2020

Mr Lee Fook Yuen, Assistant Chairman and Mr Neo See Hua, Secretary, attended the Dinner at a local restaurant.

23 April 2021

MPMA Johor Branch 33rd AGM

MPMA Johor Branch's 33rd AGM was held via video conferencing with 41 members.



The Branch Committee held virtual video conferencing with its members during the AGM

Report of the Central Committee

(From July 2020 to June 2021)

9.2 MPMA Northern Branch

1 September 2020

Children Academic Excellent Awards

A total of RM2,500 was contributed to 14 outstanding and deserving students under the Members' Employees Children Academic Excellence Awards.

15 September
2020

MPMA Northern Branch AGM

MPMA Northern Branch's AGM was held at the Branch's Conference Room with 30 Ordinary Members and one Associate Member.



The Branch's Chairman Mr Alvin Ang (R2)
Chairing the AGM



Members at the AGM

24 September
2020

Swearing-In Ceremony

The Election of Office-Bearers Meeting, Swearing-In Ceremony and group photo session was held at the Branch's Conference Hall.



Group photo at the Swearing-In Ceremony

Report of the Central Committee

(From July 2020 to June 2021)

19 & 20 October
2020

SIRIM Workshop

SIRIM organised a Solving Industry-Wide Problem (SIWP) Awareness Workshop for MPMA members at a local hotel for 12 member companies.



Banner at
the SIRIM
Workshop

20 November
2020

Dialogue with Penang State Government

The MPMA Northern Branch had a dialogue session with the Penang State Government led by YB Phee Boon Poh on environmental issues. The Dialogue was initiated by the Penang Green Council.



Group Photo of Northern Branch's Representatives with YB Phee Boon Poh (middle)

Report of the Central Committee

(From July 2020 to June 2021)

22 February 2021

Visit to Pertubuhan Kebajikan Da Zhi Jiang Tang

MPMA Northern Youth Club organised a visit to Pertubuhan Kebajikan Da Zhi Jiang Tang (a private welfare organisation), a home to 30 children in Butterworth. The Branch contributed RM1,000 to the Organisation and presented “ang pao” and goodies to the children and helpers.



From left: Ms Jojo Choo, person-in-charge of the orphanage, Mr Chuah Yao Lin, Head of Northern Branch's Youth Club and Kelvin Low, Welfare Officer, Northern Branch

9.3 MPMA Perak Branch

19 September
2020

32nd AGM

The Branch held its 32nd AGM at MH Hotel with 35 Ordinary Members and one Associate Member. The 17th Term (2020-2022) Committee Members was elected.



The Branch's Chairman Mr Johnson Phoon (middle) chairing the AGM



Members at the AGM

25 February 2021

Discussion with Northern Corridor Implementation Authority

The Branch Committee held a virtual discussion with the Northern Corridor Implementation Authority (NCIA) on investment incentives for companies investing in the Northern Corridor Economic Region (NCER).

Report of the Central Committee

(From July 2020 to June 2021)

20 March 2021

Members Gathering Dinner

MPMA Perak Branch organised a Members Gathering Dinner at Restaurant Sun Lee How Fook. 92 members attended the Dinner. The Office Bearers of 17th Terms (2020-2022) Branch Committee were introduced to the attendees.



Members at the Gathering Dinner



Mr Chim Weng Yew, Branch Chairman, delivering his speech at the Dinner

9.4 MPMA Sabah Branch

12 May 2021

29th AGM

The Branch's AGM for 2021 was held via video conferencing with 14 member companies.



9.5 MPMA Sarawak Branch

23 April 2021

29th AGM

The Branch's AGM for 2021 was held at a local restaurant, attended by eight members.

Report of the Central Committee

(From July 2020 to June 2021)

10. PLASTICS EAGLE – MPMA

10.1 Membership Composition

To date, **Plastics Eagle-MPMA**
has **193** members comprising:



List of Committees: 2020 – 2022

CENTRAL COMMITTEE

President

Datuk Lim Kok Boon
Scientex Great Wall Sdn Bhd

Honorary Presidents

Dato' Liew Sew Yee
Thong Fook Corporation Sdn Bhd

Mr Callum Chen Kok Seng
LH Plus Sdn Bhd

Vice-Presidents

Datuk Noraini S Talib
Sipro Plastic Industries Sdn Bhd

Mr CC Cheah
See Hau Global Sdn Bhd

Mr Chow Chee Yut
Combi-Pack Sdn Bhd

Secretary-General

Mr Eddie Fong Seak Foh
Plasform Sdn Bhd

Assistant Secretary-General

Tn Hj Mohd Fitri Mohd Aris
Azman Hamzah Plastik Sdn Bhd

Treasurer

Ms CY Wee
Chong Wah Plastics Sdn Bhd

Internal Auditor

Mr Yeon Kok Kuang
Triplus Industry Sdn Bhd

Public Relations Officer

Mr Ivan Tan Yong Lai
Sekoplas Industries Sdn Bhd

Welfare & Membership

Ms Ng Peg Shi
Plastik V Sdn Bhd

Committee Members

Mr Seah Kian Hoe
Heng Hiap Industries Sdn Bhd

Mr Tan Cheow Ho
Lam Seng Plastics Industries Sdn Bhd

Mr Lee Foo Keong
Mah Sing Plastics Industries Sdn Bhd

Mr Leong Peng Kong
May-Plastics Manufacturers Sdn Bhd

Mr Johnson Phoon Cheong San
Scanwolf Plastic Industries Sdn Bhd

Mr Johnny Chew Chin Chuan
Scientex Packaging Film Sdn Bhd

Dato' Johnson Yoon Jun Sheng
Shye Guan Plastic Industries Sdn Bhd

Mr Zamri bin Din
Stenta Films (M) Sdn Bhd

Mr Yap Kee Keong
Texchem-Pack (PP) Sdn Bhd

Chairman, Johor Branch

Mr Mike Tan Ming Kian
Teong Hin Plastic Industries Sdn Bhd

Chairman, Northern Branch

Mr Alvin Ang See Ming
Thong Guan Plastic & Paper Industries Sdn Bhd

Chairman, Perak Branch

Mr Chim Weng Yew
Hup Soon Plastic Industrial (M) Sdn Bhd

Chairman, Sabah Branch

Mr Liaw Hen Kong
Life Water Industries Sdn Bhd

Chairman, Sarawak Branch

Mdm Rebecca Sim Kin Hui
Polyflow Pipes Sdn Bhd

List of Committees: 2020 – 2022

PROJECT GROUP COMMITTEES

1. DESIGN AND BRANDING

1.1 Malaysian Plastics Design Centre (MPDC)

Mr Callum Chen - Chairman
LH Plus Sdn Bhd

Datuk Lim Kok Boon
Scientex Great Wall Sdn Bhd

Tn Haji Mohd Fitri Bin Md Aris
Azman Hamzah Plastik Sdn Bhd

Mr Seow Thong Seng
Everyday Brush Industries (M) Sdn Bhd

Mr Goh Boon King
Guppy Plastic Industries Sdn Bhd

Mr Tan Tin Nam
Everyday Brush Industries (M) Sdn Bhd

Ms Sujata Albert
MPMA Secretariat

Mr Travis Tan – Chairman,
MPMA-PTTC Northern
Prestige Dynamics Industries Sdn Bhd

Tn Hj Mohd Fitri Bin Md Aris
Azman Hamzah Plastik Sdn Bhd

Ms CY Wee
Chong Wah Plastics Sdn Bhd

Mr Goh Boon King
Guppy Plastic Industries Sdn Bhd

Mr Tan Cheow Ho
Lam Seng Plastics Industries Sdn Bhd

Mr Callum Chen
LH Plus Sdn Bhd

Mr Lee Foo Keong
Mah Sing Plastics Industry Sdn Bhd

Ms Ng Peg Shi
Plastik V Sdn Bhd

Mr Yeon Kok Kuang
Triplus Industries Sdn Bhd

Dato' Johnson Yoon
Shye Guan Plastic Industries Sdn Bhd

Mr Lawrence Ong
Colour Image Plastic Compound Sdn Bhd

Mr Vill Chew

Mr Daniel Loo
Malaysian Plastics Recyclers Association

3.3 Polystyrene (PS) Sub-Committee

Dr S Sri Umeswara – Chairman
Era Suria Ecopreneurs Sdn Bhd

Ms Angela Foo – Vice-Chairman
Logomas Packaging Sdn Bhd

Ms Irene Wong
Megafoam Containers Enterprise Sdn Bhd

Mr Kelvin Siew King Siew /
Mr Teo Yee Hui
Panagawa Sdn Bhd

Mr Lai Cheng Chien
Shangwei Industries Sdn Bhd

Mr Jeffrey Tan
TLG Packaging Sdn Bhd

Ms Hedy Yong / Mr Peter Yong
Tycoplas Sdn Bhd

Ms Tan Siang Ling
YS Foam Industries Sdn Bhd

Mr Ow Qin Bin
Zhaori Packaging Industries (M) Sdn Bhd

2. HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT

2.1 MPMA-Plastics Technology Training Centre Management Committee

Mr Eddie Fong – Chairman
Plasform Sdn Bhd

Mr Chow Chee Yut
Combi-Pack Sdn Bhd

Mr Lau Chee Meng – Chairman,
MPMA-PTTC Johor
Lotte Chemical Titan (M) Sdn Bhd

3. SUSTAINABILITY

3.1 Malaysian Plastics Forum

Datuk Lim Kok Boon – Chairman
Scientex Great Wall Sdn Bhd

Mr Ahmad Khairuddin Sha'aban –
Chairman, Education and Awareness
Committee

3.2 Recyclers Sub-Committee

Mr CC Cheah – Chairman
See Hau Global Sdn Bhd

List of Committees: 2020 – 2022

3.4 Sustainability Sub-Committee

Ms Wee Ching Yun – Chairman
Chong Wah Plastics Sdn Bhd

Mr CC Cheah
See Hau Global Sdn Bhd

Mr Daniel Loo
*Malaysian Plastics Recyclers
Association*

Dr S Sri Umeswara
Era Suria Ecopreneurs Sdn Bhd

Dr Theng Lee Chong
*Association of Environmental
Consultants & Contractors in Malaysia*

4. MEMBERSHIP

4.1 Membership Services Sub-Committee (Head Office)

Ms Ng Peg Shi – Chairperson
Plastik V Sdn Bhd

Mr Chow Chee Yut – Advisor
Combi-Pack Sdn Bhd

Mr Kelvin Lor Swee Kit,
Northern Branch
Membership Sub-Committee
Osaka Plastics (M) Sdn Bhd

Ms Jady Choi Yoke Pooi, Perak Branch
Membership Sub-Committee
Viva Plastic Industries

Mr Mike Tan Ming Kian – Chairman,
Johor Branch
Membership Sub-Committee
Teong Hin Plastic Industries Sdn Bhd

Liaw Hen Kong – Chairman,
Sabah Branch
Membership Sub-Committee
Life Water Industries Sdn Bhd

Mdm Rebecca Sim Kin Hui –
Chairman, Sarawak Branch
Membership Sub-Committee
Polyflow Pipes Sdn Bhd

5. INTERNATIONAL BUSINESS

5.1 International Business

Mr Callum Chen – Chairman
LH Plus Sdn Bhd

Mr Chow Chee Yut
Combi-Pack Sdn Bhd

Datuk Noraini S Talib
Sipro Plastic Industries Sdn Bhd

6. PROCESS GROUP

6.1 PE Pipes and Fittings Sub-Committee

En Anuar Shukry Bin Ismail – Chairman
MRPI Pipes Sdn Bhd

Mr Seow Kok Hooi
AWT Fusion Sdn Bhd

Mr Ong Yoong Keong /
Mr Ong Yoong Han
Bina Plastic Industries Sdn Bhd

Mr Kum Hoong Lou
Borouge Pte Ltd

Mr Ng Chong Lim / Ms Wong Poh Yee
Cew Sin Plastic Pipe Sdn Bhd

Mr Loh Chun Hong
Cipli Industries Sdn Bhd

Mr Ong Kok Cheng
Chin Lean Plastic Factory Sdn Bhd

En Muhammed Khalaf
Dure-Mine Sdn Bhd

Mr Justin Wong Leong Ming
George Fischer (M) Sdn Bhd

Mr Looi Chee Meng
Lotte Chemical Titan (M) Sdn Bhd

Mr Wong Lye Seng / En Zamri –
Honorary Member
Petronas Chemicals Group Bhd

Ms Rebecca Sim / Ms Karen Tay
Polyflow Pipes Sdn Bhd

Ms Ester Wong / Mr Tan Su Yerk
Polyware Sdn Bhd

Mr Teh Leng Kang
Resintech Plastics (M) Sdn Bhd

Mr Ng Kian Lin / Mr Tan Weng Keong
Piping Technology Sdn Bhd

Mr Jeph Lee
Sabic Asia Pacific Pte Ltd

Mr Chuah Seong Yaw
Spirolite (M) Sdn Bhd

Mr Ngai Chee Whye
SpindMalaysia Sdn Bhd

Mr Joseph Hoh / Ms Tracy Hoh/
Ms Natalie
Timplas Industries (M) Sdn Bhd

Mr John Liew
Weida Integrated Industries (M) Bhd

List of Committees: 2020 – 2022

Mr Alfred Pui / Mr Kevin Kopat
Weidasar Sdn Bhd

Mr Lionel Pereira
Welda System Sdn Bhd

6.2 PVC Pipes and Profiles Sub-Committee

Mr Ong Kok Cheng – Chairman
Chin Lean Plastic Factory Sdn Bhd

Mr Hum See Beng /
Mr Vincent Pang Chun Ming
Arensi Marley (M) Sdn Bhd

Mr Ong Yoong Keong /
Mr Ong Yoong Han
Bina Plastic Industries Sdn Bhd

Mr Ng Choong Lim
Cew Sin Plastic Pipe Sdn Bhd

Mr Chim Weng Yew
Hup Soon Plastic Industrial Sdn Bhd

Mr Leow Teow Hong
Industrial Resins (Malaysia) Bhd

Mr Yong Wei Chong
Lock & Key Hardware Sdn Bhd

Mr Eric Ng / Ms Peggy Lee
MECI Co Sdn Bhd

Mr Tan Lay Kian
Milnes Technoplas Sdn Bhd

Mr Jimmy Keok / Mr Ng Kok Weng
Nulogittec Industries Sdn Bhd

Mr Didier Carriere /
En Mohd Aziz Jaafar
Paling Industries Sdn Bhd

En Umat Lokman /
En Hazemi Mohamad
Petronas Chemicals Group Bhd

Mr Tai Chee Wai /
Ms Jessy Ang Sneau
South Asia Fibre Industries Sdn Bhd

Mr Joseph Hoh / Mr Rendy Chong /
Ms Tracy Hoh
Timplas Industries (M) Sdn Bhd

En Zakry Mohd Iwaz
Zer Plastic Sdn Bhd

6.3 FRP Panel Tank Manufacturers (FPTM) Group

Mr Tan Eng Huat – Chairman
Pipeco Sdn Bhd

Mr Tan Teck Lim – Co-Chairman
Wylit Industries Sdn Bhd

Mr Chin Kok Kong
Anchor-Link Sdn Bhd

Mr Tay Choi Guan / Mr Tommy Chang
*AYS Metal Products & Engineering
Sdn Bhd*

Mr Peter Low
Potaglas Tank Sdn Bhd

Mr Kenny Chee
Reliance Pacific Tanks Sdn Bhd

Mr Chai Foh Yon
Yi Sing Composite Industries Sdn Bhd

Mr Tan Soon Huat
YT Fibreglass Industries Sdn Bhd

MPMA's Presidents

YEAR 1967 – 1980

1967 – 1969

Mr SW Goh
(President for pro-tem Committee)
United Plastic Factory

1969 – 1971

Mr Thomas Wong
Century Plastic
Sdn Bhd

1971 – 1973

Mr Thomas Wong
Century Plastic
Sdn Bhd

1973 – 1975

Mr Thomas Wong
Century Plastic
Sdn Bhd

1975 – 1977

Mr Thomas Wong
Century Plastic
Sdn Bhd

1977 – 1978

Mr Thomas Wong
Century Plastic
Sdn Bhd

1978 – 1980

Mr KC Tan (the late)
Lam Seng Plastics Industries
Sdn Bhd

YEAR 1980 – 1994

1980 – 1982

Mr KC Tan (the late)
Lam Seng Plastics Industries
Sdn Bhd

1982 – 1984

Mr Wee Hong Im (the late)
Chong Wah Plastics Industries
Sdn Bhd

1984 – 1986

Mr Wee Hong Im (the late)
Chong Wah Plastics Industries
Sdn Bhd

1986 – 1988

Mr Johnny Yong
Yong Kam Fook Plastic Industries
Sdn Bhd

1988 – 1990

Mr Johnny Yong
Yong Kam Fook Plastic Industries
Sdn Bhd

1990 – 1992

Dato' Liew Sew Yee
Thong Fook Plastics Industries
Sdn Bhd

1992 – 1994

Dato' Liew Sew Yee
Thong Fook Plastics Industries
Sdn Bhd

YEAR 1994 – PRESENT

1994 – 1996

Dato' Liew Sew Yee
Thong Fook Plastics Industries
Sdn Bhd

1996 – 1998

Dato' Liew Sew Yee
Thong Fook Plastics Industries
Sdn Bhd

1998 – 2000

Mr Callum Chen
Lee Huat Plastics Industries
Sdn Bhd

2000 – 2002

Mr Callum Chen
Lee Huat Plastics Industries
Sdn Bhd

2002 – 2004

Mr Callum Chen
Lee Huat Plastics Industries
Sdn Bhd

2004 – 2006

Dato' Peter CC Yong
Yong Kam Fook Plastic Industries
Sdn Bhd

2006 – Present

Datuk Lim Kok Boon
Scientex Great Wall Sdn Bhd

Financial Statements

58

Statement by
Central Committee

59

Independent Auditors' Report to the Members
of Malaysian Plastics Manufacturers Association

62

Statements of
Financial Position

63

Statements of
Income and Expenditure

64

Statement of
Receipts and Payments

65

Notes to the
Financial Statements

Statement by Central Committee

We, the undersigned, being three of the Management Committee Members of **Malaysian Plastics Manufacturers Association**, do hereby state that in our opinion, the financial statements are drawn up in accordance with Malaysian Private Entities Reporting Standards, the provisions of the Societies Act, 1966 in Malaysia and the rules and legislations of the Association so as to give a true and fair view of the financial position of the Association as at 31 December 2020 and of its income and expenditure and receipts and payments for the financial year then ended on that date.

Datuk Lim Kok Boon
President

CY Wee
Treasurer

Eddie Fong Seak Foh
Secretary-General

31 May 2021

Kuala Lumpur

Independent Auditors' Report to the Members of Malaysian Plastics Manufacturers Association

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **Malaysian Plastics Manufacturers Association**, which comprise the statements of financial position as at 31 December 2020, and statements of comprehensive income and statements of receipts and payments for the financial year then ended, including a summary of significant accounting policies and other explanatory notes, as set out on pages 65 to 79.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Association as at 31 December 2020, and of its financial performance and its receipts and payments for the year then ended in accordance with Malaysian Private Entities Reporting Standards, the provision of the rules and regulation of Association and the requirements of the Societies Act, 1966 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Association in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Responsibilities of the Management Committee for the Financial Statements

The Management Committee is responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Private Entities Reporting Standards in Malaysia and the provisions of the rules and regulations of the Association and the requirements of the Societies Act, 1966 in Malaysia. The Management Committee is also responsible for such internal control as the Management Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Committee either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Independent Auditors' Report to the Members of Malaysian Plastics Manufacturers Association

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Association as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- i) Identify and assess the risks of material misstatement of the financial statements of the Association, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Committee.
- iv) Conclude on the appropriateness of Management Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- v) Evaluate the overall presentation, structure and content of the financial statements of the Association, including the disclosures, and whether the financial statements of the Association represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Management Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditors' Report to the Members of Malaysian Plastics Manufacturers Association

OTHER MATTERS

This report is made solely to the members of the Association, as a body, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

YYC & CO PLT
FIRM NO. LLP0020596-LCA & AF 0055
CHARTERED ACCOUNTANTS

DATO' KHOO PENG LAI
NO. 01043/10/2021 J
CHARTERED ACCOUNTANT

Kuala Lumpur,

31 May 2021

Statements of Financial Position

As at 31 December 2020

	Note	2020 RM	2019 RM
Non-current asset			
Property, plant and equipment	5	1,126,822	1,003,253
Total non-current asset		1,126,822	1,003,253
Current assets			
Inventories	6	4,686	5,417
Other receivables	7	400,330	309,859
Fixed deposits with licensed banks	8	3,174,963	4,070,099
Cash and bank balances	9	1,436,950	615,725
Total current assets		5,016,929	5,001,100
Total assets		6,143,751	6,004,353
Financed by:			
Building fund	10	2,023,219	2,023,219
Employees' welfare fund	11	179,694	179,694
Founders' fund	12	230,000	230,000
Membership fund	13	108,100	107,600
3RS project fund	14	5,000	5,000
Scholarship reserves fund	15	602,083	602,083
Training fund	16	99,880	99,880
Accumulated fund	17	1,405,945	1,419,898
Total funds		4,653,921	4,667,374
Current liability			
Other payables	18	1,489,830	1,336,979
Total current liability		1,489,830	1,336,979
Total liability		1,489,830	1,336,979
Total funds and liability		6,143,751	6,004,353

The accompanying notes from an integral part of these financial statements.

Statements of Income and Expenditure

For the financial year ended 31 December 2020

	Note	2020 RM	2019 RM
Income			
Members' subscriptions		424,881	417,933
Seminar		122,384	414,314
Activities for generating funds		1,381,693	1,965,698
Other income		342,556	335,752
Total Income		2,271,514	3,133,697
Expenditure			
Cost of seminar		64,243	195,822
Costs of generating funds		674,260	1,184,952
Staff related expenses		1,209,306	1,384,183
Professional fees		22,544	29,224
Depreciation of property, plant and equipment		103,271	77,419
General expenses		211,843	296,431
Total Expenditure		2,285,467	3,168,031
(Deficit)/Surplus Before Taxation		(13,953)	(34,334)
Tax expenses	19	-	-
(Deficit)/Surplus During The Year		(13,953)	(34,334)

The accompanying notes form an integral part of these financial statements.

Statement of Receipts and Payments

For the financial year ended 31 December 2020

	Note	2020 RM	2019 RM
Receipts			
Members' subscriptions		318,510	993,835
Seminar		122,384	186,240
Activities for generating funds		1,597,093	2,373,849
Other income		354,695	270,338
Financing activity		-	30,000
Total receipts		2,392,682	3,854,262
Payments			
Cost of seminar		64,243	649,205
Costs of generating funds		472,243	1,146,238
Staff related expenses		1,497,637	1,357,121
Professional fees		24,194	28,724
General expenses		270,605	404,505
GST expenses		-	294
SST expenses		-	324
Capital expenses		137,671	167,809
Financing activity		-	36,800
Total payments		2,466,593	3,791,020
Surplus of receipts over payments		(73,911)	63,242
Balance brought forward		4,685,824	4,622,582
Balance carried forward		4,611,913	4,685,824
Cash and cash equivalents as at end of the year comprise:			
Fixed deposits with licensed banks	8	3,174,963	4,070,099
Cash and bank balances	9	1,436,950	615,725
		4,611,913	4,685,824

The accompanying notes from an integral part of these financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2020

1. GENERAL INFORMATION

Amalgamation

The amalgamation consists of the Association, Plastics Technology Training Centre and Plastics Eagle-MPMA.

The organisation is a trade association registered in Malaysia. The principal object of the Association is to promote, encourage, foster, develop and protect by all lawful means the Plastics Industry.

The following Branches are part of and under the purview of the Malaysian Plastics Manufacturers Association. They operate autonomously and have the responsibility to prepare separate financial statements which are required to be audited. The addresses of the registered offices and principal places of activities are as follows:

Head Office

37, Jalan 20/14, Paramount Garden,
46300 Petaling Jaya, Selangor Darul Ehsan,
Malaysia.

Northern Branch

40, Jalan Bagan Satu, Taman Bagan,
13400 Butterworth, Pulau Pinang,
Malaysia.

Perak Branch

No. 15, Medan Istana 3, Bandar Ipoh Raya,
30000 Ipoh, Perak Darul Ridzuan,
Malaysia.

Sabah Branch

c/o Life Water Industries Sdn Bhd
9, Jalan 1F, KKIP Selatan, Industrial Zone 4 (IZ4), KKIP,
88460 Kota Kinabalu, Sabah,
Malaysia.

Johor Branch

2A, Jalan Anggerik 2/4, Taman Anggerik,
81200 Johor Bahru, Johor Darul Takzim,
Malaysia.

Sarawak Branch

c/o Polyflow Pipes Sdn Bhd
Lot 626, Block 4, Muara Tebas Land District, Jalan Bako, Petra Jaya,
93050 Kuching, Sarawak,
Malaysia.

Plastics Technology Training Centre

(same address as Head Office)

Plastics Eagle-MPMA

(same address as Head Office)

The financial statements of the Association are presented in the functional currency, which is the currency of the primary economic environment in which the Association operates.

The total number of employees of the Association at the end of the financial year is 17 (2019:17).

Notes to the Financial Statements

For the financial year ended 31 December 2020

2. BASIS OF PREPARATION

2.1 Basis of accounting

The financial statements have been prepared in accordance with the Malaysian Private Entities Reporting Standards ("MPERS"), the provisions of the rules and regulations of the Association and the requirements of the Societies Act, 1966 in Malaysia.

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

The preparation of financial statements in conformity with MPERS requires the Management Committee to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Management Committee are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 4 to the financial statements. Although these estimates and assumptions are based on the Management Committee's best knowledge of events and actions, actual results could differ from these estimates.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are set out below:

3.1 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. After recognition as an asset, an item of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses, except for freehold land and buildings.

Except for freehold land which is not depreciated, depreciation is provided on a straight-line method so as to write off the depreciable amount of the following assets over their estimated useful lives, as follows:

	<u>Rate</u>
Building	2% to 2.5%
Furniture, fittings and equipment	10% to 20%
Freehold land	-
Machinery and equipment	10%
Motor vehicle	10%

Depreciation of an asset begins when it is ready for its intended use.

If there is an indication of a significant change in factors affecting the residual value, useful life or asset consumption pattern since the last annual reporting date, the residual values, depreciation method and useful lives of depreciable assets are reviewed, and adjusted prospectively.

Notes to the Financial Statements

For the financial year ended 31 December 2020

The carrying amounts of items of property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising from the derecognition of items of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amounts of the item, is recognised in profit or loss. Neither the sale proceeds nor any gain on disposal is classified as revenue.

3.2 Impairment of non-financial assets

At each reporting date, the Association assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated.

When there is an indication that an asset may be impaired but it is not possible to estimate the recoverable amount of the individual asset, the Association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset and a cash-generating unit is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or a cash-generating unit is less than the carrying amount, an impairment loss is recognised to reduce the carrying amount to its recoverable amount. An impairment loss for a cash-generating unit is firstly allocated to reduce the carrying amount of any goodwill allocated to the cash-generating unit, and then, to the other non-current assets of the unit pro rata on the basis of the carrying amount of each appropriate asset in the cash-generating unit. Impairment loss is recognised immediately in profit or loss, unless the asset is carried at a revalued amount, in which case it is treated as a revaluation decrease.

The recoverable amount is the higher of an asset's or cash-generating unit's fair value less to sell, value in use and zero.

An impairment loss recognised in prior periods for an asset or the appropriate assets of a cashgenerating unit is reversed when there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss, unless the asset is carried at revalued amount, in which case it is treated as a revaluation increase.

3.3 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is measured by using the First-in First-out method.

Notes to the Financial Statements

For the financial year ended 31 December 2020

At each reporting date, inventories are assessed for impairment. If an item of inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss. At each subsequent reporting date, the Association makes a new assessment of selling price less costs to complete and sell. If there is any indication that an impairment loss recognised in prior periods may no longer exist or when there is clear evidence of an increase in selling price less costs to complete and sell due to changed economic circumstances, an impairment loss is reversed to the extent that the new carrying amount is the lower of the cost and the revised selling price less costs to complete and sell.

3.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments are recognised on the statement of financial position when the Association has become a party to the contractual provisions of the instrument. At initial recognition, a financial instrument is recognised at transaction price, including transaction costs if the financial instrument is not measured at fair value through profit or loss, except a financing transaction. Financing transactions are measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Basic financial instruments include cash, debt instruments (receivables and payables), commitments to receive loans that cannot be settled net in cash, investments in non-convertible preference shares and non-puttable ordinary or preference shares.

Financial instruments that are debt instruments measured at amortised cost

At the end of each reporting period, an entity shall measure financial instruments as follows, without any deduction for transaction costs the entity may incur on sale or other disposal.

Subsequent to initial recognition, debt instruments are measured at amortised cost using the effective interest method, whilst commitments to receive a loan are measured at cost less impairment.

Effective interest method is a method of calculating the amortised cost of financial assets and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets or, when appropriate, a shorter period, to the carrying amount of the financial assets.

Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial assets are within the scope of Section 12 of the MPERS or if the financial assets are publicly traded or their fair value can otherwise be measured reliably without undue cost or effort.

Changes in fair value are recognised in profit or loss.

Notes to the Financial Statements

For the financial year ended 31 December 2020

If a reliable measure of fair value is no longer available for an equity instrument that is not publicly traded but is measured at fair value through profit or loss, its fair value at the last date that instrument was reliably measurable is treated as the cost of the instrument, and it is measured at this cost amount less impairment until a reliable measure of fair value becomes available.

Derecognition of financial instruments

A financial asset is derecognised only when (i) the contractual rights to receive the cash flows from the financial asset expire or are settled; or (ii) the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, including circumstances when the entity acts only as a collecting agent of the transferee, and retains no significant risks and rewards of ownership of the financial asset or no continuing involvement in the control of the financial asset transferred.

A financial liability is derecognised only when it is extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expires. An exchange between an existing borrower and lender of financial instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

3.5 Impairment of financial assets

At the end of each reporting period, the Association assesses whether there is any objective evidence that financial assets that are measured at cost or amortised cost, are impaired.

The Association collectively considers factors to determine whether there is objective evidence that an impairment loss on loans and receivables has occurred.

If there is objective evidence that impairment losses have been incurred on financial assets measured at cost less impairment, the amount of impairment losses are measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amounts of the financial assets are reduced through the use of an allowance account. Any impairment loss is recognised in profit or loss immediately. If, in subsequent period, the amount of an impairment loss decreases, the previously recognised impairment losses are reversed directly, except for the amounts related to trade receivables which are reversed to write back the amount previously provided in the allowance account. The reversal is recognised in profit or loss immediately.

3.6 Cash and cash equivalents

Cash and cash equivalents in the statement of receipts and payments comprise cash at bank balances and short-term bank deposits.

Notes to the Financial Statements

For the financial year ended 31 December 2020

3.7 Revenue

Revenue is measured at the fair value of the consideration received or receivable, net of discounts and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction would flow to the Association, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured and specific recognition criteria have been met for each of the activities of the Association as follows:

i) Members' subscription and miscellaneous income

Income from members' subscription and miscellaneous are recognised where the period related to and on an accrual basis.

ii) Rendering of services

Revenue from rendering of services is measured by reference to the stage of completion of the transaction at the reporting date.

iii) Interest income and rental income

Interest income and rental income are recognised on an accrual basis.

iv) Investment income

Dividend income from investment is recognised in the income statement when the right to receive is established.

3.8 Employment benefits

i) Short-term employment benefits

Short-term employment benefits, such as wages, salaries and other benefits, are recognised at the undiscounted amount as a liability and an expense when the employees have rendered services to the Association.

The expected cost of accumulating compensated absences are recognised when the employees render services that increase their entitlement to future compensated absences. The expected cost of non-accumulating compensated absences, such as sick and medical leaves, are recognised when the absences occur.

The expected cost of accumulating compensated absences are measured at the undiscounted additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

The expected cost bonus payment is recognised when the Association has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the Association has no realistic alternative but to make the payments.

Notes to the Financial Statements

For the financial year ended 31 December 2020

ii) Defined contribution plan

Contributions payable to the defined contribution plan are recognised as a liability and an expense when the employees have rendered services to the Association.

3.9 Foreign currency

i) Foreign currency transactions and balances

Transactions in foreign currencies are initially recognised in the functional currency by applying to the foreign currency amount the spot exchange rates between the functional currency and the foreign currency at the date of the transactions.

At the end of each reporting period, foreign currency monetary items are translated using the closing rate. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of the transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences are recognised in profit or loss in the period in which they arise except when a gain or loss on a non-monetary item is recognised in other comprehensive income. If so, any exchange differences relating to that gain or loss is recognised in other comprehensive income.

3.10 Income tax

Income taxes include all domestic taxes on taxable profit. Income taxes also include other taxes, such as withholding taxes, that are payable by the Association, and real property gains taxes payable on disposal of properties, if any.

Tax payable on taxable profit for current and previous periods is recognised as a current tax liability to the extent unpaid. If the amount paid in respect of the current and past periods exceeds the amount payable for those periods, the excess is recognised as a current tax asset.

Current tax assets and liabilities are measured at the amounts expected to be paid or recovered, using the tax rates and laws that have been enacted or substantially enacted by the reporting date.

Current tax liabilities and assets are offset if, and only if the Association has a legally enforceable right to set off the amounts and plan either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is recognised in full on temporary differences which are the differences between the carrying amounts in the financial statements and the corresponding tax base of an asset or liability at the end of the reporting period.

Notes to the Financial Statements

For the financial year ended 31 December 2020

Deferred tax is not recognised in respect of the temporary differences associated with the initial recognition of an asset or a liability in a transaction that is not a business combination and at the time of the transactions, affects neither accounting profit nor taxable profit. Deferred tax are also not recognised for temporary difference associated with the initial recognition of goodwill.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profits would be available to allow the benefit of part or all of that recognised deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profits would be available, such reductions would be reversed to the extent of the taxable profits.

Deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Association expects to recover or settle the carrying amounts of their assets and liabilities and are measured at the tax rates and laws that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted by the reporting date.

Changes in current or deferred tax balances are recognised as an income tax expense or credit and are recognised in the same component of comprehensive income or equity as the transaction that resulted in the tax expense or credit.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

4.1 Critical judgements in applying the accounting policies

There were no critical judgements made by the Management Committee in the process of applying the accounting policies of the Association which may have significant effect on the amounts recognised in the financial statements.

4.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year, other than those disclosed in the Notes, are as follows:

i) Depreciation of property, plant and equipment

The cost of an item of property, plant and equipment is depreciated on the straight-line method or another systematic method that reflects the consumption of the economics benefits of the asset over its useful life. Estimates are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied and this may lead to a gain or loss on an eventual disposal of an item of property, plant and equipment.

Notes to the Financial Statements

For the financial year ended 31 December 2020

ii) Income taxes

Judgment is required in determining the capital allowances and deductibility of certain expenses when estimating the provision for income taxes. There were transactions during the ordinary course of business for which the ultimate tax determination of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the taxation and deferred taxation in the period in which the outcome is known.

iii) Impact of the Coronavirus (COVID-19) outbreak

In assessing the impairment of assets, the Association considered reasonable and supportable information at the reporting date. At the reporting date, the Association evaluated the likelihood of the severity and impact of the COVID-19 outbreak and concluded that COVID-19 would not significantly affect the impairment of financial assets. Accordingly, the methods, assumptions and information used to measure the impairment did not incorporate any forwardlooking information relating to the effects of COVID-19.

Subsequent to the reporting date, the Association changed its risk management practices in response to the COVID-19 outbreak and extended the payment terms for certain trade receivables. Accordingly, the Association changed their impairment methodology in order to better estimate the impact of the outbreak in accordance with the requirements of MPERS 27. The simplified impairment models adopted by the Association have accordingly, calculated any overlays and adjustments to these simplified models. In addition, due to the abnormal circumstances caused by COVID-19, it may take time for the Association to detect actual changes in risk indicators for a specific customer. In order to accelerate the reflection of changes in credit quality not yet detected at an individual customer level, the Association adjust the ratings and the probabilities of default on a collective basis, considering risk characteristics such as the industry or geographical location of the customers.

Whilst it is not possible to estimate the full impact of the outbreak's short-term and longer-term effects or the Government's varying efforts to combat the outbreak and support businesses, it is likely that the impairment of assets would increase within the next financial year.

Notes to the Financial Statements

For the financial year ended 31 December 2020

5. PROPERTY, PLANT AND EQUIPMENT

	At 1 January 2020 RM	Additions RM	Disposals RM	At 31 December 2020 RM
Cost				
Buildings	1,225,112	-	-	1,225,112
Furniture, fittings and equipment	1,072,472	55,444	(1,039)	1,126,877
Freehold land	306,278	-	-	306,278
Machinery and equipment	-	111,517	-	111,517
Motor vehicle	-	59,879	-	59,879
	2,603,862	226,840	(1,039)	2,829,663

Accumulated depreciation

Buildings	794,694	25,720	-	820,414
Furniture, fittings and equipment	805,915	60,410	(1,038)	865,287
Freehold land	-	-	-	-
Machinery and equipment	-	11,152	-	11,152
Motor vehicle	-	5,988	-	5,988
	1,600,609	103,270	(1,038)	1,702,841

	<u>Carrying amount</u>		<u>Depreciation</u>	
	2020 RM	2019 RM	2020 RM	2019 RM
Buildings	404,698	430,418	25,720	25,718
Furniture, fittings and equipment	261,590	266,557	60,410	51,701
Freehold land	306,278	306,278	-	-
Machinery and equipment	100,365	-	11,152	-
Motor vehicle	53,891	-	5,988	-
	1,126,822	1,003,253	103,270	77,419

a) The title deed of the Northern Branch freehold land and building is registered in the name of Maybank Trustees Berhad.

Notes to the Financial Statements

For the financial year ended 31 December 2020

However, with reference to the Rule 16 of the Association's Rules (Amended) which is approved by the Registrar of Societies:-

"All landed properties of the Association to be registered in the name of the Association."

- b) Central Committee has instructed Management Committee of the Northern Branch to act on this matter.

6. INVENTORIES

	2020	2019
	RM	RM
<u>At cost:</u>		
Consumable goods	<u>4,686</u>	<u>5,417</u>

7. OTHER RECEIVABLES

	2020	2019
	RM	RM
Subscription receivable from members	64,623	35,057
Refundable deposits	34,445	77,690
Golf game entrance fee receivables	12,037	29,537
Amounts receivable from members:		
- seminar debtors	258,753	134,643
- other debtors	30,472	32,932
	<u>400,330</u>	<u>309,859</u>

8. FIXED DEPOSITS WITH LICENSED BANKS

	2020	2019
	RM	RM
Fixed deposits with licensed banks	<u>3,174,963</u>	<u>4,070,099</u>

The interest rates for fixed deposits range between 3.05% to 3.30% (2019: 3.05% to 3.30%) per annum. The maturity period for fixed deposits during the financial year are six months.

Notes to the Financial Statements

For the financial year ended 31 December 2020

9. CASH AND BANK BALANCES

	2020	2019
	RM	RM
Cash in hand and at bank	1,436,950	615,725

10. BUILDING FUND

	2020	2019
	RM	RM
Balance at beginning of the year	2,023,219	2,023,219
Contribution received	-	-
Balance at end of the year	2,023,219	2,023,219

11. EMPLOYEES' WELFARE FUND

	2020	2019
	RM	RM
Balance at beginning of the year	179,694	179,694
Contribution received	-	-
Balance at end of the year	179,694	179,694

12. FOUNDERS' FUND

	2020	2019
	RM	RM
Balance at beginning of the year	230,000	230,000
Contribution received	-	-
Balance at end of the year	230,000	230,000

Notes to the Financial Statements

For the financial year ended 31 December 2020

13. MEMBERSHIP FUND

	2020 RM	2019 RM
Balance at beginning of the year	107,600	95,100
Admission during the financial year	500	12,500
Balance at end of the year	108,100	107,600

14. 3RS PROJECT FUND

	2020 RM	2019 RM
Balance at beginning of the year	5,000	-
Total receipts	-	5,000
Total payments	-	-
Balance at end of the year	5,000	5,000

15. SCHOLARSHIP RESERVES FUND

	2020 RM	2019 RM
Balance at beginning of the year	602,083	517,833
Total receipts	-	120,950
Total payments	-	(36,700)
Balance at end of the year	602,083	602,083

Notes to the Financial Statements

For the financial year ended 31 December 2020

16. TRAINING FUND

	2020 RM	2019 RM
Balance at beginning of the year	99,880	99,880
Contribution received	-	-
Balance at end of the year	99,880	99,880

17. ACCUMULATED FUND

	2020 RM	2019 RM
Balance at beginning of the year	1,419,898	1,454,232
Surplus for the year	(13,953)	(34,334)
Balance at end of the year	1,405,945	1,419,898

18. OTHER PAYABLES

	2020 RM	2019 RM
Accrued expenses	40,309	202,664
Advertorial on plastic	180,384	180,384
Deposit received	18,682	278,545
ExxonMobil project fund	150,000	150,000
Held trust in MPMA Holding	420	420
Other creditor	579,270	13,778
PS media fund	520,766	511,188
	1,489,831	1,336,979

Notes to the Financial Statements

For the financial year ended 31 December 2020

19. TAX EXPENSES


No taxation is required as the Association has no chargeable income.




The Association has taxable losses available for carry forward against future taxable profits. No provision has been made for a deferred tax asset in respect of the excess of these losses in view of the uncertainty as to when these will be fully recoverable.


20. DATE OF AUTHORISATION FOR ISSUE

The Central committee had authorised the financial statements to be issued on 31 May 2021.

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