

**THE FREE INDUSTRIAL ZONE, PENANG, COMPANIES' ASSOCIATION  
(F R E P E N C A)**

**Reports and Accounts**

**For the financial year ended 31 December 2020**

**THE FREE INDUSTRIAL ZONE, PENANG, COMPANIES' ASSOCIATION  
(F R E P E N C A)**

NOTICE IS HEREBY GIVEN THAT the 43<sup>rd</sup> Annual General Meeting of The Free Industrial Zone, Penang, Companies' Association (FREPENCA) will be held virtually via Zoom on Thursday, 25 February 2021 at 11.00 a.m. for the following purposes:-

1. To receive the Committee's Report on the working of the Association for the year ended 31 December 2020.
2. To receive the Secretaries & Treasurers' Report and the audited accounts of the Association for the year ended 31 December 2020.
3. To elect the President, Vice-President and 5 Committee Members for the next two years.
4. To appoint Mr. Lim Keat Seong and Ms. Yip Mun Leng to represent Kennedy, Burkill & Company Berhad which acts as Secretaries & Treasurers of the Association.
5. To approve the Roster of Member Companies.
6. To appoint Messrs. Ooi & Associates as Auditors for the ensuing year and to fix their remuneration.
7. To fix the rate of subscriptions for 2021.
8. To deal with such other matters as may be put before the meeting.

KENNEDY, BURKILL & COMPANY BERHAD  
Secretaries & Treasurers

Penang, 9 February 2021

**THE FREE INDUSTRIAL ZONE, PENANG, COMPANIES' ASSOCIATION  
(F R E P E N C A)**

**REPORT OF THE COMMITTEE FOR THE YEAR  
ENDED 31 DECEMBER 2020**

**COMMITTEE MEMBERS**

PRESIDENT	:	Mr. Ruben Nyul Flextronics Systems (Penang) Sdn. Bhd.
VICE-PRESIDENT	:	Mr. Rajesh Purushothaman NI Malaysia Sdn. Bhd.
COMMITTEE MEMBERS	:	Dato' Heng Huck Lee Globetronics Technology Bhd.  Dr. David Lacey OSRAM Opto Semiconductors (Malaysia) Sdn. Bhd.  Mr. Jeffrey Hwang QDOS Flexcircuits Sdn. Bhd.  Mr. Alvin Yeoh Motorola Solutions Malaysia Sdn. Bhd.  Mr. Low Eng Chuan B Braun Medical Industries Sdn. Bhd.

1. Your Committee is pleased to present its Report for the year ended 31 December 2020.
2. The Association's activities during the first half 2020 were set out in the Mid-Year Report dated 13 August 2020. The activities during the second half year are set out below.

**COMMITTEE**

3. The Committee had 3 formal meetings during 2020 and attendances were as follows:-

Mr. Ruben Nyul	3/3
Mr. Rajesh Purushothaman	3/3
Dato' Heng Huck Lee	2/3
Dr. David Lacey	1/1
Mr. Jeffrey Hwang	3/3
Mr. Alvin Yeoh	1/2
Mr. Low Eng Chuan	3/3

4. The Committee will have a virtual meeting before the Annual General Meeting on 25 February 2020.

**CIRCULARS**

5. The following circulars were issued during the second half year:-

<u>Circular No.</u>	<u>Date</u>	<u>Subject</u>
6.2020	29.7.2020	Full Membership Application – JA Solar Malaysia Sdn. Bhd.
7.2020	3.8.2020	Preliminary Notice of Mid-Year General Meeting.
8.2020	13.8.2020	Mid-Year General Meeting.
9.2020	11.9.2020	Full Membership Application – Optics Balzers Malaysia Sdn. Bhd.
10.2020	2.10.2020	Customs/Private Sector Dialogue.
11.2020	8.10.2020	Associate Membership Application – Disco Hi-Tec (Malaysia) Sdn. Bhd.

## MEMBERSHIP

### 6. Membership statistics are as follows:-

(a)	Full Members as at 1.7.2020	67
	Add: New Members:-	
	Test Tooling Solutions (M) Sdn. Bhd.	
	JA Solar Malaysia Sdn. Bhd.	
	Optics Balzers Malaysia Sdn. Bhd.	3
		----
	Full Members as at 31.12.2020	70
		===
(b)	Associate Members as at 1.7.2020	4
	Add: New Member:-	
	Disco Hi-Tec (Malaysia) Sdn. Bhd.	1
		-----
	Associate Members as at 31.12.2020	5
		===
(c)	Honorary Member as at 1.7.2020 and 31.12.2020	1
		===

## FREPENCA CONVENORS

### 7. We express our appreciation to the following who are serving as Frepenca Convenors:-

(a)	<u>TNB/PBA/MBPP/MBSP/PDC</u>	
	FIZ I	Mr. C.W. Phoon Osram Opto Semiconductors (M) Sdn. Bhd.
	FIZ II	Mr. J.L. Lim Cypress Semiconductor (Malaysia) Sdn. Bhd.
	FIZ III	To be appointed
	FIZ IV	Mr. Teoh Jin Aik Globetronics Technology Bhd.

TECHNOPLEX	Encik Neil Ramdzie bin Zakaria Motorola Solutions Malaysia Sdn. Bhd.
BKIP	Mr. Lee Boon Leong Flextronics Systems (Penang) Sdn. Bhd.
(b) <u>Environment, Health &amp; Safety</u> Encik Basri Umar	Globetronics Technology Bhd.
(c) <u>Customs</u> Mr. Cheah Hup Lim	Keysight Technologies Malaysia Sdn. Bhd.
(d) <u>Security</u> Mr. James Mohan	TF AMD Microelectronics (Penang) Sdn. Bhd.
(e) <u>Human Resources</u> Encik Mohamed Anwar	Motorola Solutions Malaysia Sdn. Bhd.
(f) <u>IT</u> Mr. Teoh Chee Hoe	Motorola Solutions Malaysia Sdn. Bhd.
(g) <u>Mainland Companies</u> Mr. Allen Tan	Nolato (Malaysia) Sdn. Bhd. (formerly known as Nolato EMC Production Center Sdn. Bhd.)

#### WEBSITE

8. Emanon Sdn. Bhd. was appointed to maintain our website at [www.frepenca.com](http://www.frepenca.com).

#### MID-YEAR GENERAL MEETING AND MEETING WITH THE CHIEF MINISTER

9. Frepenca's Mid-Year General Meeting ("MYGM") was held in a hybrid way on 27 August 2020 due to the Covid-19 situation. Only the Committee Members were required to be present in person at MYGM held at PSDC Building. Other Non-Committee Members were not required to be present in person but joined MYGM virtually.
10. The Meeting with the Chief Minister was not held subsequent to the Meeting but was deferred to 27 October 2020 due to the Covid-19 situation. Some of the issues raised at the Meeting with the Chief Minister on behalf of the Members by the Committee Members were as follows:-
  - a) Follow up on the action items arising from the Dialogue with the CM held on 26 August 2019;
  - b) Update on Penang Transport Master Plan;
  - c) Next industrial area in Penang;
  - d) Entry permission application for expatriates;
  - e) Freeze on new intake of foreign workers until year-end;
  - f) Renewal of Leases on Industrial Land in Penang FIZ; and
  - g) Presentation of plans by Frepenca to Penang State Government.

#### CUSTOMS

11. The Customs Convenor continued to attend meetings convened by the Customs Department and any new Customs procedures and regulations are then communicated to members.

## SECURITY

12. The Security Sub-Committee continues to hold regular meetings to discuss security issues affecting companies in the FIZ.

## HUMAN RESOURCES

13. The Human Resources Convenor set up a WhatsApp Group Chat called "FIZ HR/KKM BD" in order to have better and faster collaboration, communication and engagement between FIZ HR fraternity and South West District Health Office, Penang ("KKM BD") in tackling and overcoming the Covid-19 pandemic. Included in the said Group Chat is Dr. Thava Viknaraj Sivabalan, Pegawai Kesihatan dan Perubatan of KKM BD who leads the task force fighting Covid 19 in Barat Daya. The said Group Chat's participation is also open to all Members' EHS/DOSH Officers following Frepenca's discussion with KKM BD. Subsequently, the said Group Chat's name was changed to "FIZ HR/KKM Collab" as Health Officers from other Penang Districts were also invited to join the said Group Chat.

## ANNUAL SURVEY

14. Frepenca conducts surveys annually instead of quarterly with effect from 2020 on its member companies in order to obtain data on business trends, headcount of employees, environment, power and water interruptions and traffic congestion affecting members. Members are encouraged to support these surveys so that more accurate data can be obtained.

## SUBSCRIPTIONS

15. At the Annual General Meeting on 25 February 2021, your Committee will propose that subscriptions for 2021 be fixed at RM2,000 for the year.

For and on behalf of the Committee

MR. RUBEN NYUL  
President

Penang, 9 February 2021

**THE FREE INDUSTRIAL ZONE, PENANG, COMPANIES' ASSOCIATION  
(F R E P E N C A)**

**SECRETARIES & TREASURERS' REPORT**

1. The Secretaries and Treasurers are pleased to present their report for the year ended 31 December 2020.

**OPERATIONS**

2. The Association recorded a surplus of RM33,176 (2019: RM20,091) during the year.

**FIXED DEPOSITS**

3. The fixed deposits of RM200,000 are lodged with Public Bank Bhd, Bishop Street, Penang, on tenures between 1 to 6 months.

**KENNEDY, BURKILL & COMPANY BERHAD**  
Secretaries & Treasurers

Penang, 9 February 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
THE FREE INDUSTRIAL ZONE, PENANG,  
COMPANIES' ASSOCIATION (FREPENCA)

**Report on the Audit of the Accounts**

We have audited the accounts of The Free Industrial Zone, Penang, Companies' Association (FREPENCA) ("the Association"), which comprise the statement of financial position as at December 31, 2020 and the income and expenditure account for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 12.

**Committee's Responsibility for the Accounts**

The Committee of the Association is responsible for the preparation of the accounts so as to give a true and fair view in accordance with significant accounting policies of the Association. The Committee is also responsible for such internal control as the Committee determine is necessary to enable the preparation of the attached accounts that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these accounts based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the accounts. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the accounts, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Association's preparation of accounts that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee, as well as evaluating the overall presentation of the accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



### **Opinion**

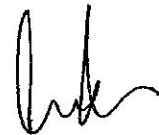
In our opinion, the accounts give a true and fair view of the financial position of the Association as at December 31, 2020 and of its financial results for the year then ended in accordance with the Association's significant accounting policies.

### **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.

Penang

Dated: January 25, 2021



OOI & ASSOCIATES  
AF 0770  
Chartered Accountants



OOI WAN ENG  
01436/03/2022 J  
Partner  
Chartered Accountant

THE FREE INDUSTRIAL ZONE, PENANG,  
COMPANIES' ASSOCIATION (FREPENCA)

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2020

	Note	2020 RM	2019 RM
<b>ASSETS</b>			
<b>Current Assets</b>			
Subscription fees receivable		6,000	12,500
Interest receivable		450	2,198
Fixed deposits with a licensed bank		200,000	200,000
Cash at bank		6,365	12,766
Total current assets		<u>212,815</u>	<u>227,464</u>
<b>TOTAL ASSETS</b>		<u>212,815</u>	<u>227,464</u>
<b>FUNDS AND LIABILITIES</b>			
<b>Accumulated Fund</b>			
Balance as at 1 January		164,855	144,764
Surplus for the year		<u>33,176</u>	<u>20,091</u>
Balance as at 31 December		198,031	164,855
<b>Other Funds</b>	4	<u>6,867</u>	<u>6,867</u>
Total funds		<u>204,898</u>	<u>171,722</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accruals		2,500	55,742
Advanced subscription fees		<u>5,417</u>	<u>-</u>
Total current liabilities		<u>7,917</u>	<u>55,742</u>
Total liabilities		<u>7,917</u>	<u>55,742</u>
<b>TOTAL FUNDS AND LIABILITIES</b>		<u>212,815</u>	<u>227,464</u>

THE FREE INDUSTRIAL ZONE, PENANG,  
COMPANIES' ASSOCIATION (FREPENCA)

INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020 RM	2019 RM
<b>Income</b>		
Subscriptions	144,583	143,167
Entrance fees	1,000	500
Interest on fixed deposits	4,462	6,151
	<u>150,045</u>	<u>149,818</u>
<b>Expenditure</b>		
Audit fee	2,500	2,500
Bad debts	2,000	2,000
Bank charges	28	56
CEO networking lunches	3,116	6,536
FREPENCA website	3,366	3,366
Postage and telephone	2,000	2,733
Printing and stationery	1,136	1,392
Secretaries' and treasurers' fees	96,000	96,000
Service tax	6,110	6,351
Sponsorship of golf tournament	-	8,000
Sundry expenses	603	793
	<u>116,859</u>	<u>129,727</u>
<b>Surplus before taxation</b>	33,186	20,091
Taxation	10	-
<b>Surplus for the year</b>	<u><u>33,176</u></u>	<u><u>20,091</u></u>

THE FREE INDUSTRIAL ZONE, PENANG,  
COMPANIES' ASSOCIATION (FREPENCA)

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

1. BASIS OF PREPARATION

The accounts are prepared solely for the information of the members of The Free Industrial Zone, Penang, Companies' Association (FREPENCA) ("the Association") and in accordance with FREPENCA's accounting policies stated below.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Measurement Basis

The accounts are prepared using the historical cost basis unless indicated otherwise in other significant accounting policies.

(b) Receivables

Receivables are carried at the amount expected to be recovered. Known bad debts are written off and specific allowance is made for any debt considered to be doubtful of collection.

(c) Fixed Deposits and Cash At Bank

Fixed deposits and cash at bank are recognised and carried at cost.

(d) Payables and Accruals

Payables and accruals are carried at cost which is the fair value of the consideration to be paid for goods and services.

(e) Revenue Recognition

(i) Income from subscriptions is recognised on accrual basis.

(ii) Entrance fees are recognised on receipt basis.

(iii) Interest on fixed deposit is on accrual basis using the effective interest method.

3. OBJECTIVES OF THE ASSOCIATION

The principal objectives of the Association are to maintain and improve communications and relationships and disseminate information amongst its members in matters of mutual interest as well as with the government and its agencies.

#### 4. OTHER FUNDS

	2020 RM	2019 RM
(i) EHS Fund		
- Balance brought forward and carried forward	<u>1,342</u>	<u>1,342</u>
(ii) Mainland Committee Fund		
- Balance brought forward and carried forward	<u>366</u>	<u>366</u>
(iii) FREPENCA Corporate Golf Fund		
Balance brought forward	5,159	13,777
Sponsorship for the year	-	8,000
	<u>5,159</u>	<u>21,777</u>
Utilised during the year (Note 5)	-	(16,618)
Balance carried forward	<u>5,159</u>	<u>5,159</u>
Total	<u><u>6,867</u></u>	<u><u>6,867</u></u>

#### 5. UTILISATION FROM FREPENCA CORPORATE GOLF

	2020 RM	2019 RM
<u>Income</u>		
Registration fees received	<u>-</u>	<u>5,500</u>
<u>Expenditure</u>		
Penang Golf Club expenses	-	(17,810)
Prizes and gifts	-	(4,308)
	<u>-</u>	<u>(22,118)</u>
Utilisation	<u><u>-</u></u>	<u><u>(16,618)</u></u>

#### 6. TAXATION

The Association is categorised as “trade association” by the Inland Revenue Board under Section 53(3) Income Tax Act, 1967. As such, the Association is subject to the progressive tax rate on the chargeable income.

Subject to agreement with the Inland Revenue Board, the Association has unabsorbed tax losses carried forward of RM41,296 (2019: RM41,296).

**THE FREE INDUSTRIAL ZONE, PENANG, COMPANIES' ASSOCIATION  
(F R E P E N C A)**

**PROFORMA ROSTER OF MEMBER COMPANIES 2020**

1	Agilent Technologies LDA Malaysia Sdn. Bhd.	
2.	Ambu Sdn. Bhd.	
3.	ASE Electronics (M) Sdn. Bhd.	
4.	AvagoTechnologies (Malaysia) Sdn. Bhd.	
5.	Benchmark Electronics (M) Sdn. Bhd.	
6.	Boston Scientific Medical Device (Malaysia) Sdn. Bhd.	
7.	Brady Technology Sdn. Bhd.	
8.	Continental Automotive Components Malaysia Sdn. Bhd.	
9.	Cypress Semiconductor (M) Sdn. Bhd.	
10.	DHL Express (Malaysia) Sdn. Bhd.	
11.	Eng Hardware Engineering Sdn. Bhd.	
12.	Escatec Electronics Sdn. Bhd.	
13.	Federal Express Services (M) Sdn. Bhd.	
14.	Flextronics Technology (Penang) Sdn. Bhd.	
15.	GUH Circuit Industry (Pg) Sdn. Bhd.	
16.	Haemonetics Malaysia Sdn. Bhd.	
17.	Honeywell Aerospace Avionics Malaysia Sdn. Bhd.	
18.	HP Malaysia Manufacturing Sdn. Bhd.	
19.	Inari Technology Sdn. Bhd.	
20.	ITW Meritex Sdn. Bhd.	
21.	IQ Group Sdn. Bhd.	
22.	Ivy Technology Global Services Malaysia Sdn. Bhd.	
23.	JA Solar Malaysia Sdn. Bhd.	
24.	Jabil Circuit Sdn. Bhd.	
25.	KESP Sdn. Bhd.	
26.	Knowles Electronics (M) Sdn. Bhd.	
27.	Kobe Precision Technology Sdn. Bhd.	
28.	Lumileds Malaysia Sdn. Bhd.	
29.	Mattel Malaysia Sdn. Bhd.	
30.	MIMOS Semiconductor (M) Sdn. Bhd.	
31.	Mini-Circuits Technologies (Malaysia) Sdn. Bhd.	
32.	Nolato (Malaysia) Sdn. Bhd. (formerly known as Nolato EMC Production Center Sdn. Bhd.)	
33.	Optics Balzers Malaysia Sdn. Bhd.	
34.	Paramit Malaysia Sdn. Bhd.	
35.	Pentamaster Corporation Bhd.	
36.	Plexus Manufacturing Sdn. Bhd.	
37.	Premium Sound Solutions Sdn. Bhd.	
38.	Priority Cargo Sdn. Bhd.	
39.	Robert Bosch Power Tools Sdn. Bhd.	
40.	SAM Engineering & Equipment (M) Bhd.	
41.	Sandisk Storage Malaysia Sdn. Bhd.	
42.	Sanmina-SCI Systems (M) Sdn. Bhd.	
43.	Schenker Logistics (M) Sdn. Bhd.	
44.	Smart Modular Technologies Sdn. Bhd.	
45.	St. Jude Medical Operations (M) Sdn. Bhd.	
46.	Tanaka Electronics (M) Sdn. Bhd.	
47.	Teleplan Technology Services Sdn. Bhd.	
48.	Test Tooling Solutions (M) Sdn. Bhd.	
49.	VAT Manufacturing Malaysia Sdn. Bhd.	
50.	ViTrox Technologies Sdn. Bhd.	
51.	Texchem-Pack (PP) Sdn. Bhd.	*
52.	WD Media (Malaysia) Sdn.	*
53.	Clarion (M) Sdn. Bhd.	**
54.	Penfabric Sdn. Bhd.	**
55.	AVX Manufacturing (Malaysia) Sdn. Bhd.	*****
56.	Keysight Technologies Malaysia Sdn. Bhd.	*****
57.	Robert Bosch (M) Sdn. Bhd.	*****
58.	Flextronics Systems (Penang) Sdn. Bhd.	*****
59.	Malaysian Automotive Lighting Sdn. Bhd.	*****
60.	QDOS Flexcircuits Sdn. Bhd.	*****

61.	Venture Electronics Services (Malaysia) Sdn. Bhd.	*****
62.	NI Malaysia Sdn. Bhd.	*****
63.	Renesas Electronics (Penang) Sdn. Bhd.	*****
64.	Analog Devices Sdn. Bhd.	*****
65.	Globetronics Technology Bhd.	*****
66.	B Braun Medical Industries Sdn. Bhd.	*****
67.	Motorola Solutions Malaysia Sdn. Bhd.	*****
68.	Intel Technology Sdn. Bhd.	*****
69.	TF AMD Microelectronics (Penang) Sdn. Bhd.	*****
70.	OSRAM Opto Semiconductors (M) Sdn. Bhd.	*****

\* Denotes service on the Committee