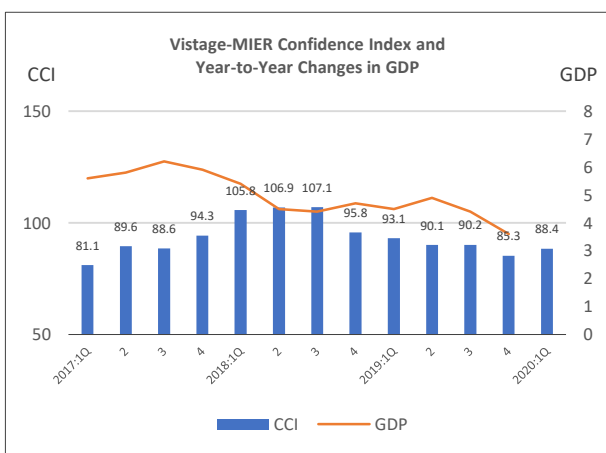


CONFIDENCE REMAINS IN THE RED

CEOs kicked off the new year 2020 on a challenging note as uncertainty continues to roil Malaysia and the global economy, amid the outbreak of the coronavirus (Covid-19) epidemic which has since spread to 29 other countries and regions (as of 20 February 2020), fuelling uncertainty and a higher risk of economic vulnerability worldwide. This is reflected in the latest Vistage-MIER CEO Confidence Index which, at 88.4, has persistently stayed below the 100-point threshold level of confidence, an indication of the CEOs' continuing lack of confidence with the economy. Notwithstanding this, the Index has gained 3.1 points on the quarter, showing the CEOs' slight renewal of hopefulness for the prospects of their businesses going forward.



	4Q 2018	1Q 2019	2Q 2019	3Q 2019	4Q 2019	1Q 2020
VISTAGE-MIER CEO CONFIDENCE INDEX	95.8	93.1	90.1	90.2	85.3	88.4
Current Economic Conditions	80	75	68	71	62	66
Expected Economic Conditions	113	105	111	109	92	88
Expected Change in Employment	130	128	128	127	126	126
Planned Fixed Investment	130	128	127	124	118	123
Expected Revenue Growth	142	145	125	132	129	139
Expected Profit Growth	129	123	122	119	118	126

Note: All component questions are scored as the percent giving favorable replies minus the percent for unfavorable plus 100. The VISTAGE-MIER CEO Confidence Index is the sum of the components calculated as a percentage of the level recorded in 2nd quarter 2003 survey.

Vistage CEO Confidence Index highlights

Economy	Prospects	Expansion
43% of the 740 CEOs believed that the economy has fared worse lately, compared to 45% in 4Q2019 and 37% in 1Q2019.	54% are looking forward to better revenues soon, up from 49% a quarter ago.	40% of the CEOs are contemplating upgrade in CAPEX soon, up from 37% in 4Q2019.
33% are expecting economic conditions to deteriorate in 2Q2020, up from 30% in 4Q2019 and 27% in 1Q2019.	45% have revised their profitability projection upwards, compared to 39% last quarter.	46% and 40% of the CEOs planned to retain and increase their existing workforce, respectively, unchanged from 4Q2019.

CEOs' appraisal of current economic conditions was a shade better than last quarter, but worse than a year ago. Reflecting this is the index for current economic conditions which stood at 66 in 1Q2020, compared to 62 in 4Q2019 and 75 in 1Q2019.

They are increasingly concerned about the state of economic affairs in the months ahead, with the latest expected economic conditions index falling to 88 from 92 and 105 in 4Q2019 and 1Q2019, respectively.

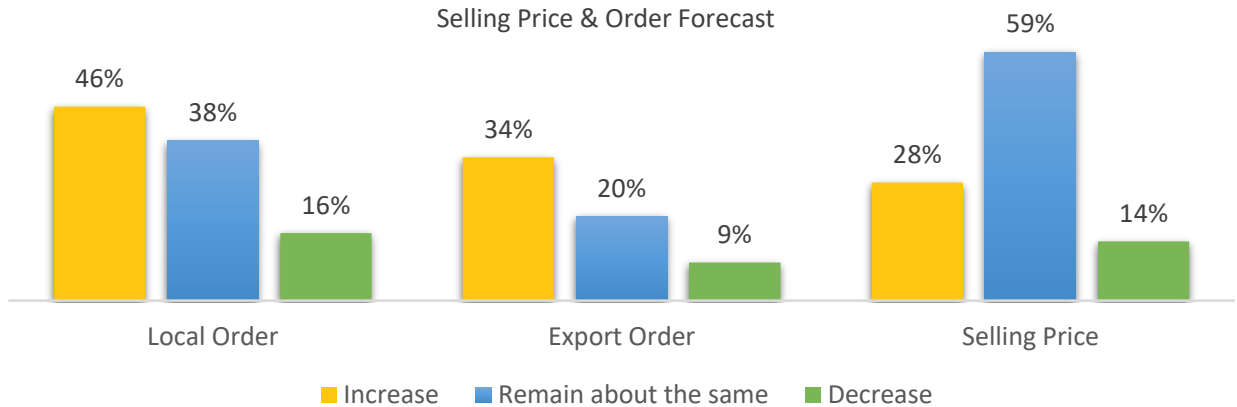
CEOs' near-term business outlook is generally better this time than the prior quarter and last year, with better expectations for capital investment, revenue and profitability. The expected index for revenue gained ten points quarter-on-quarter to 139, an inference that revenue growth will likely gain some momentum by mid-2020.

The index for expected profitability climbed to 126 in 1Q2020 from 118 in 4Q2019, alluding that a pick-up in profitability is likely in the next few months.

The expected index for planned fixed investment was up five points from last quarter's 118, an implication that an upgrade in CAPEX can be expected in the coming months as well.

Headcount will likely remain unchanged for now. The latest expected employment index has remained the same as the previous quarter's 126, suggesting that recruitment and retrenchment will likely be put on hold in 2Q2020.

Selling Price & Order Forecast

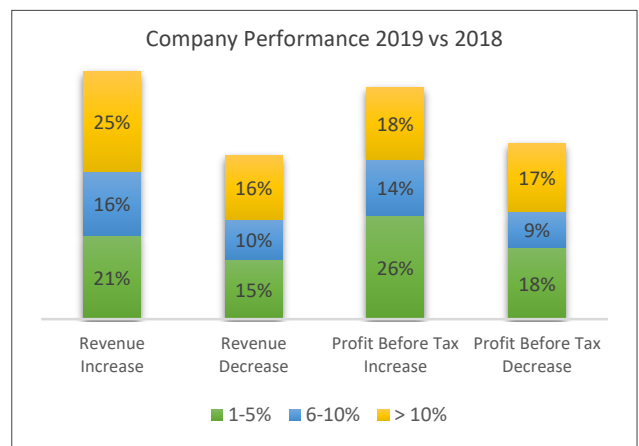


A pick-up in export orders is expected in the next quarter, while local orders are expected to remain steady. 46% in 1Q2020 are anticipating an increase in local orders soon, the same proportion received in 4Q2019. Orders from abroad are projected to increase in 2Q2020 by 34% of the CEOs, up from 32% in 4Q2019. Selling prices will trend higher in the next few months, with 28% of the CEOs planning to hike their prices soon. This is the fourth consecutive quarter of increase in the proportion of such responses. Only 14% are planning to sell at lower prices soon, down from 19% last quarter.

CORPORATE PERFORMANCE 2019

Corporate revenues and profits of CEOs in 2019 performed relatively better than 2018. Year-on-year, 62% and 58% of the CEOs reported higher revenues and gross profits in 2019, respectively. Most of those who reported higher revenues enjoyed a percentage change of more than 10%, while 21% estimated theirs at 1-5% and another 16% noted a 6-10% difference.

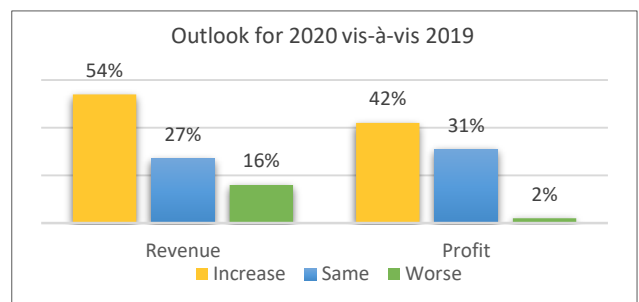
Better profits, as a percentage change, of 1-5% were affirmed by 26% of the CEOs, while 14% believed theirs to be in the range of 6-10%, and 18% evaluated their increase at more than 10%. Of those who responded negatively, in terms of revenues, most (16%) reported a change of more than 10%, while most (18%) assessed the percentage change of their loss in profits at 1-5%.



CORPORATE OUTLOOK 2020

CEOs are generally more forward-looking about their business outlook for 2020 vis-à-vis 2019. 54% are projecting higher revenues for 2020 compared to last year, while 16% forecasted lower revenues and 27% do not foresee any change in theirs.

In terms of profits, 42% are bracing for an increase this year, but 22% are anticipating otherwise and 31% responded neutrally.



MEASURES TO ADDRESS WEAKNESS OF RINGGIT

The top three measures undertaken by CEOs to address the weakness in the Ringgit were, namely, currency hedging, increase in export sales/markets and increase in product selling price. Other measures noted include reducing costs such as procurement costs, salaries, incentives, stocks and product launches. Increase in production, competitiveness and productivity were also cited by some CEOs. Yet there were others who source from local suppliers, sell online to expand their export market base or shift their focus to the domestic market. The weak Ringgit, however, benefits those CEOs who export.

IMPACT OF FOREIGN WORKERS POLICY ON BUSINESS

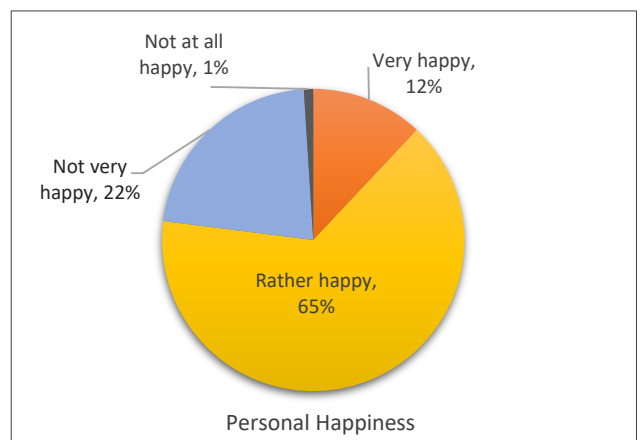
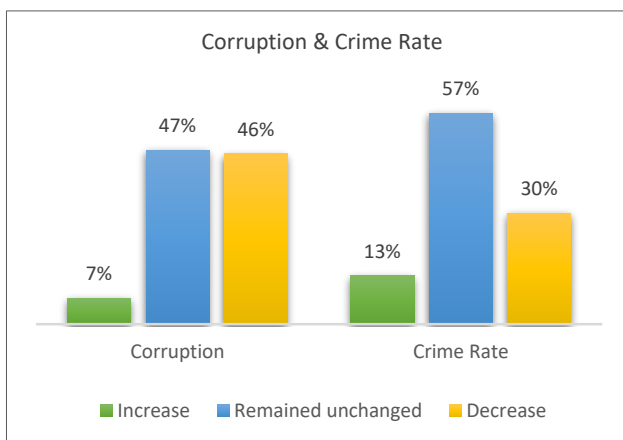
The current tightening of immigration policies on foreign workers generally has no impact on the businesses of most CEOs surveyed. 43% confirmed this, while 23% are affected moderately, 17% minimally, but 16% are impacted significantly.

CYBERSECURITY ATTACK

When asked if any of their businesses has ever fallen victim to cybersecurity attack, only 30% said they had. While there is no bulletproof method for prevention of cyberattacks, CEOs do take measures to secure their businesses and personal data. Most CEOs ensure that their data are regularly backed up and stored in a separate location. Installation of the latest generation of firewall and anti-virus protection is also highly popular among them. While some CEOs constantly recognise the fact that they and their businesses are a target of such attacks, others avoid using public WiFi, encrypt their data (especially sensitive data), and use two-factor authentication.

CORRUPTION AND CRIME RATE IN MALAYSIA

Based on their experiences and conversations with their families, friends and business associates, 47% of the CEOs opined that corruption in Malaysia over the past twelve months has remained the same, but another 46% believed it has decreased. Crime rate, according to 57% of the CEOs, has also remained unchanged over the year, while 30% noticed a decline and 13% perceived otherwise



ABOUT VISTAGE MALAYSIA AND MIER

Vistage Malaysia is a licensee of Vistage International, USA, the world's most trusted resource for CEOs, business owners and key executives of small and medium sized businesses to help them become better leaders, make better decisions and deliver better results, providing unparalleled access to issue resolution and better performance through monthly peer advisory group meetings, one-on-one business coaching, expert speaker presentations, and extensive online connectivity spread over 1,800 cities in 22 countries with more than 24,000 members worldwide.

Vistage Malaysia has more than 800 members with combined annual revenue of RM70 billion and employing over 120,000 employees. Vistage member companies grow, on average, 2.2 times faster than they did prior to joining Vistage. In 4Q2005, Vistage Malaysia entered into a strategic alliance with the Malaysian Institute of Economic Research (MIER) to co-brand the CEO Confidence Index. MIER is an independent, private, non-profit organization, devoted to economic, financial, and business research that would serve as a think-tank for the government and private sector by providing an objective and impartial understanding of socioeconomic issues of national, regional and global importance.