



ANNUAL
REPORT
2016

GEARING FOR STRATEGIC GROWTH



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01 STAYING AHEAD

MIDA is at the forefront in courting sustainable, high quality investments to fortify the nation's economic growth momentum

01 Introduction

MIDA has held the esteemed role of Malaysia's lead investment agency for five decades. In the stiff global race for investment dollars, the agency continues to carve the nation's economic and social development via focused efforts to boost efficiency, productivity and competitiveness, all the while transforming the nation through various phases of industrial development.

Amid the current phase of global uncertainty, Malaysia retained its standing as a key competitive nation. The World Economic Forum's annual Global Competitiveness Report for 2016/2017 ranked the country 25th out of 138 countries. Despite slipping seven notches from the 18th position in 2015, Malaysia retained its foothold as the highest ranking among fellow developing Asian countries; a sure signal of the country's progress in ramping up its efficiency and competitiveness through the Government Transformation Programme (GTP) and the Economic Transformation Programme (ETP).

The World Bank's Ease of Doing Business report 2017 placed Malaysia in 23rd place out of 190 economies, ahead of France, Switzerland, and Japan. The country's standing slid a mere notch from its former rank of 22nd in 2016 and Malaysia rode in second position in ASEAN behind Singapore. Notable improvements were recorded in three areas; protecting minority investors, getting credit (owing to the start of credit bureaus providing consumers with credit scores) and paying taxes which has been made easier since the introduction of the online systems for filing and paying GST.

Malaysia also shone bright in UNCTAD's Global Investment Prospects Assessment survey of top prospective host economies and most attractive global FDI locations for the 2016-2018 period, coming in 10th place, ahead of Hong Kong and Singapore. The country's ongoing efforts to diversify its industry – moving from labour intensive to high-value, high-technology activities – are also paying off. In Bloomberg's Innovation Index 2016, which celebrates the 50 most innovative economies, Malaysia featured in

25th place and was the only South East Asian country to make an appearance besides Singapore.

Located in the heart of ASEAN, Malaysia is a regional economic powerhouse capable of offering MNCs and investors unique access to a steady stream of talent, a modern business ecosystem, world-class infrastructure and connectivity, and competitive cost advantages and incentive packages. In the World Bank's Commission on Growth and Development Growth Report, Malaysia was one of 13 countries identified to have recorded an average growth of more than seven per cent per year for 25 years or more. The nation's national per capita income grew 25-fold from US\$402 (1970) to US\$10,796 (2014) and is charging ahead to surpass the targeted US\$15,000 threshold of a high-income economy by 2020, in line with the Government's aspiration of achieving advanced economic status.

Unlocking the Potential of Productivity

Every effort channelled into building the nation's economy thus far must continue along the national agenda. MIDA's concerted efforts must be geared towards attracting high-quality, high-technology, and innovation-driven projects that will enhance the investment ecosystem and drive momentous, sustainable, and inclusive growth. As the Government introduces prudent fiscal management to enhance the nation's fiscal flexibility, such projects will not only churn out innovative and creative products, and services but will also unlock the nation's potential for productivity.

The assiduous efforts of MIDA officers in courting winning projects to grace the nation's shores are recounted in this Annual Report. Earmarked as a reference point for other Investment Promotion Agencies (IPAs) within and outside Malaysia, the agency works closely with other IPAs and Regional Corridors (RCs) to facilitate potential investors' requests.

MIDA also traversed the globe, participating in trade and investment missions across Singapore, Thailand, New Zealand, India and Sri Lanka, China, Iran, and Germany. These initiatives, alongside the other outreach programmes undertaken by MIDA, will pave the way in entrenching direct engagement with the private sector and relevant stakeholders.

Activities within the ASEAN in search of key hubs continue to rise. As more MNCs come forth to adopt Malaysia's Principal Hub (PH) model and its attractive incentives, Malaysia is set to become a regional and global operations base for multinational companies. The growth of approved investments in global establishments increased by an astounding 72 per cent in 2016, creating 1,982 high-value jobs. This attests to the fact that MIDA is pushing all the right buttons, despite facing stiff competition offered by neighbouring countries within ASEAN.

The quest for quality investment projects does not end at foreign sources; domestic investments continue to spearhead private investments and play the leading role in ensuring Malaysia's long-term growth. To this end, MIDA remains committed to promoting domestic investments by championing the development of supply chains between local companies, including SMEs, with MNCs and large corporations via intensified programmes, aimed at facilitating strategic linkages between both sides.

Riding the growth momentum in pursuit of quality investments via local and foreign sources will attain success only if companies remain focused on increasing productivity across the entire value chain by upgrading their workforce, harnessing new technologies, and investing in innovation. By doing so, corporations can galvanise the overall ecosystem, thereby strengthening Malaysia's long-term economic agenda. The upscaling of business practices and investment in innovation is fast becoming as important as infrastructure, skills and



27 September 2016 - MIDA officials at a dialogue session with "German Business Leaders" in Berlin, Germany

efficient markets.

The days ahead will be packed with numerous macroeconomic challenges which may impact global FDI activity such as volatile exchange rates, lower commodity prices, and debt concerns in emerging markets. However, with an established, continuous and targeted approach to improve the resilience of the Malaysian economy, MIDA aims to stay ahead of the investment gateways' amazing race.

“Located in the heart of ASEAN, Malaysia is a regional economic powerhouse capable of offering MNCs and investors unique access to a steady stream of talent, a modern business ecosystem, world-class infrastructure and connectivity, and competitive cost advantages and incentive packages.”

02 GEARING FOR STRATEGIC GROWTH

Tan Sri Amirsham A. Aziz, Chairman of **MIDA**, evaluates Malaysia's resilient economy and the opportunities for strategic growth

02

Chairman's Statement



TAN SRI AMIRSHAM A. AZIZ
Chairman, MIDA

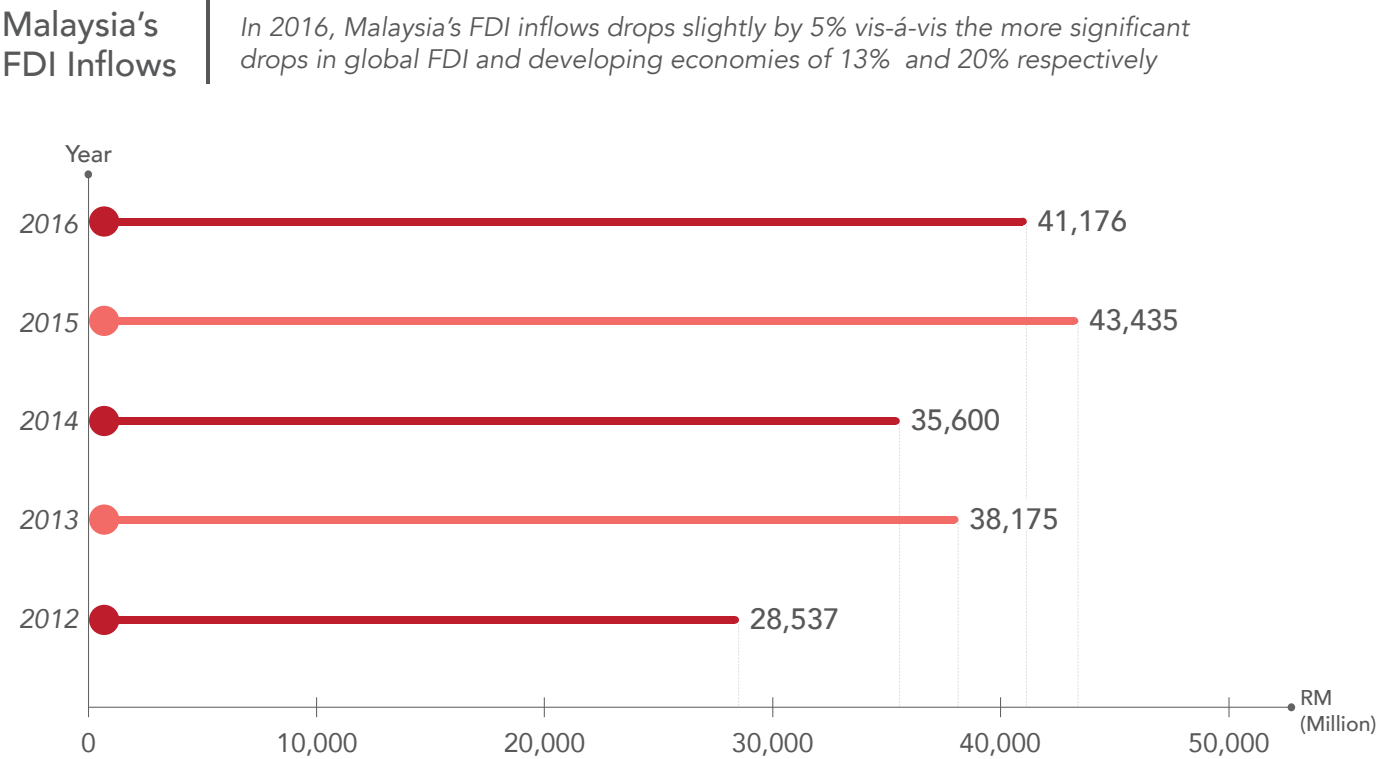
MIDA celebrates 50 years of taking root as the strategic partner to businesses, investors and stakeholders in Malaysia and globally in the year 2017. Looking back, the birth of MIDA in 1967 can be traced to the government's response to the World Bank's suggestion in their report entitled, 'Economic Aspects of Malaysia' in 1963, for an investment agency to be set-up to develop the nation's industries. Zipping through times of export-driven and heavy industries in the 80s to promoting high-technology, capital-intensive industries and quality investments in the current millennium era, MIDA's steadfast promotion and facilitation of investments over the past five decades continues to illuminate the path for Malaysia's industrial evolutions.

Malaysia, although not immune to global uncertainties and challenges, managed to maintain its investment momentum by securing total approved investments amounting to RM207.9 billion, in the manufacturing, services, and primary sectors. The year in review saw 4,972 projects approved, with 150,060 employment opportunities created. Although the number of projects and jobs dipped by 4.5 per cent and 15 per cent respectively vis-à-vis 2015, overall approved investments rose by 7.7 per cent. This is a commendable performance given the pessimistic global backdrop arising from the economic slowdown in the USA and China, as well as the global plunge in oil prices.

Of the total investments approved, RM148.9 billion or 72 per cent was contributed by domestic direct investment (DDI), while RM59 billion or 28 per cent came from foreign sources. The higher ratio of DDI to FDI performance is in line with the Government's

vision for the same, and is a positive reflection of the inertia set by MIDA's intensified promotional efforts for domestic investors to spearhead private investments. By focusing on programmes that will establish the strategic linkages between Malaysian companies and MNCs, and advocating the development of supply chains, the domestic front is all set for further growth. The nine per cent increase in foreign investment dollars compared with last year, signals an improvement on the perception of Malaysia as a competitive and preferred investment destination in Asia Pacific.

Backed by past and ongoing reform efforts, Malaysia's diversified economy and sound fundamentals offer the right mix of strategic value propositions, which is key in attracting investors. In the World Bank's Doing Business Report 2017, Malaysia is ranked 23rd out of 190 countries worldwide for ease of doing business, surpassing developed countries such as France (29th), Switzerland (31st) and Japan (34th).



Malaysia ranks second in ASEAN after Singapore, and is in seventh place in Asia Pacific after New Zealand, Singapore, Hong Kong, South Korea, Taiwan, and Australia. The country was placed in position 25 out of 138 economies in the Global Competitiveness Report 2016-2017, which was released by the World Economic Forum (WEF). With this feather in its cap, Malaysia makes it to the ranks of the top 20 per cent of the world's most competitive economies, and the highest ranked among developing Asian countries.

The future sees Malaysia making positive strides towards achieving developed nation status by 2020 by attracting high-quality foreign direct investments, which is critical for the nation's industry development to spur the growth of Malaysian companies. To make further inroads, MIDA is taking the lead in ensuring that the nation remains a magnet for quality investments from both foreign and local sources by leveraging on the ecosystem approach, promoting investments aimed at targeted industries and further developing and

strengthening industry clusters and value chains. Gaps in the value chain filled by Malaysian companies or foreign investors will boost Malaysia's competitiveness, resilience, and productivity.

As Chairman, I would like to extend a heartfelt *terima kasih* to MIDA's management and staff who have rendered their best, unrelenting efforts towards sustaining MIDA's efforts in driving a positive business environment, and to all our stakeholders for their support and commitment in forging close working ties with MIDA. The unrelenting support of every circle, from industry players to the members of the *rakyat* on the street who contribute to the economy, is critical in our **Gearing for Strategic Growth** for the prosperity of our nation and people.

“To make further inroads, MIDA is taking the lead in ensuring that the nation remains a magnet for quality investments from both foreign and local sources by leveraging on the ecosystem approach, promoting investments aimed at targeted industries and further developing and strengthening industry clusters and value chains.”



5 August 2016 - Tan Sri Amirsham A. Aziz, Chairman of MIDA, speaking at a Memorandum of Understanding (MoU) signing ceremony with CIDB

03 FOCUSED INITIATIVES

Dato' Azman Mahmud, Chief Executive Officer of **MIDA** emphasises the need for a focused approach in driving strategic investment initiatives that are capital, knowledge and innovation intensive in line with the Government's vision to become a high-income nation by 2020

03 CEO's Message



DATO' AZMAN MAHMUD
Chief Executive Officer, MIDA

In continuing to attract investor interest and encourage sustainable growth of companies in Malaysia, **MIDA** moves along on an ecosystem approach that emphasises the ascendancy of the entire value chain in targeted sectors. Initiatives to raise productivity by upgrading human capital, embracing new technologies, and increasing automation, is essential to stay the course.

This year MIDA proudly celebrates its fifth decade as the Government's principal investment promotion agency for the manufacturing and services industry in Malaysia. MIDA has made significant contributions towards transforming the nation through the different phases of industrial development, and is now easing Malaysia's industries into the fourth industrial revolution, or industry 4.0, which represents the combination of cyber-physical systems, the Internet of Things, and the Internet of Systems.

MIDA has won the award for one of Site Selection's Top Investment Promotion Agencies of 2016 in the Asia Pacific region in the "national" category – making MIDA a repeat winner, after its win back in 2015. This accolade was published by the Site Selection magazine in May this year, as part of their Global Best to Invest series. Not resting on its laurels, MIDA is committed to continuously improving the delivery of its services, by attracting new investments and supporting existing investors more efficiently and effectively through focused initiatives.

Set against the backdrop of a challenging global economy, Malaysia has managed to better its previous year's total approved investments by 7.7 per cent, attracting RM207.9 billion in 2016, compared with RM193 billion in 2015. Malaysia is among the preferred investment destinations in developing Asia. In terms of Foreign Direct Investment (FDI) and Domestic Investment (DI), Malaysia saw approved investments amounting to RM59 billion, and RM148.9 billion respectively. Over 5000 companies from more than 80 countries have made Malaysia their investment destination of choice for manufacturing and service operations.

The services sector continues to shine in the investment scene, drawing investments of RM141.2 billion and contributing 68 per cent to the total approved investments. This investment has given rise to 4,199 approved projects and 88,108 employment opportunities for Malaysians. The new challenge facing Malaysia is to sustain the viability of investments over the long term. Companies need to upgrade human capital and embrace new technologies in order to stay at the leading edge and achieve productivity gains.

03

CEO's Message



“Creativity and innovation are essential for moving economies up the value chain, especially in high value-added activities and front-end manufacturing. The stage is set for Malaysia to transition into its next phase of development.”

6 April 2016 - Dato' Azman Mahmud, Chief Executive Officer of MIDA, graced the US-ASEAN Business Council to Malaysia mission held at MIDA Sentral, Kuala Lumpur with his presence

MIDA plays a supportive role for employee development and is also committed to the Sustainable Development Goals (SDGs) agenda with incentives to specific industries to encourage self-sustained growth.

Targeted Approach

MIDA puts great effort towards courting foreign investments, annually organising a number of trade and investment missions to targeted countries and regions. A more selective and discerning approach has been adopted, targeting high-value, high-technology industries such as aerospace, medical devices, pharmaceuticals, advanced electronics, machinery and equipment, principal hub and renewable energy. Alliances with industry experts and R&D hubs have

been established in order for knowledge transfer to occur seamlessly. Creativity and innovation are essential for moving economies up the value chain, especially in high value-added activities and front-end manufacturing. The stage is set for Malaysia to transition into its next phase of development.

MIDA is constantly fine-tuning and improving its business processes for greater efficiency and effectiveness in securing the right investments. Steps have been taken to enhance investor relations as well as assist investors on the implementation and operational phase of their business. With these and other measures in place, MIDA will continue its efforts to develop and maintain a flourishing business ecosystem to support the economic landscape of Malaysia. Our efforts seem to be paying off; in UNCTAD's Global Investments

Trends Monitor Assessment for the 2016-2018 period, Malaysia has climbed up to tenth place, up four places above 2014-2016's ranking of 14.

The year ahead is predicted to improve and Malaysia's economy is forecast to weather the external headwinds with a slightly improved projected GDP growth of around 4.3 per cent in 2017, following the growth of 4.2 per cent in 2016. As the nation scales up the industrial value chain, the targeted strategic areas for future growth will become the increasingly pervasive eCommerce and digital economy, as well as niche and complex manufacturing. Greater cooperation with ASEAN member countries will ensure markets for our products, alongside enhanced flow of goods and services throughout the region.

I would like to express my deepest gratitude to my dedicated colleagues at MIDA and our supportive partners within corresponding Ministries and agencies, as well as the industries who work tirelessly to bring our nation's agenda to fruition. We at MIDA take pride in our role in supporting the transition of Malaysia towards its goal of becoming a high-income nation by the year 2020. With these sound strategies and broad cooperation, I am confident we will achieve a brighter future for Malaysia.

04 THE AUTHORITY

MIDA's functions, Board of Directors, Management Team and Organisation in 2016

04
The Authority

MIDA's Board of Directors comprises thirteen (13) members headed by a Chairman appointed by the Minister of International Trade and Industry. Other Board members include the Secretary General of the Ministry of International Trade and Industry, a senior representative from the Ministry of Finance, the Chief Executive Officer of MIDA and the Permanent Secretary

of the Ministry of Industrial Development for Sabah. The Board also has seven members from the private sector representing the commercial, manufacturing, financial, industrial and services sectors.

Four board meetings were held in the year 2016.



TAN SRI AMIRSHAM A. AZIZ
Chairman, MIDA



DATO' AZMAN MAHMUD
Chief Executive Officer, MIDA



DATUK SERI J. JAYASIRI
Secretary General
Ministry of International Trade
and Industry (MITI)



DATO' KHODIJAH ABDULLAH
Under-Secretary
Tax Division Ministry of Finance
(MOF) / Treasury



DATUK HAJI HASHIM PAJJAN
Permanent Secretary
Ministry of Industrial
Development, Sabah



DATUK NORIYAH AHMAD
Co-Chairman
Malaysia-Thailand Joint
Authority (MTJA)



DATO' GOOI SOON CHAI
Senior Vice President
Keysight Technologies Inc.
President
Electronic Industrial Solutions Group



**YM TENGKU DATO' SRI ZAFRUL
TENGKU ABDUL AZIZ**
Group Chief Executive Officer
CIMB Group Holdings Berhad
Group Chief Executive
CIMB Bank Berhad



MR STUART L. DEAN
Senior Advisor
ASEAN Advisory Pte Ltd



**DATU HAJI ISMAWI
HAJI ISMUNI**
Deputy State Secretary
(Socio-Economic
Transformation)



TAN SRI SAW CHOO BOON
Immediate Past President
Federation of Malaysian
Manufacturers (FMM)



MS ANNA MARIA BRAUN
President
Asia Pacific
B. Braun Medical
Industries Sdn. Bhd.



MR MANOJ MENON
Senior Partner &
Managing Director
Asia Pacific
Frost & Sullivan GIC
Malaysia Sdn. Bhd.

Management Team



DATO' AZMAN MAHMUD
Chief Executive Officer



DATUK PHANG AH TONG
Deputy Chief Executive Officer I



DATUK N. RAJENDRAN
Deputy Chief Executive Officer II



**DATO' WAN HASHIM
WAN JUSOH**
Senior Executive Director
Strategic Planning &
Investment Ecosystem



INON ABDUL HAMID
Director
Electrical & Electronics Division
(until 3rd August 2016)



SIMON LEE YEW WENG
Director
Foreign Investment Coordination Division
(from 1st August until 21st December 2016)



MOHD RASLI MUDA
Director
Food Technology & Sustainable
Resources Division



YEE NAI TUCK
Director
Business Frontier Division
(until 10th June 2016)



JASWANT SINGH
Executive Director
Investment Ecosystem



**MOHAMED ZUHARI
MOHAMED NOR**
Executive Director
Management Services



AZIAN MOHD YUSOF
Executive Director
Services Development
(O&G, KPH, CTEM)



ZABIDI H.J. MAHBAR
Executive Director
Strategic Planning



MOHD ZUKEPLI H.J. EMBONG
Director
Domestic Investment Division
(until 24th July 2016)



HAFIZAH SHAHAR
Director
Infrastructure and Industry
Support Division
(until 18th January 2016)



JASBIR KAUR A/P BACHAN SINGH
Director
Transportation Technology Division



FARIDAH ABDULLAH
Director
Machinery & Metals Division



MOHD ZULKAFLI ISMAIL
Executive Director
Manufacturing Development
(Non-Resource)



**AHMAD KHAIRUDDIN
ABDUL RAHIM**
Executive Director
Manufacturing Development
(Resource)



LIM BEE VIAN
Executive Director
Strategic Development
(RESC, RDBS & ICCO)



ARHAM ABDUL RAHMAN
Executive Director
Investment Promotion



CHOO WAI MENG
Director
Investment Statistics Division



RASHIDAH OTHMAN
Director
Strategic Planning
& Policy Advocacy Division



SHAHROL SHAHABUDIN
Director
Incentive Coordination and
Collaboration Office (ICCO)



M. UMARANI
Director
Chemical & Advanced Materials Division



ROESLINA ABBAS
Director
Regional Establishment &
Supply Chain Division



BALKISH MOHD YASIN
Director
Life Sciences & Medical
Technology Division
(from 1st August 2016)

Director
Oil & Gas Division
(until 31st July 2016)



AHMAD TAJUDIN OMAR
Director
Domestic Investment Division
(from 1st August 2016)

Director
Life Sciences & Medical
Technology Division
(until 31st July 2016)



ZALINA ZAINOL
Director
Information & Communications Division

Organisational Structure

Organisation chart for the Malaysian Investment Development Authority (MIDA)
(As of 31 December 2016)



WAN HASHIMAH WAN SALLEH
Director
Healthcare, Education
& Hospitality Division



MOHAMAD ISMAIL ABU BAKAR
Director
Industry Talent Management Division



ZUAIDA ABDULLAH
Director
Clean Technology & Environment
Management Division



NORMI ALIAS
Director
Human Resource Management Division



RAMLI BAKAR
Director
Tariff Division



NOR 'AINI MAT TALHA
Director
National Investment Secretariat Division



FAUZIAH ADAM
Director
Information Technology
Management Division
(until 4th November 2016)



NOOR AIEDA AHMAD
Director
R&D and Business Services
Division



NAJIHAH ABAS
Director
Building Technology
& Lifestyle Division



ZAINI ISHAK
Director
Finance Management Division
(until 28th September 2016)



ROZIYAH KASSIM
Head of Division
Corporate Management Division
(from 3rd August 2015)



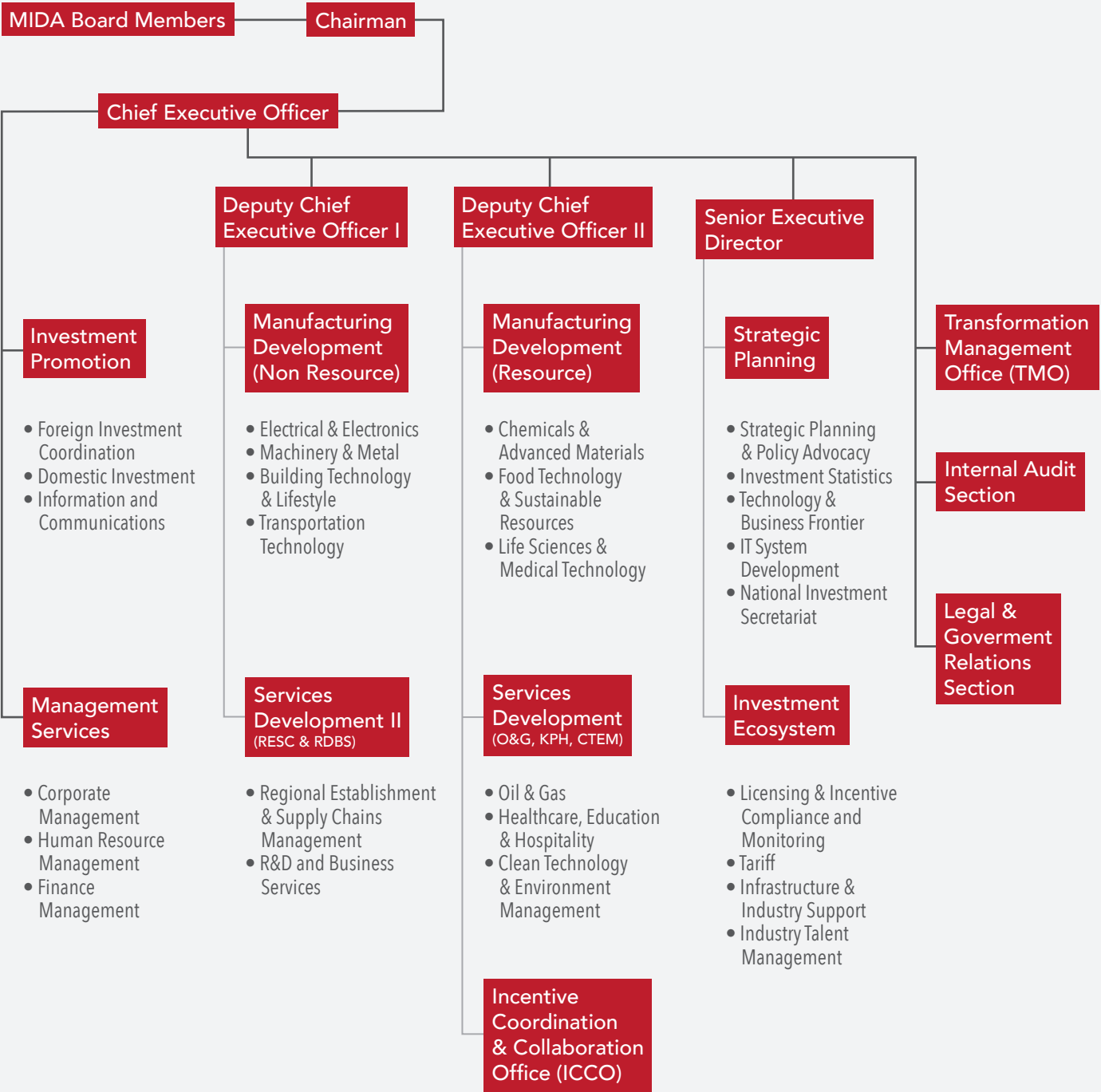
ZURAIDAH OTHMAN
Head of Division
Licensing & Incentive Compliance
& Monitoring Division



MEGAT FAIZAL MOHAMAD ZABRI
Head of Unit
Internal Audit Unit



ZIL MUKHRIZ SULONG
Head of Section
Legal & Government
Relations Section
(from 1st May 2016)



05 MAKING A MARK

MIDA is Malaysia's principal investment promotion agency, working in service of the nation's economic development agenda

05 MIDA's Functions



MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY

Malaysian Investment Development Authority (MIDA) is Malaysia's principal investment promotion agency for investments in the manufacturing and services sectors (excluding financial services and utilities).

Formerly known as the Malaysian Industrial Development Authority, MIDA was first established as a statutory body in 1967 under the Federal Industrial Development Authority Act 1965 under the purview of the Ministry of International Trade and Industry (MITI). In 2011, the Act was amended and renamed the Malaysian Investment Development Authority (Incorporation) (Amendment) Act 2011 with the launch of the New Economic Model. According to the Act, MIDA's functions are to:

- Lead, co-ordinate, monitor and evaluate the implementation of the policies, strategies, activities and development of investment in the manufacturing and services sectors (excluding financial and utilities);
- Undertake activities relating to the promotion of investment in the manufacturing and services sectors (excluding financial and utilities) within or outside of Malaysia;
- Undertake or cause to be undertaken research and planning on matters relating to investment in the manufacturing and services sectors (excluding financial and utilities);
- Advise the Government on the policies relating to the promotion of investment in the manufacturing and services sectors (excluding financial and utilities), including policies on:
 - » the granting of manufacturing licences;
 - » the incentives applicable to investors in Malaysia;
- expatriate posts;
- » the imposition or alteration of, and exemption from, custom duties; and
- » any other fiscal or non-fiscal facilities.
- Formulate measures for the promotion of investment in the manufacturing and services sectors (excluding financial services and utilities);
- Co-ordinate and facilitate the activities relating to the promotion and implementation of investment in the manufacturing and services sectors (excluding financial and utilities) at the Federal and State levels;
- Provide consultancy services including training and technical assistance;
- Undertake any activity that promotes cooperation with other countries in line with the objectives of the Government with respect to investment in the manufacturing and services sectors (excluding financial and utilities);
- Assist Malaysian companies in seeking technology and investment opportunities abroad;
- Act as a centre for collection, reference and dissemination of information relating to investment across all sectors of the economy;
- Report periodically to the Minister on the progress and problems of investment in the manufacturing and services sectors (excluding financial and utilities) in Malaysia and make recommendations on the manner in which such problems may be dealt with;
- Carry out any other functions consistent with this Act as the Minister may authorise in writing; and
- Generally do all such matters incidental to or consequential upon the exercise of its powers of the performance of its functions under this Act.

06 GOING FOR THE GOLD

The services sector remained the anchor of the nation's economic growth in 2016

06 Services Sector

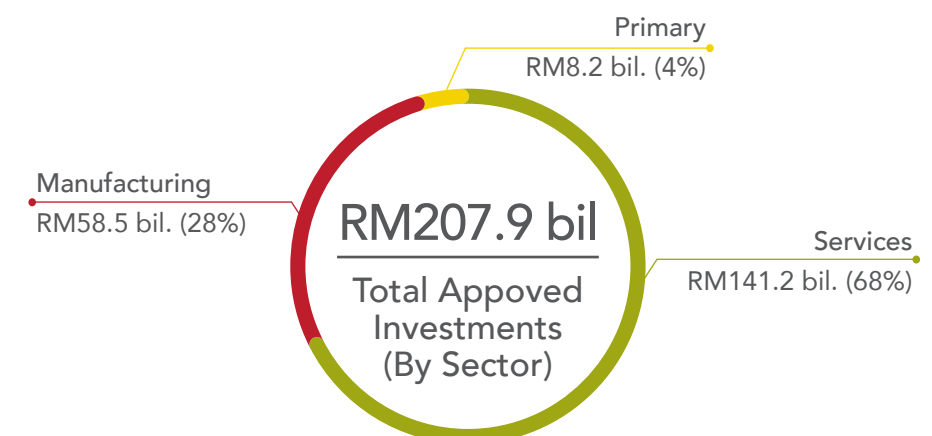
Malaysia has emerged with a greater determination to press on to the finishing line, the Vision 2020 goal of being a developed high income nation not far from its sights.

Malaysia's services sector continues to expand, and is the mainstay of the country's economic growth. It contributes to an increasing share of the nation's GDP as the economy matures, as is the case in all developed countries. In 2016, 4,199 projects with a total investment of RM141.2 billion were approved, representing 68 per cent of the country's total investments for the year. Of this, Domestic Direct Investment (DDI) accounted for RM112.9 billion and FDI contributed RM28.3 billion, a phenomenal 128 per cent increase compared to RM12.4 billion in 2015. These projects are expected to create 88,108 job opportunities. The real estate subsector continues to take up the lion's share, with RM64.1 billion worth of investments approved. Other notable subsectors include global establishments (with RM14.1 billion), financial services (with RM13.7 billion), utilities (with RM10.6 billion), and distributive trade (with RM9.3 billion).

The development of the services sector is guided by the Services Sector Blueprint, launched in 2015. The 11MP has placed a greater emphasis on services, formulating strategies to enhance the competitiveness and resilience of the sector, setting values of knowledge and innovation at a premium. Focus will be placed on high-quality investments in the areas of principal hubs, logistics, e-commerce ecosystems, green technology, renewable energy, and waste management. The services sector is expected to grow at 6.8 per cent per annum, contribute 56.5 per cent to the GDP by 2020, and provide 9.3 million jobs.

Investments By Industry

The services sector remains strong and continues to lead with investments of RM 141.2 bil. Domestic Investments continue to spearhead private investments.



Magnet For Global Establishments

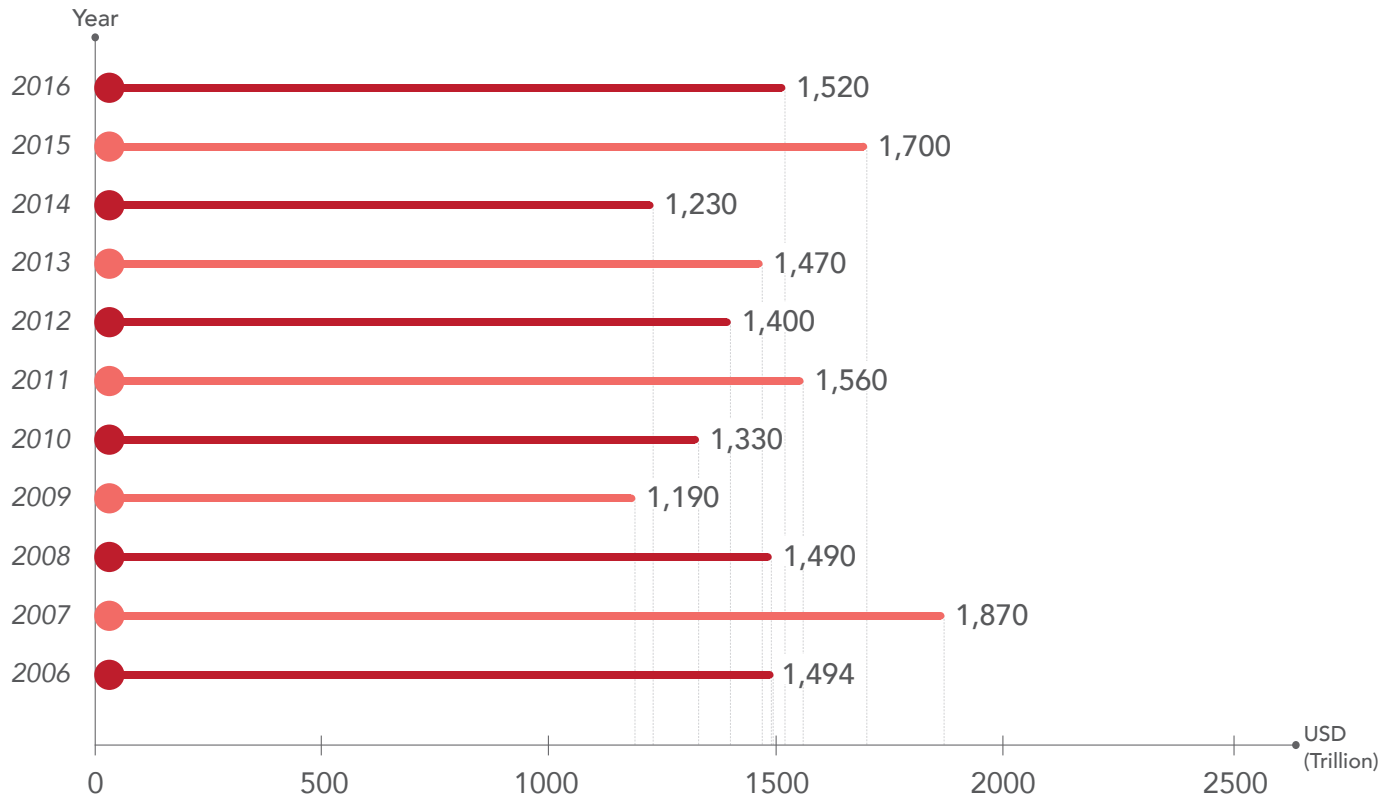
The appeal of Malaysia as an investment destination lies in its strategic geographical location in the heart of ASEAN, world-class infrastructure and connectivity, efficient business ecosystem, access to an educated talent pool, competitive cost advantages, and tax incentives. Malaysia introduced the Principal Hub Incentive in May of 2015, to attract and encourage MNCs to use Malaysia as a base for conducting their strategic regional and global businesses and operations. To underscore all that, Malaysia ranked 12th and 13th place out of 138 countries respectively for goods-to-market efficiency and financial market development, according to the World Economic Forum’s (WEF) Global Competitiveness Report 2016-2017. Driven by escalating costs, global demands, and rising competition, multinational corporations (MNCs) are now adopting the

Principal Hub model which allows faster decision making and supports evolving supply chain trends.

In a record-breaking feat, the number of Principal Hubs increased by one hundred per cent over the previous year with 13 new Principal Hubs projects approved, amounting to a business spending of RM13.8 billion and the creation of 1,982 high value jobs for Malaysians. To date, there are 19 Principal Hubs (PH) in operations in Malaysia. Two notable examples of companies operating PHs are: one of Malaysia’s largest diversified conglomerates that manages oil palm plantations and resource-based manufacturing; and a subsidiary of a giant Norwegian global maritime group of companies which provides supply chain management, shipping and handling services, and inland distribution, which plans to invest RM94.6 million over five years.

Global FDI Inflows

Global FDI flows fell 13% in 2016, reaching an estimated USD 1.52 trillion, as global economic growth remained weak and world trade volumes posted anaemic gains.



Source: UNCTAD Global Investment Trends Monitor

There were 91 new REs/ROs approved in 2016, with a total business spending of RM122.7 million. These projects are expected to churn out employment opportunities for 185 Malaysians. Of the 91 REs/ROs approved, 52 projects (57.1%) were REs while 39 projects (42.9%) were ROs. The USA and Japan are among the major countries approved with REs/ROs in Malaysia.

Coming under the banner of **support services**, the logistics industry enables the supply chains and is the backbone supporting trade and economic growth. Given its strategic location, efficient business ecosystem, and strong transport infrastructure, Malaysia has the right foundations to position itself as a regional logistics gateway. A total of 72 Integrated Logistics Services (ILS) providers have been granted incentives as at December 2016, with investments valued at RM4.52 billion. A total of six ILSs were approved in 2016, which will incur RM672.6 million in investment and create 765 employment opportunities.

Logistics companies that provide integrated and seamless logistics services along the logistics value chain as a single entity (on a regional or global scale) are granted the status of International Integrated Logistics Services (IILS) provider. Qualified IILS companies will be issued a Customs Agent Licence. In 2016, a total of 21 companies were approved with IILS status. Of the companies approved, a total of 18 were Malaysian-owned.

Green Growth

As a rapidly developing nation, Malaysia recognises the necessity to balance its economic growth with its environmental responsibilities; as such, green technology (GT) has been identified as a driver of the nation’s future economy, resulting in the formulation of the National Green Technology Policy (GTP) which encompasses the areas of energy, environment, economy, and social.

In 2016, a total of 111 **renewable energy (RE)** projects with total investments of RM1.9 billion were approved, of which domestic investments amounted to RM1.7 billion (88%) and foreign investments amounted to RM233.8 million (12%). The approved investments include 81 projects in solar amounting to RM588.8

million in investments, six projects in biomass totalling RM343.6 million, 12 projects in biogas worth RM145.7 million, 10 projects in mini-hydro worth RM806.6 million, and two projects with combined sources – namely solar, biomass and biogas – totalling RM64.0 million. These projects are expected to generate 615 new jobs.

One of the two significant projects that were approved in 2016 was a RM66.7 million RE solar generation project to be located in Jasin, Melaka. The project is targeted to generate 12MW capacity of energy for its own consumption, to support its glass manufacturing operations. The other, an innovative transformation of waste to profit, is a biomass project to be located in Padang Terap, Kedah with investments of RM121.1 million that will use paddy husks and wood chips to produce electricity, with capacity potentially reaching 9.95MW.

An increasing number of companies are ‘going green’ in their businesses; this includes manufacturers, shopping mall operators, commercial buildings, and other high-energy demand operations. In 2016, a total of 19 **energy efficiency (EE)/energy conservation (EC)** projects with total investments of RM248.5 million were approved, with almost all of the investment coming from domestic sources. Of these projects, three were undertaken through energy service companies (ESCOs), while 15 projects were engaged by the industrial and commercial sectors.

Two **waste management projects** were approved in 2016, with a total investment of RM381.9 million, for activities in integrated solid waste management, including energy generation from biogas, and medical waste treatment by gas sterilisation. Both projects are expected to generate about 112 employment opportunities.

Green services companies play a role to boost adoption of green practices, such as solar photovoltaic system integrators and service providers related to green buildings. In 2016, a total of 14 green services projects with total investments amounting RM37.6 million were approved, mainly dominated by local players. These green services would engage about 73 employees.

06
Services Sector



Investments amounting to RM240.3 million were approved in the **oil & gas services** subsector, creating 70 new jobs. This approved project is to develop a common user supply centre which includes facilities such as warehouses, open storage, a manufacturing complex, repair and servicing of equipment, and logistics services in Tanjung Langsat, Johor.

High-Value Human Capital Services

As one of the pillars in Malaysia's 12 National Key Economic Areas (NKEA), **business and professional services** has been identified as a high value-add sector with a range of services such as engineering, legal, architectural and telecommunications services. One of the major investments is via a Domestic Investment

Strategic Fund (DISF) grant for a media transcription services company that transcribes old seismic data tapes into digital media for use by the oil and gas industry. The total capital investments involved are worth RM14.2 million.



MSC Status was granted to 336 companies in 2016 with approved investments of RM6.4 billion. The domestic portion of the investments amounted to RM3.5 billion (3.1%), and the sector is expected to yield 18,171 new jobs. The year 2016 was an exceptional year for the Malaysia Digital Economic Corporation (MDEC) as the company spearheaded substantial growth in investments and export sales from MSC Malaysia companies – namely digital animation and intellectual property works –with a contribution of RM1.17 billion to the total export sales in 2016. As of August 2016, Malaysia also became home to 22 multinational Big Data Analytics (BDA) companies from six countries; a testament to the nation's steady progress as a leading BDA solutions hub in South East Asia.



Through the National Blue Ocean Strategy, investment priority will be given to **research and development (R&D)** programmes that benefit multiple sectors of the economy, such as nanotechnology, robotics, and automation. In 2016, a total of RM266 million was invested in seven approved projects in Malaysia, with significant contribution from foreign expertise and money (88.2%). These projects are expected to create 687 high-income jobs.

In the **education** subsector, a total of 670 projects were approved in 2016, involving investments of RM581.8 million. Domestic investments took the lead, amounting to RM426.8 million (73.4%), while foreign investments totalled RM155 million (26.6%). This covers a mix of new

and expansion projects for private colleges/universities, skills centres, and other private education institutions, including international schools.

The medical tourism industry has experienced a notable growth since 2012. The number of healthcare travellers visiting Malaysia has increased from 728,000 in 2012 to 859,000 in 2015. The majority of health tourists in 2016 were from Indonesia, India, and the People's Republic of China. As a boon to the growth of Malaysia's private **healthcare** subsector, three wholly-owned Malaysian projects and one project with 54 per cent foreign participation were approved in 2016, with total investments of RM188.5 million. It is projected that 266 new job opportunities will be created with the implementation of these projects.

In 2016, Malaysia aimed to attract 30.5 million tourists to its shores, contributing RM103 billion worth of tourist receipts. The **hotels and tourism** subsectors continued to grow throughout 2016, seeing a total of 97 projects approved with investments of RM4.7 billion. Of these, 71.9 per cent (RM3.4 billion) were from domestic investments. Among the tourism projects is a large-scale water theme park in Borneo Samariang Resort City located in Kuching.

Malaysia's fifth **premium retail outlet** project catering to high-end fashion for both locals and tourists brought in a total investment of RM320 million and will provide employment opportunities for 120 Malaysians.

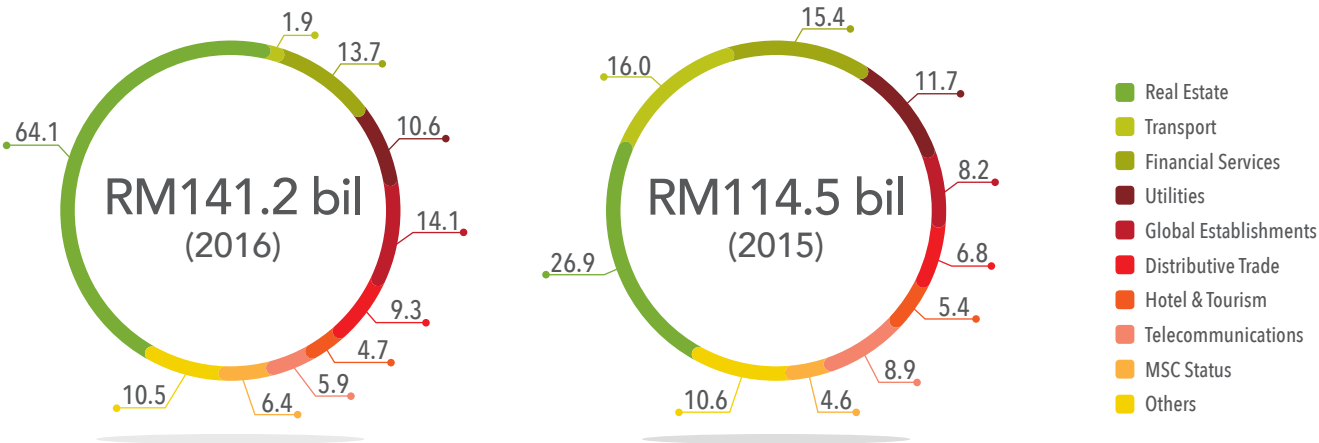
Investing In Building Blocks

The largest portion of investments in the services sector in Malaysia comes from the **real estate** subsector, which covers the housing industry (excluding commercial buildings). A total of 680 projects were approved with total investments amounting to RM64.1 billion in 2016, almost all of which (97.5%) came from domestic sources.

The **financial services** subsector encompasses banking, insurance and capital markets (fund management, investment advisory, financial planning, venture capital, and brokerage). Investments for 2016 in this subsector amounted to RM13.7 billion, with 77.2 per cent coming from domestic sources.

Approved Investments
in the Services Sector -
By Industry

Real Estate, Global Establishment, Financial Services, Utilities
and Distributive Trade were the major subsectors



The banking segment remained the largest contributor to this subsector with investments totalling RM13.4 billion; of this, conventional banking activities took up RM11.7 billion. Investments in insurance and capital markets recorded RM265.3 million and RM3.2 million respectively.

A total of 14 projects were approved in the **transport subsector** in 2016 with investments of RM1.9 billion. This covered maritime transport, aviation, and highway construction and maintenance. Domestic investments amounted to RM1.8 billion while foreign investments totalled RM33.1 million, leading to the creation of 280 job opportunities. The aviation subsector made up most of the investment portfolio with 11 projects valued at RM393.3 million, while three projects were approved in the highway construction and maintenance subsector with investments amounting to RM1.4 billion. The Mass Rapid Transit (MRT) project launched its first phase in December 2016, serving 12 stations from Sungai Buloh to Semantan. Upon completion, the 51 kilometre line is expected to serve 400,000 passengers daily.

The **telecommunications** subsector covers network facilities, network services, application services (including content application services), postal, and broadcasting. In 2016, total investments in this subsector amounted to RM5.9 billion, all of which were domestic investments.

The **utilities** subsector comprises energy and water utilities. Investments in 2016 amounted to RM10.5 billion, driven mainly by domestic sources, compared with the RM11.6 billion registered in 2015.

Distributive trade consists of wholesale and retail trade; hypermarkets/supermarkets, department stores and direct selling; franchising; and projects approved under the Petroleum Development Act (PDA) of 1974. In 2016, a total of 1,449 projects were approved with investments amounting to RM9.3 billion. A total of 52,052 employment opportunities are expected to be created by this subsector.

Outlook

As Malaysia is fast approaching the targeted Vision 2020 and its aspirations to be a high-income nation, the last sprint has to be charted strategically in order to stay on-target. The services sector plays a pivotal role in delivering the nation's growth to the anticipated level as well as optimising the efficiency of other sectors in the country, to give Malaysian industries a competitive advantage.

Global headwinds notwithstanding, Malaysia's position remains buoyant with a slightly improved GDP growth projected around 4.3 per cent in 2017 after a growth

of 4.2 per cent in 2016. Malaysia remains an attractive investment destination given its fundamental scorecard, and is the top-ranking economy of the developing countries in the region.

The Government has identified the digital economy to be one of the priority areas for future economic growth, with the honourable Prime Minister declaring 2017 as the 'Year of the Internet Economy' for Malaysia. The digital economy currently makes up 17.8 per cent of

Malaysia's GDP, and its targeted contribution of 20 per cent of the GDP by 2020 is projected to be easily met. The Malaysian Digital Economy Corporation (MDEC) is driving this endeavour.

The ASEAN Economic Community (AEC) Blueprint 2025 will also play a key role in the expansion of the Malaysian services sector, as it gives access to markets and offers an enhanced connectivity and cooperation with member nations.

“As Malaysia is fast approaching the targeted Vision 2020 and its aspirations to be a high-income nation, the last sprint has to be charted strategically in order to stay on-target.”

07

Manufacturing Sector

07 MOVING FORWARD

The expansion and diversification projects secured in 2016 paved the way for potential future development in Malaysia's manufacturing sector

Significant challenges both in the global environment and the regional economy have spurred Malaysia to focus on high-technology, capital-intensive and knowledge-intensive industries; high-value-added industries; R&D activities; as well as new growth areas.

With Malaysia facing challenges such as over-reliance on a foreign labour force, relatively low productivity levels and increased competition from peers within the ASEAN region such as Vietnam and Cambodia, maintaining the nation's investment growth momentum entails moving up the value chain and incorporating high-tech innovations, which MIDA has been encouraging investors and manufacturers to do. This has led to the rise of initiatives that support advanced robotics, large-scale factory digitisation, and 3-D printing, along with a host of energy innovations. A more efficient manufacturing sector, coupled with a large talent pool of highly-skilled workers to draw from, will increase Malaysia's attractiveness as a regional investment hub.

Despite global risks and uncertainties, investors remained confident in Malaysia. The share of approved foreign investments in terms of total investments grew significantly in 2016, experiencing a 25 per cent increase from 2015's foreign investment of RM21.6 billion. The People's Republic of China (PRC) contributed the highest amount of investments, totalling RM4.8 billion, followed by the Netherlands, with investments totalling RM3.2 billion, Germany and the United Kingdom, each with RM2.6 billion, the Republic of Korea, with RM2.2 billion, and Singapore, with RM2.1 billion. These six countries accounted for 63.9 per cent of total foreign investments approved. Meanwhile, domestic investments approved in 2016 amounted to RM31.1 billion, compared to RM 52.8 billion in 2015 and RM32.3 billion in 2014.

A total of 733 manufacturing projects with investments valued at RM58.5 billion were approved in 2016, compared with RM74.7 billion in 680 projects in 2015. The 340 new projects approved in 2016 drew investments amounting to RM27.7 billion, or 47.4 per cent of the total investments approved. Foreign investments made up over one-third of the figure, at

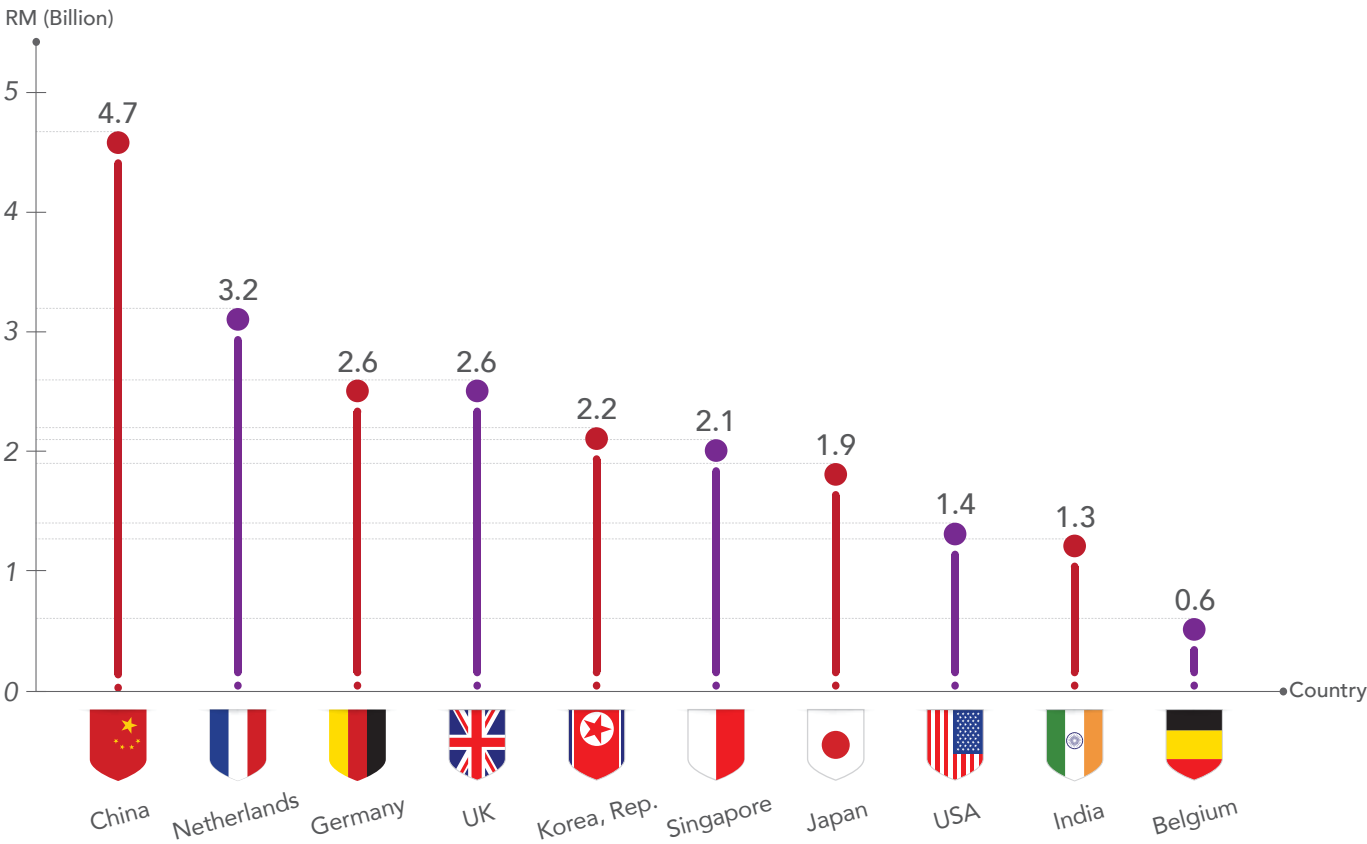
RM10.3 billion or 37.2 per cent, indicating the level of assurance foreign investors have in new ventures. Meanwhile, 393 expansion and diversification projects, with investments totalling RM30.8 billion, were approved in 2016, accounting for 52.6 per cent of the total investments approved. As in 2015, petroleum products including petrochemicals recorded the highest investments, amounting to RM15.3 billion. This was followed by electrical and electronic products (RM9.2 billion), basic metal products (RM5.0 billion), transport equipment (RM4.8 billion), and natural gas (RM3.6 billion).

Manufacturing projects approved in 2016 are expected to create jobs for 64,120 people, of which a significant 38 per cent of jobs created would be of high quality. Of these high-quality jobs, 13,480 are in the Managerial, Technical and Supervisory (MTS) category, while 10,844 are in the category of skilled workers.

The **Electrical and Electronics (E&E)** industry was and continues to be a primary driver for Malaysia's economy, with its products being critical components/inputs in various other manufacturing and services sectors. It is also identified as one of 11MP's '3+2' catalytic and high potential growth sectors. Malaysia is a global E&E player; in 2016, the sector was the country's largest export earner, with exports of E&E products totalling RM287.7 billion, accounting for 44.6 per cent of the total value of manufacturing goods exported. A total of 107 E&E approved projects attracted investments totalling RM9.2 billion, of which 17 were new projects with investments of RM1.5 billion, while 90 were expansion/diversification projects with investments of RM7.7 billion. Foreign entities accounted for the bulk of total investments with RM7.9 billion or 86 per cent, the majority of which were from Germany, the United Kingdom, and the PRC.

Approved Investments in the Manufacturing Sector - Sources of FDI

China, the Netherlands, Germany, the UK and Republic of Korea were the main sources of FDI, contributing more than half of the total foreign investments approved.



The electrical subsector saw 44 approved projects in 2016 with investments totalling RM4.3 billion. Of these, 11 were new projects, expected to generate employment opportunities for 8,689 people. This subsector is 94.3 per cent dominated by foreign investments totalling RM4.1 billion. Among the significant projects approved were an expansion project by a wholly-foreign-owned company with an investment of RM2 billion to manufacture household appliances products, LED lightings and commercial hand dryers, and two solar-energy-related projects; a new project by a wholly-foreign-owned company creating 2,360 job opportunities with an investment of RM1.06 billion to manufacture photovoltaic solar integrated projects, and an expansion project by a wholly-foreign-owned

company with an investment of RM439.8 million to manufacture photovoltaic cells and modules, which will create 1,286 job opportunities.

In 2016, a total of 23 approved projects with investments amounting to RM3.92 billion were in the electronic components subsector. Foreign investments amounted to RM3.34 billion or 85.3 per cent of the total. Of the projects approved, one was a new project involving an investment of RM46.4 million, while 22 projects with investments of RM3.87 billion were for expansion/diversification. These projects are expected to generate 5,215 jobs. Among the significant projects approved were an expansion project by a wholly-foreign-owned company with an investment of RM1.4

billion to fabricate LED wafers and epitaxial wafers, and an expansion investment of RM499 million from a wholly-foreign-owned company to manufacture semiconductor fabricated wafers.

A total of 37 approved projects in industrial electronics attracted total investments of RM817.5 million in 2016. Of these, 33 were for expansion/diversification, with investments of RM699 million (85.5%), while four were new projects with investments totalling RM118.5 million (14.5%). In this subsector, local investments totalled RM467.8 million. Among the major projects approved during the period was an expansion project by a wholly-Malaysian company with an investment of RM337 million to undertake the development and production of smart sensing systems for Internet of Things (IoT) applications and Optical Touch device modules.

The **transport equipment** industry comprises the **automotive, aerospace, shipbuilding and ship repair, and rail** subsectors. The industry is an integral part of Malaysia's logistics and transportation network, while the aerospace subsector has been identified as one of the 11MP's '3+2' catalytic and high potential growth sectors. A total of 68 projects were approved in the transport equipment industry, with capital investments of RM4.8 billion. These are expected to generate a total of 7,239 employment opportunities. Domestic investments amounted to RM3.1 billion (64.6%), while foreign investments totalled RM1.7 billion (35.4%). Of the total projects approved, 24 were new projects while 44 were expansion/diversification initiatives.

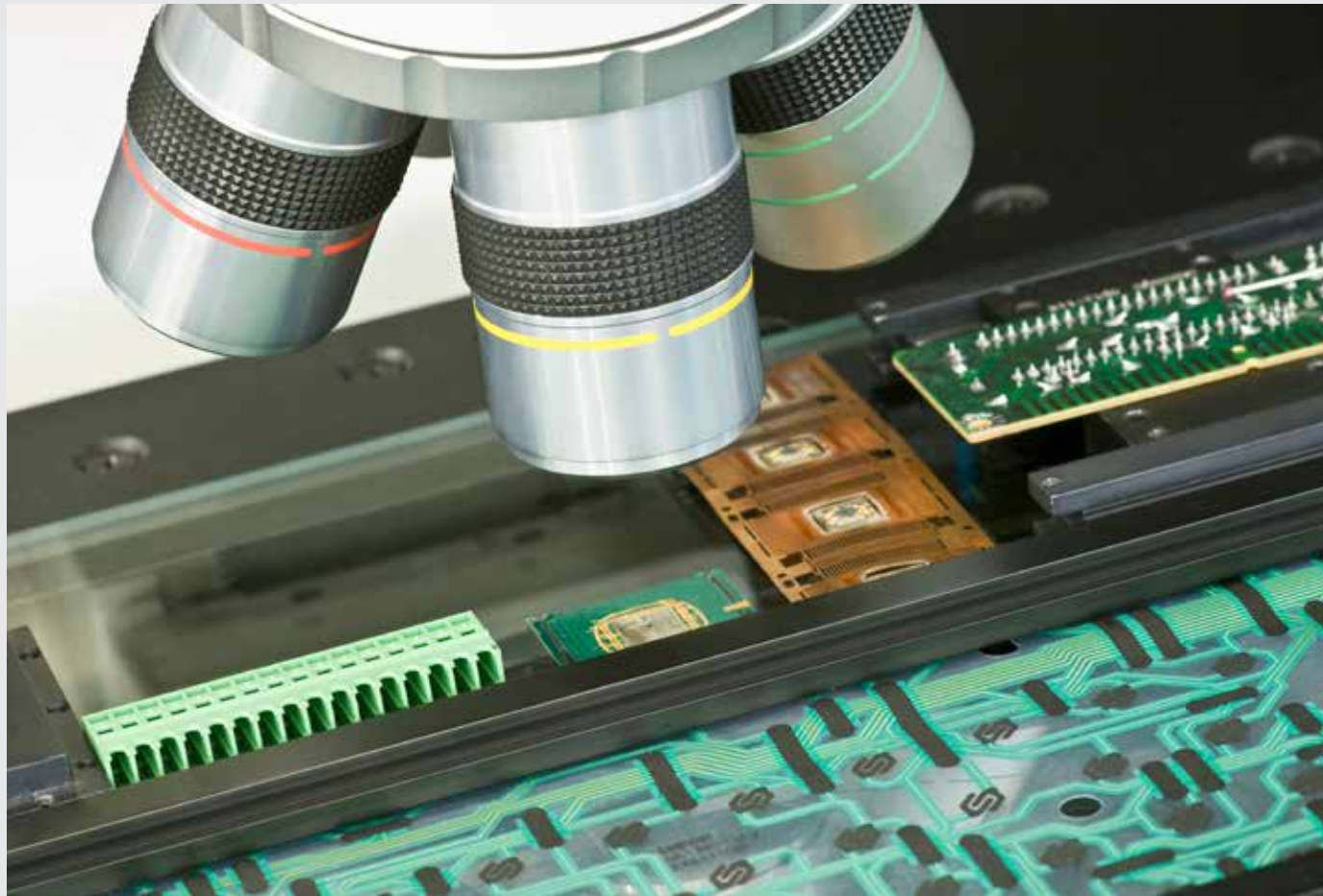
According to the Malaysian Automotive Association (MAA), production of motor vehicles in Malaysia in 2016 amounted to 545,253 units, comprising 503,691 passenger vehicles and 41,562 commercial vehicles. In 2016, a total of 53 projects were approved in the automotive industry, with investments of RM2.7 billion. Domestic investments made up the majority of investments, totalling RM1.9 billion (70.5%). Expansion/diversification projects in the automotive subsector amounted to RM2.2 billion (81.4%) in 2016, which included a project by a joint-venture company owned by both domestic and foreign bodies, with investments totalling RM1.1 billion to assemble energy-efficient vehicles (EEV). These approved investments were in line with the National Automotive Policy (NAP) 2014, where domestic and foreign companies were

encouraged to invest in EEV-related manufacturing activities. The production shift towards such vehicle models should encourage the industry to meet higher levels of technological progress and R&D initiatives, and will provide various business opportunities to Small & Medium Enterprises (SME).

Under the Malaysian Aerospace Industry Blueprint 2030, the Government aims to make Malaysia the leading aerospace nation in South East Asia, and an integral part of the global market by 2030. In 2016, there were nine approved projects with investments of RM1.6 billion, generating an estimated 1,766 employment opportunities. Domestic investments amounted to RM673.9 million (43.1%) of the total. Three new projects accounted for 43.1 per cent (RM673.4 million) of total approved investments, including a RM53.7 million project by a new Malaysian-owned company to supply aircraft parts and components to Tier-1 clients like Boeing and Airbus. Meanwhile, a significant expansion/diversification project approved was the development and manufacturing of movable/variable lifting surfaces, anti-icing systems for aircrafts, and aircraft doors by a foreign-owned company with an investment of RM556 million.

The shipbuilding and ship repair industry is expected to generate RM6.35 billion of GNI and provide 55,000 jobs by 2020. In 2016, four new projects by Malaysian-majority-owned companies were approved with total investments of RM470.9 million. One significant new project approved was a high-value-added RM350 million investment by a Malaysian majority-owned company to design, develop and manufacture the first-ever Malaysian design offshore support vessel (OSV), demonstrating the nation's local oceanic expertise and capabilities.

The year 2016 also saw significant progress in rail-related Entry Point Projects (EPPs) under the Economic Transformation Programme (ETP), including the Mass Rapid Transit (MRT) project, Light Rapid Transit (LRT) extension and the High-Speed Rail Link (HSR) projects. With these developments, more investments are expected to be generated, particularly in the maintenance, repair and overhaul (MRO) segment, once the rail transport projects are fully operational. Foreign investments are expected to flow into the country with the establishment of the HSR project between Malaysia and Singapore.



The Dynamic Duo: Electrical & Electronic (E&E) Industry

Malaysia owes much of its economic, investments and export earnings growth to the E&E industry. This dynamic industry has made momentous progress over the last ten years and has been instrumental in the development of new businesses and rise in job opportunities for Malaysians. In 2016, Malaysia was the world's seventh largest exporter of E&E products, coming in at RM287.7 billion; a figure which constitutes 36 per cent of Malaysia's total exports. Recording an upward export trend over the last three years, E&E stands alone in staking claim as the only industry to have charted trade surpluses for three consecutive years. In fact, the industry was responsible for 25.3 per cent of the nation's employment last year, and attracted investments from both outside and inside the country amounting to RM7.9 billion.

The positive trend for Malaysia E&E exports has been attributed to the strong global demand for electronic devices and rising exports to ASEAN (5.4%), especially to Singapore, Cambodia, Laos, Myanmar, Vietnam, and the Philippines.

E & E Supply Chains

For the industry to stay globally competitive, local E&E players are left with little choice but to ramp-up their facilities and embrace automation and smart manufacturing tenets such as the IoT (Internet of Things). While return on investments (ROIs) in automation will not be immediate, companies stand to benefit in the long run from increased efficiencies, quality enhancements, and declining dependencies on unskilled labour. In 2015, the Government introduced the E&E Strategic Council (EESC) to facilitate local players to be a part of the global supply chain and to propel the industry to the next level. One of the leading ways Malaysia can fortify its position as a global supply chain player is through the implementation of efficient supply chains.

The recent upward trend in outsourcing and offshoring productions has seen supply chains stretch globally. Local suppliers have advanced their skills and

technology over time, thanks in part to the more than 5,000 MNCs housed in Malaysia. As the economy evolves and global trade patterns lean towards higher market integration, opportunities to prosper abound.

Recognising this, MIDA – under Malaysia's Third Industrial Master Plan (IMP3) – continues to aggressively strengthen the country's ecosystems for investors by promoting the entire value chain of industry clusters. The growth of supporting industries in the supply chain will boost competitiveness and ensure sustainability of the economy. MIDA continues to encourage Malaysian suppliers to scale up the value chain to meet the requirements of high value-added and advanced technology industries in the race towards becoming global champions. As MIDA works alongside MNCs to identify new outsourcing partners and local suppliers, MNCs are encouraged to act as catalysts and groom local vendors into high-value corporations. In doing so, they can localise their processes, products, and components. This will in turn benefit SMEs and the nation's long term sustainable growth.

Semiconductor Industry

The global semiconductor industry attained its highest ever annual sales in 2016; revenues increased by 1.6 per cent against 2015, and totalled US\$339.7 billion. Despite the slow start in 2016, momentum picked up in the second half owing to inventory replenishment and improved demand and pricing. Growth in the fourth quarter (12.3 per cent higher than 2015) was boosted by the growing content of semiconductor technology in devices. The largest sales category of the top three segments was logic (27% of the total semiconductor market), followed by memory and micro-ICs.

In 2015, the semiconductor subsector in Malaysia contributed to more than 40 per cent of the nation's total E&E exports. Malaysia is also the world's leading location for semiconductor testing and assembly operations, accounting for more than 12 per cent of the globe's installed capacity. More than 50 semiconductor manufacturers (many of which are MNCs) are housed in the country, along with six out of ten of the world's largest semiconductor companies.

As a platform to bring together the region's who's who in the industry, MIDA (in collaboration with SEMI) organised the SEMICON Southeast Asia 2016 in April 2016. Held in Penang for the second consecutive year, this strongly supported local community event allowed exhibitors to enhance connections and deepen relationships established during the previous year. By offering such connectivity, the event's focused

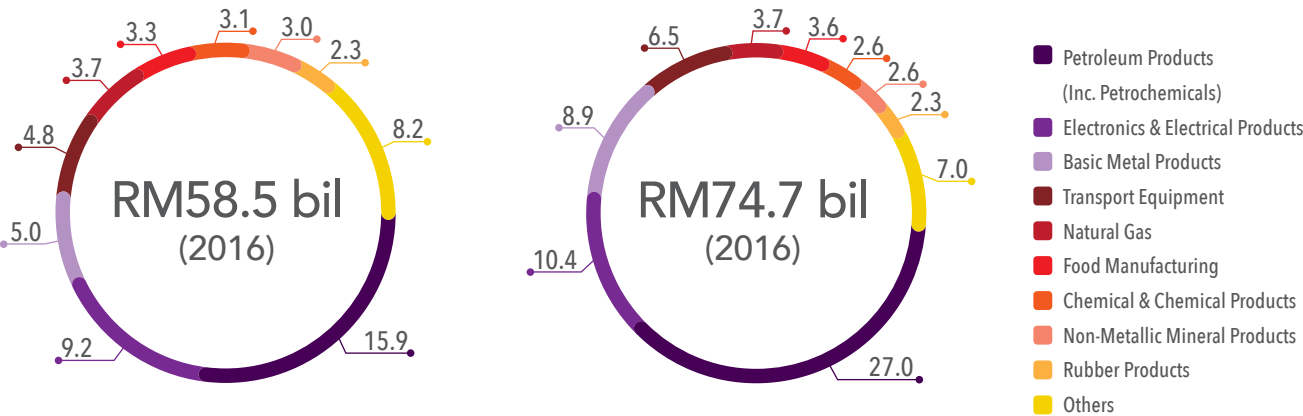
initiatives and programs on key trends and solutions in semiconductor design and manufacturing, as well as new architectures, process solutions and industry challenges attracted buyers from across the region. Approximately 7,500 delegates and 200 companies were successfully brought together.

The World Semiconductor Trade Statistics (WSTS) forecasts a brighter 2017. The largest growth is projected to come from memory (growth of 13% YOY), sensors (9% YOY) and analogue (8% YOY). Barring unforeseen economic downturns, all major product categories and regions are expected to grow. The global semiconductor market is forecasted to register a 6.5 per cent increase in 2017, as compared to the 1.1 per cent booked in 2016. This should augur well for Malaysia and the E&E industry.

The upturn in demand for electronics, among other key factors, is due to technological trends such as the Fourth Industrial Revolution, robotics, and the Internet of Things (IoT). The McKinsey Global Institute estimates that IoT could reap a global value of between US\$4 to US\$11 trillion in 2025. The six most promising IoT linked semiconductor markets are: wearable devices, smart home applications, medical electronics, industrial automation, connected cars, and smart cities. IoT's arrival is being heralded as the biggest tech development in the ICT industry since the shift of electronic products from digital to analogue in the 70s. Gartner estimates that over 50 billion devices will be connected by 2020.

Approved Investments in the Manufacturing Sector - By Industry

The bulk of investments came from Petroleum Products, E&E Products, Basic Metal Products and Transport Equipment



The **Machinery & Equipment (M&E)** sector is one of the key drivers for Malaysia's success, due to its critical cross-cutting linkages with various economic segments that depend on its products to function. From the mechanisation era (Industry 1.0), M&E has ushered in mass production (Industry 2.0), industrial automation (Industry 3.0), and the advent of IoT-enabled products (Industry 4.0), which is becoming an integral part of modern manufacturing.

The Government has been encouraging local players to keep pace with advanced technologies and be prepared to support the requirements of cross-sector manufacturing in the future. The M&E industry has also been identified as one of the 11MP's '3+2' catalytic and high-potential growth sectors.

In 2016, approval was given to 88 M&E projects providing employment for an estimated 2,866 people, leading to investments worth RM1.5 billion. Of these, 42 were new projects, with investments totalling RM819.4 million (53.3%), while 46 were expansion/diversification projects, involving investments of RM716.7 million (46.7%). The majority of investments (65.1% or RM999.7 million) came from domestic sources.

The general industrial M&E, modules, components and parts subsector was the biggest contributor of investments in 2016. A total of 47 projects with investments of RM910.2 million were approved, comprising 21 new projects with investments of RM469.9 million (51.6%) and 26 expansion/diversification projects with investments totalling RM440.3 million (48.4%). Domestic investments in this subsector amounted to RM585.7 million (64.3%).

The specialised M&E for specific industries subsector attracted investments amounting to RM547.5 million in 32 projects, of which 15 were new projects with RM274.2 million (50.1%). Investments in this subsector were mainly driven by domestic parties, amounting to RM385.5 million (70.4%). Among the significant projects approved was an expansion project by a wholly-owned foreign company, investing RM70 million to manufacture die-sorting machines embedded with M2M connectivity and predictive analysis capability for the semiconductor industry. Another approved investment is a diversification project from a home-grown automation champion, with investments amounting to RM17.7 million to manufacture test solutions equipment for smart devices in southern Peninsula Malaysia.



Next Stop: Industry 4.0

As technology evolves, the world is preparing to usher in a new age of industry. Hot off the heels of the last industrial revolution, Industry 4.0 marks the advent of IoT-powered connective technology and smart manufacturing. Analysts have predicted that over 80 per cent of global companies will have digitised their entire value chain within the next five years. With businesses and governments all around the globe striving to become first-adopters, Malaysia is embarking on its own journey to industrial revolution.

In support of this goal, the Malaysian Government highlighted smart manufacturing and IoT-enabled technology among the focus areas within the 11th Malaysia Plan. The E&E industry is expected to be one of the key drivers for Industry 4.0 in Malaysia. With its strong base ecosystem and expansive supply chains, the E&E industry is paving the path for the adoption of new technology and smart manufacturing in Malaysia. Other industries that are exploring Industry 4.0 include the established chemical and M&E industries, along with the high-potential growth sectors of aerospace and medical devices.

To support Malaysia's expansion into Industry 4.0, the Government is also focusing on other key initiatives, such as the development of skilled human capital to meet the forecasted need for over a million digital

workers by 2025, and various programmes that build awareness for local SMEs. The Government is also exploring the development of key infrastructure and supportive ecosystems to further its Industry 4.0 goals by allocating RM162 million of Malaysia 2017's budget for programmes including an eCommerce ecosystem, the digital maker movement, and new Malaysia Digital Hubs. Recently, Malaysia launched the world's first Digital Free Trade Zone in collaboration with Alibaba founder Jack Ma; this facility will provide both physical and virtual zones to facilitate local SMEs looking to grow through the internet economy and cross-border eCommerce.

07 Manufacturing Sector

The **Metal Fabrication and Engineering Support Industry (ESI)** is a building block for the growth of other industries in Malaysia, contributing significantly to the manufacturing and services sectors. Malaysia is recognised globally for its capability and consistent quality of production, as well as for its fast and reliable delivery of a diverse range of engineering products, particularly in precision machining and fabrication.

A total of 75 projects were approved in 2016, with investments totalling RM1.4 billion and creating 3,718 employment opportunities. Of these, 47 were new projects (RM901.5 million or 64.2%). Domestic investments amounted to RM769.2 million (54.8%), while foreign investments totalled RM635.5 million (45.2%). Significant projects approved included a new wholly foreign-owned company's project, with an investment of RM93.7 million, to manufacture coated optical components and undertake physical vapour deposition coating activities. This is the company's first manufacturing facility outside Europe, and it will utilise 99 per cent local talent, with 61 per cent at the MTS and engineering levels.

In support of the aerospace industry, there is a significant investment of RM27 million from a local Tier-3 company. The company is expanding to produce moulds, jigs and fixtures, and machining of flying and non-flying parts, with clients including prominent players in the Malaysian aerospace industry. The company is also in the midst of becoming the sole producer of invar moulds for composite-based products.

Malaysia's **iron and steel industry** consists of upstream, midstream and downstream manufacturing activities of ferrous (iron and steel) and non-ferrous metals. This sector provides both raw materials and fabricated metal products to feed into other manufacturing industries. In 2016, there were 19 projects approved involving the manufacturing of **basic metal products**, with investments totalling RM4.9 billion. Of these, eight were new projects with investments worth RM400 million, while 11 were expansion/diversification projects with investments of RM4.5 billion. These projects are expected to generate employment opportunities for 3,345 people.

Significant projects approved in 2016 include an expansion/diversification project located in Sarawak by a

Malaysian-majority-owned company with an investment of RM2.2 billion. The company will expand its current facility to produce aluminium ingots and aluminium alloy ingots, and will diversify into midstream products to produce aluminium wire rods and aluminium alloy wire rods. Another diversification project features an additional investment of RM1.9 billion by a Malaysian-majority-owned company to manufacture ferro-nickel billets, stainless-steel billets, stainless-steel hot-rolled strips, coal tar and lump semi coke, as well as to revive its existing facility to manufacture carbon steel long products at Telok Kalong in Kemaman, Terengganu.

The **textiles and textile products industry** comprises both upstream (primary textiles) and downstream (garments, textile products and accessories) activities; like much of the rest of the manufacturing sector, the textiles industry is moving towards smart and sustainable manufacturing. In 2016, the industry remained the country's 10th largest export earner, with total exports of RM12.6 billion. A total of eight projects were approved, with total investments of RM763.4 million. Domestic investments amounted to RM401 million (52.5%), while foreign investments accounted for RM362.4 million (47.5%). Of the eight projects approved, four were new projects (RM456 million).

A notable project approved in 2016 was by a Malaysian-majority-owned company with an investment of RM410 million. The company is planning to undertake the production of knitted polyester fabric by investing in state-of-the-art machines from Germany and eco-friendly facilities for knitting, dyeing and finishing of high-end garments.

The **non-metallic mineral industry** was Malaysia's 15th largest export earner in 2016, with total exports amounting to RM5.6 billion. The industry comprises ceramics and clay-based products, cement and concrete products, glass products, other non-metallic mineral products such as quicklime, barite, marble and granite, and Industrialised Building System (IBS) components. IBS is a modern and comprehensive construction eco-system, which MIDA will continue promoting manufacturers to produce materials, parts and components for. This will, in turn, enable the construction industry to lower its heavy dependence on unskilled foreign labour. The major exports in 2016 include mineral manufactures, (RM2.3 billion), glass

and glassware (RM1.9 billion); and clay construction materials and factory construction materials (RM772.3 million). A total of 34 projects with total investments of RM3 billion were approved in 2016. Of these, 16 projects were new, valued at RM2.3 billion in investments. Domestic investments totalled RM1.1 billion (35.9%), while foreign investments amounted to RM1.9 billion (64.1%).

Under the 11MP (2016-2020), the **medical devices industry**, estimated to be worth US\$324 billion globally in 2015, has been targeted as one of the 11MP's '3+2' catalytic and high potential growth sectors, adding to the number of high-quality jobs and skilled occupations in the nation. An Association of Malaysian Medical Industries (AMMI) survey showed that more than 90 per cent of the medical devices manufactured in Malaysia were exported, especially to the USA, Europe and Japan. The growth of the existing 200 medical devices manufacturers in Malaysia will further accelerate the realisation of targets under the 11MP.

In 2016, exports of medical devices were valued at RM15.8 billion. Of this, about half (RM7.9 billion) of the exports were of medical gloves. Other major exports included instruments and appliances used in medical, surgical, dental or veterinary sciences (RM2.5 billion), and disposable tubes for intravenous fluids and cannulae (RM1.9 billion).

The 41 projects with investments of RM2.9 billion approved in 2016 are expected to generate employment opportunities for 7,386 people, of which 1,082 will be in the MTS categories, while 380 of those employed will obtain salaries of RM5,000 and above per month. Of the total projects, 26 were expansion/diversification projects with investments of RM1.6 billion (56.6%). Foreign investments amounted to RM1.6 billion (55.4%), while domestic investments totalled RM1.3 billion (44.6%). Of these projects, 30 were export-oriented with export percentages of 80 per cent and above, while 37 projects (90.2%) will manufacture high value-added medical devices with a value-add of more than 40 per cent.

Among the significant projects approved was a diversification project by a wholly foreign-owned company, with an investment of RM539.1 million, to manufacture medical devices and associated parts

“Under the 11MP (2016-2020), the medical devices industry, estimated to be worth US\$324 billion globally in 2015, has been targeted as one of the 11MP's '3+2' catalytic and high potential growth sectors, adding to the number of high-quality jobs and skilled occupations in the nation.”

& components for the export market, to be used in the cardiology, cardiovascular, and neurology fields. This facility will be the first in the Asian region and will provide good business opportunities in terms of branding and promotion.

Meanwhile, the **pharmaceuticals industry** has been growing by leaps and bounds globally, with an estimated market size of US\$1.2 trillion by 2016. Currently, pharmaceutical products manufactured in Malaysia focus on generic drugs, although manufacturers are moving towards higher value-added products.

In 2016, exports of pharmaceutical products were valued at RM1.5 billion. The nine approved projects, with investments of RM916.3 million, all manufacture pharmaceutical products with a value-add of more than 40 per cent. These projects are expected to generate employment opportunities for 570 people, 345 of which (60.5%) are in the MTS categories.

A total of five projects were expansion/diversification projects with investments of RM723.6 million (68.1%), while four were new projects with investments of RM292.7 million (31.9%). Foreign investments amounted to RM644.2 million (70.3%).

Among the significant projects approved was a project by a wholly foreign-owned company, with total investments coming up to over RM1 billion, to manufacture insulin-related drugs and monoclonal antibodies, as well as the first Malaysia-made recombinant human insulin.



The Medical Devices Industry

Globally, the medical devices market was valued at USD324.3 billion in 2015. Of this, the Asia Pacific region grew to dominate USD65.5 billion (20%) of the global market; a number that looks set to grow in coming years.

The medical devices manufacturing industry in Malaysia was highlighted as a catalytic and high-potential growth sector – and for good reason. Within a period of four years, the industry's exports grew exponentially, rising from RM11.9 billion in 2011 to RM15.8 billion in 2016. The United States, Europe and Japan were the key importers of Malaysia-manufactured medical devices, importing products such as: surgical and examination gloves; catheters, syringes, needles and sutures; electromedical equipment; ophthalmic lenses; and orthopaedic parts, instruments and devices.

Approved investments in the sector also grew year-over-year, going from RM1.78 billion (9% of total approved investments in high-potential growth sectors) in 2015 to RM2.93 billion (16%) in 2016.

Malaysia's medical devices manufacturing sector is unique in its strong support-system of related industries and established manufacturing partners. Supporting the industry, the Government (through the Healthcare NKEA) announced eight medical devices-related Entry Point Projects (EPPs), which would create RM17.12 billion in revenue, RM11.4 billion in GNI, and generate 86,000 jobs by 2020. These projects include:

- Tapping into the fast-growing In-Vitro Diagnostic (IVD) market through academic/industry partnerships;
- Developing the next generation of single-use devices (SUD);
- Building strong contract manufacturing champions;
- Creating a Malaysian Clinical Devices Champion;
- Orchestrating a contract manufacturing supply chain;
- Re-manufacturing medical equipment (revised as High Value Manufacturing Hub);
- Establishing a medical furniture and hardware cluster; and
- Developing renal products.

The medical devices industry was also highlighted as a high-potential growth area within the Eleventh Malaysia Plan, where it was earmarked as an industry that could lead Malaysia towards more technology-intensive, high value-added manufacturing.

07 Manufacturing Sector

This project also includes an integrated full-fledged R&D centre employing over 40 Malaysian scientists, to accelerate drug discovery and research in developing biosimilar biopharmaceutical products in order to further support the growth of Malaysia's biotech R&D arena. Another such project is a wholly foreign-owned company that has committed an investment of RM201 million to manufacture generic drugs, being the first pharmaceutical project in Malaysia meant to penetrate the US market.

Malaysia's **biotechnology** sector has also demonstrated great potential, given that it is one of 17 mega-diverse countries identified by the United Nations Environment Programme (UNEP) as possessing the majority of earth's species, which may have immense benefits for future generations. In 2016, 18 biotechnology projects received the BioNexus Status, and four projects were approved for the Manufacturing Licence under the Industrial Coordination Act of 1975, with total investments of RM464.9 million. New investments in biotechnology continued to grow, with the largest percentage coming from the domestic front, which invested a total of RM408.1 million (87.8%).

One of the key projects approved was a new RM35.9 million investment by a wholly Malaysian-owned company to manufacture biological- and regenerative-based medical products and derivatives. It will be the first project in Malaysia using stem cells for therapeutic treatment. This project will provide a new platform for collaboration between the company and local universities for R&D in stem cell-based products. The project will also encourage the development of intellectual property to be registered in Malaysia.

The **agriculture sector** comprises aquaculture and marine fisheries; cultivation of crops, fruits and vegetables; floriculture; ornamental fish farming; livestock farming; and apiculture. The sector has great potential and plays a major role in economic growth, with agribusiness trade having increased in value significantly since the 1990s. Under the 11MP, the agriculture sector is expected to grow at 3.5 per cent annually, contributing 8.2 per cent to total GDP. The agro-food subsector is expected to grow at 5.4 per cent per annum, with livestock, aquaculture, and horticulture as the main contributors. The subsector will be transformed into a high-income and sustainable industry

through innovative R&D and modernisation initiatives. In 2016, a total of 16 agricultural projects were approved with investments amounting to RM69.4 million. All these projects were from domestic investments. There were six new projects and ten expansion/diversification projects.

The **food processing subsector** comprises all value-added activities which utilise agricultural or horticultural products, and has become increasingly important over time. In 2016, Malaysia was a net food exporter, with total food exports amounting to RM18.4 billion, while total food imports amounted to RM17.1 billion. A total of 46 projects, with investments of RM2.4 billion, were approved in 2016. Domestic investments amounted to RM1.8 billion (75%). These projects are expected to generate additional employment opportunities for 5,904 persons. One significant project approved was a new project by a wholly Malaysian-owned company, with an investment of RM1.3 billion, to undertake integrated shrimp farming and processing of frozen shrimp with an R&D facility in Pitas, Sabah. The company was appointed as one of the champion companies under EPP 6: Integrated Zone for Aquaculture Model (IZAQs) to Tap Market for Premium Shrimp. This project is expected to create 3,800 jobs.

Having been one of Malaysia's economic mainstays, the **palm oil industry** remains one of the most important revenue generating commodities for the country. It is the fourth largest contributor to the national economy, and is a critical contributor to the oleochemical industry, amongst others. The main palm oil contributing states in Malaysia are Sabah, Sarawak and Johor.

In 2016, a total of 44 projects with investments of RM2.12 billion were approved for the production of oil palm products. Foreign investments amounted to RM1.3 billion, or 61.3 per cent of the total. The palm oil and palm kernel oil subsector recorded the highest investments of RM949.7 million, followed by oleochemicals (RM557.1 million), energy generation projects from palm biomass (RM335.8 million) and products from palm biomass (RM275.7 million).

In 2016, nine projects with investments of RM949.7 million were approved for palm oil and palm kernel oil products, of which four were new projects and five were expansion/diversification projects.

07 Manufacturing Sector



Foreign investments amounted to RM635.2 million. Of note was a new project by a wholly foreign-owned company from Italy, with an investment of RM308.7 million, to produce high value-added palm oil products such as cocoa butter equivalent/replacer/substitute. This project will be their first factory outside Italy. In the palm biomass products subsector, 14 projects with investments of RM275.6 million were approved in 2016. Domestic investments amounted to RM175.4 million, while foreign investments totalled RM100.2 million.

The year 2016 saw a total of 20 approved projects in the **petroleum and petrochemical industry**, with investments of RM24.7 billion. Half of these projects were new projects totalling RM16.6 billion, while the other ten were expansion/diversification projects amounting to RM8.1 billion, with the potential to create 963 new jobs. While the government has been reducing

its reliance on oil-and-gas-related revenues, as well as encouraging the growth of other economic sectors, it remains a significant part of the nation's economy. The industry covers natural gas, petroleum products and petrochemical products, and is an integral part of the wider chemicals industry, providing a steady supply of feedstock material to various manufacturing sectors. Malaysia's steady growth in the petrochemical industry has been attributed partly to the development of the Pengerang Integrated Petrochemical Complex (PIPC) that is progressing as scheduled. In 2016, four Refinery and Petrochemical Integrated Development (RAPID) projects and associated facilities – comprising a cogeneration plant, a regasification terminal and a storage terminal – were approved to complement the ecosystem in RAPID, with domestic investments totalling RM18.8 billion and foreign investments amounting to RM2.6 billion.

The RM60 billion PETRONAS RAPID project in Pengerang is poised to change the face of Malaysia and South East Asia's chemical industry with a refining capacity of 300,000 barrels per day. The facility produces both commodities and premium differentiated ethylene and propylene-based polymers and glycol products. Another major project approved in 2016 was an expansion/diversification of a petrochemical plant worth RM1.5 billion contributed by a foreign-owned company.

The **chemicals and chemical products industry** is an important industry in Malaysia, having been identified as one of the 11MP's '3+2' catalytic and high potential growth sectors. The industry covers a wide range of products and comprises agricultural chemicals, industrial gases, inorganic chemicals, paints, soaps and detergents, cosmetics and toiletries, as well as other chemical products subsectors. Products from this industry are key components in industries such as E&E, automotive, oil and gas, pharmaceuticals, construction and others. In 2016, the 38 approved projects with investments totalling RM1.36 billion included 18 new projects (RM635 million), while the rest were expansion/diversification projects (RM729 million). Domestic investments predominated, totalling RM1.14 billion (83.9%). The approved projects are expected to create 1,338 new job opportunities.

The plastics subsector saw a total of 46 projects approved in 2016 with investments of RM1.55 billion. A total of 24 of these were new projects with investments totalling RM1.25 billion, while the rest were expansion and diversification projects with investments of RM303.3 million. A total of 25 approved projects were wholly Malaysian-owned (RM318.8 million), while 12 projects were wholly foreign-owned (RM1.03 billion) and the remaining nine projects were joint ventures (RM204.2 million). A total of 3,015 new jobs are expected to arise from these projects in the plastics subsector.

Efforts to get the **oleochemical** sector to move up the value chain are coming to fruition through the implementation of EPP 6 under the Palm Oil National Key Economic Area. As one of the world's largest basic oleochemical producers, Malaysia is gradually shifting into production of higher value-added oleochemical derivatives and bio-based chemicals. Total investments of RM580 million were approved in 2016 for nine oleochemical projects, which are estimated to generate

372 new job opportunities. Of the nine projects approved, four were new projects. Over 80 per cent of these investments were from foreign sources (RM463 million), while the rest came from domestic sources (RM117 million).

From simply being a supplier of raw material, the Malaysian **rubber products** industry has evolved through the years and transformed itself towards higher value-added products, better and 'greener' technology, and increased automation, which has kept it relevant in today's evolving market. In 2016, a total of RM1.09 billion was invested into 13 approved projects (excluding medical devices). Eight of these were new projects with investments of RM674 million, while the rest were expansion/diversification projects with investments totalling RM414 million. Foreign sources made up the majority (RM864 million), and the approved projects are expected to create 2,275 employment opportunities.

Malaysia's **wood-based** subsector has become one of the most important subsectors in the country over the last two decades. The industry is predominantly dominated by Malaysians, with about 87 per cent of the companies comprising small and medium scale manufacturers. In 2016, a total of 57 projects were approved with investments of RM678.1 million, of which 41 were new investments amounting RM560.8 million, and 16 were expansion/diversification projects with investments of RM117.3 million.

Domestic investments accounted for RM526.3 million, while foreign investments totalled RM151.8 million. These projects are expected to create 2,579 employment opportunities.

The furniture subsector recorded the highest investments in 2016, with a value of RM160.7 million in 25 projects. Of these, 15 were new projects with investments of RM87.2 million while the remaining were expansion/diversification projects worth RM73.5 million. The panel products subsector and the mouldings and builders' carpentry and joinery subsector each attracted six and two projects respectively with approved investments of RM73.3 million and RM77.9 million. In addition, 24 projects with investments of RM366.2 million were approved for the manufacture of other wood-based products and materials such as wood pellets, sawn timber, and agricultural waste.

07
Manufacturing Sector

The **paper, printing and publishing industry** encompasses the manufacture of pulp, paper, and paper products, as well as printing and publishing activities. There are 23 paper mills with a total production capacity of about 1.9 million metric tonnes annually, providing employment opportunities to more than 5,000 people.

In 2016, a total of 15 projects were approved with investments of RM361.8 million. Of these, eight were expansion/diversification projects with investments of RM209.5 million (58%), while seven were new projects with investments of RM152.3 million (42%). Foreign investments amounted to RM51.2 million (14%), while RM310.6 million (86%) were contributed by domestic



investments. These projects are expected to provide employment opportunities to 906 people.

Outlook

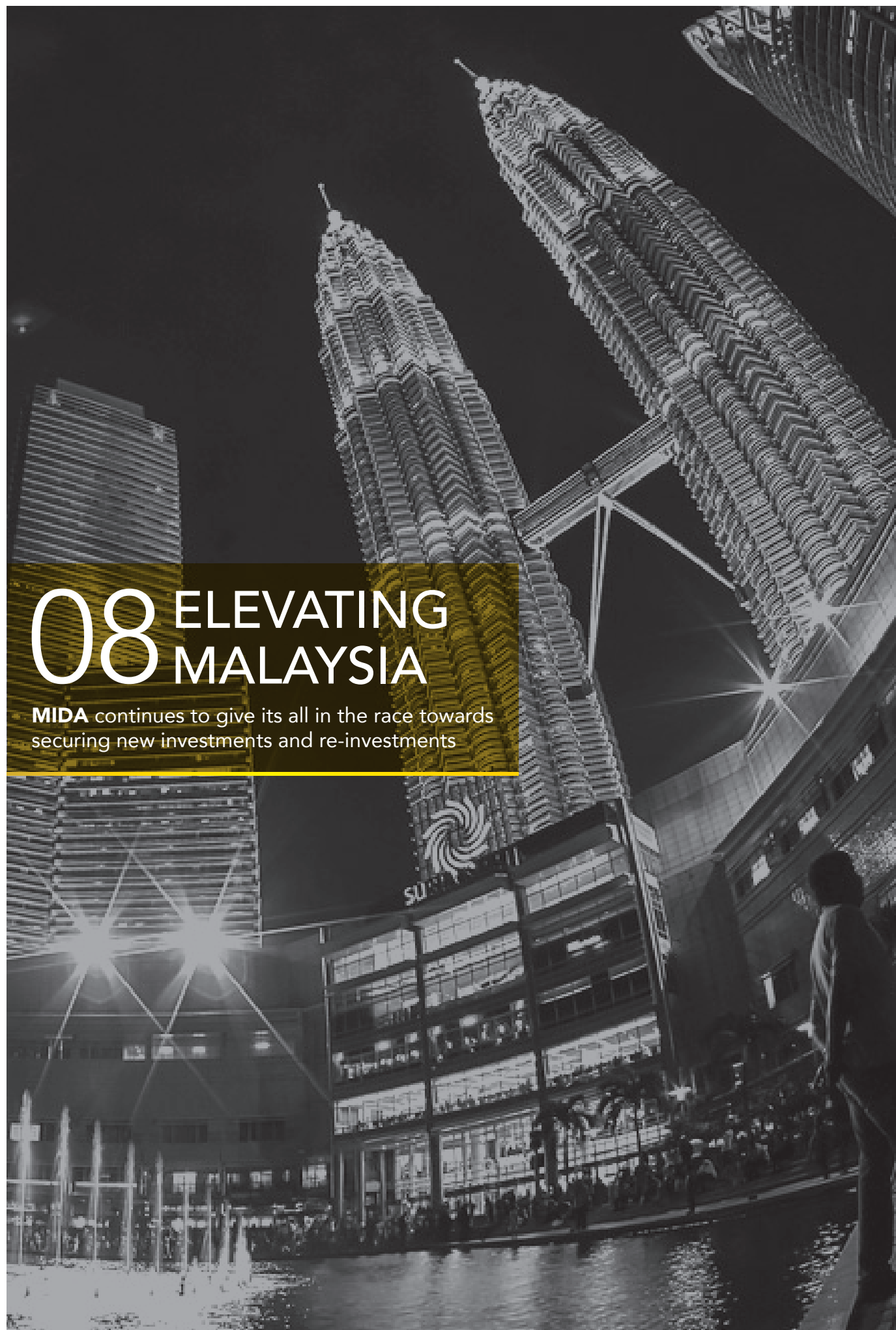
The global economy looks to grow by an estimated 3.4 per cent (according to UNCTAD), driven primarily by emerging markets and developing economies. This can be seen in the ASEAN region's GDP, which is projected to grow by 4.6 per cent in 2017, and of which Malaysia will play an important role, with countries like China and Poland recognising Malaysia as an important gateway into ASEAN.

Malaysia is transitioning out of a manpower-focused manufacturing sector by investing in smart manufacturing. In line with 11MP, MIDA has been promoting niche and more complex products, especially in the three catalytic subsectors of E&E, Machinery and Equipment and Chemicals, as well as the two growth subsectors of Aerospace and Medical Devices. These '3+2' subsectors should also increase local manufacturers' exports.

In order to enhance competitiveness, Malaysian manufacturers are leveraging on current and emerging technologies, and embedding themselves deeper in the digital and knowledge economy. For instance, the pharmaceutical industry in Malaysia is moving from generic drugs to frontier and complex drugs. This paradigm shift necessitates a diversification of the local talent pool, as well as the active fostering of local R&D.

Malaysia's M&E industry has seen many contract manufacturers become Original Equipment Manufacturers (OEMs), as well as heavy investors into R&D, engineering design, innovation, and system integration. M&E exports are projected to reach RM43 billion in 2020. With the availability of highly skilled human resources and strong IP laws, along with a dynamic ESI providing total solutions, Malaysia will remain a preferred location for M&E.

Given all of these factors, the way ahead for Malaysia – while challenging – is clear and promising. Achieving high-income nation status by 2020 will help to cement Malaysia's position as a regional and global player of note.



08 ELEVATING MALAYSIA

MIDA continues to give its all in the race towards securing new investments and re-investments

08

MIDA's Activities

In 2016, MIDA remained committed to its mission of promoting Malaysia to the world, ensuring investors from both within and outside of the country were offered an open channel of communication and a guiding hand.

To support all stakeholders, MIDA conducted seminars, briefings and roundtable meetings to address key concerns of investors regarding government policies and investment issues. Implementing a targeted approach, MIDA managed to attract quality investments in new and emerging technologies which will help to gear Malaysia towards its desired status as a high-income nation by 2020.

Bearing in mind the intense competition for FDI from both developed and developing economies, MIDA strengthened its policy advocacy capability to enable the Government to formulate policies and strategies, catering to the needs of both domestic and foreign investors. MIDA continues to spearhead the national investment agenda, engaging in a strategic approach to the business ecosystem and undertaking countless promotional programmes and activities, all with the aim of furthering Malaysia's agenda of transitioning from a natural resource-based economy to a diversified, industrialised and service-oriented nation.

The year 2016 saw MIDA undertaking various promotional programmes and activities to promote and attract foreign investments into the manufacturing and services sectors. These programmes include Trade and Investment Missions (TIMs), Roundtable Meetings and Mini Seminars, Specific Project Missions (SPMs), International Seminars/Forums/Dialogues with foreign chambers, advertisements, and advertorials. The programmes were targeted to attract new investments as well as encourage reinvestments (expansion and diversification), especially in high technology, capital-intensive, knowledge-intensive and high value-added industries. This is in line with the New Economic Model (NEM) and the targets set under the Economic Transformation Program (ETP) that highlight 3+2 catalytic growth industries and push for a deepening of the local service sector. MIDA also conducted briefings for foreign delegations, the private sector, industry associations, the chambers of commerce, and

government agencies, to update them on the policies, incentives and business environment in Malaysia.

Over the course of the year, MIDA received 1,070 enquiries from foreign and local companies on the establishment of manufacturing and services projects. MIDA also received more than 400 visits by foreign delegations and overseas investors. From ASEAN, to Europe, and across the Middle East and East Asia, MIDA's devoted team of officers made it their mission to strengthen ties with stakeholders and cultivate opportunities for investment.

Beyond Borders

Malaysia has always considered a steady flow of foreign investment to be of prime importance. With global FDI inflows in 2016 falling by 13 per cent, MIDA was faced with the unique challenge of maintaining the nation's appeal to foreign investors. In its effort to promote high-quality and sustainable FDI inflows, MIDA organised and participated in seven TIMs abroad in 2016. These trade missions involved Malaysian Government officials, from the federal and state Governments, regional economic corridors, and representatives from the private sector.

The main objective of TIMs is to update foreign investors on the latest business climate, and to enhance and promote business opportunities as well as partnerships in Malaysia. Each TIM included seminars on trade and investment opportunities, roundtable meetings, business matching meetings, and networking sessions.

Aside from purpose-driven TIMs, MIDA was involved in the organisation of numerous international seminars, roundtable meetings, private assemblies, and company visits, in conjunction with the official visits of YAB Prime Minister; YAB Deputy Prime Minister; YB Minister of MITI; YB Deputy Minister of MITI and, the CEO of MIDA.

08
MIDA's Activities



30- 31 March 2016 - The World Halal Conference held at the Kuala Lumpur Convention Centre (KLCC)

The year was an eventful one, with MIDA's participation in 23 separate events from January to December. This included visits to global trade events – including the World Economic Forum in Davos, Switzerland; the World Islamic Economic Forum on ASEAN and the 12th World Islamic Economic Forum in Jakarta, Indonesia; the 13th China-ASEAN Expo (CAEXPO) in Naning, China; and the Sweden-South East Asia Business Summit of 2016 – and targeted workings visits and roundtable meetings to key economies such as Indonesia, the United States, Saudi Arabia, the Republic of Korea, Japan, Singapore, China, the United Kingdom, France, and Australia. MIDA also organised and participated in 33 International Seminars, Forums and Briefings, including the Malaysia Investment Forum, 'Business Opportunities in the Changing Economic Landscape' in London, UK (in conjunction with Malaysia Promotion Programme 2016); the Halal

Expo Korea 2016 in Seoul, Korea; and the MIDA - EDB 8th Industrial Cooperation Working Group, and the Business Mission on Green Energy Technologies (EU Business Avenues), in Kuala Lumpur, Malaysia. MIDA also arranged a total of four SPMs abroad in 2016, to target selected companies in specific countries. These missions focused primarily on companies associated with high-technology, capital-intensive and high value-added industries.

Closer to Home

Domestic investments continued to be the primary driver of the local economy and national growth. In 2016, domestic investments amounted to RM148.9 billion, representing 72 per cent of total investments approved.

To this end, MIDA places a high priority on assisting local investors and home-grown business entities to expand and grow within the borders of the nation. MIDA continued in its role as facilitator by providing support for local investors throughout the year, conducting a number of seminars, workshops and other activities. These included ten specific industry seminars, workshops and business clinics which covered key industries in the nation, including sustainable resources, aerospace, electrical and electronics manufacturing, building technology, pharmaceuticals, biomass, and medical devices, among others. MIDA undertook these activities with the primary motivation of disseminating information on business opportunities within the manufacturing and services sectors, as well as facilitating networking and business linkages. MIDA also organised four business seminars and conferences under its 'Grow With Us' programme. Aimed at local SMEs, industry associations and business chambers, the programme encourages local entrepreneurs to explore greater market access; diversify their products and services; accelerate the transition of the manufacturing and services sectors

from labour-intensive to high value-added, knowledge-intensive and innovation-based; and enhance the development of key services subsectors. Through the programme, MIDA successfully provided the local business community with a platform through which they could promote their products and services, form essential business contacts, and network with key government agencies and other relevant authorities. To encourage interaction between MIDA and key industry players, as well as to encourage the spirit of openness and clarity, MIDA also initiated meeting and dialogue sessions with the Chambers of Commerce, independent associations and non-governmental associations, to update them on the latest government agenda and initiatives in promoting domestic investments.

To further the development of local companies and SMEs, MIDA also initiated a new programme designed to encourage business collaboration and fostering between MNCs and SMEs: the Supply Chain Programme. Under this programme, MNCs were provided with a platform to share their success stories and experience-borne tips to SMEs looking to venture



Dato' Azman Mahmud, Chief Executive Officer of MIDA, flanked by officials at the Multi-National Companies (MNCs) & Small Medium Enterprises (SMEs) Supply Chain Development and Opportunities 2016

08
MIDA's Activities

into global markets. The programme gave MNCs and SMEs the opportunity to raise their concerns about the challenges they faced in developing their supply chains. Through the programme, which saw participation from more than 400 participants, MIDA was also able to encourage MNCs and local-based foreign companies to utilise local products and services in their supply chains. The programme has successfully assisted companies such as Nestle, a renowned Swiss food and beverage company that has benefitted the local supply chain by training almost 400 Malaysian companies through the SME Mentoring Programme, and Spirit Aerosystems, a top investor in Malaysia's aerospace ecosystem that has indirectly stimulated the development of local fringe industries and enabled the creation of an estimated 2,700 job opportunities.

While MIDA's mission lays primarily in attracting and facilitating investment, its work also hinges on the

existence of a stable and healthy business ecosystem to support investors. To that end, MIDA met with ten local conglomerates, e-biz registered companies, and DISF applicant companies to engage in discourse with the aim of identifying potential Malaysian conglomerates capable of supporting the development of the local business sphere and encouraging the development of local vendors to meet the outsourcing opportunities offered by MNCs and Malaysia-based foreign companies. Through these meetings, MIDA was able to establish an effective platform that would allow it to engage in frank and open discussions with companies, develop relationships, exchange new ideas and suggestions, and provide updates on key issues concerning domestic investment.



International Construction Week 2016 (ICW)

Reaching Out

To cement the relationship between investors and the Ministry of International Trade and Industry (MITI), as well as to recognise the efforts of investors' activities, MIDA organised a series of Turun Padang visits, conferences and signing ceremonies. In 2016, YB Dato' Sri Mustapa Mohamed, Minister of International Trade and Industry, visited a number of factories and facilities in five states: Johor, Sarawak, Pahang, Penang, and Selangor. During these visits, the minister engaged in roundtable discussions with key industry players in the states to gain insights on operational issues faced by companies, and to update them on the latest relevant government policies and initiatives.

Domestic Investment Strategic Fund

The Domestic Investment Strategic Fund (DISF) was launched in 2012 to encourage the participation of Malaysian-owned companies in high value-added, high-technology, knowledge-intensive and innovation-based industries. Through the DISF, companies can receive

grants to cater for expenditures incurred when training Malaysian talent; R&D activities carried out in Malaysia; the modernisation and upgrading of facilities and tools; obtaining international standards and certification; and the licensing or purchase of new or high technology. As of 31 December 2016, a total of 243 projects with investments amounting to RM11.9 billion were approved, with grants totalling RM1.223.6 million. Of this, RM14.6 million (3.14%) went to training grants, RM29 million (6.24%) went to R&D grants, RM405.5 million (87.18%) went to capital grants, RM10.4 million (2.24%) went to certification and international standards, and RM5.6 million (1.2%) went to grants for the licensing and purchase of new and/or high technology.

Through the DISF, companies can receive grants to cater for expenditures incurred when training Malaysian talent; R&D activities carried out in Malaysia; the modernisation and upgrading of facilities and tools; obtaining international standards and certification; and the licensing or purchase of new or high technology.

09 FINANCIAL STATEMENTS

MIDA's audited financial statements for the year ending 31 December 2016

09 Financial Statements

CERTIFICATE OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY FOR THE YEAR ENDED 31 DECEMBER 2016



**LAPORAN KETUA AUDIT NEGARA
MENGENAI PENYATA KEWANGAN
LEMBAGA PEMBANGUNAN PELABURAN MALAYSIA
BAGI TAHUN BERAKHIR 31 DISEMBER 2016**

Laporan Mengenai Penyata Kewangan

Pendapat

Penyata Kewangan Lembaga Pembangunan Pelaburan Malaysia telah diaudit oleh wakil saya yang merangkumi Penyata Kedudukan Kewangan pada 31 Disember 2016 dan Penyata Prestasi Kewangan, Penyata Perubahan Aset Bersih, Penyata Aliran Tunai dan Penyata Prestasi Bajet bagi tahun berakhir pada tarikh tersebut, ringkasan polisi perakaunan yang signifikan dan nota kepada penyata kewangan seperti dinyatakan pada muka surat 1 hingga 31.

Pada pendapat saya, penyata kewangan ini memberikan gambaran yang benar dan saksama mengenai kedudukan kewangan Lembaga Pembangunan Pelaburan Malaysia pada 31 Disember 2016 dan prestasi kewangan serta aliran tunai bagi tahun berakhir pada tarikh tersebut selaras dengan piawaian pelaporan kewangan yang diluluskan di Malaysia dan Akta Lembaga Pembangunan Pelaburan Malaysia (Pemerbadanan) 1965 (Akta 397).

Asas Kepada Pendapat

Saya telah melaksanakan pengauditan berdasarkan Akta Audit 1957 dan *The International Standards of Supreme Audit Institutions*. Tanggungjawab saya diuraikan selanjutnya di perenggan Tanggungjawab Juruaudit Terhadap Pengauditan Penyata Kewangan dalam laporan ini. Saya percaya bahawa bukti audit yang diperolehi adalah mencukupi dan bersesuaian untuk dijadikan asas kepada pendapat saya.

Kebebasan dan Tanggungjawab Etika Lain

Saya adalah bebas daripada Lembaga Pembangunan Pelaburan Malaysia dan telah memenuhi tanggungjawab etika lain berdasarkan *The International Standards of Supreme Audit Institutions*.

CERTIFICATE OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

Maklumat Lain Selain Daripada Penyata Kewangan dan Laporan Juruaudit Mengenalinya

Lembaga Pengarah Lembaga Pembangunan Pelaburan Malaysia bertanggungjawab terhadap maklumat lain dalam Laporan Tahunan. Pendapat saya terhadap penyata kewangan Lembaga Pembangunan Pelaburan Malaysia tidak meliputi maklumat lain selain daripada Penyata Kewangan dan Laporan Juruaudit mengenainya dan saya tidak menyatakan sebarang bentuk kesimpulan jaminan mengenainya.

Tanggungjawab Lembaga Pengarah Terhadap Penyata Kewangan

Lembaga Pengarah bertanggungjawab terhadap penyediaan penyata kewangan Lembaga Pembangunan Pelaburan Malaysia yang memberi gambaran benar dan saksama selaras dengan piawaian pelaporan kewangan yang diluluskan di Malaysia dan Akta Lembaga Pembangunan Pelaburan Malaysia (Pemerbadanan) 1965 (Akta 397). Lembaga Pengarah juga bertanggungjawab terhadap penetapan kawalan dalaman yang perlu bagi membolehkan penyediaan penyata kewangan Lembaga Pembangunan Pelaburan Malaysia yang bebas daripada salah nyata yang ketara sama ada disebabkan fraud atau kesilapan.

Semasa penyediaan penyata kewangan Lembaga Pembangunan Pelaburan Malaysia, Lembaga Pengarah bertanggungjawab untuk menilai keupayaan Lembaga Pembangunan Pelaburan Malaysia untuk beroperasi sebagai satu usaha berterusan, mendedahkannya jika berkaitan serta menggunakannya sebagai asas perakaunan.

Tanggungjawab Juruaudit Terhadap Pengauditan Penyata Kewangan

Objektif saya adalah untuk memperoleh keyakinan yang munasabah sama ada penyata kewangan Lembaga Pembangunan Pelaburan Malaysia secara keseluruhannya adalah bebas daripada salah nyata yang ketara, sama ada disebabkan fraud atau kesilapan, dan mengeluarkan Laporan Juruaudit yang merangkumi pendapat saya. Jaminan yang munasabah adalah satu tahap jaminan yang tinggi, tetapi bukan satu jaminan bahawa audit yang dijalankan mengikut *The International Standards of Supreme Audit Institutions* akan sentiasa mengesan salah nyata yang ketara apabila ia wujud. Salah nyata boleh wujud daripada fraud atau kesilapan dan dianggap ketara sama ada secara individu atau agregat sekiranya boleh dijangkakan dengan munasabah untuk mempengaruhi keputusan ekonomi yang dibuat oleh pengguna berdasarkan penyata kewangan ini.

Sebagai sebahagian daripada pengauditan mengikut *The International Standards of Supreme Audit Institutions*, saya menggunakan pertimbangan profesional dan mengekalkan keraguan profesional sepanjang pengauditan. Saya juga:

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CERTIFICATE OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd.)

a. Menilai pasti dan menilai risiko salah nyata ketara dalam penyata kewangan Lembaga Pembangunan Pelaburan Malaysia, sama ada disebabkan fraud atau kesilapan, merangka dan melaksanakan prosedur audit yang responsif terhadap risiko berkenaan serta mendapatkan bukti audit yang mencukupi dan beresuaian untuk memberikan asas kepada pendapat saya. Risiko untuk tidak mengesan salah nyata ketara akibat daripada fraud adalah lebih tinggi daripada kesilapan kerana fraud mungkin melibatkan pakatan, pemalsuan, ketinggalan yang disengajakan, representasi yang salah, atau mengatasi kawalan dalaman.

b. Memahami kawalan dalaman yang relevan untuk merangka prosedur audit yang beresuaian tetapi bukan untuk menyatakan pendapat mengenai keberkesanan kawalan dalaman Lembaga Pembangunan Pelaburan Malaysia.

c. Menilai kesesuaian dasar perakaunan yang diguna pakai dan kemunasabahan anggaran perakaunan dan pendedahan yang berkaitan oleh Lembaga Pengarah.

d. Membuat kesimpulan terhadap kesesuaian penggunaan asas perakaunan untuk usaha berterusan oleh Lembaga Pengarah, dan berdasarkan bukti audit yang diperoleh, sama ada wujudnya ketidakpastian ketara yang berkaitan dengan peristiwa atau keadaan yang mungkin menimbulkan keraguan yang signifikan terhadap keupayaan Lembaga Pembangunan Pelaburan Malaysia sebagai satu usaha berterusan. Jika saya membuat kesimpulan bahawa ketidakpastian ketara wujud, saya perlu melaporkan dalam Laporan Juruaudit terhadap pendedahan yang berkaitan dalam penyata kewangan Lembaga Pembangunan Pelaburan Malaysia atau, jika pendedahan tersebut tidak mencukupi, pendapat saya akan diubah. Kesimpulan saya dibuat berdasarkan bukti audit yang diperoleh sehingga tarikh Laporan Juruaudit.

e. Menilai sama ada keseluruhan persembahan termasuk pendedahan penyata kewangan Lembaga Pembangunan Pelaburan Malaysia memberi gambaran yang saksama.

Saya telah berkomunikasi dengan Lembaga Pengarah, antaranya mengenai skop dan tempoh pengauditan yang dirancang serta penemuan audit yang signifikan, termasuk kelemahan kawalan dalaman yang dikenal pasti semasa pengauditan.

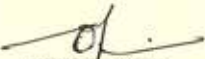
Laporan Mengenai Keperluan Perundangan dan Peraturan Lain

Berdasarkan keperluan Akta Lembaga Pembangunan Pelaburan Malaysia (Pemerbadanan) 1965 (Akta 397), saya juga melaporkan bahawa pada pendapat saya, rekod perakaunan dan rekod lain yang dikehendaki Akta untuk disimpan oleh Lembaga Pembangunan Pelaburan Malaysia telah disimpan dengan sempurna menurut peruntukan Akta.


Hai-hai Lain

a. Seperti yang dinyatakan pada Nota 2 kepada penyata kewangan, Lembaga Pembangunan Pelaburan Malaysia telah menerima pakai *Malaysian Public Sector Accounting Standards (MPSAS)* mulai 1 Januari 2016 dengan tarikh peralihan pada 1 Januari 2015. Tanggungjawab saya sebagai sebahagian daripada pengauditan penyata kewangan Lembaga Pembangunan Pelaburan Malaysia bagi tahun berakhir 31 Disember 2016, dalam keadaan ini, termasuk mendapatkan bukti audit yang mencukupi dan beresuaian yang baki awal pada 1 Januari 2016 tidak mengandungi salah nyata yang boleh memberi kesan ketara terhadap kedudukan kewangan pada 31 Disember 2016 dan prestasi kewangan dan aliran tunai bagi tahun berakhir pada tarikh tersebut.

b. Laporan ini dibuat untuk Lembaga Pengarah dan bukan untuk tujuan lain. Saya tidak bertanggungjawab terhadap pihak lain bagi kandungan laporan ini.


(JOHARI BIN ISMAIL)
b.p. KETUA AUDIT NEGARA
MALAYSIA

PUTRAJAYA
22 OGOS 2017




STATEMENT BY THE CHAIRMAN AND A MEMBER OF THE BOARD

LEMBAGA PEMBANGUNAN PELABURAN MALAYSIA (MIDA)
(Ditubuhkan di Malaysia di bawah Akta Lembaga Pembangunan Pelaburan Malaysia
(Pindaan) 2011)

PENYATA PENERUSI DAN SEORANG AHLI JEMAAH

Kami, **TAN SRI AMIRSHAM A. AZIZ** dan **DATUK SERI J. JAYASIRI** yang merupakan Pengerusi dan salah seorang Ahli Jemaah, Lembaga Pembangunan Pelaburan Malaysia, dengan ini menyatakan bahawa, pada pendapat Jemaah, Penyata Kedudukan Kewangan, Penyata Prestasi Kewangan, Penyata Perubahan Aset Bersih, Penyata Aliran Tunai dan Penyata Prestasi Bajet yang berikut ini berserta dengan nota-nota di dalamnya, adalah disediakan untuk menunjukkan pandangan yang benar dan saksama berkenaan kedudukan kewangan Lembaga Pembangunan Pelaburan Malaysia, pada 31 Disember, 2016 dan hasil kendaliannya serta perubahan kewangannya bagi tahun yang berakhir pada tarikh tersebut.

Bagi pihak Jemaah,


TAN SRI AMIRSHAM A. AZIZ

PENERUSI
14 OGOS 2017
KUALA LUMPUR

Bagi pihak Jemaah,


DATUK SERI J. JAYASIRI

AHLI JEMAAH
14 OGOS 2017
KUALA LUMPUR

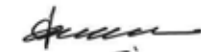
DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL
MANAGEMENT OF THE MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)

LEMBAGA PEMBANGUNAN PELABURAN MALAYSIA (MIDA)

PENGAKUAN OLEH PEGAWAI UTAMA YANG
BERTANGGUNGJAWAB KE ATAS PENGURUSAN KEWANGAN
LEMBAGA PEMBANGUNAN PELABURAN MALAYSIA (MIDA)

Saya, **AZMAN MAHMUD** pegawai utama yang bertanggungjawab ke atas pengurusan kewangan dan rekod-rekod perakaunan **LEMBAGA PEMBANGUNAN PELABURAN MALAYSIA** dengan ikhlasnya mengakui bahawa Penyata Kedudukan Kewangan, Penyata Prestasi Kewangan, Penyata Perubahan Aset Bersih, Penyata Aliran Tunai dan Penyata Prestasi Bajet dalam kedudukan kewangan yang berikut ini berserta dengan Nota-Nota kepada Penyata Kewangan di dalamnya mengikut sebaik-baik pengetahuan dan kepercayaan saya, adalah betul dan saya membuat ikrar ini dengan sebenarnya mempercayai bahawa ia adalah benar dan atas kehendak-kehendak Akta Akuan Berkanun, 1960.

Sebenarnya dan sesungguhnya)
diakui oleh penama di atas)
di KUALA LUMPUR)
pada 14 OGOS 2017)



DATO' AZMAN MAHMUD

Di hadapan saya,



PESURUHJAYA SUMPAH

Lot 1.08, Tingkat 1,
Bangunan KWSP, Jin Raja Laut,
50350 Kuala Lumpur.
Tel: 019-6680745

09

Financial Statements

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	NOTE	31 DECEMBER 2016 (RM)	1 JANUARY 2016 (RM)
NON CURRENT ASSETS			
• Property, Plant and Equipment	3	152,447,100	168,407,235
• Intangible Assets	4	61,532	30,411
• Investment Properties	5	326,810	326,810
• Loans and Receivables from Exchange Transactions	6	8,058,783	8,116,316
		160,894,225	176,880,772
CURRENT ASSETS			
• Loans and Receivables from Exchange Transactions	6	5,074,195	6,262,491
• Cash and Cash Equivalents	7	233,345,822	149,292,656
		238,420,017	155,555,147
Total Assets		399,314,242	332,435,919
CURRENT LIABILITIES			
• Payables from Exchange Transactions	8	29,474,483	26,358,605
• Provision for Bonus	9	2,581,294	-
• Employee Benefits Obligation	10	760,474	720,614
		32,816,251	27,079,219
NON-CURRENT LIABILITIES			
• Payables from Exchange Transactions	8	1,410,232	-
• Employee Benefits Obligation	10	10,664,481	10,342,099
		12,074,713	10,342,099
Total Liabilities		44,890,964	37,421,318
NET ASSETS			
Accumulated Surplus, Arising from:		354,423,278	295,014,601
• Development Grant		342,661,071	283,705,561
• Operating Grant		8,412,207	7,959,040
• Computer Loan Grant		350,000	350,000
• Conveyance Grant		3,000,000	3,000,000
Total Net Assets and Liabilities		399,314,242	332,435,919

The accompanying accounting policies and explanatory notes form an integral part of financial statements.

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2016

	NOTE	31 DECEMBER 2016 (RM)
REVENUE FROM NON-EXCHANGE TRANSACTIONS		
• Transfers from Government Grants	12	699,379,184
REVENUE FROM EXCHANGE TRANSACTIONS		
• Rental Income	13	661,733
• Interest Income / Hibah Profits	14	9,334,919
• Other Income		1,160,083
		11,156,735
Total Revenue		710,535,919
EXPENSES		
• Wages, Salaries and Employee Benefits	15	101,783,226
• Rental Expenses		27,803,596
• Professional Fees / Other Services and Hospitalities		475,182,187
• Depreciation and Amortisation Expenses	16	17,238,687
• Impairment Loss of Financial Assets		577,144
• Communications and Utilities Expenses		9,802,557
• Repairs and Maintenance		7,557,473
• Travelling Expenses		7,106,915
• Other Expenses	17	4,366,131
Total Expenses		651,417,916
OTHER GAINS OR LOSSES		
• Gain on Disposal of Motor Vehicle		38,324
• Realised Foreign Exchange Gains		252,350
		290,674
Surplus for the Year		59,406,677

The accompanying accounting policies and explanatory notes form an integral part of financial statements.

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 DECEMBER 2016

ACCUMULATED SURPLUS						
	DEVELOPMENT GRANT		OPERATING GRANT	CONVEYANCE GRANT	COMPUTER LOAN GRANT	TOTAL
	Special Account Note 11(i)	MIDA Account Note 11(ii)	Note 11 (iii)	Note 11 (iv)	Note 11 (v)	
	RM	RM	RM	RM	RM	RM
Balance as at 1 January 2016	105,810,931	177,894,630	7,959,040	3,000,000	350,000	295,014,601
Surplus (Deficit) For The Year	75,568,021	(16,612,511)	453,167	-	-	59,408,677
Balance as at 31 December 2016	181,378,952	161,282,119	8,412,207	3,000,000	350,000	354,423,278

The accompanying accounting policies and explanatory notes form an integral part of financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	NOTE	31 DECEMBER 2016 (RM)
CASHFLOWS FROM OPERATING ACTIVITIES		
Surplus for the Year		59,408,677
Adjusted for:		
• Depreciation of Property, Plant and Equipment		17,193,408
• Amortisation of Intangible Assets		45,279
• Gain on Disposal of Motor Vehicle		(38,324)
• Equipments Written Off		5,768
• Provisions for Bonus		2,581,294
• Impairment Loss if Financial Assets		577,144
• Provision for Employee Benefits Obligation		1,169,639
• Interest Income from Deposits / Hibah profits		(9,334,919)
Operating Surplus Before Changes In Working Capital		71,607,966
Changes in Working Capital:		
• Decrease in Receivables		1,591,685
• Increase in Payable		4,526,110
• Decrease in Employee Benefit Obligations		(807,397)
Cash Generated from Operations		76,918,364
• Interest Income from Deposits / Hibah Profits Received		8,411,919
Net Cash Flows Generated from Operating Activities		85,330,283
Cash Flows From Investing Activities		
Purchase of Property, Plant, Equipment		(1,239,044)

cont'd >>

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016 (cont'd)

	NOTE	31 DECEMBER 2016 (RM)
Purchase of Intangible Assets		(76,400)
Proceeds from Sale of Motor Vehicle		38,327
Net Cash Flows Used in Investing Activities		(1,277,117)
Net Increase in Cash and Cash Equivalents		84,053,166
Cash and Cash Equivalents at 1 January		149,292,656
Cash and Cash Equivalents at 31 December	7	233,345,822

The accompanying accounting policies and explanatory notes form an integral part of financial statements.

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 DECEMBER 2016

	ORIGINAL BUDGET 2016	ADJUSTMENTS 2016	FINAL BUDJET 2016	ACTUAL ON COMPARABLE BASIS 2016	PERFORMANCE DIFFERENCE 2016
	RM	RM	RM	RM	RM
OPERATING EXPENDITURES (VOT B)					
Expenditures					
Emoluments	96,113,611	8,000,000	104,113,611	99,201,932	4,911,679
Goods and Services	52,309,738	20,240,000	72,549,738	75,316,922	(2,767,184)
Other Payments	1,028,251	-	1,028,251	1,209,459	(181,208)
Total Expenditures	149,451,600	28,240,000	177,691,600	175,728,313	1,963,287
DEVELOPMENT EXPENDITURES (VOT P)					
Expenditures					
High Impact Projects Funds	729,220,000	(10,000,000)	719,220,000	429,086,612	290,133,388
Upgrading of Basic Infrastructure of Existing Industrial Estates Fund	25,000,000	(5,000,000)	20,000,000	25,815,061	(5,815,061)
E-MIDA Enterprise Transformation System (E-Trans)	11,000,000	-	11,000,000	-	11,000,000
Total Expenditures	765,220,000	(15,000,000)	750,220,000	454,901,673	295,318,327
Total Operating and Development Expenditures	914,671,600	13,240,000	927,911,600	630,629,986	297,281,614

Note: The budget and the accounting basis is different. This Statement of Comparison of Budget and Actual Amounts is prepared on the budget basis.

The accompanying accounting policies and explanatory notes form an integral part of financial statements.

NOTES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

1. General Information

Malaysian Investment Development Authority (MIDA) was incorporated in Malaysia under the Malaysian Investment Development Authority (Incorporation) Act 1965 [Act 397].

MIDA’s main activity is to promote and coordinate the development of the manufacturing and related services sector in Malaysia. MIDA is headquartered at MIDA Sentral, No. 5, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia.

The Financial Statements were approved via a Board Resolution on 14 August 2017.

2.1 Basis of Preparation

(a) Reporting Period and Entity

The preparation of MIDA Financial Statements is subject to the 1980 Statutory Bodies (Accounts and Annual Reports) where the reporting period is not specified in the Act. Therefore, the financial year of MIDA is January 1 to December 31 in accordance with Section 3 of the Financial Procedure Act 1957 [Act61]

The financial statements are presented in Ringgit Malaysia (RM), which is the functional and reporting currency of MIDA.

(b) Reporting Period and Entity

The financial statements are prepared on an accrual basis.

The financial statements are prepared in accordance with the Malaysian Public Sector Accounting Standards (MPSASs) Accrual Basis. MPSAS 33 allows a first-time adopter a period of up to three years to recognize and/or measure certain assets and/or liabilities.

In its transition to accrual basis MPSASs, MIDA took advantage of this transitional exemption for post-employment benefit plan. During this transitional period, MIDA is not required to change its accounting policy in respect of the measurement of these liabilities. As a result, it is unable to make an explicit and unreserved statement of compliance with accrual basis MPSASs in preparing its transitional MPSAS financial statements for this reporting period. MIDA intends to recognize and/or measure its post-employment defined benefit plan by 31 December 2018.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flows statement is prepared using the indirect method.

MIDA has elected to not present comparative information in this financial statements. Note 23 to the financial statements discloses the explanation of MIDA’s transition from PERS to MPSAS.

The preparation of financial statements in conformity with the MPSAS requires the use of certain critical accounting estimates. It also requires the Directors to exercise its judgement in the process of applying MIDA’s accounting policies.

2.2 Summary of Significant Accounting Policies

Standards and Interpretations issued, not yet effective and early adopted by MIDA

MIDA has elected to early adopt all standards and interpretations issued by the Accountant General’s Department (AGO) that are effective and applicable for the financial year beginning 1 January 2017 as follows:

MPSASS

- MPSAS 1 Presentation of Financial Statements
- MPSAS 2 Cash Flow Statements
- MPSAS 3 Accounting Policies, Changes in Accounting Estimates and Errors
- MPSAS 4 The Effect of Changes in Foreign Exchange Rate
- MPSAS 9 Revenue from Exchange Transactions
- MPSAS 13 Leases
- MPSAS 14 Events After the Reporting Date
- MPSAS 16 Investment Property
- MPSAS 17 Property, Plant and Equipment
- MPSAS 19 Provisions, Contingent Liabilities and Contingent Assets
- MPSAS 20 Related Party Disclosures
- MPSAS 21 Impairment of Non-Cash Generating Assets
- MPSAS 23 Revenue from Non-Exchange Transactions (Taxes & Transfers)
- MPSAS 24 Presentation of Budget Information in Financial Statements
- MPSAS 25 Employee Benefits
- MPSAS 26 Impairment of Cash-Generating Assets
- MPSAS 28 Financial Instruments : Presentation

NOTES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (cont’d)

- MPSAS 29 Financial Instruments : Recognition and Measurement
- MPSAS 30 Financial Instruments : Disclosures
- MPSAS 31 Intangible Assets
- MPSAS 33 First-Time Adoption of Accrual Basis MPSASs

MIDA does not expect that the adoption of the following MPSASs will have any material impact on the current period and may not likely affect future periods.

- MPSAS 5 Borrowing Costs
- MPSAS 6 Consolidated and Separate Financial Statements
- MPSAS 7 Investments in Associates
- MPSAS 8 Interests in Joint Ventures
- MPSAS 11 Construction Contracts
- MPSAS 12 Inventories
- MPSAS 18 Segment Reporting
- MPSAS 22 Disclosure of Financial Information about the General Government Sector
- MPSAS 27 Agriculture
- MPSAS 32 Service Concession Agreement : Grantor
- MPSAS 34 Separate Financial Statements
- MPSAS 35 Consolidated Financial Statements
- MPSAS 36 Investments in Associates and Joint Ventures
- MPSAS 37 Joint Arrangements
- MPSAS 38 Disclosure of Interest in Other Entities

a) Revenue Recognition

Revenue from Non-exchange Transactions

Transfers Revenue

Revenues from non-exchange transactions with Federal Government are measured at fair value and recognized on obtaining control of the asset (cash) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to MIDA and can be measured reliably.

Revenue from Exchange Transactions

Interest Income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, MIDA reduces the carrying amount to its

recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

Rental Income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Investment Property

Investment property comprising freehold land is held for long term rental yields or for capital appreciation or both, and are not occupied by MIDA.

Investment properties are measured initially at cost, including transaction costs. After initial recognition, investment property is stated at cost less any accumulated depreciation and impairment losses. As the investment property is a freehold land, there is no depreciation charge.

Subsequent expenditure is capitalised to the asset’s carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to MIDA and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property is derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. Gains or losses on disposals are determined by comparing proceeds with carrying amount and are included in other gains/ (losses)-net, in surplus or deficit. Transfers are made to or from investment properties only when there is a change in use.

NOTES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (cont'd)

2.2 Summary of Significant Accounting Policies (cont'd)

c) Property, Plant and Equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses except for freehold land and work in progress which are not depreciated. Depreciation on assets under work in progress commences when the assets are ready for their intended use. Only property, plant and equipment costing RM2,000 and above per item is capitalised.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits and service potential associated with the item will flow to MIDA and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in surplus or deficit during the financial period in which they are incurred.

Depreciation is charged at rates calculated to allocate the cost of the asset less any estimated residual value over its remaining useful life:

- | | |
|---------------------|---------------|
| • Buildings | 2% per annum |
| • Renovations | 20% per annum |
| • Motor vehicles | 20% per annum |
| • Computer hardware | 20% per annum |
| • Office equipment | 10% per annum |

The assets' residual values and useful lives are reviewed, and adjusted prospectively, if appropriate, at the end of each reporting period.

At the end of the reporting period, MIDA assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. An asset's carrying amount is written down immediately to its recoverable amount, or recoverable

service amount, if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount.

MIDA derecognizes items of property, plant and equipment and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use. Gains or losses on disposals are determined by comparing proceeds with carrying amount and are included in other gains/(losses)-net, in surplus or deficit. when the asset is derecognized.

d) Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment, or series of payments, the right to use an asset for an agreed period of time.

Operating Leases - MIDA as Lessee

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to surplus or deficit on the straight-line basis over the lease period.

Operating Leases - MIDA as A Lessor

When assets are leased out under an operating lease, the asset is included in the statement of financial position based on the nature of the asset. Lease income is recognised over the term of the lease on a straight-line basis.

e) Intangible Assets - Computer Software and Systems

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by MIDA are recognised as intangible assets when the following criteria are met:

- (i) it is technically feasible to complete the software product so that it will be available for use;
- (ii) management intends to complete the software product and use or sell it;

NOTES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (cont'd)

(iii) there is an ability to use or sell the software product;

(iv) it can be demonstrated how the software product will generate probable future economic benefits or service potential;

(v) adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and

(vi) the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Computer software development costs recognised as assets are amortised from the point at which the asset is ready for use over their estimated useful lives, which does not exceed 5 years.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 5 years.

f) Impairment of Non-Financial Assets

Impairment of Cash-Generating Assets

At each reporting date, MIDA assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, MIDA estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or MIDA's assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment of Cash-Generating Assets

Impairment losses of continuing operations, are recognized in the statement of financial performance in those expense categories consistent with the nature of the impaired asset.

An assessment is made for assets at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, MIDA estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in surplus or deficit.

Impairment of Non-Cash-Generating Assets

MIDA assesses at each reporting date whether there is an indication that a non-cashgenerating asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, MIDA estimates the asset's recoverable service amount. An asset's recoverable service amount is the higher of the non-cash generating asset's fair value less costs to sell and its value in use.

Where the carrying amount of an asset exceeds its recoverable service amount, the asset is considered impaired and is written down to its recoverable service amount.

In assessing value in use, MIDA has adopted the depreciation replacement cost approach. Under this approach, the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

NOTES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (cont'd)

2.2 Summary of Significant Accounting Policies (cont'd)**f) Impairment of Non-Financial Assets (cont'd)**

In determining fair value less costs to sell, the price of the assets in a binding agreement in an arm's length transaction, adjusted for incremental costs that would be directly attributed to the disposal of the asset is used. If there is no binding agreement, but the asset is traded on an active market, fair value less cost to sell is the asset's market price less cost of disposal. If there is no binding sale agreement or active market for an asset, MIDA determines fair value less cost to sell based on the best available information.

For each asset, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, MIDA estimates the asset's recoverable service amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable service amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognized in surplus or deficit.

g) Financial Instruments**Financial Assets**Classification

MIDA classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. MIDA's loans and receivables comprise 'receivables' and 'cash and cash equivalents' in the statement of financial position.

Recognition and Initial Measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which MIDA commits to purchase or sell the asset.

Subsequent Measurement

Loans and receivables financial assets are subsequently carried at amortised cost using the effective interest method.

Derecognition

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and MIDA has transferred substantially all risks and rewards of ownership.

Impairment of Financial Assets Carried at Amortised Cost

MIDA assesses at each reporting date whether there is objective evidence that MIDA's financial assets is impaired. MIDA financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of MIDA's financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- MIDA debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy
- Observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

MIDA first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If MIDA determines that no objective evidence

NOTES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (cont'd)

of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a MIDA financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised, are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the recoverable amount.

Financial LiabilitiesRecognition and Initial Measurement

MIDA's financial liabilities include payables. Payables are classified as other financial liabilities at initial recognition. Financial liabilities are recognized initially at fair value.

Subsequent Measurement

Other financial liabilities are subsequently carried at amortised cost using the effective interest method.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

h) Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

i) Provisions

Provisions are recognised when MIDA has a present legal or constructive obligation as a result of past

events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are measured at the present value of management's best estimate of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

j) Employee BenefitsShort Term Employee Benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as employee benefit obligation in the statement of financial position.

MIDA recognises a liability and an expense for bonuses, based on a formula that takes into consideration the surplus attributable to MIDA after certain adjustments. MIDA recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Post-Employment Pension Benefits

MIDA has post-employment pension benefit schemes in accordance with local conditions and practices. These benefits plans are either defined contribution or defined benefit plans.

A defined contribution plan is a pension plan under which MIDA pays fixed contributions into a separate entity (a fund) on a mandatory, contractual or voluntary basis and MIDA has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

NOTES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (cont'd)

2.2 Summary of Significant Accounting Policies (cont'd)

j) Employee Benefits (cont'd)

MIDA's contributions to defined contribution plans are charged to surplus or deficit in the period to which they relate.

Defined benefit plan is a pension plan that is not a defined contribution plan. Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

In its transition to accrual basis MPSASs, MIDA took advantage of the transitional exemption for post-employment benefit plan as allowed under MPSAS 33. During this transitional period, MIDA is not required to change its accounting policy in respect of the measurement of these liabilities. As a result, it is unable to make an explicit and unreserved statement of compliance with accrual basis MPSASs in preparing its transitional MPSAS financial statements for this reporting period. MIDA intends to recognize and/or measure its post-employment defined benefit plan by 31 December 2018.

k) Foreign Currency Transactions

Items included in the financial statements are measured using the currency of the primary economic environment in which MIDA operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is MIDA's functional and presentation currency.

Transactions in foreign currencies are initially accounted for at the Accountant General's Department of Malaysia (AG) ruling rate of exchange on the date of the transaction. Cash and cash equivalents denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in surplus or deficit.

Foreign exchange gains and losses that relate to cash and cash equivalents are presented in surplus or deficit within other gains or losses.

l) Significant Judgments And Sources Of Estimation Uncertainty

The preparation of MIDA's financial statements in conformity with MPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of any contingent liabilities, at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below:

Operating Lease Commitments - MIDA as Lessor

MIDA has entered into property leases of certain of its properties. MIDA has determined, based on an evaluation of the terms and conditions of the arrangements, (such as the lease term not constituting a substantial portion of the economic life of the commercial property) that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Impairment of Receivables

MIDA assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, MIDA considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

NOTES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (cont'd)

3. Property, Plant and Equipment

	FREEHOLD LAND	BUILDING	RENOVATIONS	MOTOR VEHICLES	COMPUTER HARDWARE	OFFICE EQUIPMENT	WORK IN PROGRESS	TOTAL
	RM	RM	RM	RM	RM	RM	RM	RM
COST								
As 1 January 2016	42,000,000	106,917,902	41,111,174	8,655,435	49,342,280	3,235,011	14,713,310	265,975,112
Additions	-	-	-	-	128,916	20,497	1,089,631	1,239,044
Disposals	-	-	-	(483,794)	-	-	-	(483,794)
Written Off	-	-	-	-	(492,500)	(9,585)	-	(502,085)
At 31 December 2016	42,000,000	106,917,902	41,111,174	8,171,641	48,978,696	3,245,923	15,802,941	266,228,277
ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT LOSSES								
As 1 January 2016	-	12,826,316	32,888,939	7,299,811	42,883,663	1,669,148	-	97,567,877
Depreciation Charge for the Year	-	2,138,358	8,222,196	565,101	5,983,883	283,870	-	17,193,408
Disposals	-	-	-	(483,791)	-	-	-	(483,791)
Written Off	-	-	-	-	(488,092)	(8,225)	-	(496,317)
At 31 December 2016	-	14,964,674	41,111,135	7,381,121	48,379,454	1,944,793	-	113,781,177
NET BOOK VALUE								
As 1 January 2016	42,000,000	94,091,586	8,222,235	1,355,624	6,458,617	1,565,863	14,713,310	168,407,235
As 31 December 2016	42,000,000	91,953,228	39	790,520	599,242	1,301,130	15,802,941	152,447,100

NOTES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (cont'd)

4. Intangible Asset

	COMPUTER SOFTWARE	SYSTEM	TOTAL
	RM	RM	RM
COST			
As at 1 January 2016	305,711	161,375	467,086
Additions	-	76,400	76,400
As at 31 December 2016	305,711	237,775	543,486
ACCUMULATED AMORTISATION			
As at 1 January 2016	305,301	131,374	436,675
Charge for the Year	-	45,279	45,279
As at 31 December 2016	305,301	176,653	481,954
NET BOOK VALUE			
As at 1 January 2016	410	30,001	30,411
As at 31 December 2016	410	61,122	61,532

Computer software relates to the licence fee and professional fees arising directly from beginning the asset to its working condition.

5. Investment Property

	31 DECEMBER 2016 (RM)
As at 1 January 2016 / 31 December 2016	326,810
Rental Revenue from Investment Properties	388,800

The fair value of the investment property carried at cost amounted to RM 129,100,000. The fair value were determined based on last valuation performed by Jabatan Penilaian and Perkhidmatan Harta (JPPH), as at 31 December 2011. The valuer is an industry specialist in valuing these type of investment properties. The fair value of the properties have been determined on observable transaction in the market.

6. Loans and Receivables From Exchange Transaction

	31 DECEMBER 2016 (RM)
Other Receivables	3,020,325
Less: Accumulated Impairment Losses	(577,144)
	2,443,181
Advances	98,819
Staff Loans:	895,219
• Computer Loans	51,865
• Motor Vehicle Loans	843,354
Deposits	6,966,446
Prepayments	2,729,313
	13,132,978
Analyse Into:	
Current Portion	5,074,195
Non-Current Portion	8,058,783
	13,132,978

Other receivables are non-interest bearing whilst staff loans bear interests of 4% per annum. They are generally on 30 days term. Other receivables and staff loans are recognised at fair values at initial recognition. The ageing analysis of loans and receivables (at net) are as follows:

	NEITHER PAST DUE NOR IMPAIRED
	RM
Advances	98,819
Staff Loans	895,219
Deposits	6,966,446
Other Receivables	1,304,621

cont'd >>

NOTES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (cont'd)

<<cont'd

	PAST DUE BUT NOT IMPAIRED			
	< 30 DAYS	30 - 90 DAYS	90 - 180 DAYS	> 180 DAYS
	RM	RM	RM	RM
Advances	-	-	-	-
Staff Loans	-	-	-	-
Deposits	-	-	-	-
Other Receivables	430,990	239,941	464,018	3,611

Other than computer loans which are unsecured, motor vehicle loans are secured by way of a charge over the motor vehicles in favour of MIDA. Credit risk over the staff loans is insignificant as the outstanding amounts are recovered on monthly basis through payroll deductions.

Other receivables that are impaired at the end of the financial period and the movement of the accumulated impairment of loans and receivables account used to record the impairment are as follows:

	31 DECEMBER 2016 (RM)
INDIVIDUALLY IMPAIRED	
Other Receivables, Gross	577,144
Less: Accumulated Impairment Losses	(577,144)
	-

Movements on the accumulated impairment of loans and receivables are as follows:

	31 DECEMBER 2016 (RM)
At 1 January 2016	-
Impaired During A Year	577,144
At 31 December 2016	(577,144)

7. Cash and Cash Equivalents

	31 DECEMBER 2016 (RM)
Cash in Hand	31,922
Cash at Banks	62,390,900
Short Term Deposits with Licensed Institutions	170,923,000
	233,345,822

Cash at bank earns interest at floating rates based on daily bank deposits rates.

Deposits are made for varying periods, depending on the immediate cash requirements of MIDA and earn interest at the respective short-term deposit rate. The weighted average interest rate as at 31 December 2016 is 3.48% per annum. These deposits are monies which are restricted for use of approved projects.

8. Payables from Exchange Transactions

	31 DECEMBER 2016 (RM)
Special Accounts	510,729
Other Payables	25,596,396
Retention Contract Sum	4,777,590
	30,884,715
Analyse Into:	
Current Portion	29,474,483
Non-Current Portion	1,410,232
	30,884,715

Short term payables are non-interest bearing and have an average term of one month

NOTES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (cont'd)

9. Provisions

	31 DECEMBER 2016 (RM)
PERFORMANCE BONUSES	
At 1 January 2016	-
Created and Charged During The Year	2,581,294
At 31 December 2016	2,581,294

Performance bonuses accrue to staff on an annual basis subject to the achievement of predetermined performance standards. The provision is an estimate of the amount due to staff in the service of MIDA at the reporting date based on staffs performance assessments taking into consideration the performance trends and the availability of budget for bonuses.

10. Post-Employment Benefit Plans

	31 DECEMBER 2016 (RM)
At 1 January 2016	11,062,713
Adjustment	(2,354)
Contributions Paid	(805,043)
Additional Contribution	1,169,639
At 31 December 2016	11,424,955
Analyse Into:	
Current Portion	760,474
Non-Current Portion	10,664,481
	11,424,955

Post-employment benefit plans represents cash award in lieu of accumulated leave. This cash award is given to employees who are unable to utilise all their leave up to a maximum of 150 days due to exigency of the service. The cash award is paid on the last working day upon retirement and it is calculated based on the employees' salaries as at the statement of financial position.

In its transition to accrual basis MPSASs, MIDA took advantage of the transitional exemption for post-employment benefit plan. During this transitional

period, MIDA is not required to change its accounting policy in respect of the measurement of these liabilities. As a result, it is unable to make an explicit and unreserved statement of compliance with accrual basis MPSASs in preparing its transitional MPSAS financial statements for this reporting period. MIDA intends to recognise and/or measure its postemployment defined benefit plan by 31 December 2018.

11. Accumulated Surplus

(i) Development Grant - Special Account

	STRATEGIC INVESTMENT, HIGH IMPACT PROJECT AND DOMESTIC INVESTMENT STRATEGIC FUND	UPGRADING OF BASIC INFRA-STRUCTURE OF EXISTING INDUSTRIAL ESTATES / (NKEA-HAZMAT)	TOTAL
	RM	RM	RM
As at 1 January 2016	88,006,986	17,803,945	105,810,931
Inter-grant Transfer	10,747,374	(10,747,374)	-
Received During the Year	539,004,584	15,000,000	554,004,584
Transfer to Operating Grant	(32,317,000)	-	(32,317,000)
Interest on Deposit with Bank	8,782,111	-	8,782,111
Expenses Paid During the Year	(429,086,612)	(25,815,062)	(454,901,674)
As at 31 December 2016	185,137,443	(3,758,491)	181,378,952

NOTES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (cont'd)

(ii) Development Grant - MIDA Account

	TOTAL (RM)
At 1 January 2016	177,894,630
Interest on Deposit with Bank	228,964
Expenses Paid During the Year	(385,035)
Depreciation and Amortisation Expense	(16,456,440)
At 31 December 2016	161,282,119

(iii) Operational Grant

	TOTAL (RM)
At 1 January 2016	7,959,040
Transfer from Development Grant - Special Account	32,317,000
Received During the Year	145,374,600
Interest on Deposit with Bank	323,844
Other Income & Other Gains	2,112,490
Expenses Paid During the Year	(179,674,767)
At 31 December 2016	8,412,207

(iv) Conveyance Grant

	TOTAL (RM)
At 1 January 2016 / 31 December 2016	3,000,000

(v) Computer Loan Grant

	TOTAL (RM)
At 1 January 2016 / 31 December 2016	350,000

12. Transfers from Government Grants

	31 DECEMBER 2016 (RM)
Unconditional Grants:	
Government Grants - Operating	177,691,600
Government Grants - Development (Special Account)	521,687,584
	699,379,184

13. Rental Income

	31 DECEMBER 2016 (RM)
Investment Property Rental	388,800
Office Space Rental	58,102
Parking Rental	214,831
	661,733

14. Interest Income / Hibah Profits

	31 DECEMBER 2016 (RM)
Interest on Deposits at Banks	9,299,840
Interest on Conveyance Loan	34,233
Hibah Profit on Computer Loan	846
	9,334,919

15. Wages, Salaries and Employee Benefits

	31 DECEMBER 2016 (RM)
Salaries and Wages	63,360,438
Fixed Allowances	10,002,134
Statutory Contributions	11,832,428
Overtime Allowances	1,490,460
Other Monetary Benefits	15,097,766
	101,783,226

NOTES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (cont'd)
16. Depreciation and Amortisation Expenses

31 DECEMBER 2016 (RM)	
Property, Plant and Equipment	17,193,408
Intangible Assets	45,279
	17,238,687

17. Other Expenses

31 DECEMBER 2016 (RM)	
Transportation Expenses	1,133,592
Supplies and Materials	1,632,276
Miscellaneous Expenses	1,594,495
Equipments Written Off	5,768
	4,366,131

18. Related Party Disclosures

The key management personnel, as defined by MPSAS 20 Related Party Disclosures, are the members of Board, who together constitute the governing body of MIDA. The total remuneration of members of Board, on a full-time equivalent basis, receiving remuneration from MIDA are:

- Total remuneration RM 405,632
- Number of persons 13 persons

Remuneration of Key Management Personnel

ALLOWANCES (RM)	
Chairman	88,181
Directors	317,451
	405,632

* Allowances include travel, vehicle, accommodation, subsistence and other allowances

19. Financial Instruments - Financial Risks Management

Exposure to currency, interest rate, liquidity and credit risk arises in the normal course of MIDA's operations. This note presents information about the MIDA's exposure to each of the above risks, policies and processes for measuring and managing risks and MIDA's management of funds. Further quantitative disclosures are included throughout these financial statements.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties. The fair values of the financial assets and liabilities approximate their carrying amounts as at the end of the financial reporting period.

Credit Risk

Credit risk is the risk of financial loss to MIDA if customers or counterparties to financial instruments fail to meet their contractual obligations, and it arises principally from MIDA's receivables and cash and cash equivalents. The carrying amount of these financial assets at end of the financial year represents the maximum credit exposure.

Credit Quality

Credit quality is assessed risk of default attached to counterparties to which MIDA extends credit and also those parties with whom MIDA invests. As such, the credit quality assessed extends to the customers of MIDA.

The customer base of MIDA consists of individuals and companies. Credit ratings, from external rating agencies, are not readily available for all customers. Also, it is not financially viable to obtain external credit ratings for all customers due to the nature of the customer base. For the purpose of determining the credit quality of customers, MIDA applies its past experience with customers in determining the risk of default posed by customers.

Receivables from Exchange Transactions

Receivables from exchange transactions are amounts owed by individuals, companies and are presented

NOTES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (cont'd)

net of impairment losses. MIDA has a credit risk policy in place, and the exposure to credit risk is regularly monitored. There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk during the year under review.

MIDA's maximum exposure to credit risk is represented by the carrying value of each financial asset in the statement of financial position. MIDA has no significant concentration of credit risk, with exposure spread over a large number of individuals, and is not concentrated in any particular sector or geographic area. MIDA establishes an allowance for impairment that represents its estimate of anticipated losses in respect of receivables.

Cash and Cash Equivalents

MIDA limits its exposure to credit risk by investing cash and cash equivalents with only reputable financial institutions that have a sound credit rating, and within specific guidelines set in accordance with MIDA's Jawatankuasa Pelaburan Tunai approved investment policy. Consequently, the MIDA does not consider there to be any significant exposure to credit risk.

Liquidity Risk

Liquidity risk is the risk of MIDA not being able to meet its obligations as they fall due. MIDA's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due, without incurring unacceptable losses or risking damage to MIDA's reputation. MIDA ensures that it has sufficient cash on demand to meet expected operating expenses through the use of cash flow forecasts.

	NOT DUE	< 30 DAYS	30 - 180 DAYS	> 180 DAYS	TOTAL
	RM	RM	RM	RM	RM
2016 LIABILITIES					
2016 Liabilities Payables from Exchange Transactions	7,485,938	20,427,859	122,792	2,848,126	30,884,715

Market Risk

Market risk is the risk of changes in market prices, such as foreign-exchange rates and interest rates, affecting the MIDA's income or the value of its financial instrument holdings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on the risk.

The policies for managing each of these risks are as follows:

Foreign Currency Risk

MIDA is exposed to foreign-currency risk in maintaining the operating costs of its 23 overseas branches. The exposure to MIDA arising from foreign currency risk is minimal. MIDA monitors the risk by sending remittances once in two(2) months. The foreign currency balances are translated using the Accountant General's rate.

Interest Rate Risk

MIDA is exposed to interest rate risk as MIDA invest funds in fixed and floating interest rates. The risk is managed at MIDA's level in accordance with its risk management policy. The weighted average interest rates and maturity profile on financial instruments as at 31 December 2016 are as follows:

	WEIGHTED AVERAGE INTEREST RATE (RM)	3 MONTHS AND LESS (RM)
FINANCIAL ASSETS		
Cash and Cash Equivalents	3.48%	170,923,000

20. Capital Commitments

Capital expenditure contracted for at the end of the financial year but not yet incurred is as follows:

31 DECEMBER 2016 (RM)	
Property, Plant and Equipment	838,736
Intangible Assets	1,797,799
	2,636,535

NOTES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (cont'd)

21. Operating Lease Rentals

a) MIDA as Lessee

Future minimum lease payment under non-cancellable operating leases:

31 DECEMBER 2016 (RM)	
Buildings:	
Due Within One Year	31,401,539
Due Within Two to Five Years	31,777,502
Later Than Five Years	4,347,413
	67,526,454
Minimum Lease Payments Recognised as An Expense During The Year	27,803,596

b) MIDA as Lessor

Future minimum lease income under non-cancellable operating leases:

31 DECEMBER 2016 (RM)	
Investment Property:	
Due Within One Year	388,800
Building:	
Due Within One Year	163,500

MIDA lets building and properties under operating leases. Building and property rental income earned during the year was RM661, 733. No properties have been disposed of since 31 December 2016.

22. Taxation

MIDA has been granted tax exempt status under Section 127 of the Income Tax Act, 1967.

23. Transition to MPSAS

Basis of Transition to MPSAS

The transition and adoption date of MPSAS for MIDA is 1 January 2016. MIDA prepared its opening MPSAS statement of financial position at that date. MPSAS 33 allows a first-time adopter a period of up to three years to recognise and/or measure certain assets and/or liabilities.

In its transition to accrual basis MPSASs, MIDA took advantage of this transitional exemption for post-employment benefit plan. During this transitional period, MIDA is not required to change its accounting policy in respect of the measurement of these liabilities. As a result, it is unable to make an explicit and unreserved statement of compliance with accrual basis MPSASs in preparing its transitional MPSAS financial statements for this reporting period. MIDA intends to recognise and/or measure its post-employment defined benefit plan by 31 December 2018.

Reconciliation of Net Assets on 1 January 2016

NET ASSETS AS AT 1 JANUARY 2016 (RM)	
Opening Balance of Net Assets as at 1 January 2016 Reported Under Previous Basis of Accounting	189,204,769
Adjustments:	
• Recognition of Revenue from Non-Exchange Transaction : Grants	105,809,832
Restated Opening Balance of Net Assets as at 1 January 2016	295,014,601

Explanation of Transition to The MPSAS

The transition to MPSAS includes restatement of certain accounts in MIDA's financial statements to reflect the following adjustments and reclassifications pursuant to the requirements of previous accounting policies under PERS and current accounting policies under MPSAS. The nature of these adjustments and reclassifications are as follows:

NOTES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (cont'd)

	AS PREVIOUSLY STATED UNDER PERS	ADJUSTMENTS / RECLASSIFICATIONS	AS STATED UNDER MPSAS
	RM	RM	RM
AT 1 JANUARY 2016			
Property, Plant and Equipment	154,051,146	14,356,089	168,407,235
Work in Progress	14,713,310	(14,713,310)	-
Intangible Assets	-	30,411	30,411
Investment Properties	-	326,810	326,810
Non-Current Loans and Receivables	1,725,883	6,390,433	8,116,316
Current Loans and Receivables	12,652,924	(6,390,433)	6,262,491
Special Accounts	106,126,843	(106,126,843)	-
Payables from Exchange Transactions	26,041,594	317,011	26,358,605
Development Fund	177,895,729	(177,895,729)	-
Operating Fund	7,959,040	(7,959,040)	-
Conveyance Fund	3,000,000	(3,000,000)	-
Computer Loan Fund	350,000	(350,000)	-
Accumulated Fund	-	295,014,601	295,014,601

24. Budget Information

The budget is approved on a modified cash basis by nature of classification. The approved budget covers the fiscal period from 1 January 2016 to 31 December 2016.

The original budget was approved by legislative action on 23 October 2015. The original budget objectives and policies are explained further in the budget document 'Anggaran Perbelanjaan Persekutuan 2016.

The budget and the accounting basis differ. The financial statements for MIDA is prepared on the accrual basis, using a classification based on the nature of expenses in the statement of financial performance.

The overall shortfall of actual development expenditure over the final budget of 39% (39% over original budget) was primarily due to claims not yet submitted for programmes under approved projects during the year. There were no other material differences reported for operating expenditure between the final approved budget and the actual amounts.

The amounts in the financial statements were recast from the accrual basis to the modified cash basis, and reclassified by nature of classification to be on the same basis as the final approved budget.

A reconciliation between the actual amounts on a comparable basis as presented in the Statement of Comparison of Budget and Actual Amounts and the actual amounts in the Statement of Cash Flows for the year ended 31 December 2016 is presented below. The financial statements and budget documents are prepared for the same period. There is a basis difference: the budget is prepared on a cash basis and the financial statements on the accrual basis.

	OPERATING	INVESTING	TOTAL
	RM	RM	RM
Actual Amount on Comparable Basis as presented in Budget and presented in Actual Statement	(630,629,986)	-	(630,629,986)
Basis Differences			
i) Contingent Income	710,535,919	-	710,535,919
ii) Other Basic Income	5,424,350	(1,277,117)	4,147,233
Actual Amount in Cash Flow Statement Difference	85,330,283	(1,277,117)	84,053,166



10 APPENDICES

Throughout 2016, **MIDA** actively promoted the national investment agenda, at home and abroad

10 Appendices

Events

MIDA's participation in local and overseas events in 2016.

Appendix 1 Local events

NO.	NAME OF EVENT	IN COLLABORATION WITH	VENUE	DATE
1.	TPPA Outreach Program	MITI and MITI Agencies	Primula Beach Hotel, Kuala Terengganu, Terengganu	7 January
2.	Export Day 2016: Go the Extra Mile	Malaysia External Trade Development Corporation (MATRADE)	MATRADE	19 January
3.	Medical Devices Seminar	Northern Corridors Implementation Agency (NCIA)	NCIA, Bukit Minyak, Penang	21 January
4.	International Halal Expo & Conference	PIHH Development Sdn Bhd	SPICE, Penang	29 - 31 January
5.	Program Seminar Rantaian Bekalan Industri Makanan Kelantan	MIDA	Hotel Perdana, Kota Bharu, Kelantan	31 January
6.	Forum on Halal Cosmetics & Personal Care Products	Halal Industry Development Corporation (HDC)	KLCC	16 February
7.	An Industrial City at the Heart of Iskandar Region and Business Opportunities with MMC Corporation Seminar 2016	Senai Airport City	Senai Business Aviation Terminal, Senai Int. Airport, Johor	18 February
8.	Program Karnival Usahawan Online Selising Pasir Puteh, Kelantan	MITI Kelantan & MDEC	Sekolah Menengah Kebangsaan Bukit Jawa, Pasir Puteh, Kelantan	20 February
9.	Program Outreach Keusahawanan MITI & Agensi Zon Selatan	MITI and MITI Agencies	Dataran Dato' Jalok Benut, Pontian, Johor	26 - 27 February
10.	Halal Bumiputera : Forum Penglibatan Bumiputera dalam Industri Halal	Halal Industry Development Corporation (HDC)	MITI	29 February
11.	SL1M Job Fair	SL1M, Jabatan Perdana Menteri and ECERDC	University Malaysia Terengganu (UMT), Terengganu	5 - 6 March
12.	Export Furniture Exhibition (EFE) 2016	Malaysian Furniture Council (MFC)	KLCC	5 - 8 March
13.	SME Bank Xcess 2016	SME Bank	MATRADE	8 March
14.	Program 'Mesra Pelabur' Majlis Perbandaran Muar	-	Dewan Jubli Intan, Muar, Johor	9 March
15.	Competitiveness Champions Programme	MPC Terengganu	Terengganu Equestrian and Recreational, Kuala Terengganu Terengganu	9 March
16.	Finnish Business Partnership Programme	MIDA & Finnfund	Eco-Biz Park, Johor Bahru, Johor	15 March
17.	Seminar Finn Business Partnership	MIDA Perak Collaboration with Invest Perak	Casuarina @ Meru Hotel, Ipoh, Perak	17 March
18.	Jemputan Penceramah MPC	MPC	MPC Johor	22 March

Events (cont'd)

MIDA’s participation in local and overseas events in 2016.

Appendix 1 Local events (cont'd)

NO.	NAME OF EVENT	IN COLLABORATION WITH	VENUE	DATE
19.	Business Clinic and Advisory Session on MyHijau SME & Entrepreneur Development Programme’	MyHijau	Bilik Tanjung Puteri 306, Persada Johor, Johor	22 March
20.	Offshore Technology Conference Asia (OTC) 2016	OTC Asia	KLCC	22 – 25 March
21.	World Halal Conference (WHC) 2016	Halal Industry Development Corporation (HDC)	KLCC	30 – 31 March
22.	SME Bank Engagement 2016	SME Bank	Marina Club, Sutera Harbour Resort, Kota Kinabalu, Sabah	31 March
23.	AEC Open Day 2016	Ministry of International Trade and Industry (MITI)	MITI	11 April
24.	19 th Southeast-Asian Healthcare & Pharma Show 2016	ABC Exhibitions Malaysia	KLCC	11 – 13 April
25.	Oil and Gas Innovation Forum (OGIF) 2016	Malaysia Petroleum Resources Corporation (MPRC)	MATRADE	12 April
26.	Ecobuild SEA 2016	CIDB	KLCC	12 – 14 April
27.	Program Unit Dana Usahawan Bumiputera	Pergerakan Pemuda UMNO Collaboration with MITI HQ	Stadium Indera Mulia, Ipoh, Perak	17 April
28.	Seminar HR Summit : Resource Skills & Competencies 2016	Jabatan Pembangunan Kemahiran (JPK) and Pembangunan Sumber Manusia Berhad (PSMB)	Sunway Hotel, Penang	19 April
29.	Malaysia Commercialisation Year : Open Day Facilitation Program	Ministry of Science, Technology & Innovation (MOSTI)	MaGIC	20 April
30.	Senai Airport City- An Industrial City at the Heart of Iskandar Region and Business Opportunities with MMC Corporation Berhad	Senai Airport City	Senai Business Aviation Terminal & Le Grandeur	22 April
31.	Simposium Usahawan Sempena Minggu Saham Amanah Malaysia 2016	Perbadanan Nasional Berhad (PNB) Collaboration with MIDF	Dewan Merdeka, Tapah, Perak	23 April
32.	Program Linxia International Halal Expo 2016	Unit Perancang Ekonomi Negeri Kelantan (UPEN)	Stadium Sultan Muhammad Ke V, Kota Bharu, Kelantan	26 – 30 April
33.	Seminar HR Summit	Jabatan Pembangunan Kemahiran (JPK) Collaboration with MIDA	Promenade Hotel, Kota Kinabalu, Sabah	4 May
34.	GLC ExplorAce 2016	MITI, Sime Darby and MIDF	Sime Darby Convention Centre	5 May
35.	SMIDEX Showcase 2016	SME Corp	KLCC, Kuala Lumpur	17 – 19 May

Events (cont'd)

MIDA’s participation in local and overseas events in 2016.

Appendix 1 Local events (cont'd)

NO.	NAME OF EVENT	IN COLLABORATION WITH	VENUE	DATE
36.	Seminar on Medical Devices: Competing in Regulated Industry – Complying with Global Regulatory Requirement & Consultation Session	MATRADE	MATRADE, Kuala Lumpur	17 May
37.	Program Ekspo Keusahawanan Jeli 2016	MITI & Agencies / MOF	Sekolah Kebangsaan Gemang, Jeli. Kelantan	26 – 28 May
38.	Taklimat Khas & Perbincangan Panel Berkaitan Perjanjian Transpacific Partnership (TPP) untuk SCC Leadership Dialogue 2016	Northern Corridors Implementation Agency (NCIA)	Hotel Equatorial, Penang	26 May
39.	Ekspo PKS/SDSI Sabah 2016	DIDR	Sabah Trade Centre, Likas, Sabah	27 – 29 May
40.	Expo Usahawan Bumiputera Pulau Pinang (PENBEX) 2016 dan Minggu Usahawan PKS	Unit Penyertaan Bumiputra ICU Jabatan Perdana Menteri dan PERDA	Dataran Transformasi Usahawan, Kuala Menerong, Penang	29 May – 4 June
41.	BioMalaysia & Asia Pacific Bioeconomy 2016	BiotechCorp	KLCC, Kuala Lumpur	31 May– 2 June
42.	APHM International Healthcare Conferene and Exhibition 2016	Association of Private Hospitals of Malaysia (APHM)	KLCC, Kuala Lumpur	1 – 3 June
43.	17 th Malaysia International Food & Beverages Trade Fair (MIFB)	Sphere Exhibits Malaysia Sdn. Bhd.	KLCC, Kuala Lumpur	27 – 29 July
44.	Asean Young Entrepreneurs Carnival (AYEC) 2016	Malaysian Association of ASEAN Young Entrepreneurs (MAAYE)	MATRADE, Kuala Lumpur	29 – 30 July
45.	Bengkel Halatuju Usahawan Industri Asas Tani ke Arah Eksport 2016	Jabatan Pertanian Malaysia	Residence Hotel @ UNITEN, Kajang, Selangor	1– 3 August
46.	SAME Financial Roadshows	Sekretariat Pembangunan Usahawan Malaysia (SAME)	Dewan San Choon, Wisma MCA, Kuala Lumpur	14 August
47.	Sesi Townhall Bersama YB Menteri MITI Dan YB Timbalan Ketua Menteri Merangkap Menteri MID Sabah Dengan PKS Di Negeri Sabah	MID & SMECORP	Auditorium Pejabat Setiausaha Persekutuan Sabah, Blok A, Mini Putrajaya, Jalan UMS, Kota Kinabalu, Sabah	27 August
48.	Bengkel Insentif Program Pembangunan Kapasiti Vendor & Geran Penyelidikan & Pengkomersialan Vendor di Bawah Rancangan Malaysia ke-11 Tahun 2016 - 2017	MITI	MITI, Kuala Lumpur	29 August
49.	Program Dialog Keusahawanan di Antara YBTM (I) MITI Bersama NGO dan Usahawan 2016	MITI	Cherengin Hills Convention & Spa Resort, Janda Baik, Pahang	2 – 3 September

Events (cont'd)

MIDA’s participation in local and overseas events in 2016.

Appendix 1 Local events (cont'd)

NO.	NAME OF EVENT	IN COLLABORATION WITH	VENUE	DATE
50.	Senai Airport Seminar	Senai Airport City Sdn Bhd	Hotel Istana, Kuala Lumpur	30 September
51.	International Greentech & Eco Products Exhibition & Conference Malaysia (IGEM) 2016	KeTTHA	KLCC, Kuala Lumpur	5 – 8 October
52.	Dialog YB Menteri MITI dan Agensi Bersama Syarikat Peringkat Pertengahan	MATRADE	MATRADE, Kuala Lumpur	10 October
53.	International Biomass Conference Malaysia (IBCM) 2016	Malaysia Innovation Agency (AIM) / MATRADE / MIDA	Perdana Hall, MITI	11 October
54.	MITI Day 2016	MITI	MITI, Kuala Lumpur	17 October
55.	Penang SME Seminar 2016 & Medical Device Industry Briefing by AMMI	Invest Penang	Olive Tree Hotel, Penang	20 October
56.	Africa Business Day 2016	MATRADE	MATRADE, Kuala Lumpur	31 October
57.	GRAPHENE Malaysia 2016	Nano Malaysia Berhad / MOSTI / MITI	Conference & Event Centre, Bangsar South City, Kuala Lumpur	8 & 9 November
58.	Klinik Usahawan Bumiputera 2	MITI (Northern Region)	Sunway Hotel, Penang	15 November
59.	Perhimpunan Agung UMNO (PAU) 2016	UMNO	PWTC, Kuala Lumpur	29 November – 3 December
60.	Kuala Lumpur International Aerospace Business Convention (KLIABC) 2016	MATRADE	MATRADE, Kuala Lumpur	7 December

Events (cont'd)

MIDA’s participation in local and overseas events in 2016.

Appendix 2 Overseas events

NO.	NAME OF EVENT	ORGANISER	VENUE	DATE
1.	World Sustainable Energy Days	OO Energiesparverband	Wels, Australia	25 February
2.	2016 Arkansas Aerospace Summit	Arkansas Aerospace & Defense Alliance	Holiday Inn & Convention Centre Springdale, Arkansas	8 – 9 March
3.	GrindTec 2016	Messe Augsburg GmbH	Augsburg, Germany	16 – 19 March
4.	9 th Annual Mines & Money Asia 2016	Mines & Money Asia	Hong Kong Convention and Exhibition Center, Guangzhou	5 – 7 April
5.	MedTec Europe Fair	Messe Stuttgart	Stuttgart, Germany	12 April
6.	BAUMA Fair 2016	Messe München GmbH	Munich, Germany	13 April
7.	WCBAA Shenzen Conference cum Official Launching	Malaysia World Chinese Business Affairs Association	Point-line space Profession Service Exchange, Shenzen, Guangzhou	20 April
8.	Hannover Messe (Automation Industry; Machinery & Equipment)	Deutsche Messe AG	Hannover, Lower Saxony, Germany	25 – 29 April
9.	Analytica 2016	Messe München GmbH	München, Germany	12 May
10.	Exhibition of BELT and ROAD SUMMIT in Hong Kong	Hong Kong Trade Development Council	Hong Kong Convention and Exhibition Center	18 May
11.	World Trade Day	John H. Chafee Center for International Business, Bryant University	Byrant University	25 May
12.	Finance Expo in Guangzhou	Guangzhou Finance Expo Secretariat (Guangzhou Government)	Pazhou Exhibition Hall, Guangzhou	24 – 26 June
13.	Halal Korea 2016 / Halal Korea Matching Fair 2016	Halal Korea Organizing Committee, Globalcomms, Korea Federation of SMEs (KBIZ)	Exhibition Room 2, SETEC, Gangnam, Seoul, South Korea	21 – 23 July
14.	Business Opportunities in Malaysia and Indonesia Infrastructure Development	Maybank	Maybank Singapore	26 July
15.	Investment Seminar on Opportunities in Iskandar Malaysia	Japanese Chamber of Commerce & Industry (JCCI) Singapore and IRDA	Japanese Association Singapore	27 July
16.	Halal Expo Korea 2016	Halal Korea Cooperative , World Expo Co., Ltd. , Korean-Emirati Entrepreneurs Exchange Association (KOFTA)	Hall C, COEX, Seoul, South Korea	18 – 20 August
17.	Power Breakfast Talk with High Commissioner and Johor Halal Park	Maybank and MIDA	Maybank Singapore	24 August

Events (cont'd)t

MIDA’s participation in local and overseas events in 2016.

Appendix 2 Overseas events (cont'd)

NO.	NAME OF EVENT	ORGANISER	VENUE	DATE
18.	Seminar On Investment Opportunities In Halal Food, Pharmaceutical & Personal Care Industries In Malaysia	MIDA Shanghai & Bank of China Shanghai Branch	Bank Of China Shanghai Branch Tower, China	1 September
19.	China International Fair for Investment and Trade (CIFIT)	CIFIT Organizer (Fujian Government)	Xiamen, China	6 – 8 September
20.	China-ASEAN Expo (CAEXPO)	CAEXPO Secretariat (Guangxi Government)	Nanning, China	11 – 13 September
21.	Small & Medium Business Convergence Festival 2016	Korea Small & Medium Business Convergence Association	K-Hotel, Yangjaedong, Seoul, South Korea	19 October
22.	Macau International Fair Of Investment And Trade	MIF Secretariat (Macau Government)	Macau	19 – 21 October
23.	Foreign Trade Day Rheinland -Pfalz/ Saarland, Germany	Chamber of Commerce (IHK), Rheinhessen	ZDF TV Studio, Mainz, Germany	26 October
24.	Investment Opportunities Between Boston, United States Of America And Penang, Malaysia	Invest Penang	–	1 November
25.	WIEF Businesswomen Forum 2016	World Islamic Economic Forum Foundation (WIEF)	Lakai Sandpine Resort, Gangneung City, South Korea	8 – 9 November
26.	Seminar on Doing Business in Malaysia	Singapore Manufacturing Federation (SMF) & MIDA	SMF Singapore	9 November
27.	2016 Taiwan International Fruit & Vegetable Show (In conjunction with Taiwan Agri-Bio) Concurrently with 2016 Taiwan Fisheries and Seafood Show	Taiwan External Trade Development Council, MY Exhibition	Kaohsiung Exhibition Center	10 – 12 November
28.	Malaysia Promotion Programme in Shanghai – Malaysia Business Forum : Doing Business with Malaysia	MITI, MIDA & MATRADE	Pudong Kerry Hotel, Shanghai, China	10 November
29.	Pre-Launch of SiLC Phase 3 (Final Phase of Iskandar Puteri’s International Industrial Park)	UEM Sunrise Berhad	Luxe Newhouse Design Centre Singapore	17 November
30.	China Marine Economy Expo (CMEE)	China Marine Economy Expo Secretariat, Zhanjiang Government	Zhanjiang, China	24 – 27 November

VIP Visitations

Investment promotion visits facilitated by MIDA for the Prime Minister of Malaysia, the Deputy Prime Minister of Malaysia, the Minister of International Trade and Industry, the Deputy Minister of International Trade and Industry and CEO of MIDA in 2016.

Appendix 3 VIP Visitations

NO.	PROGRAMME	DATE
1.	Working Visit by CEO of MIDA to Jakarta, Indonesia	7 – 10 January
2.	World Economic Forum (WEF) Annual Meeting, Davos, Switzerland	18 – 25 January
3.	Roundtable Meeting in conjunction with AEM Roadshow to San Jose, USA	15 – 21 February
4.	7 th Industrial Cooperation Work Group (ICWG), Singapore	18 – 19 February
5.	Investment Mission In conjunction with YAB PM Official Visit to Jeddah, Saudi Arabia	1–3 March
6.	Mission to Republic of Korea in Conjunction with the ASEAN Korea Centre (AKC) Seminar on Investment and Business Opportunities in the Medical Devices Industry and Working Visit to Tokyo, Japan	1–6 March
7.	12 th Malaysia-Singapore Joint Ministerial Committee Meeting, Singapore	6 – 8 March
8.	World Islamic Economic Forum (WIFE) on ASEAN 2016	8 April
9.	Visit By MIDA CEO and Malaysian Delegates to Attend ‘Seminar on Investment and Business Opportunities in the Medical Devices sector in Malaysia’, Co-Organised by ASEAN Korea Centre and MIDA, Seoul, South Korea	3 – 5 May
10.	Working Visit by YAB PM Malaysia-UK Investor Showcase “Creating a Stronger Malaysia-UK Partnership”	16 May
11.	Roundtable Meeting in conjunction with YAB DPM Official Visit to Japan	28 May – 3 June
12.	12 th World Islamic Economic Forum (WIEF), Jakarta	2 – 4 August
13.	Investment Mission to Shenzhen, China	9 – 10 September
14.	13 th China ASEAN Expo (CAEXPO) 2016, Naning, China	11 – 14 September
15.	Sweden-South East Asia Business Submit 2016	21 – 22 September
16.	Visit by MIDA CEO to Attend Johor Corporation Board of Directors Meeting and Roundtable Meeting with Korean Companies in Seoul, South Korea	22 – 25 September
17.	Malaysia Promotion Programme to London	25 – 27 September
18.	MIDA - EDB 8th Industrial Cooperation Working Group (JMC ICWG), Kuala Lumpur	26 – 27 October
19.	Roundtable Meeting in conjunction with YAB PM Official Visit to Beijing	31 October – 4 November
20.	Roundtable Meeting in conjunction with YBM visit to Asia-Pacific Conference (APK) Hong Kong	3 – 5 November
21.	Malaysia Promotion Programme to Shanghai	7 – 11 November
22.	Roundtable Meeting in conjunction with YAB PM Visit to Japan	15 – 17 November
23.	Malaysia Promotion Programme & Investment Visit to Sydney, Adelaide, and Melbourne, Australia	3 – 10 December

International Investment Promotion

Investment promotion missions, round table meetings, seminars and other trade promotion activities organised in 2016.

Appendix 4 General Trade and Investment Missions (TIM)

NO.	PROGRAMME	DATE
1.	Trade & Investment Mission to New Zealand (Auckland)	2 – 7 February
2.	Trade & Investment Mission to Thailand (Bangkok)	1 – 3 March
3.	Trade & Investment Mission to Singapore	15 – 17 March
4.	Trade & Investment Mission to India & Sri Lanka (New Delhi, Vijayawada, Hyderabad & Colombo)	1 – 7 May
5.	Trade & Investment Mission to China (Hong Kong & Shenzhen)	16 – 21 May
6.	Trade & Investment Mission to Germany (Munich)	29 September
7.	Trade & Investment Mission to Iran (Tehran)	21 – 25 October

Appendix 5 Specific Project Missions

NO.	TARGER SECTOR	COUNTRY VISITED	DATE
1.	Electrical & Electronic	Singapore	24 – 26 February
2.	Medical Tourism	Thailand	22 – 25 May
3.	Halal Industry	Taiwan	12 – 16 July
4.	Halal Food, Pharmaceutical and Personal Care Products	China	1 – 3 September

Appendix 6 Seminars, Forums and Briefings

NO.	PROGRAMME	DATE
1.	World Economic Forum 2016, Davos, Switzerland	18 – 25 January
2.	Malaysia-Japan Economic Forum Mandarin Oriental Hotel, Kuala Lumpur	4 February
3.	Aerospace Supplier Conference, Singapore	18 February
4.	MIDA - EDB 7 th Industrial Cooperation Working Group (JMC ICWG), Singapore	18 – 19 February
5.	Japan – Malaysia, Invest Symposium, Mandarin Oriental, Kuala Lumpur	15 March
6.	Briefing to Members of La Camara, Malaysian Spanish Chamber of Commerce & Industry on Doing Business In Malaysia, Kuala Lumpur	30 March
7.	Japanese Chamber of Trade and Industry Malaysia (JACTIM) Mini Seminar, Kuala Lumpur	6 April
8.	YBM's Breakfast Meeting with the British High Commissioner's Premier Club, Kuala Lumpur	15 April
9.	ASEAN Agri (Livestock) Forum (AAF), Seoul, South Korea	21 April

International Investment Promotion (cont'd)

Investment promotion missions, round table meetings, seminars and other trade promotion activities organised in 2016.

Appendix 6 Seminars, Forums and Briefings (cont'd)

NO.	PROGRAMME	DATE
10.	Korea Pharm 2016, Seoul, South Korea	26 April
11.	YBM's Breakfast Meeting with the Frech Companies Hosted By the French Ambassador, Kuala Lumpur	28 April
12.	Seminar on Investment and Business Opportunities In Malaysia, Seoul, South Korea	3 – 5 May
13.	International Food Industry Exhibition (Seoul Food 2016), Seoul, South Korea	13 May
14.	Malaysia-UK Investor Showcase “Creating a Stronger Malaysia-UK Partnership”, London, UK	16 May
15.	Briefing on Principal Hub to the CCI France Malaysia (CCIFM)'s members in Johor	18 May
16.	Seminar On “Doing Business In Japan”, Kuala Lumpur	14 June
17.	3D Printing Expo 2016, Seoul, South Korea	22 June
18.	LED Expo 2016, Seoul, South Korea	22 June
19.	Halal Korea Matching Fair 2016, Seoul, South Korea	21- 27 July
20.	ASEAN-Korea Engineering Forum, Seoul, South Korea	29 July
21.	12 th World Islamic Economic Forum (WIEF) Jakarta, Indonesia	2 – 4 August
22.	Halal Expo Korea 2016, Seoul, South Korea	18 – 20 August
23.	13 th China ASEAN Expo (CAEXPO) 2016, Naning, China	11 – 14 September
24.	Sweden-South East Asia Business Submit 2016	21 – 22 September
25.	Malaysia Investment Forum ‘Business Opportunities in the Changing Economic Landscape’ The Kensington Close Hotel, London, UK In-Conjunction with Malaysia Promotion Programme 2016	26 September
26.	Small & Medium Business Convergence Festival 2016, Seoul, South Korea	19 October
27.	MIDA - EDB 8 th Industrial Cooperation Working Group (JMC ICWG), Kuala Lumpur	26 – 27 October
28.	Briefing to the Rail Sector Trade Mission To Malaysia, Kuala Lumpur	27 October
29.	Business Mission on Green Energy Technologies (EU Business Avenues), Kuala Lumpur	27 October
30.	WIEF Businesswomen Forum 2016, Gangneung City, South Korea	8 – 9 November
31.	Roundtable Meeting with French Captains of Industry, Paris, France In-Conjunction with Working Visit of YB Dato’ Sri Mustapa Mohamed, Minister of International Trade and Industry to Paris	22 November
32.	Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA), Palawan, The Philippines	28 November
33.	Dialogue Between The YBM and the Japanese Chamber of Trade & Industry (JACTIM), Kuala Lumpur, Malaysia	28 November

Domestic Investment Promotion

Investment promotion missions, round table meetings, seminars and other trade promotion activities organised in 2016.

Appendix 7 Industry Seminars/Workshops

NO.	PROGRAMME	COUNTRY VISITED	DATE
1.	Investment Opportunities in the Resource Based Industries	Penang	11 February
2.	MIDA-SPIRIT Aerosystem Aerospace Suppliers Symposium 2016	MIDA Sentral	22 February
3.	Seminar on 'Accelerate Integration: Malaysia Your Competitive Business Hub in ASEAN'.	MIDA Sentral	24 March
4.	Investment Opportunities in the Resource Based Industries	Kuching, Sarawak	18 April
5.	SEMICON SEA 2016	Penang	26 – 28 April
6.	Workshop on Industrialised Building System (IBS)	MIDA Sentral	18 May
7.	Supply Chain & Business Matching Programme for the Medical Devices Industry	MIDA Sentral	1 June
8.	Seminar on Capacity Building for Pharmaceutical and Medical Devices Industries.	MIDA Sentral	17 September
9.	International Biomass Conference 2016	Dewan Perdana, MITI	11 October
10.	Supplier Conference –‘Multinational Companies (MNCs) & Small and Medium Enterprises (SMEs) Supply Chain Development and Opportunities 2016’	Dewan Perdana, MITI	15 December

Appendix 8 Seminars/Workshops

NO.	NAME OF SEMINARS	COLLABORATION WITH	VANUE	DATE
1.	Food Supply Chain Seminar Kelantan	Malaysian Industrial Development Finance Berhad (MIDF)	Kelantan	31 January
2.	Seminar with Malaysian Indian Network of Entrepreneurs (1MINE)	Malaysian Indian Network of Entrepreneurs (1MINE)	MIDA Sentral	26 March
3.	Seminar on Business Opportunities in Perlis	MIDA Kedah / Perlis	Perlis	31 May
4.	Terengganu Investment Conference 2016	MIDA Terengganu	Terengganu	5 September

Appendix 9 Meetings with Local Conglomerates

NO.	PROGRAMME	VANUE	DATE
1.	Federation of Malaysian Freight Forwarders (FMFF)	MIDA Sentral	10 March
2.	Briefing and Networking Session with Malaysian Indian Network of Entrepreneurs Association (1MINE)	MIDA Sentral	26 March
3.	Klang Chinese Chamber of Commerce	MIDA Sentral	8 April
4.	SME International Trade Association of Malaysia (SMITA) Biz Talk	MIDA Sentral	23 June
5.	MIDA – KCCCI Dialogue	KCCCI, Klang	10 August

Domestic Investment Promotion (cont'd)

Investment promotion missions, round table meetings, seminars and other trade promotion activities organised in 2016.

Appendix 10 Supply Chains Programme

NO.	NETWORKING / CONFERENCE	VANUE	DATE
1.	Halagel (M) Sdn. Bhd.	Sg. Petani, Kedah	21 January
2.	Vitrox	Penang	22 January
3.	Pentamaster Corp. Bhd	Penang	22 January
4.	Walta Engineering Sdn. Bhd.	Penang	22 January
5.	Jabil Circuit Sdn. Bhd.	Penang	24 March
6.	Dominant Opto Technologies	Melaka	13 April
7.	Pharmaniaga	Shah Alam	14 April
8.	Amanrata Bismi	MIDA Sentral	19 April
9.	Satay Kajang Samuri	Bangi	20 April
10.	FY Food	MIDA Sentral	4 May
11.	Suci Harumatiques	MIDA Sentral	17 May
12.	Hewlett-Packard Malaysia Technology Sdn Bhd	Penang	19 May
13.	MNCs & SMEs Supply Chain Development and Opportunities	Menara MITI	15 December

Appendix 11 Meetings with Local Conglomerates

NO.	MEETING WITH COMPANY	DATE
1.	Ideal Scale Enterprise	25 February
2.	RHR Group Hospitality	29 March
3.	APMER	25 May
4.	Procoma Environmental (M) Sdn Bhd	26 May
5.	HYTECH	2 June
6.	Ortustech(M) Sdn Bhd	20 June
7.	Robot Bosch (M) Sdn. Bhd.	20 July
8.	WSA Engineering Sdn. Bhd.	21 July
9.	Scomi Rail Bhd	21 July
10.	Boustead	22 September

Domestic Investment Promotion (cont'd)

Investment promotion missions, round table meetings, seminars and other trade promotion activities organised in 2016.

Appendix 12 Turun Padang's Programme

NO.	PROGRAMME	DATE
1.	Turun Padang Johor (JBI)	16 – 17 April
2.	Turun Padang Sarawak	24 – 25 April
3.	Turun Padang Pahang	27 – 28 July
4.	Turun Padang Penang	20 September
5.	Turun Padang Selangor	6 October

Appendix 13 Other events

NO.	PROGRAMME	JOINT ORGANISER	VENUE	DATE
1.	Study Visit by Bangladesh	MIDA/Ministry Of Foreign Affairs (MFA)	MIDA HQ	31 May
2.	Study Visit from Investment Board Nepal to Malaysian Investment Development Authority (MIDA)	Investment Board of Nepal	MIDA HQ	15 – 17 August
3.	Third Country Training Programme: Investment Promotion for African Countries	MIDA/Ministry Of Foreign Affairs (MFA) and Japan International Cooperation Agency (JICA)	Kuala Lumpur / Johor	11 – 21 October
4.	Visit of African Delegation From Ghana & Zambia (JICA Study Tour)	MIDA/Ministry Of Foreign Affairs (MFA) and Japan International Cooperation Agency (JICA)	MIDA HQ	17 October
5.	Visit of Matrade's African Delegation Under TCTP On 'Trade Promotion For African Countries'	MATRADE	MIDA HQ	27 October
6.	Visit of Ghana Delegation from GIPC and Ghana Free Zones Board	Embassy of Ghana	MIDA HQ	2 November
7.	Satu Daerah Satu Industri (SDSI) for for National Level National Level	MIDA / MTI	Melaka	24 – 27 November
8.	Meeting with Delegation from the Operational Monitor Office of the Project Senegal Emergent (PSE)	Embassy of Senegal	MIDA HQ	6 December

Public Relations and Media Communications

Media conferences, press conferences and industry familiarisation programmes and other public relations programmes organised by the Investment Communications Division in 2016.

Appendix 14 Public Relations and Media Communications held in 2016.

NO.	PUBLIC RELATIONS PROGRAMME	DATE
A) INTERVIEWS		
1.	Interview with Bloomberg TV Malaysia – YBhg. Dato' Azman Mahmud, CEO of MIDA	28 January
2.	Interview with Bernama TV – YBhg. Dato' Azman Mahmud, CEO of MIDA	19 February
3.	Interview with NST, Ms. Rupa – YBhg. Dato' Azman Mahmud, CEO of MIDA	9 March
4.	Offline Interview for PV Cell Tech – YBhg. Datuk Phang Ah Tong, Deputy CEO I of MIDA	16 March
5.	Interview with Bloomberg TV - YBhg. Dato' Azman Mahmud, CEO of MIDA	17 March
6.	Interview with OTC Journalist TV – YBhg. Datuk N. Rajendran, Deputy CEO II of MIDA	24 March
7.	Interview with The Business Year - YBhg. Dato' Azman Mahmud, CEO of MIDA	27 April
8.	Interview with The Star Media Engagement to Promote EPP 6 & 8 Palm Oil NKEA - YBhg. Datuk N. Rajendran, Deputy CEO II of MIDA	27 May
9.	Interview with Forbes Asia - YBhg. Dato' Azman Mahmud, CEO of MIDA	15 June
10.	Interview with Exports Council of Australia - MIDA Sydney	5 July
11.	Interview with Germany Trade and Invest GMBH (GTAI) for the Report on The Solar Photovoltaic Industry in Malaysia	18 July
12.	Interview South China Morning Post with Consulate of Malaysia in Hong Kong Featured in Supplement to Mark Malaysia's National Day	29 July
13.	The Business Year Roundtable Discussion with YBhg. Datuk Phang Ah Tong, Deputy CEO I of MIDA	17 August
14.	Interview with The Edge - YBhg. Dato' Azman Mahmud, CEO of MIDA	20 October
15.	Interview with MAICSA for its Journal 'Corporate Voice' - YBhg. Dato' Azman Mahmud, CEO of MIDA	28 October
16.	Interview for Jabatan Pendidikan Politeknik's educational video - YBhg. Dato' Azman Mahmud, CEO of MIDA	24 November
B) MEDIA RELEASE		
1.	Oncogen Pharma Sdn Bhd Announces the Opening of its Oncology Research and Development Centre	14 January
2.	MIDA Holds Dialogue to Address Investors Queries on TPPA	20 January
3.	Fibertex Personal Care to Expand in Negeri Sembilan	27 January
4.	Honeywell Joins Malaysia Principal Hub Initiative	29 January
5.	Usahawan Industri Makanan Tempatan Digesa Memaksimumkan Kemudahan, Insentif Kerajaan Untuk Lebih Berdaya Saing	31 January
6.	MIDA Hosts Aerospace Suppliers Symposium	22 February

Public Relations and Media Communications (cont'd)

Media conferences, press conferences and industry familiarisation programmes and other public relations programmes organised by the Investment Communications Division in 2016.

Appendix 14 Public Relations and Media Communications held in 2016. (cont'd)

NO.	PUBLIC RELATIONS PROGRAMME	DATE
B) MEDIA RELEASE (cont'd)		
7.	Malaysia Remains An Attractive Proposition Draws Investments Worth RM186.7b in 2015	29 February
8.	Closure of Samsung Electronics Display (M) Sdn. Bhd.	29 February
9.	(Konica Minolta) FY 2016 Introduction of Malaysia Suppliers Conference	1 March
10.	UDPS, First Malaysian Oil and Gas Company to Obtain MS 1900:2014 Shariah-based Quality Management System	10 March
11.	Nippon Electric Glass Raises Confidence in Malaysia Increases Production Capacity, Taps into 369 Local Suppliers	15 March
12.	PVCELLTECH 2016 Reaffirms Malaysia's Position as Leader for New Cell Fabrications in Asean	16 March
13.	MIDA Optimistic on Growth Potential in Downstream O&G	24 March
14.	Malaysia, Evidently at the Forefront of the Halal Industry	31 March
15.	MIDA Urges Companies to Undertake Research Collaboration Crucial to Sustain Competitiveness	5 April
16.	MIDA Targets 100 Additional IBS Manufacturing Companies by 2020	13 April
17.	Abbott Opens State of the Art Plant in Kulim to Supply Intraocular Lenses Around the World	14 April
18.	81.4% Manufacturing Projects in Johor Successfully Implemented	17 April
19.	JCY Establishes Principal Hub in Johor First Public Listed Malaysian Company to Join the Scheme	22 April
20.	Local E&E Players Need to Upgrade Facilities & Processes to Remain Competitive in the Global Supply Chain	26 April
21.	Leverage on Malaysia as Gateway to ASEAN market and beyond	3 May
22.	MIDA Partners With ICBC to Produce Promotional Materials in Mandarin	4 May
23.	Malaysia Sees More Opportunities for Collaboration With The UK	16 May
24.	Infineon FAB 2 at Kulim High Tech Park Showcases Confidence of Foreign Investors in Malaysia	16 May
25.	HSBC and MIDA Sign MOU to Increase Global Investment in Malaysia	30 May
26.	Less Developed Area Incentive, A Boon for Investment in Perlis	31 May
27.	MIDA Hosts Medical Device Supply Chain Programme for ABBOTT, KLS Martin & A.P.S Medical	1 June
28.	MIDA Collaborates with UM & UTEM to Embark on a Study on Future Manufacturing	2 June
29.	MIDA and Greentech Malaysia Catalyse the Green Technology Industry	6 June
30.	Global Leading Polymer Specialist REHAU Set to Shake Up Local Industry with Expansion into Malaysia	16 June
31.	Q1 2016 Approved Investments Totalled RM 37.3 Billion, Domestic Investments Dominate, FDI Increase	17 June

Public Relations and Media Communications (cont'd)

Media conferences, press conferences and industry familiarisation programmes and other public relations programmes organised by the Investment Communications Division in 2016.

Appendix 14 Public Relations and Media Communications held in 2016. (cont'd)

NO.	PUBLIC RELATIONS PROGRAMME	DATE
B) MEDIA RELEASE (cont'd)		
32.	Super Group Establishes Principal Hub in Johor Continues to Create Value for Malaysia	18 July
33.	Malaysia Recorded Outstanding Value-Added Ratio in Manufacturing Medical Devices, Export Growth to Reach RM17 Billion in 2016	22 July
34.	Gearing up for Sew-Eurodrive's Largest Factory – Another Quality Investment for Malaysia	1 August
35.	MIDA and CIDB Sign MOU to Boost Productivity and Sustainability in the Manufacturing, Services and the Construction Sectors	5 August
36.	New Incentives to Boost the Shipbuilding and Ship Repairing Industry	9 August
37.	Universities & Companies to Reap the Benefits of Available Research Funding Opportunities	24 August
38.	KAJ Development Sdn. Bhd. Signs RM30 Billion agreement with PowerChina International for Investment, Development and Construction of Melaka Gateway	1 September
39.	MIDA Tarik Pelaburan untuk kemakmuran dan kesejahteraan rakyat	5 September
40.	Malaysia Remains Competitive, Companies Continue to Invest	20 September
41.	RM88.4 Billion Worth of Investments Approved in 1H2016	22 September
42.	Malaysian Manufactures to Enhance Operational Efficiency, Adopt Appropriate Technologies and Explore New Market	26 September
43.	Dato' Seri Mustapa to Launch IBCM 2016 on 11 October Set to Attract More Than 500 Participants	28 September
44.	Malaysia's Business Landscape Continues to Thrive	6 October
45.	International Biomass Conference Malaysia	11 October
46.	Malaysia Views Africa with Optimism	14 October
47.	Roche Expands Foot Print in Malaysia with the Opening of Global Shared Service Centre for Asia Pacific Region in Sunway	25 October
48.	Graphene Makes Great Things Happen	8 November
49.	MIDA Strengthens Cooperation with Jetro	16 November
50.	Existing Japanese Companies In Malaysia Continue To Reinvest	28 November
51.	Solar PV, Hybrid Systems and Mini-Hydro – German Electricity & Technology Solutions for Rural Areas	29 November
52.	Announcement on Investment Performance for the Period January – September 2017	13 December
53.	SMEs To Benefit From Collaboration From More Than 25 MNCs	15 December

Public Relations and Media Communications (cont'd)

Media conferences, press conferences and industry familiarisation programmes and other public relations programmes organised by the Investment Communications Division in 2016.

Appendix 14 Public Relations and Media Communications held in 2016. (cont'd)

NO.	PUBLIC RELATIONS PROGRAMME	DATE
C) MEDIA CONFERENCE		
1.	Media Conference in conjunction with the official opening ceremony of Oncogen Pharma (M) Sdn. Bhd. Research and Development Centre	14 January
2.	Media Conference in conjunction with the Dialogue on Potential Economic Impact of Trans-Pacific Partnership Agreement (TPPA) on the Textile & Apparel Industry in Malaysia	20 January
3.	Honeywell Expands its Footprint in Malaysia	29 January
4.	Sidang Media Sempena Seminar Rangkaian Bekalan Industri Makanan	31 January
5.	Media Conference in conjunction with MIDA – SPIRIT Aerosystems Aerospace Supplier Symposium 2016	22 February
6.	MIDA Annual Media Conference: Malaysia's Investment Performance 2015	29 February
7.	Media Conference in conjunction with Official Inauguration of the World Scale Centrifugal Cast Plant of Schmidt + Clemens	1 March
8.	Media Conference in conjunction with Award Giving Ceremony from Malaysia Book of Records to Upstream Downstream Process & Services Sdn Bhd (UDPS)	10 March
9.	Media Conference in conjunction with PV CellTech Conference 2016 Reaffirms Malaysia's Position as Leader for New Cell Fabrications in the Region	16 March
10.	Joint Media Conference between MIDA, Schlumberger, FMC and Wood Mackenzie at OTC Asia 2016 in conjunction with the Country Session on Malaysia - Navigating the New Oil and Gas Landscape	24 March
11.	Media Conference in conjunction with MIDA, Nottingham MyResearch & MABC Promote Growth of R&D between Industry and Academia	5 April
12.	Media Conference in conjunction with IBS Housing Expo 2016 (IHE2016)	13 April
13.	Media Conference in conjunction of YB Minister's Working Visit to Johor	17 April
14.	Media Announcement by Ministry of International Trade and Industry (MITI) on the Project of JCY HDD Industries Sdn. Bhd.	22 April
15.	Media Conference in conjunction with the MIDA & SEMI Semicon Southeast Asia (SEA) 2016	26 April
16.	Media Conference in conjunction with Seminar on "Accelerate Integration – Malaysia Your Competitive Business Hub in Asean"	3 May
17.	Media Conference in conjunction with Seminar on Business Opportunities in Perlis 2016	31 May
18.	Media Conference in conjunction with Medical Devices Industry Supply Chain Conference	1 June
19.	Media Conference in conjunction with World Economic Forum (WEF) ASEAN	2 June
20.	Media Conference in conjunction with the Announcement of Super Group's Principal Hub in Johor	18 July
21.	Media Conference in conjunction with the Launching of AMMI Medical Devices Industry Outlook Report 2016	22 July

Public Relations and Media Communications (cont'd)

Media conferences, press conferences and industry familiarisation programmes and other public relations programmes organised by the Investment Communications Division in 2016.

Appendix 14 Public Relations and Media Communications held in 2016. (cont'd)

NO.	PUBLIC RELATIONS PROGRAMME	DATE
C) MEDIA CONFERENCE (cont'd)		
22.	Media Conference in conjunction with Sew Eurodrive Groundbreaking & Frontier 2 Opening Ceremony	1 August
23.	Media Conference in conjunction with MOU signing Ceremony Between MIDA and CIDB Malaysia	5 August
24.	Media Conference in conjunction with the Conference on Funding Research in A Changing Landscape	24 August
25.	Media Conference in conjunction with Memorandum of Agreement (MOA) Between KAJ Development Sdn. Bhd. ("KAJD") and PowerChina International Group Limited (PowerChina International")	1 September
26.	Sidang Media Sempena Seminar Pelaburan Terengganu 2016	5 September
27.	Media Conference in conjunction with the MITI Minister's Working Visit to Penang	20 September
28.	Media Conference in conjunction with the Seminar on Government Policies, facilitations and Assistance for the Plastic and the Mould and Die Industries	26 September
29.	Media Conference in conjunction with YB Dato' Seri Mustapa Mohamed, Minister MITI Turun Padang Programme to Selangor	6 October
30.	Media Conference in conjunction with International Biomass Conference Malaysia 2016	11 October
31.	Media Conference in conjunction with the Opening Ceremony of the Third Country Training Programme Investment Promotion for African Countries	14 October
32.	Media Conference in conjunction with the Opening of Roche Global Shared Service Centre for Asia Pacific Region in Sunway	25 October
33.	Media Conference in conjunction with the Graphene Malaysia 2016	8 November
34.	Media Conference in conjunction with the Renewable Energy Symposium	29 November
35.	Media Conference in conjunction with the Seminar on MNCs & SMEs Supply Chain Development and Opportunities	15 December

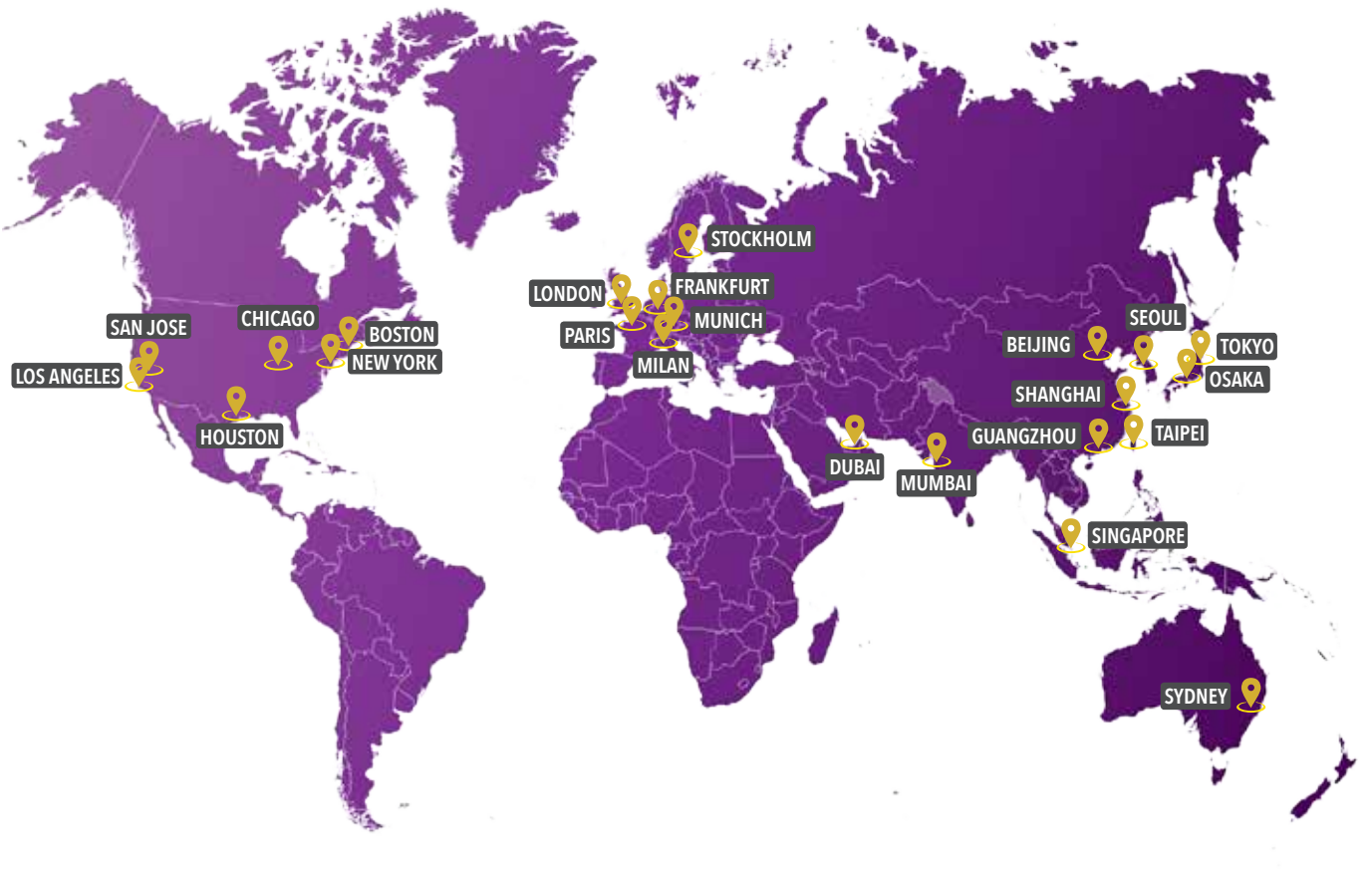
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Addresses of **MIDA** Headquarters, State and Overseas Offices

MIDA WORLDWIDE NETWORK

With its headquarters in Malaysia’s capital city of Kuala Lumpur, MIDA has established a global network of 23 overseas offices covering Asia, Europe, North America, and Australia to assist investors interested in establishing manufacturing projects and services. Investors are encouraged to discuss their project interests with MIDA officers at MIDA’s headquarters in Kuala Lumpur or at its overseas closest to them.



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