



MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY



# ANNUAL REPORT 2019





## 1. **PAVING THE WAY FORWARD**

MIDA's Chairman, Dato' Abdul Majid Ahmad Khan, presents highlights of Malaysia's impressive performance for the year 2019 despite an uncertain economic landscape. He reiterates MIDA's aspirations and relentless commitment to shape and further advance the nation's investment agenda.

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## 2. **ACCELERATING INVESTMENT IN A NEW DECADE**

The CEO of MIDA, Dato' Azman Mahmud, sums up MIDA's overall performance for 2019 and outlines the initiatives undertaken throughout the year to promote Direct Domestic Investments (DDI) in the country. Moreover, with the rise of Industry 4.0 and digital economy, MIDA seeks to explore new strategies to propel Malaysia into the future.

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The manufacturing sector continues to be a pillar for the country's economic growth as the second highest contributor to the nation's Gross Domestic Product (GDP) in 2019.

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The services sector emerged as the highest performing sector, contributing approximately 55 percent to Malaysia's GDP in 2019.

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**Dato' Abdul Majid Ahmad Khan**  
Chairman, MIDA



## PAVING THE WAY FORWARD

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*MIDA remains committed to fulfilling its role in light of an uncertain and unpredictable global economic climate. We are positive that with a series of effective steps and strategies, we will overcome these challenges, come what may.*



MIDA is leading the national investment agenda through a strategic innovative ecosystem approach as a method to increase Malaysia's appeal as the preferred investment destination.

## EXCEPTIONAL PERFORMANCE

Despite trade tensions and global geopolitical uncertainty in 2019, the Malaysian economy remains steadfast. The World Bank maintained Malaysia's growth outlook at 4.6 percent in 2019, driven by the sustained growth in private consumption owing to stable labour market conditions.

The *World Bank Doing Business 2020 Report* ranked Malaysia at number 12 among 190 economies, and fourth among Asian countries. This achievement is reflective of the nation's ongoing efforts to create a conducive business environment to facilitate foreign and domestic investments.

Malaysia's position in the *World Economic Forum's Global Competitiveness Report 2019* showcases Malaysia's competitiveness within the global arena. Malaysia was ranked 27th out of 141 countries, and second in ASEAN, highlighting the country's ability to meet the increasing demands in global markets through the supply of diverse products and services. This is especially important during a time of augmenting growth of the Asian market, namely the ASEAN region.

While Malaysia continues to be the preferred investment destination for foreign multinational companies, the significance of local investors cannot be overlooked, as a good spectrum of domestic investments will improve and boost a conducive ecosystem for foreign direct investments (FDI). To this objective, various initiatives and incentives have been implemented to further promote domestic investments.

## SPEARHEADING THE NATIONAL INVESTMENT AGENDA

The global economy is moving full speed ahead towards high technology, value-added and inclusive growth. As such, MIDA's role as the Government's principal investment promotion and development agency is now more important than ever. MIDA welcomes collaborations, new perspectives and ideas to best formulate effective policies and strategies to attract quality investments, both domestic and foreign.

MIDA is amplifying its efforts in investment promotional activities. We are leading the national investment agenda through a strategic innovative ecosystem approach as a method to increase Malaysia's appeal as the preferred investment destination.

We will continue to identify and fulfill the needs of our stakeholders, especially to create new opportunities for local businesses as well as high-skilled employment for Malaysian citizens. This is reflective of MIDA's commitment to nurture sustainable prosperity, attainable for all Malaysians.

## CONTINUITY IN ENDEAVOURS

Through our proven track record and experience accumulated over the years, MIDA remains cognisant of the challenges Malaysia faces in global markets. To ensure long term benefits for the nation, the Government, through MIDA, is always refining investment strategies by fostering an ecosystem that is hospitable towards high-technology, value-added and knowledge-based industries. Thorough efforts as well as investments focused on human capital, technology and infrastructure will materialise the Government's aspiration to propel Malaysia as the preferred investment destination.

I would like to extend my gratitude to all MIDA staff, from top management to the officers who have committed their best to spur MIDA forward and stimulate a positive business ecosystem in Malaysia.

Not forgetting other stakeholders – the various Government Ministries, industry and association members, thank you for continuous support and trust in MIDA.

# ACCELERATING INVESTMENT IN A NEW DECADE

*Malaysia remains diligent in advancing investment performance at the local and international level, in line with the national aspiration towards sustainable development. MIDA continues to play a central role, as a facilitator and enabler, to attract quality inflows that will support the development of industries in the country. This is part and parcel of the efforts to advance Malaysia's pursuit of high technology and become a high value-added economy.*

## TRIUMPHS OVER CHALLENGES

In 2019, Malaysia successfully recorded RM211.4 billion in approved investments in the manufacturing, services and primary sectors – a commendable achievement despite the economic challenges faced. The amount is spread across 5,287 projects which are expected to create 124,073 jobs in the country.

## THE STRATEGIC PLAN AHEAD

To ensure long term economic inflows to Malaysia, MIDA is seeking to identify a new strategic approach to its investment agenda by exploring and leveraging on the growth of megatrends such as Industry 4.0, digital economy and e-commerce. Strategic adoption of digitalisation and technologies is important to enhance Malaysia's competitiveness as the preferred destination for investors in the areas of research and development (R&D), innovation and talent.

In the next phase of development, Malaysia is expected to enjoy a tangible increase in high-value jobs. A significant portion of these are managerial, technical and supervisory (MTS) roles in the manufacturing sector. These account for 27,843 new jobs (35.4 percent) within the sector.

## MALAYSIA AS THE ULTIMATE INVESTMENT DESTINATION

MIDA's efforts to draw quality foreign investments into the country continues, with a total of RM82.9 billion worth of FDIs approved in 2019, primarily from the United States of America, People's Republic of China, Japan, Singapore and Taiwan. However, MIDA is never complacent.

Throughout the year, MIDA has built and maintained good relations with trading partners and stakeholders through multiples engagements, such as trade and

investment missions, roundtable conferences and networking sessions. These initiatives are building blocks to further attract quality FDIs into the country, and to further highlight Malaysia as a key investment destination to global players.

Domestic investors continue to be the driving force of the Malaysian economy through domestic direct investments (DDIs) complementing FDIs in promoting the national investment agenda. Approved DDIs of RM128.5 billion in 2019 have positioned Malaysia on the right track to reach the goal of an inclusive and balanced economy.

## CONTINUOUS PROGRESS

In light of these developments, MIDA will continue with its efforts to help the growth of local companies and businesses. A number of DDI-focused initiatives have been formulated with the goal to encourage cooperation between local businesses with various local and international conglomerates.

For instance, a series of forums on Business Financing Opportunities were organised by MIDA's dedicated team of Domestic Investment Coordination Platform (DICP). The objective of these forums is to create an accessible channel for businesses to garner information, increasing their competitiveness and business capacity through equitable entry.

We are committed to become the bridge that connects the business communities with policymakers, in line with the blueprint that will be set in the 12th Malaysian Plan (2021-2025) and the New Industry Master Plan. This string of efforts will surely contribute to the development of a dependable and business-friendly business ecosystem that will draw the interest of investors for decades to come.

The many challenges that await the global economy in 2020 will impact investments in Malaysia and

**DATO' AZMAN MAHMUD**  
*Chief Executive Officer, MIDA*

internationally. However, with the right fundamentals, the focused strategies and collaborations between government agencies and industry players, Malaysia, and MIDA, will continue to ensure progress for the future.

Lastly, I would like to extend my gratitude to all MIDA staff who have worked diligently throughout the year to provide the highest quality service. Your unceasing commitment and dedication have greatly contributed to the overall performance we have achieved in 2019, and I am confident that this will continue to shape MIDA's successes for years to come. Congratulations and thank you.



MIDA is leading the national investment agenda through a strategic innovative ecosystem approach as a method to increase Malaysia's appeal as the preferred investment destination.







# 03

## **ABOUT MIDA**



# THE MIGHT OF MIDA

*MIDA's successes are the result of a collective effort. The organisation, in its entirety, from the Board of Directors and management team, to all MIDA employees have quite simply been the defining force behind MIDA's exceptional performance.*

## Board of Directors



**DATO' ABDUL MAJID AHMAD KHAN**  
Chairman  
Malaysian Investment Development Authority (MIDA)



**DATO' AZMAN MAHMUD**  
Chief Executive Officer  
Malaysian Investment Development Authority (MIDA)



**DATO' LOKMAN HAKIM ALI**  
Secretary General  
Ministry of International Trade & Industry (MITI)



**ENCIK MA. SIVANESAN S/O MARIMUTHU @ MUTHIAH**  
Under Secretary  
Ministry of Finance (MOF)



**ENCIK MARZUNISHAM OMAR**  
Deputy Governor  
Central Bank of Malaysia (BNM)



**TAN SRI DATO' SOH THIAN LAI**  
President  
Federation of Malaysia Manufacturers (FMM)



**ENCIK NORDIN ENING**  
Chairman  
Sabah Cross Border Trade Association (SCBTA)



**ENCIK NIP WING HON @ JOHN NIP**  
Managing Director  
Sipadan Mangrove Resort SDN. BHD.



**DATUK SERI AZMAN BIN UJANG**  
Chairman  
Malaysian National News Agency (BERNAMA)



**DATUK ICHIRO SUZUKI**  
Managing Director  
Hiro Food Packages Manufacturing SDN. BHD.



**DR. MUHAMMED ABDUL KHALID**  
Economic Adviser  
Prime Minister's Office



**DATO' DR. GURDIAL SINGH NIJAR**  
Advocate  
GS Nijar Advocates

## Heads of Department



**1. DATO' AZMAN MAHMUD**  
Chief Executive Officer

**2. DATUK RAJENDRAN A/L NARAYANASAMY**  
Deputy Chief Executive Officer I  
(Until 25<sup>th</sup> January 2019)

**3. ARHAM ABDUL RAHMAN**  
Deputy Chief Executive Officer I  
(Since 1<sup>st</sup> March 2019)  
Deputy Chief Executive Officer II  
(Until 28<sup>th</sup> February 2019)

**4. ZABIDI MAHBAR**  
Deputy Chief Executive Officer II  
(Until 4<sup>th</sup> December 2019)  
Senior Executive Director  
(Until 28<sup>th</sup> February 2019)

**5. AHMAD KHAIRUDDIN ABDUL RAHIM**  
Deputy Chief Executive Officer II  
(Since 10<sup>th</sup> December 2019)  
Senior Executive Director  
Strategic Planning and Development  
(Manufacturing & Services)  
(Since 15<sup>th</sup> May Until 9<sup>th</sup> December 2019)  
Executive Director  
Pembangunan Perkilangan (Sumber)  
(Until 14<sup>th</sup> May 2019)

## Heads of Department (continued)



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



**LIM BEE VIAN**  
Executive Director  
Strategic Planning  
(Services)



**MOHD ZULKAFLI ISMAIL**  
Executive Director  
Post Investment



**SIVASURIYAMOORTHY A/L  
SUNDARA RAJA**  
Executive Director  
Investment Promotion



**JASBIR KAUR A/P BACHAN SINGH**  
Executive Director  
Manufacturing Development  
(Non-Resource)



**CHOO WAI MENG**  
Executive Director  
Strategic Planning  
(Manufacturing)



**ROESLINA ABBAS**  
Executive Director  
Services Development



**MOHAMAD ISMAIL ABU BAKAR**  
Executive Director  
Manufacturing Development  
(Resource)  
*(Since 15<sup>th</sup> May 2019)*  
Director  
Industry Talent Management and Expatriate  
*(Until 14<sup>th</sup> May 2019)*



## ORGANISATION CHART



## Top Management



**MOHD RASLI MUDA**  
Director  
Food Technology and  
Resource Based Industries  
(Until 29<sup>th</sup> July 2019)



**AHMAD TAJUDDIN OMAR**  
Director  
Oil & Gas and Maritime Technology  
(Until 27<sup>th</sup> November 2019)



**UMARANI A/P MUNIANDY**  
Director  
Oil & Gas and Maritime Technology  
(Until 10<sup>th</sup> November 2019)  
Director  
Chemical and Advanced Materials  
(Until 14<sup>th</sup> May 2019)



**BALKISH MOHD YASIN**  
Director  
Life Sciences and Medical Technology



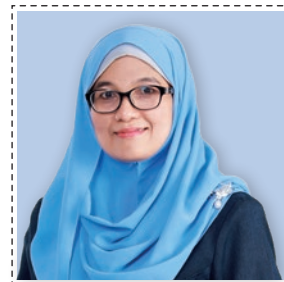
**SHAHROL SHAHABUDIN**  
Director  
Machinery and Metals  
(Until 27<sup>th</sup> August 2019)



**ZALINA ZAINOL**  
Director  
Corporate Communications



**WAN HASHIMAH WAN SALLEH**  
Director  
Green Technology



**ZUAIDA ABDULLAH**  
Director  
Strategic Planning and  
Policy Advocacy (Services)



**NORMI ALIAS**  
Director  
Human Resource Management



**RAMLI BAKAR**  
Director  
Corporate Management  
(Until 2<sup>nd</sup> May 2019)



**NOR'AINI MAT TALHA**  
Director  
National Investment Secretariat



**NAJIHAB ABAS**  
Director  
Building Technology  
and Lifestyle



**NOOR AIEDA AHMAD**  
Director  
Post-Investment  
and Infrastructure Support



**JEYASIGAN A/L NARAYANAN NAIR**  
Director  
Machinery and Metals  
(Since 1<sup>st</sup> October 2019)  
Director  
Advanced Technology and  
Research & Development  
(Until 30<sup>th</sup> September 2019)



**NELSON A/L SAMUEL WILSON**  
Director  
Foreign Investment Promotion  
(Until 17<sup>th</sup> November 2019)



**ZAHIRUL ISHAK**  
Director  
Transportation Technology



**WAHIDA ABDUL RAHMAN**  
Director  
Business Services and  
Supply Chain Innovation



**AZLINA HAMDAN**  
Director  
Electrical and Electronics



**SIKH SHAMSUL IBRAHIM SIKH  
ABDUL MAJID**  
Director  
Domestic Investment and  
Supply Chain Coordination Division



**MASNI MUHAMMAD**  
Director  
Strategic Planning & Policy Advocacy  
(Manufacturing)  
(Since 15<sup>th</sup> May 2019)  
Director  
Oil & Gas and Maritime Technology  
(Until 14<sup>th</sup> May 2019)



**AIZAH ABDULLAH**  
Director  
Industry Talent Management  
and Expatriate  
(Since 15<sup>th</sup> May 2019)  
Director  
Investment Statistics  
(Until 14<sup>th</sup> May 2019)



**MANJIT KAUR A/P BALKAR SINGH**  
Director  
Healthcare, Education and Hospitality



**ROSLINA OTHMAN**  
Director  
Investment Statistics  
(Since 15<sup>th</sup> May 2019)



**HABIBAH ENOK**  
Director  
Corporate Management  
(Since 3<sup>rd</sup> May 2019)

## Top Management (continued)



**SURAYU SUSAH**  
Director  
Chemical and Advanced Materials  
(Since 15<sup>th</sup> May 2019)



**KHAMILAH MOHD YUSOF**  
Director  
Food Technology and  
Resource Based Industries  
(Since 1<sup>st</sup> August 2019)



**NORHIZAM IBRAHIM**  
Director  
Advanced Technology and  
Research Development  
(Since 1<sup>st</sup> October 2019)



**HAZLI JEMAAT @ HASAN**  
Director  
Oil & Gas and Maritime Technology  
(Since 1<sup>st</sup> December 2019)  
**Head of Section**  
Tariff  
(Until 30<sup>th</sup> November 2019)



**AHMAD ZAKUAN GHAZALI**  
Director  
IT System Development



**MOHD ZAHARIN JAMARIS**  
Director  
Finance and Accounts Management  
(Since 15<sup>th</sup> May 2019)



**ZURAIDAH OTHMAN**  
Head of Section  
Licensing & Incentive Compliance  
and Monitoring Section  
(Until 30<sup>th</sup> April 2019)



**ZAKIAH SAJIDAN**  
Head of Section  
Licensing & Incentive Compliance  
and Monitoring Section  
(Since 15<sup>th</sup> May 2019)



**AZRINA HASHIM**  
Head of Section  
Incentive Coordination and  
Collaboration Office (ICCO)



**ZIL MUKHRIZ SULONG**  
Head of Section  
Legal and Government  
Relations Section



**MEGAT FAIZAL  
MOHAMAD ZABRI**  
Head of Unit  
Internal Audit and Governance

# MIDA CONTINUES TO EXCEL

*MIDA was established as a statutory body in 1967 under the Federal Industrial Development Authority Act 1965. The Act was later amended and renamed as the Malaysian Investment Development Authority (Incorporation) (Amendment) Act 2011.*

*As the principal investment promotion agency for Malaysia, MIDA is dedicated in supporting the nation's aspirations towards long term economic prosperity. We aim to become a trusted partner to investors founded upon the principles of integrity and professionalism.*

## MIDA'S FUNCTIONS

- Lead, co-ordinate, monitor and evaluate the implementation of 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 research and planning on matters relating to investment in the manufacturing and services sectors (excluding financial and utilities);
- Advise the Government on 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
  - Incentives applicable to investors in Malaysia
  - Expatriate posts
  - The imposition or amendment of, and exemption from, custom duties
  - 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 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 seeking technology and investment opportunities abroad;
- Act as a centre for collection, reference and dissemination of information related 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;
- Generally perform all such duties incidental to or consequential upon the exercise of its powers or the performance of its functions under this Act.



# HUMAN CAPITAL DEVELOPMENT

*Enhancing the quality of service and increasing the productivity of our workforce are key priorities for MIDA. In line with our commitment towards capacity building and talent development, a new performance appraisal system, complemented by a number of training and development programmes have been devised.*

## A NEW AND IMPROVED PERFORMANCE APPRAISAL PROCESS

The Employee Performance Appraisal System (EPMS) is a KPI-based appraisal system, launched and implemented in 2019. This system evaluates staff performance based on three main categories namely, work-related KPIs, level of competency and overall contribution to the organisation, community and nation.

Compared to its predecessor, the Special Performance Appraisal Report (LNPT), EPMS is widely perceived as a step in the right direction as significant improvements were made in the categorisation of the Corporate KPIs, which was later communicated to the members of the organisation.

EPMS allows for a more objective, holistic and transparent evaluation. It standardises the annual appraisal process for the purposes of determining annual compensation and as a mechanism to monitor and manage staff performance.

Furthermore, data collected from the system can be utilised to identify the appropriate focused development programmes as part of the initiative to remove any performance barriers among staff. This KPI-based system ensures that an increase in individual performance, no matter how small, are accounted for, and will collectively impact MIDA's overall performance.

## TRAINING & DEVELOPMENT

The training and development framework undertaken by MIDA focuses on three strategic thrusts namely leadership development, streamlining of training in accordance with MIDA's requirements and sharpening knowledge. The main objective is to enhance capabilities to fulfil the behavioural and technical competency set

by MIDA, to reach KPI targets and embrace MIDA values (MICCCA).

Leadership, behavioural and technical competency are the keys to an organisation's success. Therefore, MIDA had established the Assessment and Development Centre (ADC) as part of MIDA's human talent management.

Assessments are undertaken to identify potential, aptitude and the gap in competency based on MIDA's Competency Model. The findings are documented within the Personal Development Plan (PDP) and are discussed collectively among participants.

The data from ADC is vital in planning staff development programme, focused on three main competencies – Business Leadership, Group Leadership, Self-Leadership and process efficiency. These programmes are held based on designation.

The Leadership Excellence Series was implemented for Directors and above, with the aim to enhance their skills in strategic planning in order to improve the organisation's performance within a volatile, uncertain, complex and ambiguous (VUCA) environment.

Meanwhile, for Deputies and Senior Deputy Directors, a competency-based training programme is planned to expand their knowledge and develop skills required for effective leadership and supervision. It focuses on team management, increasing self and group productivity as well as nurturing conducive leadership skills to develop talent.

The development of young executives cannot be put on the back burner. A mentoring programme was developed to support this demographic. The senior members of MIDA are entrusted to shape and mentor the competency of the younger workforce in line with MIDA's needs.

On the other hand, non-executive staffs are provided with digital literacy training in Microsoft Excel, photography and videography, event management and emceeing. They are also trained with basic first-aid courses in the form of Cardiopulmonary resuscitation (CPR) dan Emergency Response Team Training (ERT).

These initiatives are reflective of MIDA's commitment to develop its human capital, and will surely contribute to the increment in productivity, providing positive impact which will drive MIDA's spectacular performance in the long run.

### MIDA'S CORE VALUES (MICCCA)



#### **MERITOCRACY**

Rewarding those who perform and celebrating their success



#### **INTEGRITY**

Being honest, transparent and accountable



#### **CUSTOMER FIRST**

Putting Customer First at all times



#### **CURIOSITY**

Seeking out new idea and knowledge



#### **CLOSE-KNIT**

Value open and supportive ties among the people in the organisation



#### **ADDED VALUE**

Going beyond what is expected; raising the bar





04

**INVESTMENT  
PERFORMANCE  
2019**





# INVESTMENT PERFORMANCE OF THE MANUFACTURING SECTOR

*The manufacturing sector continues to be a stronghold of Malaysia's economy. In 2019, it was the second best performing sector, contributing 22.3 percent, or RM316 billion to Malaysia's overall Gross Domestic Product (GDP).*

The manufacturing sector attracted RM82.7 billion of approved investments in 2019. The year also welcomed an increase in the number of approved projects by 37 percent, from 721 projects in 2018, to 988 projects in 2019. The majority of these approved investments were foreign direct investments (FDI), making up two thirds or 65.8 percent of the total amount.

## Key Highlights of the Manufacturing Sector in 2019



Total Approved Investments

**RM82.7** billion

Contribution to Gross Domestic Product (GDP)

**RM316** billion

22.3%



Foreign Direct Investments (FDI)

**RM54.4** billion

65.8%



Job Opportunities

**78,606** jobs



Total Approved Projects

**988** Projects



Domestic Direct Investments

**RM28.3** billion

34.2%



## Top Performing Industries in 2019



Electrical and  
Electronic Products  
**RM25.66** billion



Paper, Printing  
and Publishing  
**RM10.75** billion



Transport Technology  
**RM8.05** billion



Non-Metallic  
Mineral Products  
**RM6.86** billion



Chemicals and  
Chemical Products  
**RM4.75** billion



Rubber Products  
**RM4.58** billion



Machinery and Equipment  
**RM4.46** billion



Food Manufacturing  
**RM3.80** billion

Total **RM68.91** billion  
(83.3% of total investments approved)

## FOREIGN INVESTMENTS REIGN

Foreign investments approved in 2019 were evenly spread across new and expansion/diversification projects, accounting for 51 percent or RM27.8 billion, and 49 percent or RM26.6 billion respectively to the total FDI.

## OPTIMISM FOR DOMESTIC INVESTMENTS

New projects made up the bulk of the domestic investments approved in 2019, totaling RM17.4 billion or 61.6 percent. The remaining 38.4 percent, or RM10.9 billion were invested into expansion/diversification projects.

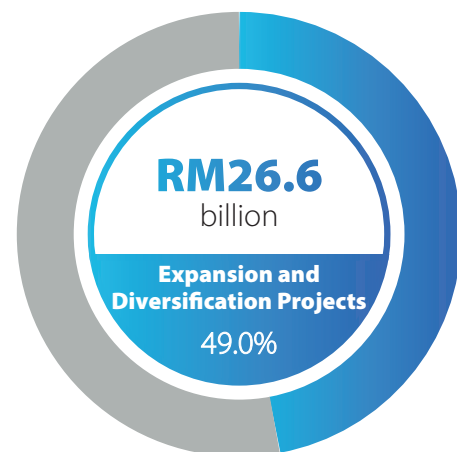
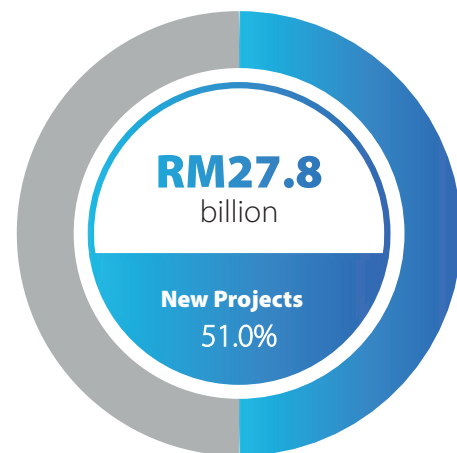
## THE LARGEST EXPORTER

The manufacturing sector remains the largest contributor to the nation's export earnings, as Malaysia continues to be the preferred destination for investors in the region and beyond.

In 2019, 365 export-oriented projects were approved, of which 80 percent of their output were to be exported. These projects were valued at RM33.16 billion, with the majority comprising foreign investments totaling RM24.58 billion or 74.1 percent, whereas domestic investments contributed 25.9 percent (RM8.58 billion).

The key industries which dominated the export-oriented approved projects were E&E products (RM13.36 billion from 108 projects), paper, printing and publishing (RM5.61 billion from 12 projects) and non-metallic mineral products (RM3.35 billion from 19 projects).

### Foreign Investments in the Manufacturing Sector



### Export-oriented Industries



**Electrical and Electronic Products**  
**RM13.36** billion



**Paper, Printing and Publishing**  
**RM5.61** billion



**Non-Metallic Mineral Products**  
**RM3.35** billion



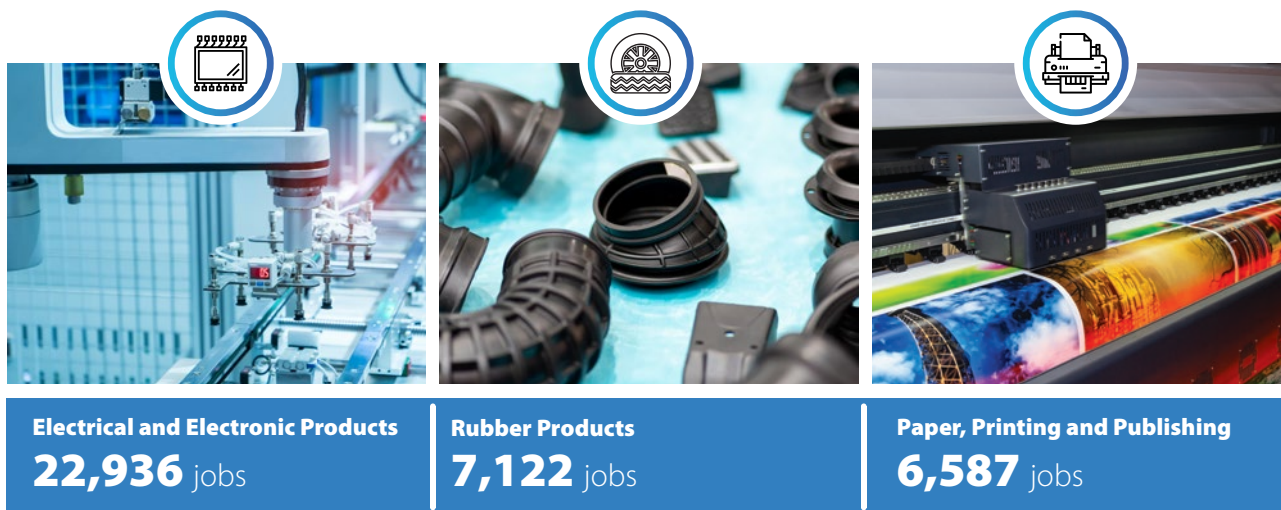
The manufacturing sector remains the largest contributor to the nation's export earnings as Malaysia continues to be the preferred destination for investors in the region and beyond

### CONTINUED PROSPECTS

The approved projects in 2019 are expected to create job opportunities for 78,606 individuals. Out of this amount, 27,843 or 35.4 percent are managerial, technical and supervisory roles, in which 9,545 or 12.1 percent consist of skilled workers. Furthermore, 50,763 or 64.6 percent of jobs created are for sales and clerical, plant/machine operators, assemblers and others. The E&E industry will absorb the majority of these jobs created amounting to 22,936, followed by the rubber products and paper, printing and publishing sub-sectors.

The Government will continue to approve expatriate posts, especially for management and technical positions in both local and foreign-owned companies. A total of 1,167 expatriate jobs were approved in 2019, wherein 271 were key roles that could be held permanently by foreign citizens. The remaining jobs approved are granted for a period of three to five years, after which will be taken over by trained Malaysians.

### Job Opportunities in the Manufacturing Sector in 2019



### Creation of Job Opportunities in the Manufacturing Sector for 2019

Sales and Clerical, Plant/  
Machine Operators,  
Assemblers and Others

**50,763**

64.6%

Managerial, Technical  
and Supervisory


**18,298**

35.4%

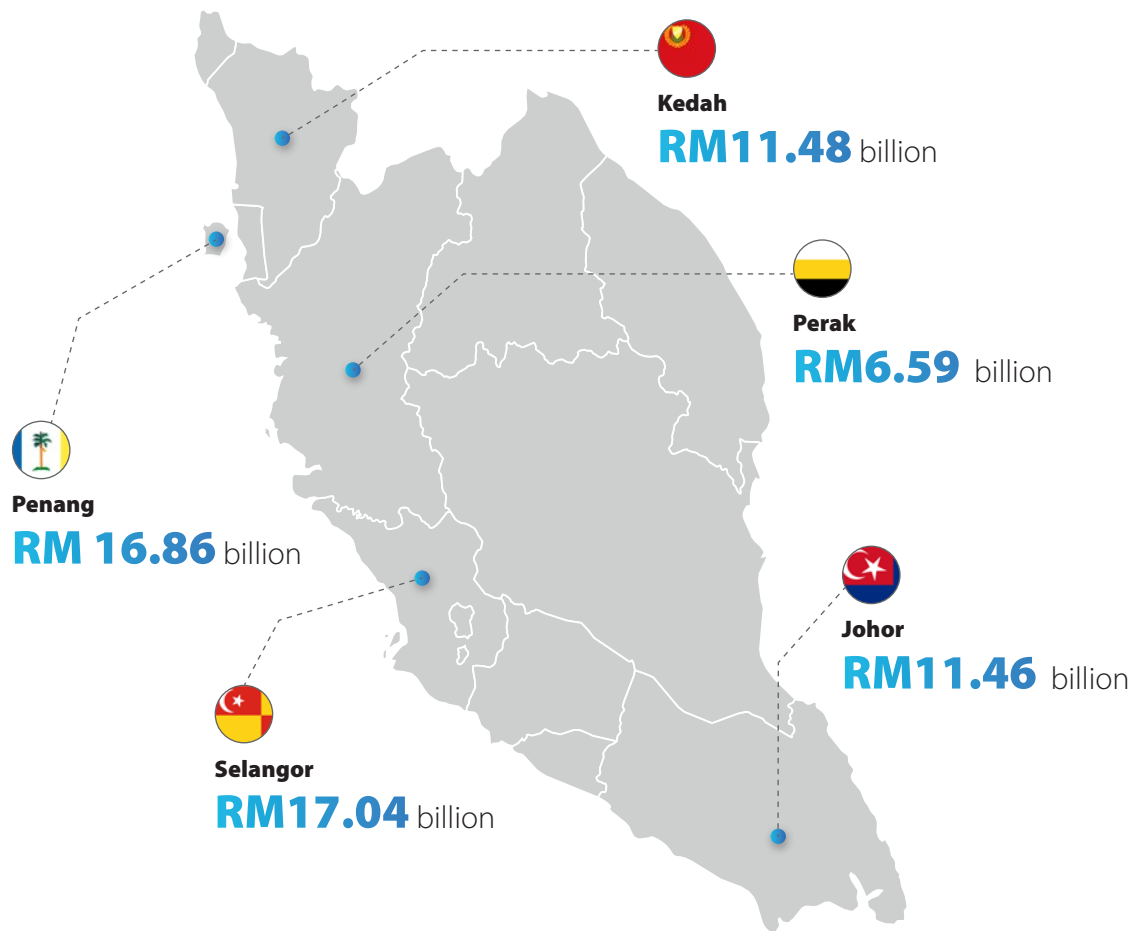
Skilled Workers

**9,545**

12.1%

=  **78,606**

### 5 States receiving the largest investment value



### APPROVED PROJECTS

Manufacturing projects were concentrated in Selangor (315 projects), Johor (209 projects) and Penang (166 projects), accounting for 69.8 percent of the total share of projects approved in 2019. In terms of value, Selangor received the highest amount of investment of RM17.04 billion, followed by Penang (16.86 billion), Kedah (RM11.48 billion), Johor (RM11.46 billion) and Perak (RM6.59 billion). All five States contributed 76.7 percent to the total approved investments in 2019.

### IMPLEMENTED MANUFACTURING PROJECTS

With an increase of 988 projects approved in 2019, total manufacturing projects approved within a five year period (2015-2019) have accumulated to

3,809 projects. Of this, approximately 2,794 projects have been implemented thus far. This involved an overall capital investment of RM208.52 billion. Selangor implemented the highest amount of manufacturing projects followed by Johor, Penang, Kedah and Perak.

### CAPITAL-INTENSIVE PROJECTS

Approved capital-intensive projects for the manufacturing sector experienced a decrease of 28.6 percent, from RM1,473,600 in 2018 to RM1,052,497 in 2019. Natural gas recorded the highest capital investment per employee (CIPE) ratio (RM4,140,449), followed by petroleum products including petrochemicals (RM2,891,146) and non-metallic mineral products (RM2,091,164).



# INVESTMENT PERFORMANCE OF THE SERVICES SECTOR

*In 2019, the services sector experienced an increase of 14.6 percent in approved investments, and continues on an upward trajectory as one of the most important thrusts of the country's economic growth.*

Despite economic challenges on various fronts, the services sector grew at a faster rate of 6.1 percent in the fourth quarter of 2019, compared to 5.9 percent in the same quarter in 2018. It is the highest performing sector, contributing 55 percent to Malaysia's economy.

There are a number of factors which influenced this growth. These include strong consumer spending, especially in the food, beverages and accommodation as well as the motor vehicles sub-sectors; higher fee-based income from finance and insurance; stable demand for data communication services in the information and communications sub-sector; as well as air passenger traffic and port-related activities within the transportation and logistics sub-sector.

## BRACING FOR THE FUTURE

Looking ahead, investment performance in the first quarter of 2020 is projected to be affected by the Covid-19 pandemic, with the tourism sector and related industries expected to bear the brunt of the impact. The extent of its implications on Malaysia's economy is dependent on the duration of the outbreak and the effectiveness of policies formulated in response to it.

MIDA is working closely with the Ministry of Finance to formulate a stimulus package to alleviate the adverse impact to the economy.

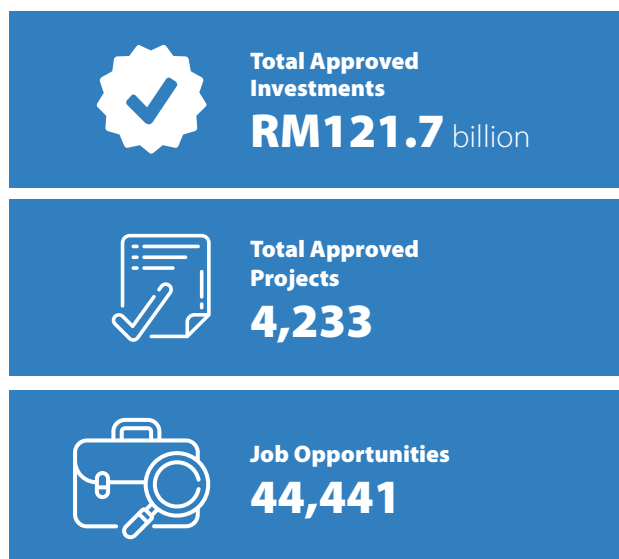
The services sector is the highest performing sector, contributing 55% to Malaysia's economy.



## APPROVED INVESTMENTS

Investments in the services sector made up more than half of the overall approved investments in 2019. This reflects Malaysia's appeal as a business and investment hub, attracting a total of 4,233 projects worth RM121.7 billion for the year.

### Approved Investments for the Services Sector in 2019



## EVENLY MATCHED

Domestic investments dominated the total approved investments in the services sector. However, the sector experienced an increase of 53.4 percent in foreign investments, from RM16.1 billion in 2018 to RM24.7 billion in 2019.

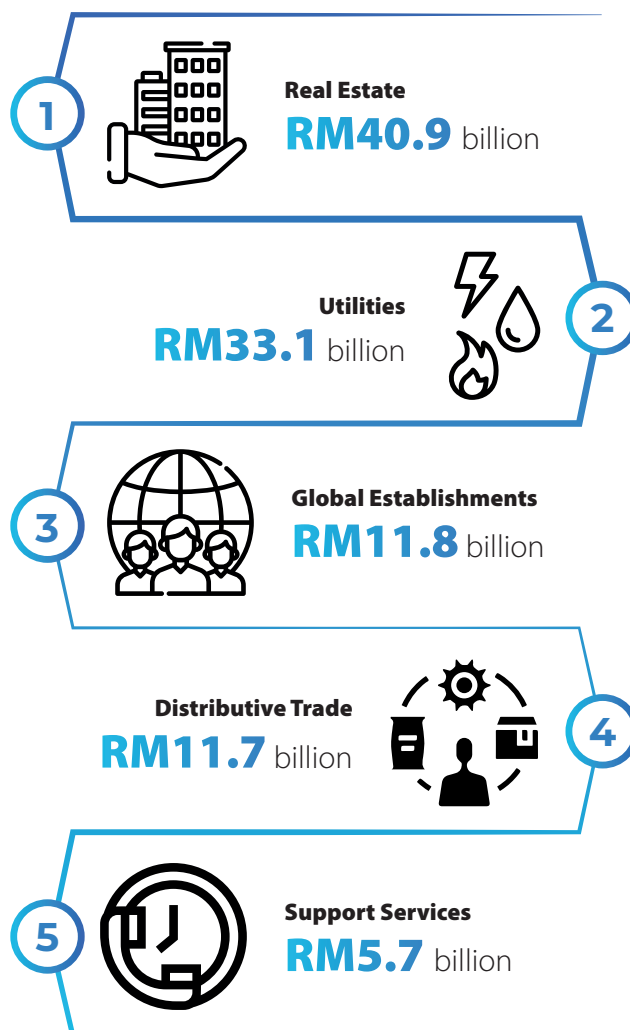
Local companies were the main investors in the services sector with domestic investments totaling RM97 billion or 79.7 percent of total investments in the sector. Foreign investments covered the balanced 20.3 percent with investments amounting to RM24.7 billion.

### Increase in Foreign Investments



Real estate was the top performing sub-sector in 2019, with total investments of RM40.9 billion. This is followed by utilities (RM33.1 billion), global establishments (RM11.8 billion), distributive trade (RM11.7 billion) and support services (RM5.7 billion). These five sub-sectors accounted for RM102.7 billion or 87 percent of total approved investments in the services sector.

### Top Performing Services Sub-sectors in 2019



## THE PREMIER CHOICE

Investors continue to showcase interest to make Malaysia their base to expand in the region. Foreign investments into the services sector were mainly derived from the USA, Japan, Mauritius, Singapore and the People's Republic of China. These five countries accounted for 89.6 percent of total foreign investments in the services sector of Malaysia.



# INVESTMENT PERFORMANCE OF THE PRIMARY SECTOR

*Investment in the primary sector declined from RM10.9 billion in 2018 to RM7 billion in 2019 due to the deteriorating macroeconomic conditions. Leading the way was the mining sub-sector which accounted for 93.9 percent of total approved investments. This is followed by the plantation and commodity sub-sectors and the agriculture sub-sector with total investments of RM291.6 million and RM135.1 million respectively.*

## AGRICULTURE

In 2019, the agriculture sub-sector recorded a twofold increase compared to 2018, with nine projects valued at RM135.08 million derived mainly from domestic sources. These projects are expected to create over 407 job opportunities. The most notable projects were the RM73.33 million durian plantation in Pahang, and the king oyster mushroom production centre in Negeri Sembilan worth RM28.3 million.

### Agriculture Sub-sector



Total Approved Investments

**RM 135.08** million



Total Approved Projects

**9**



Job Opportunities

**407**

## MINING

Investments in the mining sub-sector focused on oil and gas exploration and mining of other minerals. A total of 38 projects were approved in 2019 with total investments worth RM6.60 billion, contributing 93.9 percent to the overall approved investments in the primary sector.

The investments were evenly balanced between foreign and domestic sources. Foreign investments make up RM3.80 billion or 57.6 percent, and domestic investments RM2.79 billion or 42.4 percent of total investments in the sub-sector. 106 new jobs are expected to be created from these projects.

### Oil & Gas Exploration Sub-sector and Mining of Other Minerals



Total Approved  
Investments  
**RM6.60** billion



Total Approved  
Projects  
**38**



Job Opportunities  
**106**

## PLANTATION AND COMMODITY

The palm oil and rubber sub-sectors successfully recorded investments of RM291.61 million across 19 domestic projects approved in 2019 with RM222.93 million consisting of replantation and new plantation of rubber. A total of 513 jobs are expected to be created.

### Palm Oil and Rubber Sub-sectors



Total Approved  
Investments  
**RM291.61** million



Total Approved  
Projects  
**19**



Job Opportunities  
**513**

## AIDING THE GROWTH OF THE AUTOMOTIVE INDUSTRY: MIDA'S COLLABORATION WITH MAA



*The automotive industry assumes a strategic role in the nation's industrial sector, contributing approximately RM40 billion or 4 percent to Malaysia's GDP. It has a workforce of 600,000, comprising 53,000 within the aftermarket services, and 800 component suppliers. Malaysia is home to 27 original equipment manufacturers (OEM) that produce parts for passenger vehicles, two-wheelers and commercial vehicles.*

### BOOSTING DOMESTIC ACTIVITIES

On 2 April 2019, MIDA organised the Automotive Industry Localisation Programme 2019 at MIDA's headquarters with the accompanying theme of "Local2Global", held in collaboration with the Malaysian Automotive Association (MAA). The programme received encouraging response from industry players consisting of 100 members of the MAA, including OEM manufacturers and local vendors.

A number of agendas were highlighted during this programme. Of particular note was the initiative to promote localisation activities, lowering costs and barriers to entry which will facilitate more investments into the automotive industry.

The close cooperation between OEMs, local vendors and the Government remains vital for the development of the local industry. Sustainable partnerships between relevant stakeholders will serve this objective in accelerating the transfer of technology and expertise, as well as the creation of high-value employment opportunities.

This reflects the Government's commitment to be united with local industry players to enhance industry competitiveness and encourage the development of high quality Malaysian vehicles for local and export markets. This growth will surely elevate the nation's automotive industry to the next level.









# 05

## **INVESTMENT PROMOTIONAL ACTIVITIES**



# ENCOURAGING FOREIGN INVESTMENTS

## Generating Investments for a Prosperous Malaysia

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*Foreign investments play a significant role in Malaysia's economic growth, as such the Government continues to advance efforts to elevate Malaysia as the premier investment destination for investors across the region.*

*As the country's principal investment promotion agency, MIDA's efforts to attract quality foreign investment have been tireless, to ensure a direct impact that will benefit local industries in the long run.*

MIDA has taken a focused and systemic approach towards achieving this objective, with a clear emphasis on value-added, capital-intensive, knowledge-based and high technology industries such as Industry 4.0 and research and development (R&D) related activities. Within this context, numerous fiscal and non-fiscal investment incentives to promote these industries have been introduced and continually improved.

Various programmes and promotional activities were undertaken throughout 2019 in the campaign to attract foreign investments into the services and manufacturing sectors. Special programmes included Trade and Investment Missions (TIMs), Roundtable Meetings (RTMs) and Specific Project Missions (SPMs). This was accompanied by promotional activities such as international seminars, mini seminars, forums and dialogues with foreign chambers.



The objective was to attract new investments and to encourage reinvestments, namely in the aforementioned industries as mandated and entrusted by the Government.

### TRADE AND INVESTMENT MISSIONS

MIDA has held and took part in five TIMs overseas throughout 2019, as part of its ongoing efforts to attract the inflow of quality FDIs into the country.

These missions were led by the Ministry of International Trade and Industry (MITI) and involved Malaysian Government and State Governments officials, regional economic corridors, as well as representatives from the private sector.

These missions were strategically held at major capital and technology-exporting countries. This is a strategic approach to keep industry players updated about the current economic climate of the country through a series of seminars on trade and investment opportunities, roundtable meetings and programmes related to prospective investments in the manufacturing and services sectors of the country.



MIDA's Chief Executive Officer, Dato' Azman Mahmud delivers a speech at The Hague, during the Trade and Investment Mission to Europe on 5 November 2019.

### Trade and Investment Missions in 2019

29 March - 1 April 2019

#### Trade & Investment Mission to USA

*Washington DC, New York, Seattle, San Jose, San Francisco*

20 - 28 May 2019

#### Trade & Investment Mission to Chile, Argentina & Brazil in conjunction with APEC MRT Meeting in Valparaiso

*Santiago, Buenos Aires, Brasilia, Sao Paulo*

18 - 24 August 2019

#### Trade & Investment Mission to Australia in conjunction with Malaysia-Australia JTC Meeting

*Adelaide, Canberra, Melbourne*

2 - 12 November 2019

#### Trade & Investment Mission to Europe

*The Hague, Stuttgart, Berlin*

29 November - 5 December 2019

#### Trade & Investment Mission to Japan

*Kobe, Nagoya, Tokyo*

## OFFICIAL VISITS BY HIGH-RANKING GOVERNMENT OFFICIALS AND MIDA'S TOP MANAGEMENT

In 2019, a total of 16 overseas working visits were held, led by YAB Prime Minister, YAB Deputy Prime Minister, YB Minister MITI and YB Deputy Minister MITI. This was in addition to nine working visits headed by the Chief Executive Officer (CEO), Deputy CEOs and Executive Directors of MIDA.

MIDA was involved in mobilising key programmes with local business communities such as the Round Table Meeting with Captains of Industry as well as meetings with potential investors. MIDA also played an essential role as consultant to government officials and a resource centre for matters relating to investments in relevant countries.

### Official Visits by High Government Officials and MIDA's Top Management in 2019

#### Official Visits



17 June 2019  
**YAB Prime Minister**  
Official Visit to the UK



20 - 22 June 2019  
**YAB Prime Minister**  
Official Visit to Thailand



23 - 26 June 2019  
**YB Deputy Minister MITI**  
Official Visit to China



8 - 11 July 2019  
**YAB Deputy Prime Minister**  
Official Visit to China



24 - 27 July 2019  
**YAB Prime Minister**  
Official Visit to Turkey



14 - 17 August 2019  
**YB Deputy Minister MITI**  
Official Visit to China



26 - 28 August 2019  
**YAB Prime Minister**  
Official Visit to Vietnam



28 - 30 August 2019  
**YB Deputy Minister MITI**  
Official Visit to Singapore



2 - 4 September 2019  
**YAB Prime Minister**  
Official Visit to Cambodia



19 - 22 September 2019  
**YB Minister MITI**  
Official Visit to China



23 September - 1 October 2019  
**YB Minister MITI**  
Official Visit to Italy



30 October - 9 November 2019  
**YB Deputy Minister MITI**  
Official Visit to China



25 - 28 November 2019  
**YAB Prime Minister**  
Official Visit to Republic of Korea



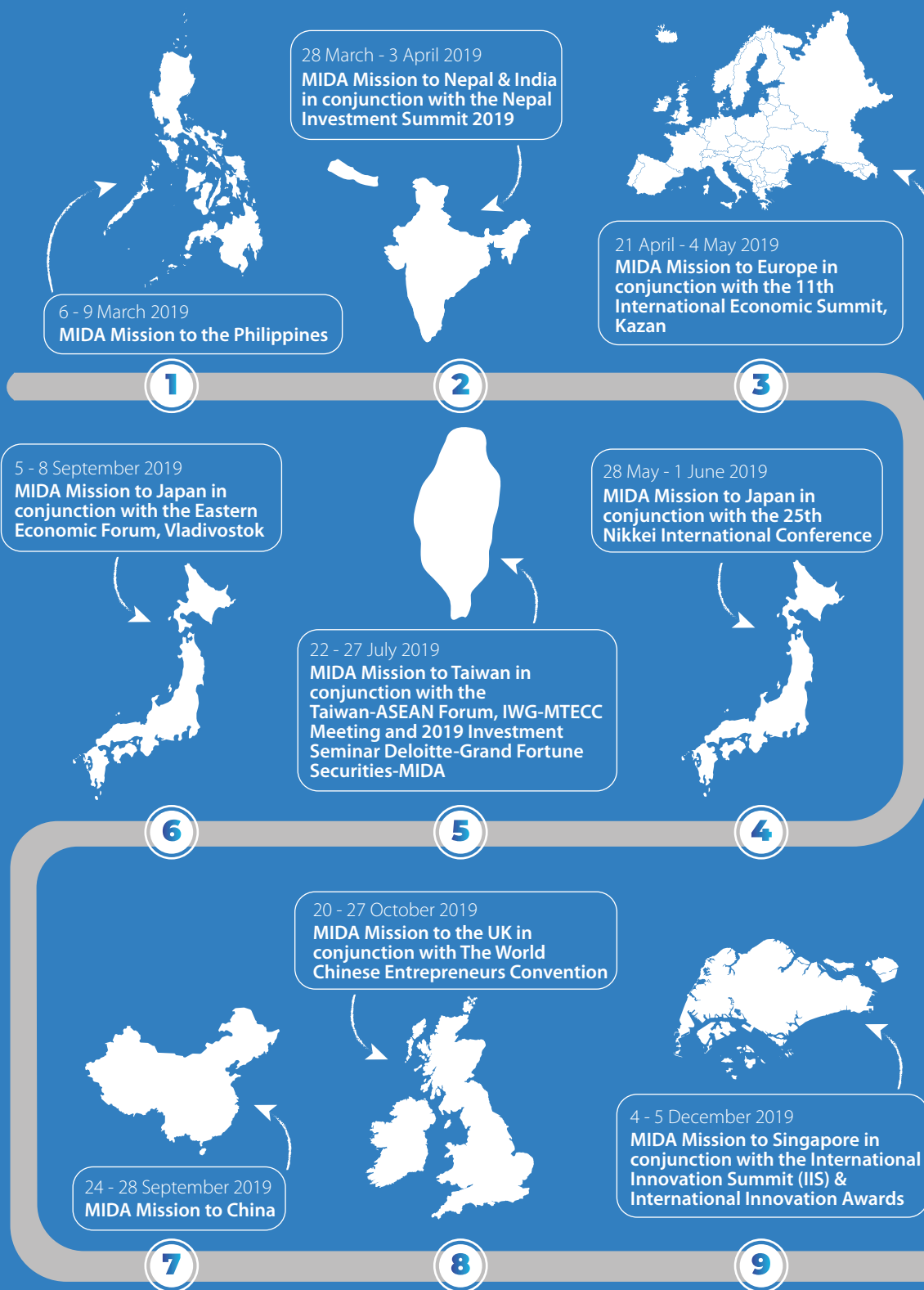
9 - 14 December 2019  
**YAB Prime Minister**  
Official Visit to Qatar



YAB Prime Minister at a discussion session with delegates during his visit to Qatar.



## MIDA's Overseas Missions in 2019

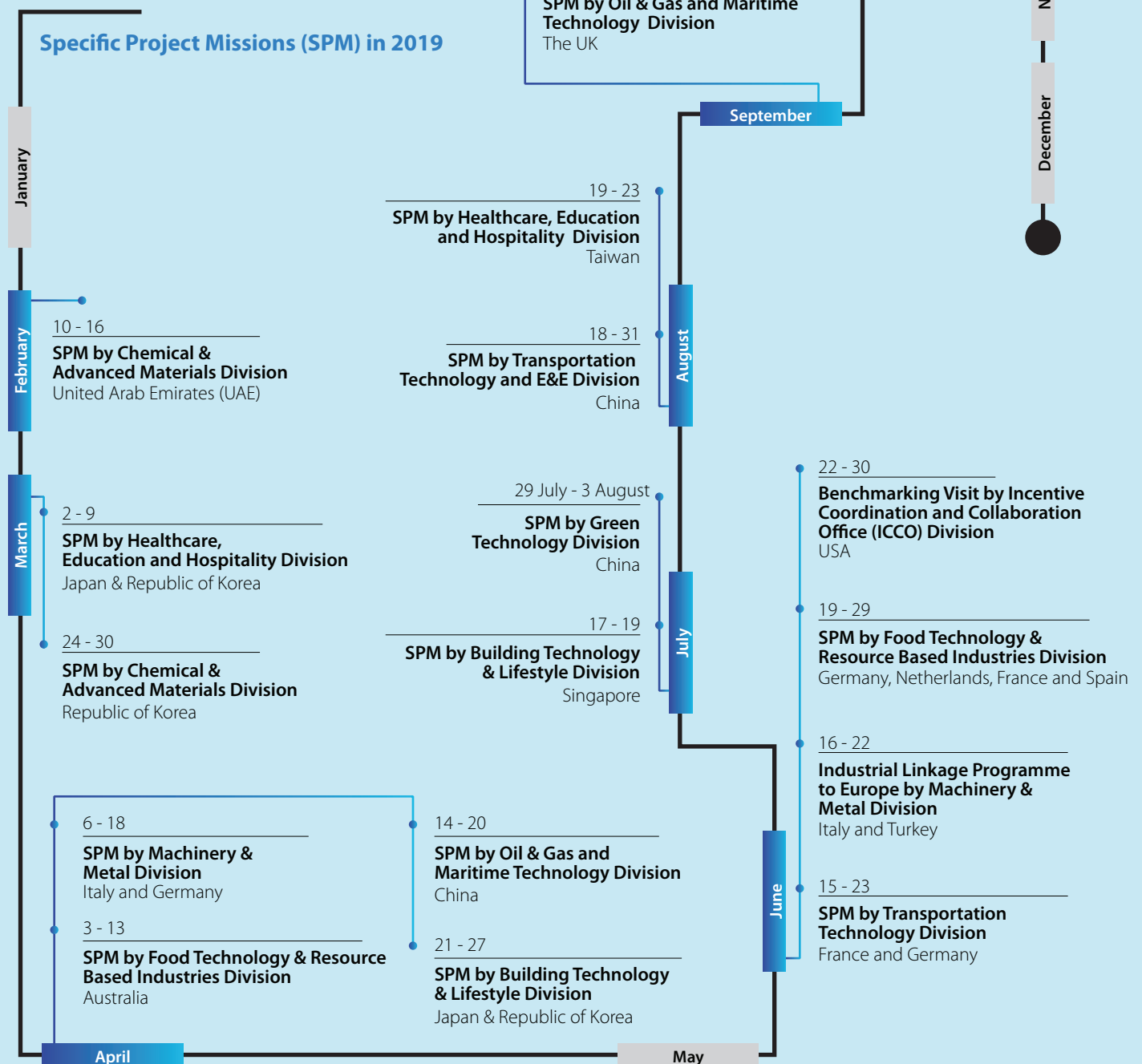


## SPECIFIC PROJECT MISSIONS (SPM)

A total of 22 SPMs were organised throughout 2019. These missions were headed by the Industry Divisions of MIDA for targeted sectors such as electric and electronics, machine and equipment, chemicals, medical devices and aerospace.

These missions revolved around discussions of a more technical nature, which will contribute to the promotion of foreign investments and the creation of a conducive investment ecosystem.

### Specific Project Missions (SPM) in 2019





*Malaysia Korea Business Forum 2019 at the Mandarin Oriental Hotel, with representatives from both countries.*

### International Seminars/Forums and Industry Leadership Programmes

MIDA was involved in a number of programmes and initiatives involving business communities and foreign investors as part of its investment promotion strategy. In 2019, MIDA's Foreign Investment Promotion Division organised two Industry Leadership Programmes, alongside a seminar and a business forum.

The objective of the Industry Leadership Programme is to provide overseas players with a greater understanding of the investment and industrial ecosystem in Malaysia, so as to encourage them to promote Malaysia amongst their respective business communities.

### International Seminars/Forums and Dialogues



### FOREIGN INVESTORS AND DELEGATIONS' VISIT

In 2019, MIDA received more than 150 visits from overseas delegations and investors, during which, MIDA gave a holistic overview of the policies, facilities, incentives and investment opportunities in the manufacturing and services sector in Malaysia.

### THE RESPONSE

MIDA received 160 enquiries from local and foreign companies on establishing manufacturing and services

projects. Our response had been in the form of briefings to foreign delegations, private sectors, industry associations, foreign chambers of commerce and government agencies about the business ecosystem in Malaysia.

MIDA will continue to provide response and feedback to enquiries through these briefings, in line with our role as the nation's principal investment promotion agency.





# ENCOURAGING DOMESTIC INVESTMENTS

## Accelerating the Domestic Investment Industry

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*MIDA keeps its feet firmly on the ground and remains focused in the endeavour to ensure equitable prosperity for Malaysia, in line with the 11th Malaysian Plan.*

*To this end, local companies are expected to be more proactive in advancing the nation's investment agenda. In 2019, the Government continued to mobilise efforts to strengthen and promote domestic investments in the country, and maintain its ever so important role as facilitator for local businesses in Malaysia.*



With an aim to boost growth in domestic investments, the Domestic Investment and Supply Chain Coordination (DISP) Division of MIDA and its state offices have undertaken a number of initiatives, which include:

#### 1) Shaping the Domestic Investments Landscape

##### **MIDA Invest Series Conference: Unfolding States' Business Potential**

This programme aims to inform business communities of the latest developments and investment opportunities in the respective states. To date, nine states have presented at these conferences, namely Selangor, Penang, Perlis, Kedah, Kelantan, Pahang, Terengganu, Sabah and Sarawak.

##### **Industrial Park Forums: Strengthening the Manufacturing Ecosystem**

These forums are collaborative efforts between MIDA and the Federation of Malaysian Manufacturers (FMM) to strengthen the industrial ecosystem through the development and management of industrial parks. The successful presence of industrial parks will attract the inflow of high-quality investments and stimulate the creation of high-income jobs for Malaysians. Until recently, MIDA had organised five forums comprising the central, south and north regions, as well as Borneo (Sabah). The last forum held in Kuala Lumpur also saw the launch of the first Industrial Park Directory.

#### 2) Promoting Growth of Local companies

##### **The Domestic Investment Coordination Platform (DICP) Initiative**

Given the significance of local businesses to the economic development of the country, local players are encouraged to increase involvement in the global supply chain. MIDA believes that increasing competitiveness and capacity of these companies will further enhance Malaysia's appeal as the investment destination for multinational companies (MNCs).

MIDA's Domestic Investment Coordination Platform (DICP) serves to help companies, especially small and medium enterprises (SMEs) to narrow the

gap in financial and technological opportunities. This team works closely with local regulators, technology providers, financial institutions as well as equity and corporate consultants. A total of 160 companies and 50 strategic and technological partners have directly benefited from this initiative.

The team had successfully engaged relevant stakeholders throughout the industry through strategic involvement sessions such as business meetings, collaborations and merger and acquisition (M&A) discussions, capital injections for new projects and initial public offerings (IPOs).

#### 3) Empowering Potential Local Businesses

##### **SME Investment Desk**

The SME Investment Desk is a one-stop centre to advise SMEs on the latest initiatives and facilities made available by the Government. It provides these companies with a direct line to MIDA's headquarters and state offices as well as a platform to build sustainable business collaborations in the area of supply chain development at local, regional and global level.

In 2019, MIDA organised 54 programmes which include roundtable meetings, ice breaking sessions and outreach programmes via MIDA's state offices.

##### **Ecosystem Programme for Start-up Companies**

In an effort to promote R&D and innovation and to develop capacity, a platform was established for start-ups and university researchers to promote their technologies to potential investors and industry players. The programme serves to catalyse the commercialisation of research and innovations, providing these start-ups and researchers with an opportunity to collect deposits and sell their products to prospective industries.

In 2019, MIDA organised two programmes towards this objective – the Tech Startups Pitching Session: SEMICON SEA 2019 as well as the Innovation Pitch and Business Matching - IPBM 2019.

### **Engagement Sessions with Industry Associations and Local Chambers of Commerce**

These engagement sessions kept local companies and SMEs up to speed on the latest investment initiatives from MIDA and the Government, in the drive to promote domestic investments. These meetings and dialogue sessions were held in collaboration with industry groups such as Industry Associations and Chambers of Commerce. This further enhanced MIDA's interaction with relevant industry players.

### **Domestic Investment Seminars**

The seminars present local companies with the opportunity to engage and network with government agencies, as well as remain in-the-know about the latest updates on the investment ecosystem in Malaysia. Furthermore, these seminars provide a conducive platform to bring relevant stakeholders together for potential high-value business partnerships.

### **Domestic Specific Project Missions**

The Industry Divisions of MIDA led visits to game-changing companies throughout the country with the aim to facilitate discussions about investment strategies. These missions allowed companies to materialise plans for the construction of a new factory or to expand to other parts of the country.

- Developing the growth of primary industries
- Gaining market access, locally and internationally for local companies and SMEs

MIDA, in collaboration with Exim Bank, organised the Samsung Electronic (M) Sourcing Fair 2019. The event hosted 42 potential vendors consisting of 20 start-ups and 22 existing companies. Furthermore, MIDA state offices held the Supply Chain Programme 2019 with a number of prospective companies. These include MIDA Kedah with First Solar Company, MIDA Selangor with IKEA Supply (Malaysia) and MIDA Melaka with Sanjet (Malaysia). MIDA-Turkey Industry Linkage Programme (ILP) 2019 was also held in relation to the aerospace and machinery & equipment industries.

These programmes were part of MIDA's commitment to promote and accelerate the inflow of the domestic and foreign investments, and to great success as reflected in Malaysia's favourable investment performance in 2019.

## **4) Bringing Local Players to the Global Field**

### **Industry Linkage Programme / Supply Chain Programme**

The programme involves the integration of local companies with MNCs and large corporations in Malaysia through the assistance of Government initiatives. The objectives of the programme are as follow:

- Outsourcing of manufacturing products and services to local companies
- Creating opportunities for domestic players to bridge the gap within the supply chain to MNCs and large corporations

## Domestic Investment Promotion Activities in 2019

Domestic Investment Seminar			
19 March	<b>Negeri Sembilan Domestic Investment Seminar</b> Klana Resort Hotel Seremban, Negeri Sembilan	22 August	<b>Selangor Domestic Investment Seminar</b> Grand Dorsett Subang Hotel, Subang, Selangor
26 June	<b>Sarawak Domestic Investment Seminar</b> Pullman Hotel, Kuching, Sarawak	16 December	<b>Sabah Domestic Investment Seminar</b> Hilton Hotel, Kota Kinabalu, Sabah
16 July	<b>Penang Domestic Investment Seminar</b> Olive Tree Hotel, Bayan Lepas, Penang		

MIDA Invest Series: Unfolding States' Business Potential			
29 January	<b>MIDA Invest Series: Sarawak</b> MIDA Sentral, Kuala Lumpur	7 August	<b>MIDA Invest Series: Selangor</b> MIDA Sentral, Kuala Lumpur
15 May	<b>MIDA Invest Series: Penang</b> MIDA Sentral, Kuala Lumpur		

Investment Coordination Platform: Fund Engagements Session			
8 August	<b>Equity Investment Forum</b> MIDA Sentral, Kuala Lumpur	20 November	<b>MIDA-BURSA Seminar</b> MIDA Sentral, Kuala Lumpur
3 September	<b>Briefing and Sharing Session on Financing Opportunities</b> MIDA Sentral, Kuala Lumpur		

Investment Coordination Platform: Engagement with Companies			
25 June	<b>Engagement with companies in Sarawak</b> Sarawak	14 November	<b>Engagement with companies in Perak</b> Perak
15 July	<b>Engagement with companies in Penang</b> Penang	17 December	<b>Engagement with companies in Sabah</b> Sabah

MIDA Pocket Talks with Associations / Chambers of Commerce / Trade and MNCs' Suppliers			
11 February	Malaysian Associated Indian Chamber of Commerce and Industry MIDA Sentral, Kuala Lumpur	10 September	Klang Chinese Chamber of Commerce & Industry (KCCCI) MIDA Sentral, Kuala Lumpur
11 February	Malaysia-China Merge Acquisition Association MIDA Sentral, Kuala Lumpur	19 September	Excellence Success Academy MIDA Sentral, Kuala Lumpur
7 March	Federation of Malaysian Manufacturers (FMM) Sarawak Branch MIDA Sarawak, Sarawak	18 November	Persatuan Pengilang & Industri Perkhidmatan Bumiputra Malaysia (PPIPB) MIDA Sentral, Kuala Lumpur
8 March	Sarawak Chamber of Commerce MIDA Sarawak, Sarawak	18 November	Dewan Perniagaan Melayu Malaysia (DPMM) MIDA Sentral, Kuala Lumpur
13 March	Perdasama (Persatuan Pedagang dan Pengusaha Melayu Malaysia) Menara Safuan, Kuala Lumpur	19 November	Dewan Perdagangan Islam Malaysia (DPIM) MIDA Sentral, Kuala Lumpur
23 April	SME Association of Malaysia MIDA Sentral, Kuala Lumpur	20 November	Federation of Malaysia Lim Association MIDA Sentral, Kuala Lumpur
25 April	Dewan Perniagaan Ushawan Kecil Malaysia MIDA Sentral, Kuala Lumpur	11 December	Briefing (PPIPB, DPMM, DPIM) MIDA Sentral, Kuala Lumpur
2 August	Briefing and Networking Session with Malaysian Indian Network of Entrepreneurs Association (1MINE) MIDA Sentral, Kuala Lumpur		

Start-up Companies Ecosystem Assistance Programme			
8 May	Tech Startups Pitching Session: SEMICON SEA 2019 MITEC, Kuala Lumpur	5 August	Innovation Pitch and Business Matching - IPBM 2019 MIDA Sentral, Kuala Lumpur

Exhibition / Summit / Conference	
17 July	Beyond Paradigm Summit 2019 MITEC, Kuala Lumpur



# GENERATING EMPLOYMENT OPPORTUNITIES THROUGH EQUITY INVESTMENT



*Local players, especially small and medium enterprises (SMEs), are among the main contributors to the nation's economy and their development is in the interest of Malaysia's continued growth and prosperity. However, financing remains an obstacle that these companies need to overcome.*

To address this, MIDA introduced equity investment, such as private equity and venture capital, as a viable funding opportunity to local industry players. The aim of this initiative was to promote the growth and development of local companies, namely SMEs by enhancing their capacity to raise capital for business development.

This is especially important as SMEs contribute nearly 40 percent to the nation's Gross Domestic Product (GDP), and employ up to two thirds of the country's workforce.

## **Business Financing Opportunities Forum Series**

MIDA acknowledges the importance of keeping everyone up-to-speed to ensure nobody gets left behind in the rapid wave of globalisation. As such, MIDA organised the Business Financing Opportunities Forum series with the theme, "Equity Investment for Business Growth".

The forum was organised by the Domestic Investment Coordination Platform (DICP) under the Domestic Investment and Supply Chain Coordination (DISC) Division of MIDA, with the objective to equip local industry players with a deeper understanding on business financing through equity investment from government and private-owned equity investment companies.

It was met with overwhelming response with over 200 participants from various manufacturing and services sectors of the country. The forum also featured four panellists representing top equity firms, namely Kumpulan Modal Perdana, Ekuiti Nasional Berhad (Ekuinas), COPE Private Equity and Venture Tech Sdn Bhd.

The readily available funding option through equity investment broadens the opportunity of industry players to develop their respective businesses. This will empower them to continuously contribute to the growth of the Malaysian economy.



# 06

## **FINANCIAL STATEMENTS**





**SIJIL KETUA AUDIT NEGARA  
MENGENAI PENYATA KEWANGAN  
LEMBAGA PEMBANGUNAN PELABURAN MALAYSIA  
BAGI TAHUN BERAKHIR 31 DISEMBER 2019**

**Sijil Mengenai Pengauditan Penyata Kewangan**

**Pendapat Berteguran**

Penyata Kewangan Lembaga Pembangunan Pelaburan Malaysia telah diaudit oleh wakil saya yang merangkumi Penyata Kedudukan Kewangan pada 31 Disember 2019, Penyata Prestasi Kewangan, Penyata Perubahan Aset Bersih, Penyata Aliran Tunai serta 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 37.

Pada pendapat saya, penyata kewangan ini memberikan gambaran yang benar dan saksama mengenai kedudukan kewangan Lembaga Pembangunan Pelaburan Malaysia pada 31 Disember 2019 dan prestasi kewangan serta aliran tunai bagi tahun berakhir pada tarikh tersebut selaras dengan Piawaian Perakaunan Sektor Awam Malaysia (MPSAS) dan Akta Lembaga Pembangunan Pelaburan Malaysia (Pemerbadanan) 1965 (Akta 397) kecuali perkara yang dinyatakan di perenggan Asas Kepada Pendapat Berteguran.

**Asas Kepada Pendapat Berteguran**

**1. Nota 3 - Tunai dan Kesetaraan Tunai RM174,313,079**

Bayaran RM10,000,000 yang dibuat kepada penerima geran pada bulan Januari 2020 telah direkodkan dalam tahun kewangan berakhir 31 Disember 2019. Ini menyebabkan Geran Tertunda telah berkurang nyata manakala Pendapatan Tertunda terlebih nyata sejumlah RM10,000,000.

## **2. Nota 5 - Hartanah, Loji dan Peralatan RM104,285,101**

Hartanah, Loji dan Peralatan dengan amaun bawaan berjumlah RM104,285,101 adalah termasuk amaun bawaan bagi bangunan MIDA Sentral sejumlah RM85,538,153. Bagaimanapun, hak milik strata bagi bangunan tersebut didaftarkan atas nama Pesuruhjaya Tanah Persekutuan pada 11 Mei 2015. Sehingga 31 Disember 2019, Hartanah, Loji dan Peralatan serta susut nilai tahun semasa bagi bangunan tersebut telah terlebih nyata masing-masing sejumlah RM85,538,153 dan RM2,138,358.

## **3. Nota 7 – Aset Tak Ketara RM2,691,598**

Termasuk dalam Aset Tak Ketara adalah *Program Management Office* dengan kos berjumlah RM2,434,232 dan disusut nilai dalam tahun kewangan berakhir 31 Disember 2019. *Program Management Office* merupakan yuran profesional bagi projek yang masih di bawah Kerja Dalam Pelaksanaan. Ini menyebabkan Aset Tak Ketara terlebih nyata dan Kerja Dalam Pelaksanaan terkurang nyata sejumlah RM2,434,232 manakala susut nilai tahun semasa bagi Aset Tak Ketara tersebut terlebih nyata sejumlah RM486,846.

Pengauditan telah dilaksanakan berdasarkan Akta Audit 1957 dan *International Standards of Supreme Audit Institutions*. Tanggungjawab saya dihuraikan selanjutnya di perenggan Tanggungjawab Juruaudit Terhadap Pengauditan Penyata Kewangan dalam sijil ini. Saya percaya bahawa bukti audit yang diperoleh adalah mencukupi dan bersesuaian untuk dijadikan asas kepada pendapat berteguran saya.

### **Kebebasan dan Tanggungjawab Etika Lain**

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

### **Maklumat Lain Selain Daripada Penyata Kewangan dan Sijil 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 Sijil Juruaudit mengenalinya dan saya tidak menyatakan sebarang bentuk kesimpulan jaminan mengenalinya.



## **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 Perakaunan Sektor Awam Malaysia (MPSAS) 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 adalah 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 Sijil Juruaudit yang merangkumi pendapat saya. Jaminan yang munasabah adalah satu tahap jaminan yang tinggi, tetapi bukan satu jaminan bahawa audit yang dijalankan mengikut *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 *International Standards of Supreme Audit Institutions*, saya menggunakan pertimbangan profesional dan mengekalkan keraguan profesional sepanjang pengauditan. Saya juga:

- a. Menenal 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 bersesuaian 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 bersesuaian tetapi bukan untuk menyatakan pendapat mengenai keberkesanan kawalan dalaman Lembaga Pembangunan Pelaburan Malaysia.
- c. Menilai kesesuaian dasar perakaunan yang diguna pakai, 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 Sijil 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 Sijil Juruaudit.
- e. Menilai sama ada keseluruhan persembahan termasuk pendedahan Penyata Kewangan Lembaga Pembangunan Pelaburan Malaysia memberi gambaran yang saksama.

### **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 Lembaga Pembangunan Pelaburan Malaysia (Pemerbadanan) 1965 (Akta 397) untuk disimpan oleh Lembaga Pembangunan Pelaburan Malaysia telah disimpan dengan sempurna kecuali perkara yang dinyatakan di perenggan Asas Kepada Pendapat Berteguran.

### **Hal-hal Lain**

- a. Saya ingin menarik perhatian terhadap kelemahan kawalan dalaman berkaitan pengurusan kewangan dan penyediaan penyata kewangan. Lembaga Pembangunan Pelaburan Malaysia perlu mengambil tindakan menyelesaikan isu berulang yang dibangkitkan dan meningkatkan kawalan dalaman termasuk memastikan rekod kewangan serta sistem perakaunan berkomputer dikemas kini. Ini bertujuan memastikan maklumat yang dipersembahkan dalam penyata kewangan adalah tepat dan betul.

- b. Sijil ini dibuat untuk Lembaga Pengarah Lembaga Pembangunan Pelaburan Malaysia berdasarkan Akta Lembaga Pembangunan Pelaburan Malaysia (Pemerbadanan) 1965 (Akta 397) dan bukan untuk tujuan lain. Saya tidak bertanggungjawab terhadap pihak lain bagi kandungan sijil ini.



**(DATIN SITI ZALEHA BINTI BAKAR)**

b.p. KETUA AUDIT NEGARA



PUTRAJAYA

16 DISEMBER 2020

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

**PENYATA Pengerusi dan Seorang Ahli Jemaah**

Kami, **DATO' ABDUL MAJID AHMAD KHAN** dan **TAN SRI DATO' SOH THIAN LAI** 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, 2019 dan hasil kendaliannya serta perubahan kewangannya bagi tahun yang berakhir pada tarikh tersebut.

Bagi pihak Jemaah,



**DATO' ABDUL MAJID AHMAD KHAN**

PENGERUSI

24 JUN 2020

KUALA LUMPUR

Bagi pihak Jemaah,



**TAN SRI DATO' SOH THIAN LAI**

AHLI JEMAAH

24 JUN 2020

KUALA LUMPUR



**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 25 JUN 2020 )



**DATO' AZMAN MAHMUD**



Di hadapan saya,



**PESURUHJAYA SUMPAH**

Lot 1.14, Tingkat Bawah,  
Bangunan Medan Mara,  
50350 Jalan Raja Laut,  
Kuala Lumpur.

## MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	NOTE	2019 RM	Restated 2018 RM
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	3	174,313,079	200,755,955
Deposits with Licensed Financial Institutions		-	40,000,000
Loans and Receivables from Exchange Transactions	4	26,813,287	9,561,386
		201,126,366	250,317,341
<b>Non Current Assets</b>			
Loans and Receivables from Exchange Transactions	4	4,455,290	6,118,222
Property, Plant and Equipment	5	104,285,101	100,281,117
Leased Assets	6	39,898,841	40,323,297
Intangible Assets	7	2,691,598	947,239
Investment Properties	8	326,810	326,810
		151,657,640	147,996,685
<b>Total Assets</b>		352,784,006	398,314,026
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	9	14,964,538	38,423,488
Deferred Grants	10	145,459,985	182,477,675
Provision for Performance Remuneration	11	5,978,228	3,500,000
Employee Benefits Obligation	12	385,984	711,961
		166,788,735	225,113,124

**MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)**

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019 (CONTINUED)**

	NOTE	2019 RM	Restated 2018 RM
<b>Non-Current Liabilities</b>			
Payables	9	730,196	1,226,052
Lease Liability	27	21,095	21,101
Employee Benefits Obligation	12	12,185,386	11,256,246
		<u>12,936,677</u>	<u>12,503,399</u>
<b>Total Liabilities</b>		<u>179,725,412</u>	<u>237,616,523</u>
<b>Net Assets</b>		<u>173,058,594</u>	<u>160,697,503</u>
<b>Net Assets / Equity</b>	13		
- Accumulated Operational Fund		169,708,594	157,347,503
- Accumulated Conveyance Loan Fund		3,000,000	3,000,000
- Accumulated Computer Loan Fund		350,000	350,000
<b>Total Net Assets / Equity</b>		<u>173,058,594</u>	<u>160,697,503</u>

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

## MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2019

	NOTE	2019 RM	Restated 2018 RM
<b>Revenue from Non-Exchange Transactions</b>			
Receipt from Government Grants	14	170,000,000	169,914,700
Deferred Income from Special Accounts (Development)		324,534,807	268,204,571
Deferred Income from Special Accounts (Operating)		140,213	783,193
Deferred Income from Development Account (MIDA)		7,195,220	2,773,880
		<b>501,870,240</b>	<b>441,676,344</b>
<b>Revenue from Exchange Transactions</b>			
Rental Income	15	1,526,826	1,345,636
Interest Income / Hibah Profits	16	8,295,133	5,882,843
Other Income		4,572,902	4,012,550
Doubtful Debts Recovered		114,739	32,635
		<b>14,509,600</b>	<b>11,273,664</b>
<b>Total Revenue</b>		<b>516,379,840</b>	<b>452,950,008</b>
<b>Expenses</b>			
Wages, Salaries and Employee Benefits	17	99,485,522	96,053,241
Rental Expenses		24,710,053	26,130,599
Professional Fees / Other Services and Hospitalities		22,826,203	24,566,299
Depreciation and Amortisation Expenses	18	4,016,230	4,974,819
Impairment Loss of Financial Assets		81,248	78,777
Communication and Utilities Expenses		8,003,777	10,341,226
Repairs and Maintenance		6,900,951	6,983,000
Travelling Expenses		9,375,245	8,707,871
Unwind Interest		1,234	4,941
Other Expenses	19	3,531,843	3,395,287
Amortisation from Special Accounts (Development)		324,534,807	268,204,571
Amortisation from Special Accounts (Operating)		140,213	783,193
Amortisation from Development Account (MIDA)		9,985	16,088
<b>Total Expenses</b>		<b>503,617,311</b>	<b>450,239,912</b>



**MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)**

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

	NOTE	2019 RM	Restated 2018 RM
<b>Other Gains / (Losses)</b>			
Gain on Disposal of Property, Plant and Equipment		33,655	87,554
Gain / (Loss) on Foreign Exchange		(435,093)	(709,661)
		<u>(401,438)</u>	<u>(622,107)</u>
<b>Surplus for the Year</b>		<u>12,361,091</u>	<u>2,087,989</u>

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

## MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)

## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 DECEMBER 2019

	Accumulated Operational Fund Note 13	Conveyance Loan Fund Note 13	Computer Loan Fund Note 13	Total
	RM	RM	RM	RM
<b>Balance as at 1 January 2018</b>	155,259,514	3,000,000	350,000	158,609,514
Surplus for the Year 2018	984,761	-	-	984,761
Prior Year Adjustment	1,103,228	-	-	1,103,228
<b>Balance as at 31 December 2018 (Restated)</b>	157,347,503	3,000,000	350,000	160,697,503
Surplus for the Year 2019	12,361,091	-	-	12,361,091
Balance as at 31 December 2019	169,708,594	3,000,000	350,000	173,058,594

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

**MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019**

	NOTE	2019 RM	Restated 2018 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus for the year		12,361,091	2,087,989
<b>Non Cash Movement</b>			
Depreciation of Property, Plant and Equipment		2,754,806	2,956,294
Amortisation of Intangible Assets		836,968	320,702
Amortisation of Leased Assets		424,456	1,697,823
Unwind Interest		1,234	4,941
(Gain) on Disposal of Motor Vehicles		(33,655)	(87,554)
Equipments Written Off		1,831	7,199
Provision for Performance Remuneration		5,978,228	3,500,000
Impairment Loss of Financial Assets		81,248	78,777
Provision for Post-Employment Benefit Plan		1,456,364	1,082,940
Adjustment from Special Accounts (Operating)		(100,001)	-
Interest / Hibah Income From Deposit / Financing		(8,295,133)	(5,882,843)
Operating Surplus Before Changes in Working Capital		15,467,437	5,766,268
Changes in Working Capital			
(Increase) in Receivables		(16,919,324)	(1,859,885)
(Decrease) / Increase in Payables		(23,956,046)	18,139,699
(Decrease) in Provision for Performance Remuneration		(3,500,000)	(2,206,133)
(Decrease) in Post-Employment Benefit Plan		(853,201)	(600,595)
Cash (Used in) / Generated from Operations		(29,761,134)	19,239,354
Interest Income from Deposits / Hibah Profits Received		8,044,240	5,466,997
<b>Net Cash Flows (Used in) / Generated from Operating Activities</b>		(21,716,894)	24,706,351
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment		(7,797,282)	(3,351,003)
Purchase of Intangible Assets		(44,668)	-
Proceeds from Sale of Motor Vehicles		33,657	87,560
Proceeds from Deposit in Licensed Financial Institutions		40,000,000	(40,000,000)
<b>Net Cash Flows Generated from / (Used in) Investing Activities</b>		32,191,707	(43,263,443)

## MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

	NOTE	2019 RM	Restated 2018 RM
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from Special Accounts (Development)		284,735,000	374,482,015
Payment by Special Accounts (Development)		(324,534,807)	(268,204,571)
Proceeds from Special Accounts (Operating)		207,566	520,358
Payment by Special Accounts (Operating)		(140,213)	(799,510)
Proceeds from Development Account (MIDA)		10,009,985	12,500,000
Payment by Development Account (MIDA)		(7,195,220)	(2,773,880)
<b>Net Cash Flows (Used in) / Generated from Financing Activities</b>		(36,917,689)	115,724,412
<b>(Decrease) / Net Increase in Cash and Cash Equivalents</b>		(26,442,876)	97,167,320
<b>Cash and Cash Equivalents at 1 January</b>		200,755,955	103,588,635
<b>Cash and Cash Equivalents at 31 December</b>	3	174,313,079	200,755,955

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



**MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)**

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

Note: The basis of preparation for budget and the accounting are different.

	<b>2019 Original Budget</b>	<b>2019 Budget Review</b>	<b>2019 Final Budget</b>	<b>2019 Actual Revenue</b>	<b>Restated 2018 Actual Revenue</b>
<b>Budgeted Revenue</b>					
Operating Grant Allocation	140,000,000	-	140,000,000	140,000,000	149,914,700
Supplemantery Budget	37,907,870	(7,907,870)	30,000,000	30,000,000	20,000,000
Rental Income	800,000	-	800,000	1,526,826	1,345,636
Income From Fixed Deposits Interest	5,000,000	-	5,000,000	8,265,564	5,845,078
Interest Income / Hibah Profit	40,000	-	40,000	29,569	37,765
Other Income	2,000,000	2,000,000	4,000,000	4,572,902	4,045,185
<b>Total Revenue</b>	<b>185,747,870</b>	<b>(5,907,870)</b>	<b>179,840,000</b>	<b>184,394,861</b>	<b>181,188,364</b>

	<b>Original Budget 2019</b>	<b>Adjustment 2019</b>	<b>Final Budget 2019</b>	<b>Actual On Comparable Basis 2019</b>	<b>Budget Variance 2019</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Operating Expenses (Vot B)</b>					
<u>Expenses</u>					
Emolument	99,683,800	-	99,683,800	99,485,522	198,278
Goods and Services	38,316,200	34,880,000	73,196,200	74,449,145	(1,252,945)
Assets	-	520,000	520,000	643,384	(123,384)
Other Payments	2,000,000	(400,000)	1,600,000	1,300,529	299,471
<b>Total Operating Expenditure</b>	<b>140,000,000</b>	<b>35,000,000</b>	<b>175,000,000</b>	<b>175,878,580</b>	<b>(878,580)</b>

**\* Adjustment**

Supplementary Budget MOF	30,000,000
Internal Fund MIDA	5,000,000
	<b>35,000,000</b>

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

**MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)****NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2019****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 Meeting on 23 June 2020.

**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 [Act 61].

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

**(b) Compliance Statements**

The financial statements are prepared on an accrual basis.

The financial statements are prepared in accordance with the Malaysian Public Sector Accounting Standards (MPSASs).

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.

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 their judgements in the process of applying MIDA's accounting policies.

**MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)****2.2 Summary of Significant Accounting Policies****(a) Revenue Recognition****Revenue from Non-Exchange Transactions**Transfers Revenue

Revenues from non-exchange transactions with the Federal Government are measured at fair value and recognised 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 rate method.

Estimated future cash flow is discounted using the effective interest rate to the carrying amount of net assets through the usage of financial assets. This rate is being used to determine the interest income for each period from the outstanding principal.

Rental Income

Rental income arising from operating leases on investment property 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 is not occupied by MIDA.

Investment property is 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.

**MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)****2.2 Summary of Significant Accounting Policies (Continued)****(b) Investment Property (Continued)**

Investment property is derecognised either when it has 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 net gains/(losses), in surplus or deficit. Transfers are made to or from investment properties only when there is a change in use.

**(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.



**MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)****2.2 Summary of Significant Accounting Policies (Continued)****(c) Property, Plant and Equipment (Continued)**

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 derecognises 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 net gains/(losses), in surplus or deficit when the asset is derecognised.

**(d) Operating 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 a 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 a 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) Finance Lease (as a Lessee)**

The finance lease should be recorded on the statement of financial position both as an asset and as an obligation to pay future rentals.

They should be recognised at the fair value of the leased asset or, if lower, the present value of the minimum lease payments each determined at the inception of the lease. In calculating the present value of the minimum lease payments, the discount factor is the interest rate implicit in the lease. Any initial direct costs of the lessee are added to the amount recognised as an asset.

**MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)****2.2 Summary of Significant Accounting Policies (Continued)****(e) Finance Lease (as a Lessee) (Continued)**

The interest rate implicit in the lease is defined by the standard as "...the discount rate that, at the inception of the lease, causes the aggregate present value of (a) the minimum lease payments and (b) the unguaranteed residual value to be equal to the sum of (i) the fair value of the leased asset and (ii) any initial direct costs of the lessor".

In simpler terms, the interest rate implicit in the lease is the lessor's internal rate of return from the lease taking into account the normal cash price of the leased asset, rentals and the amount the lessor expects to recover from the residual value

Where this is not possible, the lessee is to use his incremental borrowing rate to determine the present value of the minimum lease payments. The lessee's incremental borrowing rate is the rate the lessee would have to pay on a similar lease or, if that is not determinable, the rate at the inception of the lease that the lessee would incur on borrowings over a similar term with a similar security.

The minimum lease payments for a lessee are the payments over the lease term that the lessee is, or can be required, to make excluding contingent rent, costs for services and taxes to be paid by and reimbursed to the lessor together with any amounts guaranteed by the lessee or any party related to the lessee (for example, another group entity). In addition, if a lessee has an option to purchase the asset at a price that makes it reasonably certain at the inception of the lease, that the option will be exercised, then the lessee should include the payment to exercise the option in its calculation of the minimum lease payments. If it is not reasonably certain that the option will be exercised, any penalty for non-exercise should be included in the minimum lease payments. It will be reasonably certain that an option will be exercised if, at the inception of the lease, it is expected that the option price will be sufficiently lower than the expected fair value of the asset at the date the option is exercised.

An asset leased under a finance lease should be depreciated over the shorter of the lease term and its useful life, unless there is a reasonable certainty that the lessee will obtain ownership of the asset by the end of the lease term in which case it should be depreciated over its useful life.

Lease payments should be apportioned between the finance charge and the reduction of the outstanding liability. The finance charge should be allocated to periods during the lease term, so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The standard acknowledges that, in practice, some form of approximation may need to be used to simplify the calculation of the allocation.

**MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)****2.2 Summary of Significant Accounting Policies (Continued)****(f) Intangible Assets – Computer Systems and Software**

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;
- (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.

**(g) Impairment of Non-Financial Assets**Impairment of Cash Generating Assets

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.

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.

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

**MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)****2.2 Summary of Significant Accounting Policies (Continued)****(g) Impairment of Non-Financial Assets (Continued)**

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 recognised for the asset in prior years. Such reversal is recognised in surplus or deficit.

Impairment of Non-Cash Generating Assets

MIDA assesses at each reporting date whether there is an indication that a non-cash generating 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.

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.



**MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)****2.2 Summary of Significant Accounting Policies (Continued)****(g) Impairment of Non-Financial Assets (Continued)**Impairment of Non-Cash Generating Assets (Continued)

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 recognised 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 recognised. 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 recognised in surplus or deficit.

**(h) Financial Instruments****Financial Assets**Classifications

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

Loan 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 Measurements

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 Measurements

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

**MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)****2.2 Summary of Significant Accounting Policies (Continued)****(h) Financial Instruments (Continued)**Derecognition

Financial assets are derecognised 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 are impaired. MIDA's financial assets are deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have 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's debtors are experiencing significant financial difficulties;
- 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 of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in MIDA's 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 asset's carrying amount and the recoverable amount.

**Financial Liabilities**Recognition and Initial Measurements

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

**MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)****2.2 Summary of Significant Accounting Policies (Continued)****(h) Financial Instruments (Continued)**Subsequent Measurements

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.

**(i) 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.

**(j) 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 the passage of time is recognised as finance cost expense.

**(k) Employee Benefits**Short-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 the 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 benefits obligation in the statement of financial position.

**MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)****2.2 Summary of Significant Accounting Policies (Continued)**

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

A 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.

**(m) 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 by applying the exchange rate in December.

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.



## MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)

### 2.2 Summary of Significant Accounting Policies (Continued)

#### (n) Significant Judgements and Sources of Estimation Uncertainty

The preparation of MIDA's financial statements in conformity with MPSAS requires management to make judgements, 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.

##### Provisions

Provisions are measured at the best expenses budget required to complete on the date of reporting.

##### 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.

**MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)****3. Cash and Cash Equivalents**

	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
Cash in Hand	27,584	26,000
Cash at Banks	24,524,219	49,628,117
Short-term Deposits with Licensed Institutions	149,761,276	151,101,838
	<b>174,313,079</b>	<b>200,755,955</b>

Cash at bank earns interest at floating rates based on daily bank deposit 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 2019 is 3.53% (2018: 3.64%) per annum. These deposits are monies that are restricted for use of approved projects.

**4. Loan and Receivables from Exchange Transactions**

	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
Other receivables	20,844,920	3,425,136
Less: Accumulated Impairment Loss	(165,812)	(473,211)
	<b>20,679,108</b>	<b>2,951,925</b>
Advance	77,015	1,545,295
Staff Loan:	794,163	770,627
- Computer Loan	64,005	56,361
- Motor Vehicle Loan	730,158	714,266
Deposit	6,254,012	6,390,191
Prepayment	3,464,279	4,021,570
	<b>31,268,577</b>	<b>15,679,608</b>
Analyse Into:		
Current Portion	26,813,287	9,561,386
Non-Current Portion	4,455,290	6,118,222
	<b>31,268,577</b>	<b>15,679,608</b>

Other receivables are non-interest bearing while staff loan bears interest of 4% per annum. The term of payment is 30 days except for staff loan.

## MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)

### 4. Loan and Receivables from Exchange Transactions (Continued)

Accumulated impairment of loans and receivables are as follows:

	2019 RM	2018 RM
As at 1 January 2019	473,211	507,942
Paid During the Year	(120,739)	(29,250)
Written off	(267,907)	(60,954)
Current Impairment	81,247	55,473
As at 31 December 2019	165,812	473,211

	Neither Past Due Nor Impaired	< 30 days	Past Due But Not Impaired		
	RM	RM	30 - 90 days	90 - 180 days	> 180 days
	RM	RM	RM	RM	RM
Advance	77,015	-	-	-	-
Staff Loan	794,163	-	-	-	-
Deposit	6,254,012	-	-	-	-
Other Receivables	20,108,460	272,790	63,152	52,043	348,475

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 a monthly basis through payroll deductions.

# MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)

## 5. Property, Plant and Equipment

	Freehold Land	Building	Renovations	Motor Vehicles	Computer Equipment	Office Equipment	Work In Progress	Total
	RM	RM	RM	RM	RM	RM	RM	RM
<b>At Cost</b>								
1 January 2019	42,000,000	106,917,902	41,111,174	7,898,807	47,396,824	3,226,815	11,244,507	259,796,029
Adjustments	(42,000,000)	-	-	-	-	-	-	(42,000,000)
1 January 2019 as restated	-	106,917,902	41,111,174	7,898,807	47,396,824	3,226,815	11,244,507	217,796,029
Additions	-	-	13,330	553,492	51,934	33,008	7,145,518	7,797,282
Disposals	-	-	-	(415,283)	(13,272,759)	(22,498)	-	(13,710,540)
Transfer To Misc. Advance	-	-	253,270	-	-	-	(1,289,931)	(1,036,661)
31 December 2019	-	106,917,902	41,377,774	8,037,016	34,175,999	3,237,325	17,100,094	210,846,110

## Accumulated Depreciation and Impairment Losses

1 January 2019	-	19,241,391	41,111,135	7,457,682	47,277,590	2,427,114	-	117,514,912
Depreciation Charge for the Year	-	2,138,358	53,320	245,118	64,626	253,384	-	2,754,806
Disposals	-	-	-	(415,280)	(13,271,488)	(21,941)	-	(13,708,709)
31 December 2019	-	21,379,749	41,164,455	7,287,520	34,070,728	2,658,557	-	106,561,009
<b>Net Book Value</b>								
31 December 2019	-	85,538,153	213,319	749,496	105,271	578,768	17,100,094	104,285,101



# MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)

## 5. Property, Plant and Equipment

At Cost	Freehold Land	Building	Renovations	Motor Vehicles	Computer Equipment	Office Equipment	Work In Progress	Total
	RM	RM	RM	RM	RM	RM	RM	RM
1 January 2018	42,000,000	106,917,902	41,111,174	8,171,641	47,472,671	3,250,621	9,986,715	258,910,724
Adjustments	(42,000,000)	-	-	-	-	-	-	(42,000,000)
1 January 2018 as restated	-	106,917,902	41,111,174	8,171,641	47,472,671	3,250,621	9,986,715	216,910,724
Additions	-	-	-	511,108	33,661	48,442	2,757,792	3,351,003
Disposals	-	-	-	(783,942)	(109,508)	(72,248)	-	(965,698)
Transfer To Misc. Advance	-	-	-	-	-	-	(1,500,000)	(1,500,000)
31 December 2018	-	106,917,902	41,111,174	7,898,807	47,396,824	3,226,815	11,244,507	217,796,029

## Accumulated Depreciation and Impairment Losses

1 January 2018	-	17,103,033	41,111,135	7,854,671	47,224,924	2,223,349	-	115,517,112
Depreciation Charge for the Year	-	2,138,358	-	386,948	162,141	268,847	-	2,956,294
Disposals	-	-	-	(783,937)	(109,475)	(65,082)	-	(958,494)
31 December 2018	-	19,241,391	41,111,135	7,457,682	47,277,590	2,427,114	-	117,514,912
<b>Net Book Value</b>								
31 December 2019	-	87,676,511	39	441,125	119,234	799,701	11,244,507	100,281,117

## MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)

## 6. Leased Assets

	2019 Total RM	2018 Total RM
<b>Cost</b>		
As at 1 January	42,021,120	42,021,120
As at 31 December	42,021,120	42,021,120
<b>Accumulated Amortisation</b>		
As at 1 January	1,697,823	1,273,367
Charge for the Year	424,456	424,456
As at 31 December	2,122,279	1,697,823
<b>Net Book Value</b>		
As at 1 January	40,323,297	40,747,753
As at 31 December	39,898,841	40,323,297

Leased asset is the right to use an asset for MIDA's land which previously has been classified as Property, Land and Equipment. The lease agreement has been signed with the Federal Land Commissioner in 2020 and the lease term is for 99 years which will end in 2114. The land cost is inclusive of the purchase price and minimum lease payments.

## 7. Intangible Assets

	Computer Software RM	System RM	2019 Total RM	2018 Total RM
<b>Cost</b>				
As at 1 January	305,711	1,764,886	2,070,597	2,070,597
Adjustments	-	2,536,660	2,536,660	-
Additions	-	44,668	44,668	-
Disposals	(11,375)	-	(11,375)	-
As at 31 December	294,336	4,346,214	4,640,550	2,070,597
<b>Accumulated Amortisation</b>				
As at 1 January	305,301	818,057	1,123,358	802,656
Disposals	(11,374)	-	(11,374)	-
Charge for the Year	-	836,968	836,968	320,702
As at 31 December	293,927	1,655,025	1,948,952	1,123,358
<b>Net Book Value</b>				
As at 1 January	410	946,829	947,239	1,267,941
As at 31 December	409	2,691,189	2,691,598	947,239

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

**MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)****8. Investment Property**

	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
As at date	326,810	326,810
Rental Revenue from Investment Property	1,070,000	923,031

The fair value of the investment property carried at cost amounted to RM129,100,000 as at 31 December 2011. The fair value was determined based on the last valuation performed by the Valuation and Property Services Department (JPPH).

**9. Payables**

	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
Other Payables	738,912	33,851,092
Retention Contract Sum	850,111	2,512,379
	1,589,023	36,363,471
Deposits Received	207,500	2,500
Accruals	13,898,211	3,283,569
	15,694,734	39,649,540
<u>Analyse Into:</u>		
Current Portion	14,964,538	38,423,488
Non-Current Portion	730,196	1,226,052
	15,694,734	39,649,540

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

**10. Deferred Grants**

## (i) Deferred Grants – Special Accounts (Development)

	<b>Strategic Investment, High Impact Project and Domestic Investment Strategic Fund</b>	<b>Upgrading of Basic Infrastructure of Existing Industrial Estates</b>	<b>Industry Studies and Others</b>	<b>2019 Total</b>	<b>2018 Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
As at 1 January	142,462,391	16,147,793	7,785,499	166,395,683	60,118,239
Received During the Year	205,350,000	20,000,000	59,385,000	284,735,000	374,482,015
Expenses Paid During the Year	(302,008,771)	(10,002,897)	(12,523,139)	(324,534,807)	(268,204,571)
As at 31 December	45,803,620	26,144,896	54,647,360	126,595,876	166,395,683

**MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)****10. Deferred Grants (Continued)****(ii) Deferred Grants – Special Accounts (Operating)**

	<b>Contribution Accounts</b>	<b>NKEA</b>	<b>2019 Total</b>	<b>2018 Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
As at 1 January	311,113	100,001	411,114	690,266
Received During the Year	207,566	-	207,566	520,358
Returned During the Year	-	-	-	(16,317)
Adjustment to Operating Account	-	(100,001)	(100,001)	-
Expenses Paid During the Year	(140,213)	-	(140,213)	(783,193)
As at 31 December	378,466	-	378,466	411,114

**(iii) Deferred Grants – Development Account (MIDA)**

	<b>2019 RM</b>	<b>2018 RM</b>
As at 1 January	15,670,878	5,944,758
Received During the Year	10,009,985	11,000,000
Transfer From Operating Grant	-	1,500,000
Expenses Paid During the Year	(7,195,220)	(2,773,880)
As at 31 December	18,485,643	15,670,878
<b>Total of Deferred Grants</b>	<b>145,459,985</b>	<b>182,477,675</b>

**11. Provision for Performance Remuneration**

	<b>2019 RM</b>	<b>2018 RM</b>
Performance Remuneration		
As at 1 January	3,500,000	2,206,133
Performance Remuneration Paid During the Year	(3,373,621)	(2,206,133)
Surplus Provision	(126,379)	-
Provision for the Year	5,978,228	3,500,000
As at 31 December	5,978,228	3,500,000

Performance remuneration accrues 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 staff performance assessments, taking into consideration the performance trends and the availability of budget for performance remuneration.



## MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)

### 12. Employee Benefits Obligation

	2019 RM	2018 RM
At 1 January	11,968,207	11,485,862
Adjustment	(31,000)	(1,880)
Contributions Paid	(822,201)	(598,715)
Additional Contribution	1,456,364	1,082,940
At 31 December	12,571,370	11,968,207
<u>Analyse Into:</u>		
Current Portion	385,984	711,961
Non-Current Portion	12,185,386	11,256,246
	12,571,370	11,968,207

Post-employment benefit plans represent cash awards 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 the 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.

### 13. Net Assets

#### (i) Accumulated Operational Fund

	2019 RM	2018 RM
At 1 January	157,347,503	156,759,514
Transfer to Development Account	-	(1,500,000)
Received During the Year	170,000,000	169,914,700
Interest on Deposit with Bank	8,295,133	5,882,843
Revenue / Other Income	6,248,122	5,478,375
Expense Paid During the Year	(504,052,404)	(450,949,573)
Deferred Grants	331,870,240	271,761,644
At 31 December	169,708,594	157,347,503

#### (ii) Conveyance Loan Fund

	RM	RM
At 1 January / 31 December	3,000,000	3,000,000

#### (iii) Computer Loan Fund

	RM	RM
At 1 January / 31 December	350,000	350,000

**MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)****14. Receipt from Government Grants**

	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
<u>Unconditional Grants</u>	170,000,000	169,914,700
Government Grants - Operating	170,000,000	169,914,700

**15. Rental Income**

	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
Investment Property Rental	1,070,000	923,031
Office Space Rental	262,985	127,538
Parking Rental	193,841	231,435
Others	-	63,632
	1,526,826	1,345,636

**16. Interest Income / Hibah Profits**

	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
Interest on Deposits with Banks	8,265,564	5,845,078
Interest on Conveyance Loan	27,181	29,187
Hibah Profit on Computer Loan	2,388	2,016
Interest on Deposit	-	6,562
	8,295,133	5,882,843

**17. Wages, Salaries and Employee Benefits**

	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
Salaries and Wages	65,952,524	64,599,572
Fixed Allowances	8,732,349	8,817,879
Statutory Contributions	11,898,204	11,522,918
Overtime Allowances	1,418,907	1,291,249
Other Monetary Benefits	11,483,538	9,821,623
	99,485,522	96,053,241

## MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)

### 18. Depreciation and Amortisation Expenses

	2019 RM	2018 RM
Property, Plant and Equipment	2,754,806	2,956,294
Leased Assets	424,456	1,697,823
Intangible Assets	836,968	320,702
	<u>4,016,230</u>	<u>4,974,819</u>

### 19. Other Expenses

	2019 RM	2018 RM
Transportation Expenses	576,875	670,124
Supplies and Materials	2,056,041	1,937,630
Miscellaneous Expenses	897,096	767,201
Equipments Written Off	1,831	20,332
	<u>3,531,843</u>	<u>3,395,287</u>

### 20. Related Party Disclosures

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

	2019 RM	2018 RM
Total remuneration	RM1,008,356	RM790,784
Number of persons	14 persons	17 persons

#### Remuneration of Key Management Personnel

	2019 RM	2018 RM
Salary	529,082	494,469
Allowance	434,545	276,409
Performance Remuneration	44,729	19,906
	<u>1,008,356</u>	<u>790,784</u>

\* Allowances include travel, vehicle, accommodation, subsistence and others.

**MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)****21. Financial Instruments – Financial Risk Management**

Exposure to currency, interest rate, liquidity and credit risk arises in the normal course of MIDA's operations. This note presents information about 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.

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 the end of the financial year represents the maximum credit exposure.

Credit Quality

Credit quality is the assessed risk of default attached to counterparties to which MIDA extends credit and 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 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 the approved investment policy of MIDA's *Jawatankuasa Pelaburan Tunai*. Consequently, the MIDA does not consider there to be any significant exposure to credit risk.



## MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)

### 21. Financial Instruments – Financial Risk Management (Continued)

#### 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 RM	< 30 days RM	30 - 180 days RM	> 180 days RM	Total RM
<b>2019</b>					
<b>Liabilities</b>					
Other Payables	731,523	6,095	49	1,245	738,912

#### Market Risk

Market risk is the risk of changes in market prices, such as foreign exchange rates and interest rates, affecting 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 optimising the return on the risk.

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

#### Foreign Currency Exchange 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 invests 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 2019 are as follows:

	Weighted Average Interest Rate RM	3 months and Less RM
<b>Financial Assets</b>		
Cash and Cash Equivalents	3.53%	149,761,276

**MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)****22. Capital Commitment**

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

	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
Intangible Assets	7,952,162	13,804,251

**23. Operating Lease Rentals****MIDA as a Lessee**

Future minimum lease payment under non-cancellable operating leases:

	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
<u>Buildings</u>		
Due Within One Year	43,856,742	35,665,931
Due Within Two to Five Years	38,339,555	46,795,787
Later Than Five Years	469,679	-
	<u>82,665,976</u>	<u>82,461,718</u>
Minimum Lease Payments Recognised as an Expense During the Year	<u>24,710,053</u>	<u>26,130,599</u>

**MIDA as a Lessor**

Future minimum lease income under non-cancellable operating leases:

	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
<u>Investment Property</u>		
Due Within One Year	1,224,000	760,000
Due Within Two to Five Years	1,020,000	-
	<u>2,244,000</u>	<u>760,000</u>
<u>Building</u>		
Due Within One Year	192,000	188,000
Due Within Two to Five Years	1,500	-
	<u>193,500</u>	<u>188,000</u>

MIDA lets buildings and properties under operating leases. Building and property rental income earned during the year was RM1,526,826 (2018: RM926,500).

## MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)

### 24. Taxation

MIDA has been granted tax exempt status based off the letter by the Ministry of Finance dated 5 February 2015 [Rujukan P.U.(A) 158/1987 Perintah Cukai Pendapatan (Pengecualian) (bil.24)1987].

### 25. Budget Information

The budget is approved on a modified cash basis by the nature of classification. The approved budget covers the fiscal period from 1 January 2019 to 31 December 2019.

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

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 2019 is presented below.

	Operating RM	Investing RM	Financing RM	Total RM
Actual Amount on Comparable Basis as Presented in Budget and Actual Statement	(175,878,580)	-	-	(175,878,580)
<u>Basis Differences</u>				
(i) Contingent Income	184,394,861	-	-	184,394,861
(ii) Other Basis Income	(30,233,175)	32,191,707	(36,917,689)	(34,959,157)
Difference of Actual Amount in Cash Flow Statement	(21,716,894)	32,191,707	(36,917,689)	(26,442,876)

**MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)****26. Prior Year Adjustment**Correction of Prior Period Accounting Error

Revenue from coupon payment of RM2,120,000 and fixed deposit interests of RM685,992 were incorrectly omitted from the financial statements of 2018. The financial statements of 2018 have been restated to correct these errors.

Correction due to Accounting Estimates

MIDA has entered into a lease agreement until 2114 with the Federal Land Commissioner and the lease has been classified as finance lease. Before 2019, the land has been classified as Property, Plant and Equipment. The financial statements of 2018 have been restated due to this agreement. The effect of the restatement on those financial statements is summarised below:

**Effect on Financial Statements 2018**

	<b>RM</b>
Increase in Unwind Interest	4,941
Increase in Amortisation	1,697,823
Increase in Payables	4,960
Increase in Lease Liability	21,101
Increase in Leased Asset	21,120
Increase in Accumulated Amortisation	1,697,823
Increase in Net Assets	1,702,764

Reclassification

MIDA had reclassified RM40,000,000 that was previously recognised as Cash and Cash Equivalents to Deposit with Licensed Institutions.

Comparative figures restated due to prior year adjustments are as follows:

## MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)

### 26. Prior Year Adjustments (Continued)

As at 31 December 2018	As Previously Stated RM	Adjustment/ Reclassification RM	Restated RM
<b>Statement of Financial Position</b>			
Cash and Cash Equivalents	240,069,963	(39,314,008)	200,755,955
Deposit with Licensed Institutions	-	40,000,000	40,000,000
Loans and Receivables from Exchange Transactions	7,441,386	2,120,000	9,561,386
Property, Plant and Equipment	142,281,117	(42,000,000)	100,281,117
Leased Assets	-	40,323,297	40,323,297
Payables	38,418,528	4,960	38,423,488
Lease Liability	-	21,101	21,101
Accumulated Operational Fund	156,244,275	1,103,228	157,347,503
<b>Statement of Financial Performance</b>			
Interest Income / Hibah Profits	5,196,851	685,992	5,882,843
Other Income	1,892,550	2,120,000	4,012,550
Depreciation and Amortisation Expenses	3,276,996	1,697,823	4,974,819
Unwind Interest	-	4,941	4,941
<b>Statement of Cash Flows</b>			
Surplus for the year	984,761	1,103,228	2,087,989
Amortisation of Leased Assets	-	1,697,823	1,697,823
Unwind Interest	-	4,941	4,941
Interest / Hibah Income from Deposit / Financing	(5,196,851)	(685,992)	(5,882,843)
Receivables	260,115	(2,120,000)	(1,859,885)

### 27. Lease Liability

	2019 RM	2018 RM
As at 1 January	21,101	21,106
Addition	1,234	1,235
Payment of Lease Liability	(1,240)	(1,240)
	21,095	21,101
Current	1,240	1,240
Non Current	19,855	19,861
	21,095	21,101



**MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)****27. Lease Liability (Continued)**

Maturity Analysis - Contractual Undiscounted Cash Flows

	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
Less than One Year	1,240	1,240
Between One and Five Years	6,200	6,200
Above Five Years	109,120	110,360
Total Undiscounted Lease Liabilities at 31 December	<u>116,560</u>	<u>117,800</u>

**Amount Recognised in Profit and Loss**

Expenses Relating to Leases	1,234	4,941
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**28. Non Redeemable Preference Shares (NRPS)**

MIDA has entered into an agreement with UMW Aero Assets Sdn Bhd in relation to the disbursement of grant amounting to RM212 million in the form of Non Redeemable Preference Shares (NRPS) with par value of RM1.00 each. The purpose of the disbursement is for the purchase of machinery and equipment for the manufacturing of aerospace engine component products for Aero Engine Project undertaken by UMW Aerospace Sdn Bhd.

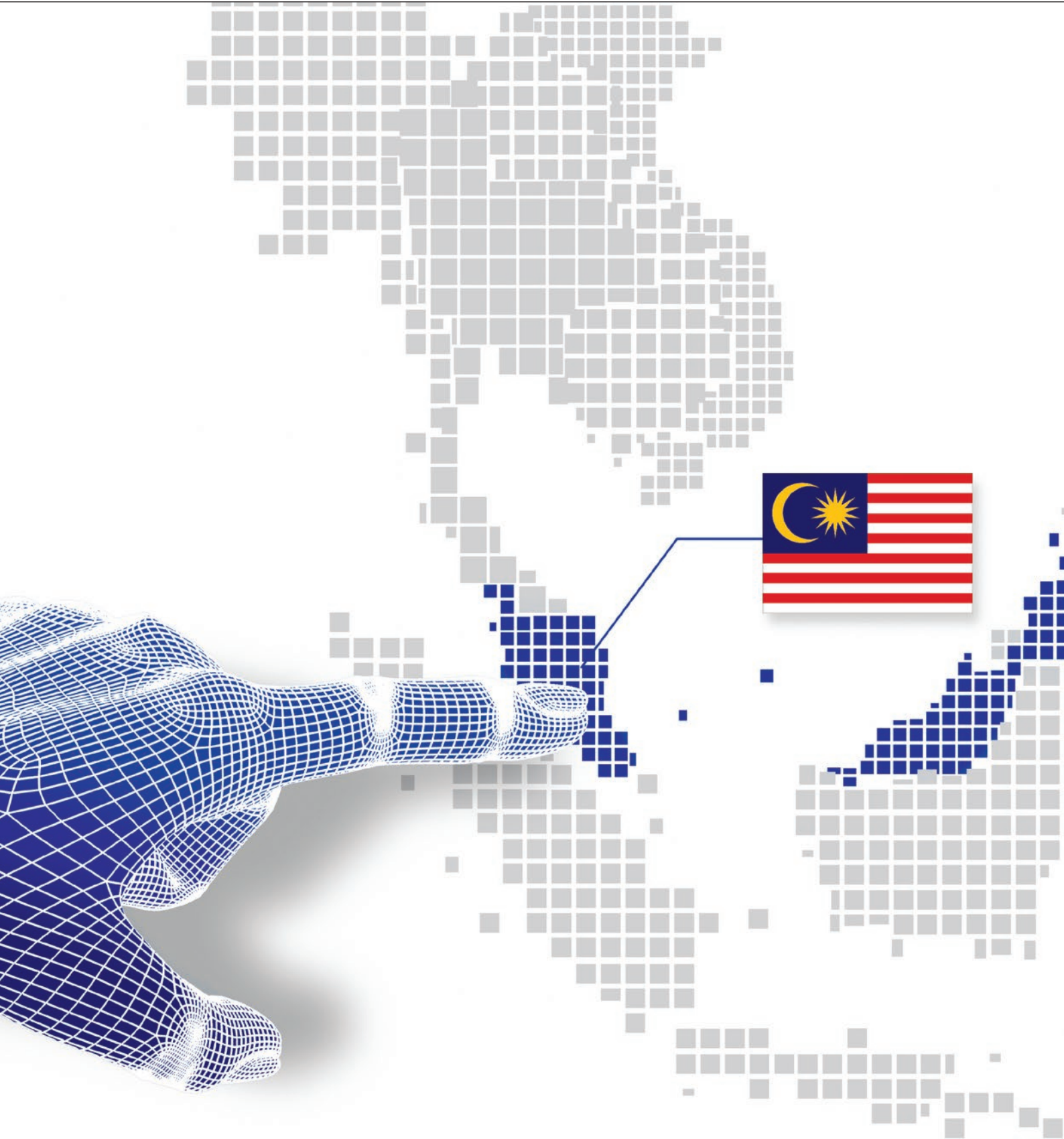
The salient features of the NRPS issued by UMW Aero Assets Sdn Bhd are as follows:

- The preference shares carry a coupon rate of 1% per annum, and payable on an annual basis by the issuer for a 24-year period. The coupon payment is subject to Company's cash flow availability and shall be on a non-cumulative basis.
- The NRPS holder shall have no representative on the board and management of the company and no right on shareholders' reserved matters.
- The NRPS holder shall not have any claim over any fixed and current assets of the company.
- The NRPS holder shall have no claims over the dividends declared by the company.
- In the event of liquidation, the NRPS holder will have no rights to the residual assets.

**29. Subsequent Event**

The COVID-19 outbreak is a global crisis that impacts the global economy. However, as MIDA receives yearly allocation from the Government of Malaysia, MIDA foresees that there will be no impact on MIDA's revenue.

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# 07

## **CONTACTING MIDA**

# CONTACTING MIDA

## Addresses of MIDA Headquarters, State and Overseas Offices

*MIDA's efforts to promote domestic and foreign investments involve the cooperation and assistance of investors to develop manufacturing and services projects. This was possible due to MIDA's global network, with its headquarters in Kuala Lumpur, state officers across Malaysia and international offices in the Asia Pacific, Middle East, North America and Europe.*

### MIDA Nationwide Network

#### State Office



#### KEDAH & PERLIS

##### Director

**Malaysian Investment Development Authority (MIDA)**

4th Floor, East Wing,  
No. 88, Menara Bina Darulaman Berhad,  
Lebuhraya Darulaman,  
05100 Alor Setar,  
Kedah Darul Aman Malaysia

Tel: (604) 731 3978

Fax: (604) 731 2439

E-mail: [kedah@mida.gov.my](mailto:kedah@mida.gov.my)

#### PENANG

##### Director

**Malaysian Investment Development Authority (MIDA)**

Unit 14.01, 14th Floor,  
Menara Boustead Penang,  
39, Jalan Sultan Ahmad Shah,  
10050 Pulau Pinang, Malaysia

Tel: (604) 228 0575

Fax: (604) 228 0327

E-mail: [penang@mida.gov.my](mailto:penang@mida.gov.my)



## PERAK

### Director

#### Malaysian Investment Development Authority (MIDA)

Level 4, Perak Techno Trade Centre (PTTC),  
Bandar Meru Raya Off Jalan Jelapang,  
P.O Box 210,  
30720 Ipoh,  
Perak Darul Ridzuan, Malaysia  
Tel: (605) 5269 962 / 961  
Fax: (605) 5279 960  
E-mail: perak@mida.gov.my

## MELAKA

### Director

#### Malaysian Investment Development Authority (MIDA)

3rd Floor, Menara MITC Kompleks MITC,  
Jalan Konvensyen,  
75450 Ayer Keroh,  
Melaka, Malaysia  
Tel: (606) 232 2877  
Fax: (606) 232 2875  
E-mail: melaka@mida.gov.my

## NEGERI SEMBILAN

### Director

#### Malaysian Investment Development Authority (MIDA)

Suite 13.01 & 13.02, 13th Floor Menara Zurich,  
70200 Seremban,  
Negeri Sembilan Darul Khusus, Malaysia  
Tel: (606) 762 7921  
Fax: (606) 762 7879  
E-mail: nsembilan@mida.gov.my

## JOHOR

### Director

#### Malaysian Investment Development Authority (MIDA)

No.5, Level 13, Menara Tabung Haji,  
Jalan Ayer Molek,  
80000 Johor Bahru, Johor, Malaysia  
Tel: (607) 224 5500 / 226 5057  
Fax: (607) 224 2360  
E-mail: johor@mida.gov.my

## PAHANG

### Director

#### Malaysian Investment Development Authority (MIDA)

Suite 3, 11th Floor, Kompleks Teruntum,  
P.O Box 178,  
25720 Kuantan,  
Pahang Darul Makmur Malaysia  
Tel: (609) 513 7334  
Fax: (609) 513 7333  
E-mail: pahang@mida.gov.my

## KELANTAN

### Director

#### Malaysian Investment Development Authority (MIDA)

Level 5-C, Menara Pejabat Kelantan Trade Centre,  
Jalan Bayam,  
15200 Kota Bharu,  
Kelantan Darul Naim, Malaysia  
Tel: (609) 748 3151  
Fax: (609) 744 7294  
E-mail: kelantan@mida.gov.my

## SELANGOR

### Director

#### Malaysian Investment Development Authority (MIDA)

22nd Floor, Wisma MBSA Persiaran Perbandaran,  
40000 Shah Alam,  
Selangor Darul Ehsan Malaysia  
Tel: (603) 5518 4260  
Fax: (603) 5513 5392  
E-mail: selangor@mida.gov.my

## TERENGGANU

### Director

#### Malaysian Investment Development Authority (MIDA)

5th Floor, Menara Yayasan Islam Terengganu,  
Jalan Sultan Omar,  
20300 Kuala Terengganu,  
Terengganu Darul Iman, Malaysia  
Tel: (609) 622 7200  
Fax: (609) 623 2260  
E-mail: terengganu@mida.gov.my

## SABAH

### Director

#### Malaysian Investment Development Authority (MIDA)

Lot D9.4 & D9.5, 9th Floor,  
Blok D, Bangunan KWSP Karamunsing,  
88100 Kota Kinabalu,  
Sabah, Malaysia  
Tel: (6088) 211 411 / 230 411  
Fax: (6088) 211 412  
E-mail: sabah@mida.gov.my

## SARAWAK

### Director

#### Malaysian Investment Development Authority (MIDA)

Room 404, 4th Floor,  
Bangunan Bank Negara,  
No. 147, Jalan Satok,  
P.O. Box 716, 93714 Kuching,  
Sarawak, Malaysia  
Tel: (6082) 254 251 / 237 484  
Fax: (6082) 252 375  
E-mail: sarawak@mida.gov.my

## MIDA Worldwide Network

### Asia Pacific

#### SINGAPORE

**Consul (Investment) /**

**Director High Commission of Malaysia**

**Malaysian Investment Development Authority (MIDA)**

No. 7, Temasek Boulevard,

26-01, Suntec Tower One,

Singapore 038987

Tel: +65 6835 9326 / 9580 / 7069

Fax: +65 6835 7926

E-mail: singapore@mida.gov.my

#### PEOPLE'S REPUBLIC OF CHINA

##### SHANGHAI

**Director**

**Consulate General of Malaysia (Investment Section)**

**Malaysian Investment Development Authority (MIDA)**

Units 807-809, Level 8,

Shanghai Kerry Centre,

No. 1515, Nanjing Road (West),

Shanghai, 200040,

People's Republic of China

Tel: 86 (21) 6289 4547

Fax: 86 (21) 6279 4009

E-mail: shanghai@mida.gov.my

#### GUANGZHOU

**Director**

**Malaysian Investment Development Authority (MIDA)**

Unit 1804B-05,

CITIC Plaza Office Tower,

233 Tianhe Bei Road Guangzhou,

510610, People's Republic of China

Tel: (8620) 8752 0739

Fax: (8620) 8752 0753

E-mail: guangzhou@mida.gov.my

#### BEIJING

**Counselor (Investment) /**

**Director Embassy of Malaysia (Investment Section)**

**Malaysian Investment Development Authority (MIDA)**

Unit C, 12th Floor, Tower A,

Gateway Plaza,

No.18 Xiaguangli,

East Third Ring North Road,

Chaoyang District, 100600,

Beijing, China

Tel: (8610) 8440 0071 / 0072

Fax: (8610) 8440 0076

E-mail: beijing@mida.gov.my

#### JAPAN

##### TOKYO

**Director**

**Malaysian Investment Development Authority (MIDA)**

32F, Shiroyama Trust Tower,

4-3-1, Toranomon, Minato-ku,

Tokyo 105-6032, Japan

Tel: 81 (3) 5777-8808

Fax: 81 (3) 5777-8809

E-mail: tokyo@mida.gov.my

#### OSAKA

**Director**

**Malaysian Investment Development Authority (MIDA)**

Mainichi Intecio 18F,

3-4-5 Umeda, Kita-ku,

Osaka 530-0001, Japan

Tel: 81 (6) 6451 6661

Fax: 81 (6) 6451 6626

E-mail: osaka@mida.gov.my

#### REPUBLIC OF KOREA

**Counselor (Investment) /**

**Director Embassy of Malaysia**

**(Malaysian Trade and Investment Centre)**

**Malaysian Investment Development Authority (MIDA)**

Level 17, Standard Chartered Bank,

Korea Limited Building,

47, Jongro, Jongro-gu,

Seoul 110-702, Republic of Korea

Tel: 82 (2) 733 6130 / 6131

Fax: 82 (2) 733 6132

E-mail: seoul@mida.gov.my

#### AUSTRALIA

**Consul (Investment) /**

**Director Consulate of Malaysia (Investment Section)**

**Malaysian Investment Development Authority (MIDA)**

Level 6, 16 Spring Street,

Sydney, NSW 2000,

Australia

Tel: 61 (02) 9251 1933

Fax: 61 (02) 9251 4333

E-mail: sydney@mida.gov.my



#### **TAIWAN**

**Director (Investment)**  
**Malaysian Friendship & Trade Centre**  
**Malaysian Investment Development Authority (MIDA)**  
 12F, Suite A, Hung Kuo Building,  
 No. 167, Tun Hua North Road,  
 Taipei 105, Taiwan  
 Tel: 886 (2) 2713 5020 / 2718 6094  
 Fax: 886 (2) 2514 7581  
 E-mail: [taipei@mida.gov.my](mailto:taipei@mida.gov.my)

#### **INDIA**

**Consul (Investment) /**  
**Director Consulate General of Malaysia**  
**(Investment Section)**  
**Malaysian Investment Development Authority (MIDA)**  
 81 & 87, 8th Floor,  
 3rd North Avenue Maker Maxity,  
 Bandra Kurla Complex, Bandra (E),  
 Mumbai 400051, India  
 Tel: (9122) 2659 1155 / 1156  
 Fax: (9122) 2659 1154  
 E-mail: [mumbai@mida.gov.my](mailto:mumbai@mida.gov.my)

#### **UNITED ARAB EMIRATES** **DUBAI**

**Consul (Investment) /**  
**Director Consulate General of Malaysia**  
**(Investment Section)**  
**Malaysian Investment Development Authority (MIDA)**  
 Unit 2205, Level 22, Tower A,  
 Business Central Tower,  
 Dubai Media City,  
 (P.O. Box: 502876)  
 Dubai, United Arab Emirates  
 Tel: (9714) 4343 696 / 4343 697  
 Fax: (9714) 4343 698  
 E-mail: [dubai@mida.gov.my](mailto:dubai@mida.gov.my)



## North America

### SAN JOSE

#### Director

#### Malaysian Investment Development Authority (MIDA)

226 Airport Parkway,  
Suite 480,  
San Jose, CA 95110,  
United States of America

Tel: (1408) 392 0617/8

Fax: (1408) 392 0619

E-mail: [sanjose@mida.gov.my](mailto:sanjose@mida.gov.my)

### CHICAGO

#### Director

#### Malaysian Investment Development Authority (MIDA)

John Hancock Center, Suite 1810,  
875 North Michigan Avenue,  
Chicago, IL 60611,  
United States of America

Tel: (1312) 787 4532

Fax: (1312) 787 4769

E-mail: [chicago@mida.gov.my](mailto:chicago@mida.gov.my)

### NEW YORK

#### Consul (Investment) /

#### Director Consulate General of Malaysia

#### (Investment Section)

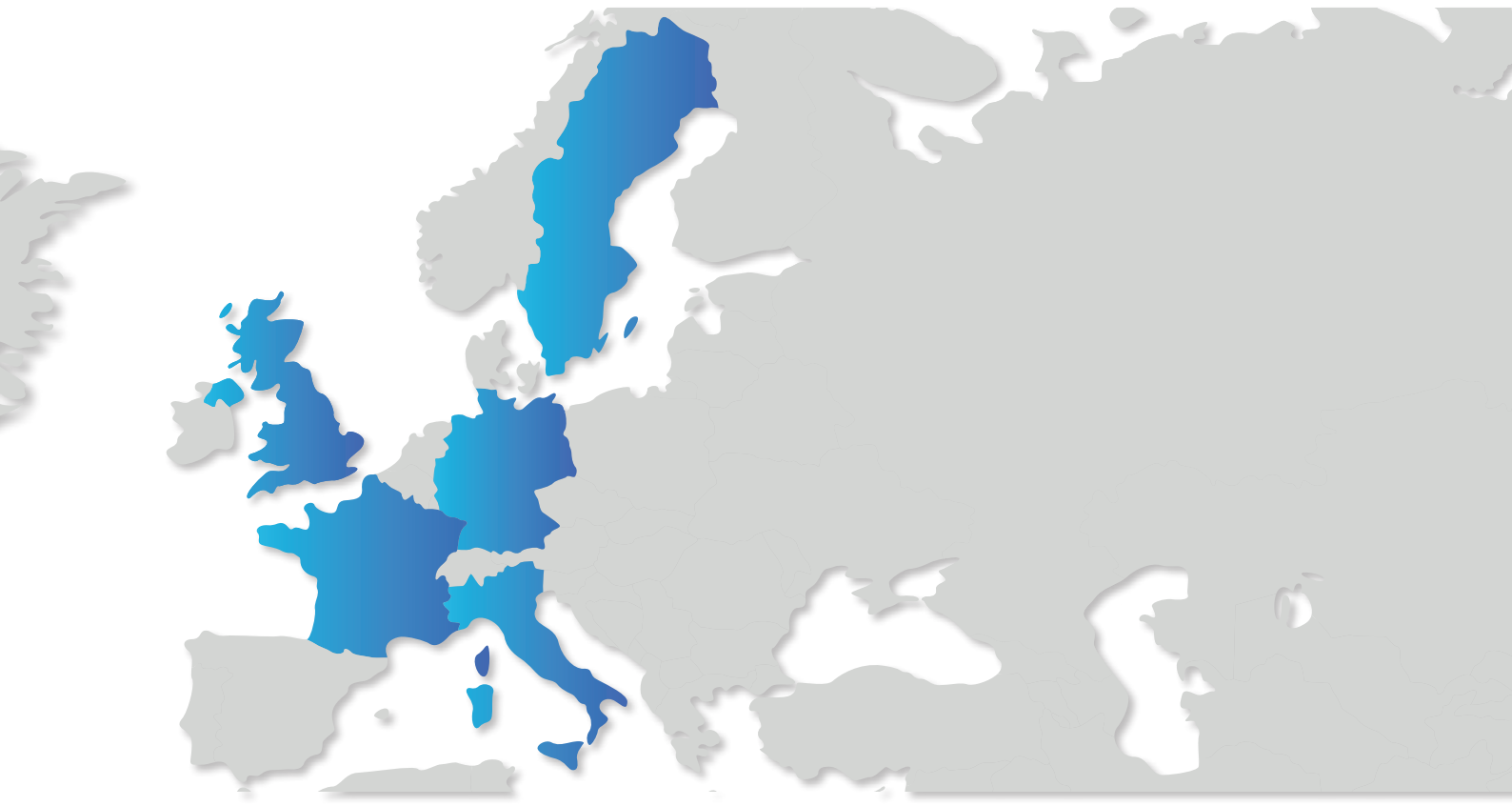
#### Malaysian Investment Development Authority (MIDA)

313 East, 43rd Street,  
New York, NY 10017,  
United States of America

Tel: (1212) 687 2491

Fax: (1212) 490 8450

E-mail: [newyork@mida.gov.my](mailto:newyork@mida.gov.my)



## Europe

### GERMANY FRANKFURT

**Consul (Investment) /**  
**Director Consulate General of Malaysia**  
**(Investment Section)**  
**Malaysian Investment Development Authority (MIDA)**  
ABC Business Centre,  
Level 5, Mainzer Landstrasse 69,  
60329 Frankfurt,  
Germany  
Tel: +49 157 757 16204  
E-mail: frankfurt@mida.gov.my

### MUNICH

**Director**  
**Malaysian Investment Development Authority (MIDA)**  
Level 6, Bürkleinhaus,  
Bürkleinstraße 10,  
80538 Munich,  
Germany  
Tel: (4989) 2030 0430  
Fax: (4989) 2030 0431-5  
E-mail: munich@mida.gov.my

### FRANCE

**Director**  
**Malaysian Investment Development Authority (MIDA)**  
42 Avenue,  
Kleber 75116 Paris,  
France  
Tel: (331) 4727 6696 / 3689  
Fax: (331) 4755 6375  
E-mail: paris@mida.gov.my

### ITALY

**Consul (Investment)/ Director Consulate of Malaysia**  
**(Investment Section)**  
**Malaysian Investment Development Authority (MIDA)**  
2nd Floor, Via Albricci 9,  
20122 Milan (MI), Italy  
Tel: +39 02 8909 382 4  
Fax: +39 02 8909 545 418  
E-mail: milan@mida.gov.my

### SWEDEN

**Economic Counsellor**  
**Malaysian Investment Development Authority (MIDA)**  
Karlavaegen 37,  
P.O. Box 26053,  
S-10041 Stockholm,  
Sweden  
Tel: (468) 791 7942  
Fax: (468) 791 8761  
E-mail: stockholm@mida.gov.my

### UNITED KINGDOM

**Counsellor for Investment (Director)**  
**High Commission of Malaysia**  
**Malaysian Investment Development Authority (MIDA)**  
17, Curzon Street,  
London W1J 5HR,  
United Kingdom  
Tel: (4420) 7493 0616  
Fax: (4420) 7493 8804  
E-mail: london@mida.gov.my



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**MIDA SENTRAL**

No.5, Jalan Stesen Sentral 5  
Kuala Lumpur Sentral  
50470 Kuala Lumpur, Malaysia

Tel: (603) 2267 3633  
Fax: (603) 2274 7970  
Website: [www.mida.gov.my](http://www.mida.gov.my)  
E-mail: [investmalaysia@mida.gov.my](mailto:investmalaysia@mida.gov.my)