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HIGHLIGHTS

Companies Act 2016: Transforming Malaysia's Corporate Landscape

The Companies Act 2016 (Act 777) ("CA 2016") came into force on 31 January 2017. This new CA 2016 replaced the 1965 Act which has been in operation for over 50 years. The workings toward CA 2016 took over a decade's worth of review, consultation and discussion with regulatory, professional and industry bodies.

The implementation of CA 2016 is intended to increase the ease of doing business in Malaysia. Incorporation procedures for companies will be simplified. This in turn will bring significant cost savings for businesses through the creation of a more business-friendly environment.

The CA 2016 is to be implemented in stages. The first phase of the CA 2016 has commenced since 31 January 2017.

Section 241 relating to the requirement for company secretaries to register with the Registrar, and Division 8 of Part III relating to corporate rescue mechanisms on a corporate voluntary arrangement and judicial management have yet to be affected.

Also enforced on January 31 was the Companies Regulations 2017 to support the implementation of the Companies Act. With this, companies have a mechanism to lodge documents with the Companies Commission of Malaysia (CCM) and their related fees.

KEY CHANGES UNDER THE NEW ACT

Transforming Malaysia's Corporate Landscape

The Companies Act 2016 (Act 777) ("CA 2016") and Companies Regulations 2017 came into force on 31 January 2017.

<p style="text-align: center; font-weight: bold; margin: 0;">SINGLE MEMBER/DIRECTOR COMPANY</p> <p style="font-size: x-small; margin: 0;">A company may be incorporated by or have only one member and that single member can also become the sole director of the company. This makes incorporating a company more attractive for businesses, entrepreneurs, and the businessman. A single individual can have complete control of the company, and still enjoy the separate liability of the corporate entity. As for public companies, the CA 2016 still retains the minimum requirement of two directors.</p>	<p style="text-align: center; font-weight: bold; margin: 0;">AMENDMENT TO "NOTICE OF REGISTRATION"</p> <p style="font-size: x-small; margin: 0;">Once a new company confirms that provisions relating to the requirements for registration have been complied in line with the requirement of the law, the Companies Commission of Malaysia (CCM) will issue a notice of registration for the incorporation of the Company.</p>
<p style="text-align: center; font-weight: bold; margin: 0;">DOING AWAY WITH AUTHORISED CAPITAL</p> <p style="font-size: x-small; margin: 0;">A company does not have to state its authorised capital. As an alternative, a company is required to notify its issued share capital and paid-up capital, and the related changes through the return of allotments.</p>	<p style="text-align: center; font-weight: bold; margin: 0;">ABOLITION OF CONCEPT OF SHARES WITH NOMINAL VALUE</p> <p style="font-size: x-small; margin: 0;">Effective from 31 January 2017, any newly issued share will no longer be tied with the nominal value when the company was incorporated. A company may issue shares at a price depending on the factors affecting the current circumstances and needs of the company.</p>
<p style="text-align: center; font-weight: bold; margin: 0;">NO CONSTITUTIONS OR MEMORANDUM & ARTICLES OF ASSOCIATION</p> <p style="font-size: x-small; margin: 0;">A company incorporated from 31 January 2017 has the option to adopt a constitution or otherwise. For a company which was incorporated before the coming into effect date, its existing constitution (memorandum & articles of association) will continue be applicable until the companies resolve otherwise. It is still mandatory for a company limited by guarantee to have a constitution.</p>	<p style="text-align: center; font-weight: bold; margin: 0;">DECOUPLING OF LODGEMENT OF ANNUAL RETURNS AND FINANCIAL STATEMENTS</p> <p style="font-size: x-small; margin: 0;">Under the CA 2016, the requirement to lodge Annual Returns is based on the anniversary of the incorporation of a company. The date for the lodgement of Financial Statements is no later than seven months from the financial year end of the company.</p>
<p style="text-align: center; font-weight: bold; margin: 0;">NO REQUIREMENT OF A COMMON SEAL</p> <p style="font-size: x-small; margin: 0;">A company has the option to have a common seal from 31 January 2017. Execution of documents must comply with the procedures outlined under Division 9 of Part II of the CA 2016 including situations only when a company decides to have a common seal.</p>	<p style="text-align: center; font-weight: bold; margin: 0;">NO MORE ANNUAL GENERAL MEETING (AGM)</p> <p style="font-size: x-small; margin: 0;">A company has the option to have a common seal from 31 January 2017. Execution of documents must comply with the procedures outlined under Division 9 of Part II of the CA 2016 including situations only when a company decides to have a common seal.</p>

Opportunities in Flexible Hybrid Electronics Technology

Almost every month we read or hear about breakthroughs in new technologies or devices that are reshaping the way we live to how businesses are conducted. This is changing the industrial landscape where traditional industries are facing extinction as new industries emerge.

Given the dynamism in the world today, technology is becoming a lot more flexible. In a global forecast by CSS Insight, wearable devices such as smartwatches, fitness trackers and virtual reality (VR) headsets, are set to grow with 411 million smart wearable devices worth USD34 billion will be sold in 2020.

THE GLOBAL FHE MARKET IS ESTIMATED TO GROW AT A COMPOUND ANNUAL GROWTH RATE (CAGR) OF 39% TO REACH USD17.63 BILLION IN 2018 FROM USD1.76 BILLION IN 2011.

THE MAJOR REVENUE IS EXPECTED TO COME FROM THE ASIA-PACIFIC DUE TO ITS HUGE ELECTRONICS MARKET.

Underlying this new era of electronics is the flexible hybrid electronics (FHE) technology. FHE has the ability to conform to more organic shapes or be stretched across objects, yet maintaining its electronic capability. These characteristics, when coupled with rapid advancement in data analytics and artificial intelligence, allow it to be incorporated into a variety of consumer and industrial products. This technology is described as bringing electronics 'out of the box' and integrating them directly into wearable manufactured items and structures.

SOURCE: SEMI & FLEXTech



SMART TEXTILES



BIO-MONITORS



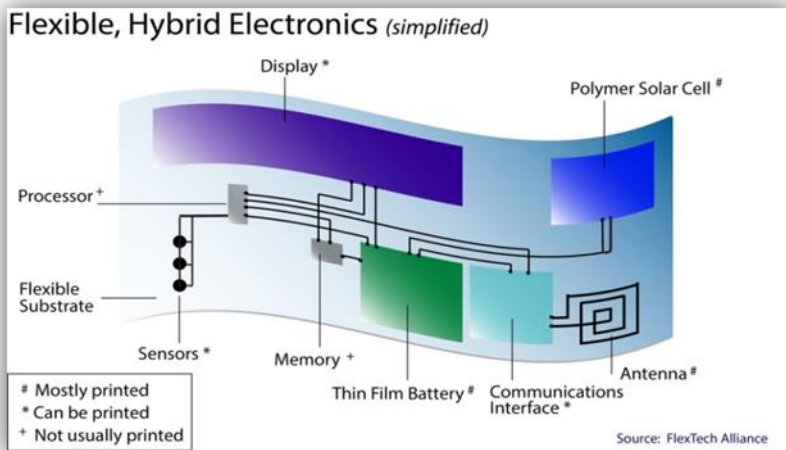
IoT DEVICES



FLEXIBLE DISPLAYS



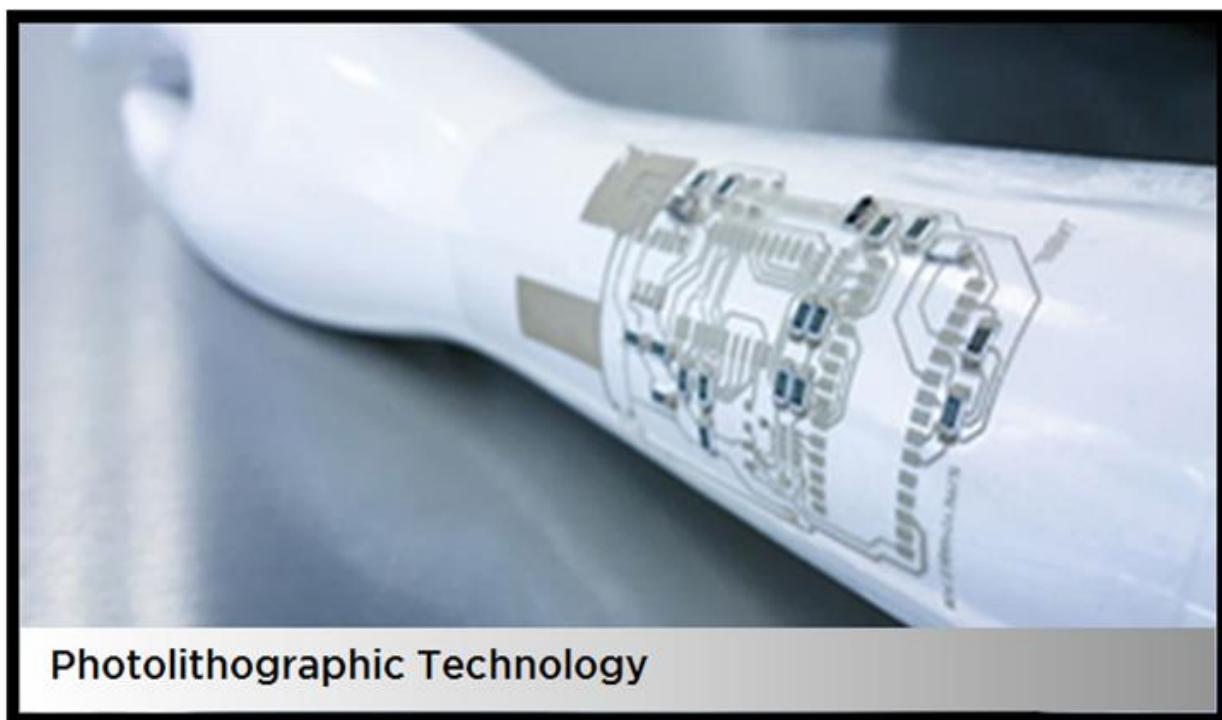
SOFT ROBOTICS



FHE is made possible by using conductive and active inks to print ultra-thin silicon components on to stretchable substrates. The combination of designs with printed components and advanced Complementary Metal Oxide Semiconductor (CMOS)-based components gives rise to the term 'hybrid'.

The diagram of a simplified flexible, hybrid electronic system illustrates the concept that some devices are printed, placed or laminated onto flexible substrates.

This composition allows devices to process data while using the most cost-appropriate componentry for the device, thus opening new possibilities for lightweight, low-cost, flexible, stretchable and efficient smart products with a variety of applications. Potential areas which would benefit from the FHE technology include health monitoring wearables for lifestyle and fitness, more accurate and efficient healthcare management, soft robotics for the elderly, sensor monitoring for structures, aircraft or automotive, as well as light-weight rugged sensors for harsh environments.



Despite much progress in this field, it is still a challenge to obtain new materials, processing equipment and design to bring many of the conceived products into reality. Many of these advancements reach across previously unrelated industry segments. For example, printing electronic inks brings together traditional techniques from the paper printing industry, chemical formulations from the paint industry, and micro and even nano-scale lithography from Integrated Circuit (IC) manufacturing.

MIDA is ramping up efforts particularly in developing the ecosystem to cater to the growing needs of businesses that arise from this new wave of industrial revolution. Within the context of FHE technology, we welcome more investments in core manufacturing focus areas such as:

- FHE materials scale-up
- Thinned device processing
- Device/sensor integrated printing and packaging
- System design tools
- Reliability testing and modeling

In line with the new wave of industrial revolution, MIDA continues to encourage our stakeholders to stay updated with the latest cutting edge technological developments that can help us innovate and stay competitive. Ultimately we seek to align Malaysia to global trends towards more stronger and sustainable growth.

Source: NextFlex, FlexTech, CMTC and Semi

Healthcare Sector in Malaysia Continues to Grow Despite Volatile Global Economy

Malaysia continues to grow its reputation as a preferred health and medical destination, despite the challenging global economic situation. According to the Malaysian Healthcare Travel Council (MHTC) records, revenue generated from medical tourism surged from RM527.2 million in 2011 to RM1.1 billion in 2016. In 2017, the industry is expected to achieve its target revenue of RM1.3 billion. The number of healthcare travellers in Malaysia has also increased rapidly from 64,300 in 2011 to 92,100 in 2016, mainly from Indonesia, China, India, Japan, United Kingdom and Australia.



This positive growth of medical tourism is in line with the Government's efforts to promote healthcare travel, and is contributed by undivided commitment of key industry players in providing top notch services. The two-tier healthcare system in Malaysia comprising of both a government-run universal healthcare system and a co-existing private healthcare system has supported the growth of the healthcare sector in the country. The Government continues to encourage industry players to expand its services and networks either by establishing new private hospitals or undertaking expansion, modernisation or refurbishment projects, which increases building capacity and capability for internationalisation.

Due to the established private healthcare industry that consists of hospitals with advance technology and the country's strong multilingual population, Malaysia's healthcare services are well recognised. The top five major treatments sought by foreign patients in Malaysia are general screening, oncology, ophthalmology, cardiology and cosmetic surgery with an average spending value of RM1,120 per patient.

SERVICES

To further boost medical tourism in Malaysia, healthcare industry players have formulated several strategies. These include collaborating with local travel agencies by providing wellness packages to potential tourists and enhance the outreach programmes to create brand awareness. These measures are further supported by the country's experienced and internationally recognised doctors and well-trained medical support staff. They provide world standard healthcare services to customers from every corner of the world.

On top of that, most of the major healthcare providers have obtained accreditation from the Joint Commission International (JCI), the worldwide leading accreditation body in improving the quality of healthcare, which is considered as the gold standard in global healthcare. There are currently 13 JCI accredited hospitals in Malaysia.



With increasing demand over the years, most private healthcare providers are expanding their facilities to cater to an ever growing number of patients. For instance, KPJ Ampang Puteri Specialist Hospital has now embarked on an expansion plan by constructing a new 15-storey hospital building that comprises clinic suites, a radiotherapy and chemotherapy centre, operating theatres, ample car parks and its new administration office with an expected cost of RM175 million. The new hospital building is also anticipated to be equipped with 145 new patient beds that will be categorised into premier, single-bedded and double-bedded rooms.

The Malaysian Investment Development Authority (MIDA) takes the lead in promoting investments in the healthcare industry to ensure a sustainable ecosystem exists for the industry to thrive. From 2012 to 2016, a total of 60 private healthcare facilities projects were approved with investments of RM7.0 billion, generating 10,650 job opportunities. MIDA continues to work closely with MHTC in promoting medical tourism by conducting visits, outreach programmes and meetings with potential private hospitals to highlight investment opportunities in medical tourism.

Timely To Grow Local Businesses By Listing On Bursa Malaysia



In conjunction with its 50th Anniversary, MIDA collaborated with Bursa Malaysia to organise a forum themed 'Grow Your Business, List on Bursa' at its HQ on 11 May 2017. The half-day forum showcased insights on the benefits, processes and procedures involved in creating a successful initial public offering (IPO). Also present at the forum were Datuk N. Rajendran, Deputy CEO of MIDA and Ms Selvarany Rasiah, Chief Commercial Officer of Bursa Malaysia.

In his keynote address, YB Datuk Haji Ahmad Maslan, MITI Deputy Minister said, "This forum is certainly in line with the Government's on-going efforts to increase the competitiveness of our domestic players. As the world is being shaped by new and emerging technologies, domestic players need to align themselves by adopting new ways of doing business, such as automation, robotics and other smart technologies.

This will require businesses to invest in new technologies, upskilling of talents as well as research & development activities. As such, this collaboration between MIDA and Bursa Malaysia is timely to encourage local companies to look beyond depending on Government's facilities and grow their own resources towards sustainable growth."

While Datuk N. Rajendran further added that based on MIDA's records, there are about 300 private companies from various sectors that meet the prerequisite for listing on Bursa Malaysia's Main Board. These are companies that have registered uninterrupted profit after tax (PAT) of more than RM20 million for a period of 3-5 full financial years. It is vital for such companies to make their way to the boards of the stock exchanges that will enable them to tap into more capital that could be utilised for further expansion in line with the Industry 4.0.

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BMW Group Malaysia Officially Opens Its Regional Parts Distribution Centre in Malaysia

"The opening of the new Regional Parts Distribution Centre is very timely in capturing the growing market opportunities in this region, especially with our existing strategic free trade agreements and the upcoming Regional Comprehensive Economic Partnership (RCEP), as it will increase market accessibility across its member countries. As Malaysia continues to develop its infrastructure, productivity and innovation capabilities in every state, we are proud that BMW has recognised Johor to be a strategic location to meet its burgeoning regional demands," said Dato' Azman Mahmud, CEO of MIDA at the opening of BMW Group's Regional Parts Distribution Centre in Senai, Johor on 11 May 2017.



“This new facility, does not only reflect on the Group’s commitment to boost the regional competitiveness of our nation, but is providing greater employment opportunities and businesses for Malaysians. So far, they have engaged 55 local service providers with an annual contract value of more than RM25 million. The exchange of technological know-how will surely contribute to developing a more innovative and talented workforce,” he further added.

With an investment of over RM 130 million, the new BMW Group Regional Parts Distribution Centre is one of the largest BMW facility of its kind in the Asia Pacific region and will support over 23 countries in the region as a logistics warehouse and parts distribution centre for after sales parts, components and lifestyle merchandises for the brands BMW, MINI and BMW. It is also expected to create 120 new job opportunities.

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More than 150 SMEs from the East Coast Region to Benefit from MIDA’s Regional Supply Chain Conference in Pahang



More than 150 participants from various MNCs, large local companies and SMEs attended the Supply Chain Conference for the East Coast Region held in Kuantan, Pahang on 22 May 2017. The conference was officiated by YAB Dato’ Sri Amar Diraja Haji Adnan Haji Yaakob, Chief Minister of Pahang with the presence of Datuk N. Rajendran, Deputy CEO of MIDA and Dato’ Haji Mas’ut A. Samah, Chairman of the Federation of Malaysian Manufacturers (FMM) Eastern Branch.

In his speech, the Chief Minister of Pahang said, “Among the east coast region, Pahang is the second highest recipient of implemented investments in the manufacturing sector after Terengganu. Recognising that a strong and

comprehensive ecosystem promotes greater flow of trade and investment, the state government is stepping up our infrastructure development to ensure effective and efficient service delivery.”

While Datuk N. Rajendran further added that, “The East Coast Region contributed RM3.5 billion to the total approved investments in the manufacturing sector in 2016. More than half or 61% of these investments were from foreign sources, while the balance of RM1.4 billion were from domestic sources. MIDA would like to encourage the industry players to take advantage of this platform and explore outsourcing opportunities in the multinational companies’ supply chain and also emulate these companies’ best practices, particularly in adopting the Fourth Industrial Revolution or Industry 4.0.”

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MIDA & MPMA Jointly Collaborates on the 8th MPMA International Plastics Conference 2017

“The plastics and plastic products industry is a dynamic and vibrant growth sector within the Malaysian manufacturing sector. Over the years, the plastics industry has been supporting the growth of related sectors as well as contributing to the emergence of new markets throughout the value chain. Given the encouraging trends in the plastics industry, companies here can seize the growing opportunities by improving its competitiveness in terms of product development, manufacturing processes and business models.

EVENTS

With the established industry ecosystem in Malaysia, it would be beneficial for companies to leverage on Malaysia's excellent competitive advantages and further develop their capabilities," said the YB Datuk Seri Ong Ka Chuan, second Minister of International Trade and Industry at the 8th MPMA International Plastics Conference 2017 held on 23 May 2017 at Holiday Inn Kuala Lumpur Glenmarie.



MIDA and the Malaysian Plastics Manufacturers Association (MPMA) collaborated for the first time to bring together the international conference which was initially organised in 2002. The two-day seminar among others featured two plenary sessions on 'Global Trends and Future Outlook' and 'Boosting the Plastics Industry for the Next Decade', as well as various sessions on technological advances. Also present were YBhg Datuk Noraini S Talib, Vice-President of MPMA and Mr. Eddie Fong, Secretary-General of MPMA and En. Ahmad Khairudin, Executive Director of MIDA.

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Malaysia 9th preferred destination for education

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Seacera to buy warehouse in Melaka for RM16.9mil

Sapangar Bay expansion to commerce next year

ABOUT MIDA

The Malaysian Investment Development Authority (MIDA) is the Government's principal promotion agency under the Ministry of International Trade and Industry (MITI) to oversee and drive investments into the manufacturing and services sectors in Malaysia. Starting operations in 1967, MIDA is the first point of contact for investors that want to take advantage of Malaysia's vibrant economy, world-class infrastructure and business-friendly environment to set up their profit centre in Asia. For more information, visit www.mida.gov.my or e-mail us at investmalaysia@mida.gov.my.



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