



FOR IMMEDIATE RELEASE

**MITI DEPUTY MINISTER (TRADE) MAKES OFFICIAL VISIT TO SOCKS
MANUFACTURER FUNDED BY MIDF**

**MORE LOCAL MANUFACTURERS ARE ADOPTING AUTOMATION IN SUSTAINING
ITS GLOBAL MARKET**

Semenyih, 30 October 2017 – YB Datuk Chua Tee Yong, Deputy Minister of International Trade and Industry (“MITI”) today visited a knitted socks manufacturer - Kang Sing Manufacturing Sdn Bhd – at the Kajang Jaya Industrial Area in Semenyih, Selangor.

Kang Sing Manufacturing Sdn Bhd has manufactured knitted socks for the past 26 years and had been utilising financing facilities from Malaysian Industrial Development Finance Berhad (“MIDF”) for the past 22 years in increasing its production efficiency with machinery investments rather than to rely heavily on human labour. With the production efficiency that has been implemented, Kang Sing Manufacturing Sdn Bhd has managed to secure export markets of which more than 20 percent of the company’s sales are from exports.

These visits by the Minister allow the companies to share their success stories as well as share information and updates on their current business condition. Through these visits, MITI and its agencies can offer the companies a helping hand via tax incentives, grants, or other forms of assistance. The Government continues to encourage local SMEs to increase investments in value-added manufacturing activities and develop a more innovative approach to practising cost efficiency in production activities.

Government support for local manufacturers including those in the textile industry has been very strong with incentives such as Soft Loan Scheme for Automation and Modernisation (“SLSAM”) which is currently being managed by MIDF and was first introduced in 2007. The SLSAM was among the successful Government programs

which will continue in the 11th Malaysian Plan (2016 to 2020). The Government has allocated RM750million to MIDF through-out this 5 years period of between 2016 to 2020.

The main objective of SLSAM is to assist local manufacturers to adopt automation in its production facility. A total of RM2.1billion so far has been granted benefiting 562 companies. SLSAM automation financing will allow local manufacturers to access financing up to RM20million with longer financing tenure of up to 10 years. The financing also provides the lowest financing profit rate of 4 percent per annum on yearly reducing principal balances for local SMEs and 5 percent for Non-SMEs.

In the recent Budget 2018 announcement, the Government had allocated an additional RM1.245billion for local companies to adopt automation with loan guarantees and grant as well as with the extension of tax incentives, Accelerated Capital Allowance (“ACA”) for another 3 years period until 2020.

MIDF is an agency under MITI which focuses on providing financial assistance towards business expansion, encouraging automation and reducing dependency towards human labour as well as reducing the costs of business operation.

MIDF was established to assist in the industrialisation of the national economy by extending financing to the private sector. Today, development finance is one of its core competencies, and MIDF continues to offer financing assistance to enterprises as well as large corporations.

MIDF has assisted 10,598 local companies with total loans approved of RM13.9billion since its establishment in 1960.

###

About MIDF

MIDF was established fifty-seven years ago as a result of a study by the World Bank. MIDF is the country's premier development finance institution for the purpose of accelerating the development and modernisation of the country's manufacturing industry.

MIDF Group has evolved into a stronger and bigger entity, offering a competitive and diversified range of financial services to include Investment Banking, Development Finance, Asset Management and Mezzanine Financing.

MIDF is a wholly-owned subsidiary of Permodalan Nasional Berhad.

###

For more information, please contact:

For more information, please contact:

Anita Ramly
Group Corporate Communications
Tel: (03) 2173 8756
Fax: (03) 2173 8866
E-mail: anita.ramly@midf.com.my