APPENDIX A: JS-SEZ TAX INCENTIVES PACKAGE UNDER MIDA

<table>
<tr><th rowspan="2">Projects</th><th colspan="4">Tax Incentive</th><th rowspan="2">Flagship</th></tr>
<tr><th colspan="2">Type of Company</th><th>Tax Incentive</th><th>Period</th></tr>
<tr><td rowspan="3">A. Manufacturing Business Incentive Scheme:
i. AI and Quantum Computing Supply Chain;
ii. Medical Devices;
iii. Pharmaceutical; or
iv. Aerospace Manufacturing and MRO Services</td><td rowspan="2">New Company</td><td>New investment in the manufacturing sector with capital investment (excluding land) above RM1 billion</td><td>Tax Rate of 5%</td><td>15 years</td><td rowspan="3">• Flagship F – Kulai - Sedenak (AI and Quantum Computing Supply Chain, Medical Devices, and Pharmaceutical)
• Flagship E – Senai - Skudai (Aerospace Manufacturing and MRO Services)</td></tr>
<tr><td>New investment in the manufacturing sector with capital investment (excluding land) between RM500 million to RM1 billion</td><td>Tax Rate of 5%</td><td>10 years</td></tr>
<tr><td>Existing Company</td><td>New investment in the manufacturing sector with capital investment (excluding land) above RM500 million for existing company in Malaysia relocating overseas facilities (for a new business segment not expansion of existing products) into Malaysia.</td><td>Investment Tax Allowance of 100% on the qualifying capital investment (excluding land) incurred within 5 years, against 100% statutory income</td><td>5 years</td></tr>
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Projects	Tax Incentive	Flagship
B. Global Services Hub i. Regional P&L; ii. Strategic Business Planning; iii. Corporate Development; and iv. Regional or Global Treasury and Fund Management conducting cash pooling activities via onshore intermediaries.	**Tax Incentives** • Special tax rate of 5% for a period up to 15 years **Eligibility Criteria / Conditions** i. Annual operating expenditure of at least RM50 million; ii. Company must Serve / Business Control of at least 10 Network Companies; iii. Annual sales turnover of at least RM500 million and forex in-flow into the local banking system as proposed; iv. A minimum of 50% of high-value positions (with a minimum monthly basic salary of RM10,000) shall be filled by full-time Malaysian employees as proposed.	• Flagship A (Johor Bahru Waterfront) and B (Iskandar Puteri)
C. Integrated Tourism Project	**Type of Incentives** • Investment Tax Allowance (ITA) of 100% qualifying capital expenditure incurred within 5 years. The allowance can be offset against 70% of the statutory income for each year of assessment. **Eligibility Criteria / Conditions** i. Company which does not have an existing entity or related entity undertaking same hotel or tourism project in Malaysia; ii. Paid-up capital of at least RM2.5 million; iii. Investment in capital expenditure (excluding land) of at least RM500 million;	• Flagship G (Desaru – Penawar)

Projects	Tax Incentive	Flagship
	iv. Company undertaking integrated tourism project which consists of the following: a) Hotel with minimum number of rooms of 80 which consists of standard, superior, deluxe and suite; and b) Minimum 1 tourist attractions (i.e. water park, outdoor park consists of rides and/or games, convention centre with capacity minimum of 3,000 participants, or outdoor sport excluding golf course and driving range).	
D. Smart Logistics Complex Smart logistic operator who invests in development of smart logistics and carry out any of the eligible logistic activities: i. Regional Distribution Hub; ii. Integrated Logistic Services; iii. Dangerous Goods Storage; iv. Cold Chain Facilities	**<u>Incentives</u>** • Investment Tax Allowance (ITA) of 100% qualifying capital expenditure incurred within 5 years. The allowance can be offset against 100% of the statutory income for each year of assessment. **<u>Eligibility Criteria / Conditions</u>** i. Investment in capital expenditure (excluding land) of at least RM500 million; ii. The built-up area of the smart warehouse complex must be at least 50,000 m^2 and equipped with at least three (3) enabling elements technologies under the IR4.0; iii. Use the application of modern construction techniques i.e. achieving a score for the Industrial Building System (IBS) that has been set by the Construction Industry Development Board (CIDB); iv. Total full-time workforce must consist of at least 80% Malaysian citizens; v. A minimum of 30% of total high-value positions (with a minimum basic salary of RM10,000) shall be filled by full-time Malaysian employees.	• Flagship C (Tanjung Pelepas)

Projects	Tax Incentive	Flagship
E. Manufacturing – Downstream Specialty Chemicals: i. Base chemical – methanol, ethylene, propylene, benzene, aromatics; ii. Organics intermediates – C1 to C6; iii. Specialty chemical; iv. Fertilisers; v. Polymers/plastics; or vi. Oleochemical/ biochemical	**<u>Type of Incentives</u>** • **Special Tax Rate** for a company with capital investment (excluding land) of RM500 million and above in the manufacturing sector; i) Tier 1: 5% Special Tax Rate for up to 10 years (5 years + 5 years) ii) Tier 2: 10% Special Tax Rate for up to 10 years (5 years + 5 years) **<u>OR</u>** **Income tax exemption equivalent to Investment Tax Allowance (ITA)** for a company with capital investment (excluding land) of RM500 million and above in the manufacturing sector; i) Tier 1: Income tax exemption equivalent to Investment Tax Allowance (ITA) of 100% on the qualifying capital investment (excluding land) for up to 10 years (5 years + 5 years). The allowance can be offset against up to 100% of statutory income for each assessment year. ii) Tier 2: Income tax exemption equivalent to Investment Tax Allowance (ITA) of 60% on the qualifying capital investment (excluding land) for up to 10 years (5 years + 5 years). The allowance can be offset against up to 100% of statutory income for each assessment year. **<u>Eligibility Criteria / Conditions</u>** i. A new company or an existing company undertaking diversification activities in relation to the eligible activities/products under this cluster; ii. The company is required to have a minimum paid-up capital of RM2.5 million at the point of submission of application to MIDA.	• Flagship D (Tanjung Langsat – Kong-kong)

APPENDIX B: OTHER INCENTIVES

Projects	Tax Incentive	Flagship
F. Additional Incentives	(a) 40% stamp duty exemption on the instrument of transfer/financing agreement for the purchase of a commercial property in Flagship A and B that remains unsold as at 31st December 2024. The stamp duty exemption to be provided under Section 80(1) under the Stamp Act 1949.	• Flagship A (Johor Bahru Waterfront) and B (Iskandar Puteri)
	(b) A deduction equivalent to amount not exceeding RM1 million for each year assessment in respect of cash contribution or contribution in-kind by qualifying person who sponsors a hallmark event. The hallmark event referred to is an event of regional or international significance which is carried on in Flagship G and supported/verified by MOTAC. For contribution made between 1 January 2025 to 31 December 2034.	• Flagship G (Desaru – Penawar)
	(c) ACA in respect of renovation costs incurred on a building or part of a commercial building located in Flagship A-G for the purpose of qualifying company's business. Qualifying companies are companies that have been approved any tax incentives under PIA 1986 or ITA 1967 between 1 Jan 2025-31 December 2034 and operating in Flagship A-G. This incentive to be utilised only once throughout their business operation in JSSEZ. To include expenses on: • General electrical installation • Lighting • Gas system • Water system	• All Flagships

Projects	Tax Incentive	Flagship
	• Kitchen fittings • Sanitary fittings • Door, gate, window, grill and roller shutter • Fixed partitions • Flooring (including carpets) • Wall covering (including paint work) • Incentives & Eligibility Criteria • False ceiling and cornices • Ornamental features or decorations excluding fine art • Canopy or awning • Recreation room for employee • Air-conditioning system • Day care centre for employees' children • Surau • Reception area • Green elements, smart solutions systems Initial allowance:20%, Annual Allowance: 40%	
G. Knowledge Worker Incentive	**Incentives** • 15% flat tax rate on chargeable employment income for a period of 10 years. **Eligibility Criteria / Conditions** i. Malaysian/Non-Malaysian citizen; ii. Not generating employment income in Malaysia 24-months prior iii. Salary abroad/in Malaysia >RM20,000 per month	• All Flagships

Projects	Tax Incentive	Flagship
	iv. Subject to academic qualifications / years of professional work experience v. Subject to MyCOL profession and JS-SEZ qualifying sectors	