

Govt allocates RM100m to AIM to spur R&D in SMEs

SMEs urged to utilise new tax incentive for more innovative technologies and biz opportunities

by MOKHRIZ MOKHTAR

THE government will allocate RM100 million to National Innovation Agency of Malaysia (AIM) for 2016 to encourage more small and medium enterprises (SMEs) to innovate using more research and development (R&D), said Minister in the Prime Minister's Department Datuk Mah Siew Keong.

The amount is double the one allocated by the government to the agency last year.

"This is especially encouraging because when faced with economic challenges, many governments and corporations will usually cut back their expenditure on innovation. Not Malaysia, we are serious about innovation," Mah said during his opening address of Innovating Malaysia Conference 2015 (IMC 2015).

Mah also urged SMEs to utilise new tax incentive given to them under Budget 2016 to



(From left) Steinbeis Malaysia ED Dr Abdul Reezal Abdul Latif, Rozario, Mah, Republic of Korea's Steinbeis Technology and Innovation Centre director Dr Juwon Soh and AIM COO Naser Jaafar at IMC 2015 in Kuala Lumpur yesterday

create more innovative technologies and business opportunities in Malaysia.

Under Budget 2016, the government has approved automatic double deduction for R&D expenditure of up to RM50,000 for SMEs in order to stimulate collaborative and market-driven R&D.

"Through this incentive, I hope this will encourage SMEs to boost their R&D and

create more new innovative ideas," said Mah.

Mah also urged industry players, investors, agencies and universities to work hand-in-hand to drive this goal.

"Everyone must have a role to play in the innovation landscape. The government alone cannot be tasked with building the infrastructure and provide the funding. We need the industry and academics

to play their respective roles.

"The government must serve as a network partner and enabling force. This is where AIM has facilitated the industry-academia collaboration via the Steinbeis Malaysia Foundation," said Mah.

AIM CEO Mark Rozario said the agency will be setting up an intellectual property (IP) commercialisation equity fund next year

to identify research and IP residing in universities that has the potential for commercialisation.

"When you look at all the funding that has gone to the research institute in our universities, the big struggle is how you get it commercialised. So, we are looking into establishing this to help that happen," said Rozario adding at present the commercialisation rate for research institutes stood at 5%.

Mah also officiated the Steinbeis Malaysia-Korea International Business Matching session during the conference.

The business matching session marked the first collaboration between both parties to promote Malaysian SMEs to certified high-performing Seoul-based companies to enable the transfer of expertise in hi-tech industry and its associated economic benefits.

The event featured nine South Korean SMEs in the areas of information and communications technologies, herbaceuticals and nutraceuticals, and electrical and electronics.

More than 30 Malaysian companies took part in the business matching session.

Xin Hwa receives warehouse licence

XIN Hwa Holdings Bhd (XHH), a Bursa Malaysia Main Market-listed integrated logistics service provider, was granted a bonded warehouse licence yesterday by the Royal Malaysian Customs Department for their newly completed warehouse in Pasir Gudang, Johor.

The 220,000 sq ft warehouse, the Johor-based firm's third that cost RM30 million inclusive of construction and land purchase expenses, XHH said in a statement yesterday.

MD Ng Aik Chuan said the warehouse will strongly enhance the company's competency as an integrated logistics service provider to meet the needs of existing and potential clients.

In the financial year ended Dec 31, 2014, its warehousing and distribution operations had the highest gross profit margin of 80.49%, followed by other services (37.07%) and land transport operations (28.7%), it said. — *Bernama*

Sec-Gen: Budget for PM's Department appropriate

BUDGET 2016

THE budget allocation for the Prime Minister's (PM) Department (JPM) in Budget 2016 is appropriate with the bigger number of departments, agencies and ministries compared to other ministries, said Treasury Secretary General Tan Sri Dr Mohd Irwan Serigar Abdullah.

"There are more or less 70 departments and agencies under the JPM. The number of ministers it has to handle their respective portfolios must also be taken into account.

"Other ministries may have 10 departments only. Hence, rationally, the JPM needs more allocation," he said to *Bernama* after *Bernama* TV's Bual Bicara programme recently.

A total of RM20.3 billion or 7.6% out of the total operating expenditure under Budget 2016 is allocated for JPM, the highest-ever allocation recorded.

For this year, JPM received an allocation of RM19 billion or 6.96% of the operating expenditure.

In previous years, 6.23% had been allocated under Budget 2014, 5.24% (2013), 5.38% (2012), 6.74% (2011) and 6.37% (2010). — *Bernama*

KTG Education plans RM150m to rebrand Linton

by R KAMALAVACINI

KTG Education Group, which made its debut in the local education industry in July, is planning to invest RM150 million into its Linton University College for the next three years.

The internally generated fund will be utilised to rebrand the institution, upgrade its facilities and campus conditions, and academic, structural as well as organisational enhancements, said director Lee Kien Han.

"We firmly believe education is one of the most vital form of cultural capital. A

well-developed education system can bridge social development and accelerate economic capital.

"Therefore, we are committed to provide a better and pro-active learning environment, including hands-on experiences for our students in order to stay competitive in the job market upon graduation," said Lee.

Lee, a lawyer by profession, said KTG Education is ambitious in transforming the country's tertiary education system.

KTG Conglomerate via KTG Education has acquired 30% of Linton University

College, owned by Legenda Education Group. KTG Conglomerate was incorporated five years ago, and also has a presence in property development, marine engineering and financial consultancy.

Linton College was founded in 1987 in Ipoh, Perak, and was acquired by Legenda Education in 2005, after which its operations shifted to Mantin, Negri Sembilan.

It offers courses in a variety of fields spanning from humanities, sciences, business studies, engineering, accounting to finance.

CEO and vice chancellor of Linton University College, Dr

Kamis Awang, said the capital expenditure promotes greater capacity building for further growth of the institution.

"Our priority is for Linton University College to achieve 'University' status in the next three years. For that, we require heavy investments to encourage more research and development (R&D)-related projects and studies. R&D is part of the requirement to obtain the 'University' status," he said.

Currently, Linton University College's students population consists of local and international students from 60 nations across the world.

KTG Education targets to increase the number of students enrollment in Linton University College by 50% next year.

The group is in the middle of acquiring institutions such as Jati Institute, Mantin International Science Institute and Pertama Institute of Technology, hopefully by the end of this year, to further strengthen its presence in the educational industry.

"The integrated resources from these institutions will strategically enhance our offerings in providing quality education experiences," said Lee.

S'pore chilli-crab IPO said to draw Temasek arm, Osim

SINGAPORE • Jumbo Group Ltd, which runs chilli-crab restaurants in Singapore, attracted an arm of Temasek Holdings Pte Ltd and the founder of Asia's biggest massage-chair maker as cornerstone investors for its initial public offering (IPO), people with knowledge of the matter said.

Heliconia Capital Management Pte Ltd, a unit of the Singapore state investment company, agreed to invest S\$10 million (RM30.55 million), while Osim International Ltd

chairman Ron Sim will buy S\$8 million of stock, according to the people.

Jumbo, which plans to start taking orders from individual investors today, will seek about S\$40 million from its IPO in the city-state by selling shares at a fixed price of 25 Singapore cents apiece, the people said, asking not to be named as the information is private.

An offering that size would be the biggest initial share sale this year in Singapore, where nine offerings have raised just

US\$117 million (RM499.59 million), data compiled by *Bloomberg* show. Jumbo, known for its chilli and black pepper crabs, operates restaurants serving cuisines including seafood, pork rib soup and ramen noodles to more than 6,000 customers daily, according to its website.

The restaurant operator plans to start trading in early November, one of the people said. Jumbo Group and Heliconia declined to comment in emailed statements.

Sim confirmed in an email he will be a cornerstone investor in the IPO, saying Jumbo Group is "a good company with great potential and scalability, and also a strong team of products with great margins".

Heliconia is an investment firm focused on growth-oriented Singapore companies. It owns stakes in Razer Inc, a maker of computer hardware for video-game enthusiasts, and Rigel Technology (S) Pte Ltd, which sells environmen-

tally-friendly toilets. Osim has invested in companies including tea retailer TWG Tea Co and technology provider Trek2000 International Ltd.

Jumbo, led by CEO Ang Kiam Meng, plans to use the IPO proceeds to open new outlets in China and Singapore, according to a preliminary prospectus lodged last month with the Singapore stock exchange. United Overseas Bank Ltd is the sponsor and issue manager of the IPO. — *Bloomberg*

Coming Events

OCT 29

- **OIC-WORLD** Islamic Tourism Conference 2015 official launching at Putra World Trade Centre, 41 Jln Tun Ismail, KL at 8am.
- **HUMAN** Resource Minister Datuk Seri Richard Riot Jaem to present National Wages Consultative Council Members' letter of appointment at InterContinental Hotel, 165 Jln Ampang, KL at 8.30am.
- **GOLDEN** Land Bhd EGM at Sukau Room, Level 12, Four Points by Sheraton Hotel,

- Sandakan Harbour Square, Sandakan, Sabah at 8.30am.
- **ASEAN** CSR Network to organise Asean Responsible Forum at Royale Chulan Damansara Hotel, Jln Pju 7/3, Mutiara Damansara, PJ, Selangor at 9am.
- **AIRBUS** Customer Services Centre opening ceremony at Lot PT 16, Jln KLIA S7, Southern Support Zone, KL International Airport (KLIA), Sepang, Selangor at 10am.
- **KEIN** Hing International Bhd AGM at Factory B, Lot 1863 & 1864, Jln Kolej, Seri Kembangan,

- Selangor at 10am.
- **MALAYSIAN** Association of Tour and Travel Agents (Matta) to organise Matta Cruise seminar and workshop at Pullman 1, Level 2, Pullman KL City Centre Hotel and Residences, Jln Conlay, KL at 10am.
- **HUME** Industries Bhd AGM at Theatre, Level 1, Wisma Hong Leong, 18 Jln Perak, KL at 10am.
- **WORKS** Minister Datuk Seri Fadillah Yusof to launch the ministry's Innovation Day at Tan Sri Mahfuz Khalid Hall, Kompleks Kerja Raya, Jln

- Sultan Salahuddin, KL at 10.15am.
- **SECOND** Finance Minister Datuk Seri Ahmad Husni Mohamad Hanadzlah to officiate National Taxation Seminar 2015 at Merdeka Hall, Level 4, Putra World Trade Centre, 41 Jln Tun Ismail, KL at 10.30am.
- **GLAXOSMITHKLINE** Consumer Healthcare Sdn Bhd and Malaysian Dental Association to launch 'National of Healthy Smiles' at Suria on 12, Level 12, The Royale Chulan Damansara Hotel, Jln Pju 7/3, Mutiara Damansara, PJ, Selangor at 10.30am.