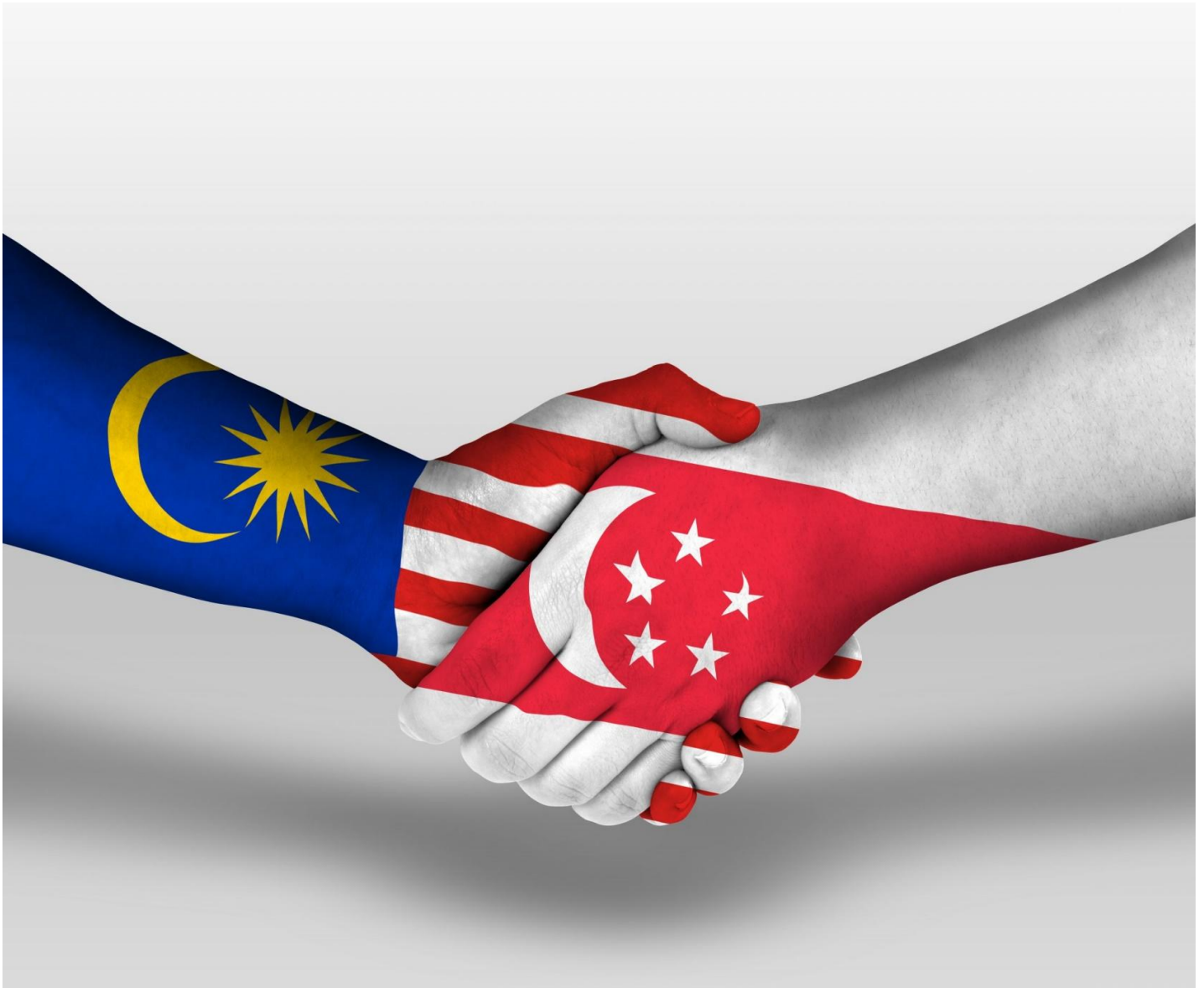


Exploring Opportunities:
The Johor-Singapore Special Economic Zone
Transformative impact of JS-SEZ on regional trade and investment



Establishing Your Presence in the Johor-Singapore SEZ

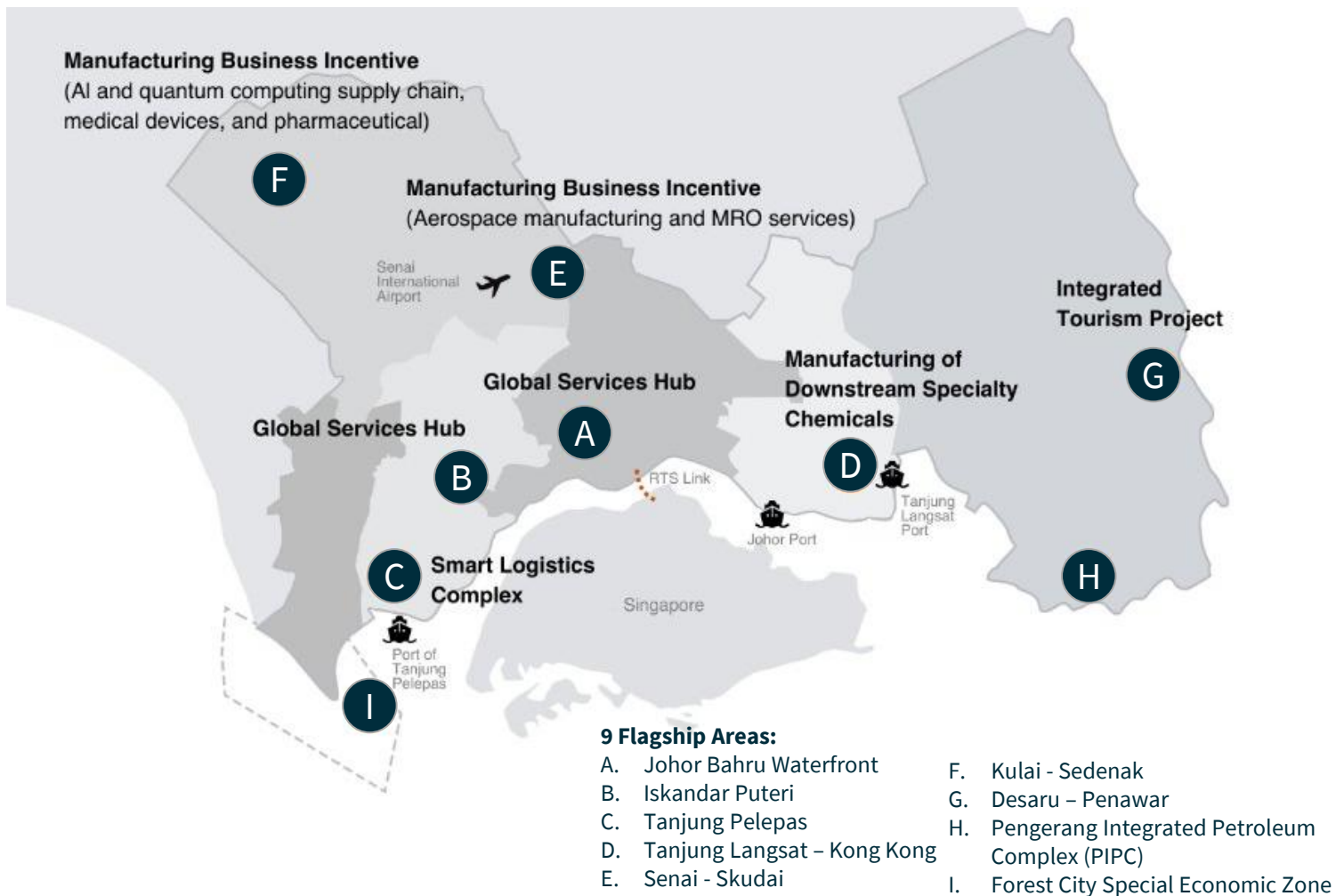
The Johor-Singapore Special Economic Zone (JS-SEZ) strengthens cross-border collaboration, enhancing trade, investment, and industrial synergy. Supported by infrastructure, streamlined rules, mobility, and cost benefits, it drives diversification and competitiveness. Amid US tariff shifts, the SEZ offers investors and industries pathways to diversify production, expand markets, and secure advantage.



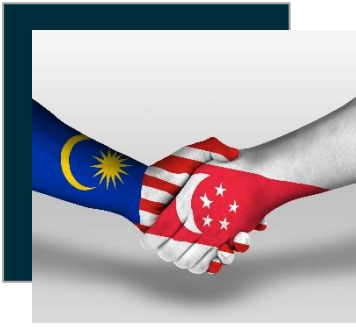
Milestone in MY-SG Economic Integration Overview: Johor-Singapore Special Economic Zone

The Johor-Singapore Special Economic Zone (JS-SEZ) is a collaborative government initiative between Malaysia and Singapore. Formalised in January 2025 the landmark development aims to attract 100 major investment projects by 2035 across the zone's 3,500 km². On offer are a 5% corporate tax rate for up to 15 years on qualifying new investments, personal income tax of 15% for 10 years for knowledge workers, various investment tax allowances, stamp duty exemptions and facilitation support across nine flagship areas.

JS-SEZ INVESTMENT ZONES



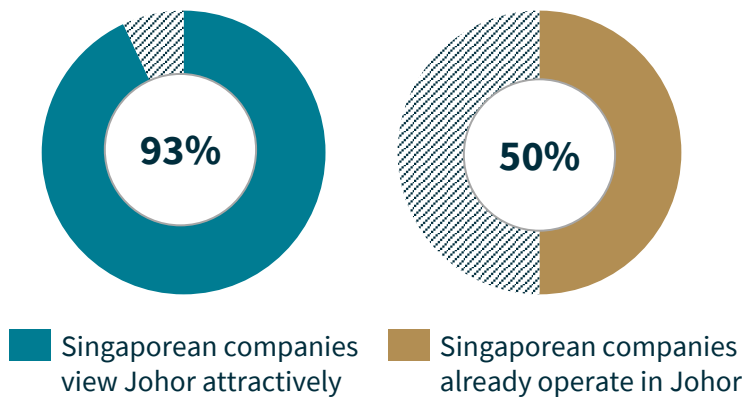
- Singapore and Malaysia are one of each other's largest trading partners, 2024 bilateral trade stood at EUR73.2 bn. Johor's received EUR 5.6 bln in new investments (Q1 2025), 90% located in the JS-SEZ
- Aimed primarily at attracting and facilitating Singapore-based companies to establish a presence in the SEZ, support is provided by both Singapore and Malaysia governments, with several local and international banks now providing dedicated investment advisory and financing of projects
- Drivers include rising costs in Singapore as well as physical constraints to expansions in Singapore
- Companies are supported via Malaysia's Invest Malaysia Facilitation Centre-Johor, MIDA and Singapore's joint project office of the Ministry of Trade and Industry, Enterprise Singapore, and Singapore Economic Development Board



Milestone in MY-SG Economic Integration Potential Economic Impact on Singapore’s Economy

Near-term take up is expected from Singapore-based companies constrained by space and cost and is an attractive offering for a range of sectors from financial services to manufacturing and heavy industry. Interest is high with many companies looking to be first movers, applications are open through to 31st December 2034.

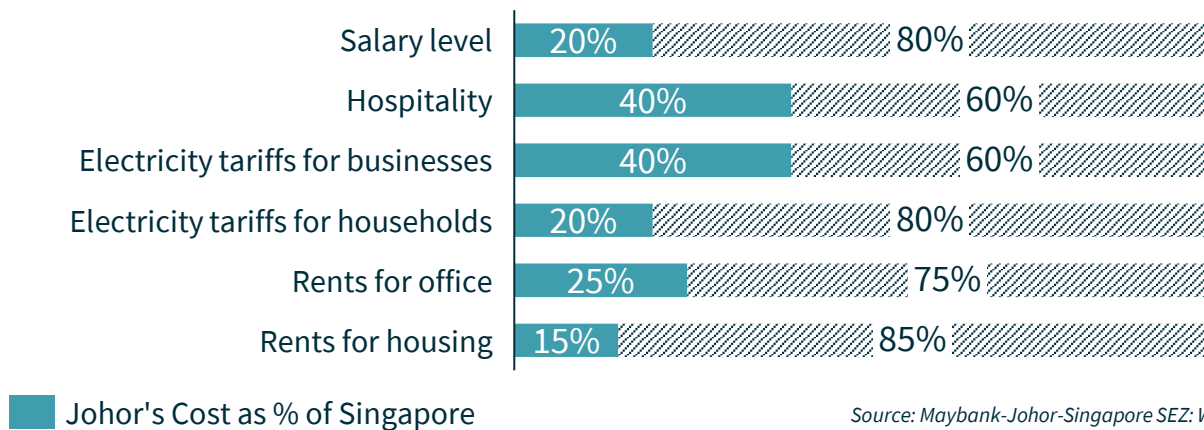
SINGAPOREAN COMPANIES` ATTITUDE TO JOHOR



Source: Singapore Business Federation(SBF) survey

- **The JS-SEZ unlocks greater market access for Singaporean businesses** by tapping into Johor’s land, 2-way workforce arrangement, and financial incentives
- With 93% of Singaporean firms eyeing Johor for investment and 50% already operating there, the SEZ enhances cross-border trade, reduces costs, and streamlines logistics, enabling Singapore to focus on advanced manufacturing and expanding Johor’s investment attraction

HIGH VALUE PROJECTS ATTRACTED IN JS-SEZ



Source: Maybank-Johor-Singapore SEZ: What’s Special and Different

- ❖ With manufacturing wages at just 20% of Singapore’s, businesses can expand production to Johor while maintaining proximity to Singapore’s headquarters and R&D centres.
- ❖ Skilled knowledge worker gaps are addressed via eased regulations permitting 2-way labour movements.
- ❖ Lower electricity tariffs (40%) and office rents (75%) enable Singaporean firms to scale operations with reduced overhead costs.
- ❖ By leveraging Johor’s affordability, Singaporean companies can streamline production and logistics, boosting regional trade competitiveness.



Milestone in Malaysia-Singapore Economic Integration Key Sectors That Benefit from The Economic Zone

Despite potential challenges, overall, the JS-SEZ looks set to attract significant and transformative investments. This outlook is strengthened by the joint cooperation and commitment of both Malaysia and Singapore to realise growth.



Manufacturing and Industrial Production

- ❖ Strong opportunities for high-tech manufacturing, particularly in electronics, aerospace, and medical devices, with targeted tax incentives of 5% for up to 15 years.
- ❖ Proximity to Singapore enables seamless supply chain integration, while Johor's lower operational costs and expanding industrial base make it ideal for production scalability.



Technology and IT Services

- ❖ Prime opportunities for tech firms, especially in AI, cloud computing, and fintech, with a 15% personal tax rate for knowledge workers to attract top talent.
- ❖ Proximity to Singapore's financial and tech ecosystem enables seamless cross-border collaboration, while Johor's emerging data center hub—backed by investments from Microsoft and ByteDance—strengthens digital infrastructure.



Logistics and Supply Chain

- ❖ Offers a connected trade hub to Singapore's established air and sea routes and supply chain efficiency.
- ❖ Johor's ports offer lower operational costs and attractive services. The Pengerang Integrated Petroleum Complex is Malaysia's largest refining facility and is a key driver of the SEZ's attractiveness for the role it already plays in international energy and pet-chem trade.



Renewable Energy

- ❖ Johor's land availability supports large-scale solar, aligning with Malaysia and Singapore's net zero plans.
- ❖ Biofuels, ammonia (marine fuel), sustainable aviation fuel, green and grey hydrogen production and exports are expected with plans for production, storage and supply.
- ❖ RE complements Johor's current strong energy sector and growing sustainability moves.



Financial Services

- ❖ Forest City's Special Financial Zone (SFZ) with 0-5% corporate tax will attract many of the global players already present in Singapore.
- ❖ Family offices in particular are set to benefit from reduced licensing requirements and lower overheads.
- ❖ Several banks (both local and international) are offering special financing for companies investing in the JS-SEZ.



Tourism and Hospitality

- ❖ Visa facilitation, improved transport links, and cruise tourism make JS-SEZ a key stop for regional travellers.
- ❖ The Desaru coast is emerging as a premier luxury tourism hub, featuring five-star resorts, private villas and golf courses all within easy reach of Singapore.
- ❖ The tourism offering also raises the attractiveness of Johor's liveability, enhancing the overall offering for those looking to relocate.



Milestone in Malaysia-Singapore Economic Integration Potential Challenges Faced by the Economic Zone

To enhance JS-SEZ's competitiveness, policymakers are looking to address talent shortages, streamline regulatory processes, modernize logistics infrastructure, and implement sustainable growth strategies while positioning the zone as a premier investment hub amidst regional competition



Manpower Shortages

- Nearly 60% of Singaporean businesses in Johor struggle to hire skilled technical workers (Singapore Business Federation, 2024)
- Malaysia's freeze on foreign worker employment quota applications, may impact manpower-heavy production. Manufacturers in the JS-SEZ are expected to hire 80% local workers as a minimum
- Johor's median wage is only one-seventh of Singapore's. A new minimum 'premium' wage has been introduced for skilled workers to reduce brain-drain.

- Delays in regulatory harmonization between Malaysia and Singapore, such as Cross-Border Trucking Regulations, could impact the efficacy of trade policies and business operations
- Guaranteeing timely licensing approvals and investment incentives are critical and require close collaboration between Malaysia's federal and Johor's state governments
- Freedom of movement for Singaporeans working in the JS-SEZ are yet to be finalised



Regulatory Barriers



Infrastructure Readiness

- The pace of development may not match business demand, leading to bottlenecks in licensing, logistics and take-up.
- Delays in key projects, such as the planned High-Speed Rail (HSR) and ease of cross-border travel, could reduce business confidence

- Batam, Indonesia – A growing technology & logistics hub offering cheaper labour and tax incentives and part of an existing FTA with Singapore
- Shenzhen, China – An established high-tech SEZ attracting major global investments with proximity to large consumer bases in China and Hong Kong
- Thailand's Eastern Economic Corridor (EEC) – Focused on advanced industries and green energy has seen an influx of Chinese auto and EV battery manufacturers

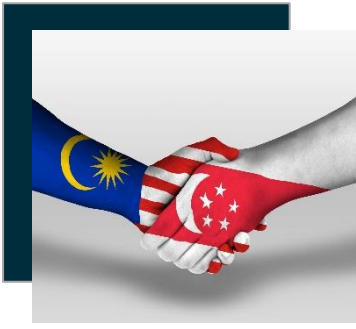


Competition



Sustainability Challenges

- Johor's fast-growing data centre sector has created a large demand on limited water and energy with new regulations expected soon. Renewable energy will be unlikely to meet demand from heavy manufacturing
- Singapore's carbon tax will rise in 2026 to SGD 45 per tCO₂e, Malaysia looks to follow suit in 2026 beginning with heavy industries at an expected price of MYR 45 per tCO₂e



Investor incentives in Malaysia & Singapore Neighbouring Key Competing Incentives

While the JS-SEZ offers strong incentives and cross-border advantages, it faces stiff competition from other Malaysian corridors with comparable fiscal benefits. Singapore is a global benchmark with its established ecosystem, advanced infrastructure and competitive incentive schemes which the government ensures are easy to access for all investors



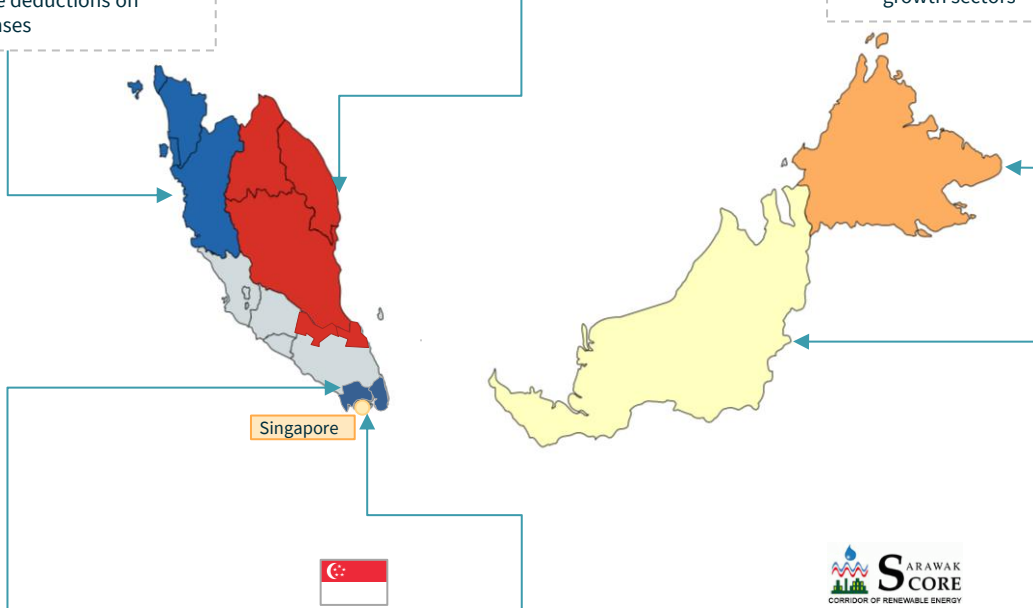
- **Income Tax Exemption** : Up to 100%; for a maximum of 15 years
- **Investment Tax Allowance** : Up to 100%; maximum 10 years
- **Import Duty Exemption** : Yes
- **Focus**: Manufacturing, agro-based industries, tourism, and R&D
- **Key Incentives**: Stamp duty reductions on land transfers or leases; special incentives for R&D activities, including double deductions on qualifying expenses



- **Income Tax Exemption** : Up to 100%; maximum of 15 years
- **Investment Tax Allowance** : Up to 100%; maximum of 5 years
- **Import Duty Exemption** : Yes
- **Focus**: Tourism, manufacturing, agriculture, petrochemicals, and education
- **Key Incentives**: Stamp duty exemptions on property and land



- **Income Tax Exemption** : Up to 100%; maximum 10 years
- **Investment Tax Allowance** : Up to 100%; maximum 10 years
- **Import Duty Exemption** : Yes
- **Focus**: Tourism, manufacturing, logistics, agriculture, and other promoted sectors
- **Key Incentives**: Stamp duty exemptions on instruments related to land and property transactions; incentives supporting R&D and innovation aligned with Sabah's growth sectors



- **Income Tax Exemption** : Up to 100%; maximum 10 years
- **Investment Tax Allowance** : Up to 100%; maximum 5 years
- **Import Duty Exemption** : Yes
- **Focus**: Finance, data centers, tourism, education, and advanced manufacturing
- **Key Incentives**: Special financial zone status with reduced company tax rates; personal income tax capped at 15% for qualified professionals; stamp duty exemptions

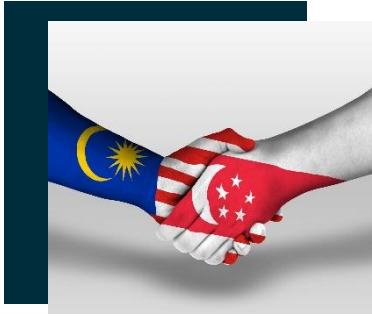


- **Income Tax Exemption** : Standard corporate tax rate 17%
- **Investment Tax Allowance** : Up to 100%; 5 years
- **Import Duty Exemption** : Low or zero tariffs on most goods
- **Focus**: Finance, headquarters, innovation, R&D, and advanced manufacturing
- **Key Incentives**: Various sector-specific incentives: up to 400% tax deduction on qualifying R&D expenses; double deductions for hiring local and overseas Singaporeans



- **Income Tax Exemption** : Up to 100%; maximum 5 years
- **Investment Tax Allowance** : Up to 100% for 5 years; 60% reinvestment allowance
- **Import Duty Exemption** : Yes
- **Focus**: Heavy manufacturing, resource-based industries, and energy-intensive sectors
- **Key Incentives**: Competitive industrial land, energy and water, flexible payment terms

Notes: Tax exemptions, investment allowances, and other fiscal incentives outlined above are applicable only to approved projects in promoted sectors as defined by the respective authorities. Eligibility is subject to government approval and may vary by industry, location, and investment scale



Matching investor needs to location EAC's experience in the region

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EAC CASE STUDIES – OUR LATEST PROJECTS



*Sanitaryware manufacturer looking for an **expansion of manufacturing footprint in SEA***



*European fiber manufacturer planning to **build a regional production facility in ASEAN***

SCOPE & OUTCOME

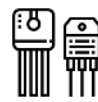
- ✓ **Long-listing of possible low-cost country options** in SEA for new manufacturing set-up
- ✓ **Assessment of qualitative and quantitative parameters** to recommend the most suitable country
- ✓ **Assessment of most suitable investment zones** within the prioritized countries
- ✓ **Final recommendation of most suitable location** followed by support in incentive negotiations and land acquisition

SCOPE & OUTCOME

- ✓ **Opportunity screening** with focus on macro-economic and political framework, textile market fundamentals
- ✓ **Screening and assessment of site opportunities** in Indonesia, Thailand and Viet Nam
- ✓ **Prioritization of suitable sites** (country and in-country region) and zone discussions for investment facilitation
- ✓ **Support in investment agreement negotiations** until closing of contractual framework



*Global automotive tier aiming to set-up **electronics manufacturing plant in best-cost SEA countries***



*Global leading supplier of electrical components to **build-up assembly plant to locally serve SEA***

SCOPE & OUTCOME

- ✓ **Benchmarking the “best” investment regions** in ASEAN and India in comparison to South China
- ✓ **Highlighting of advantages and disadvantages** for each prioritized region within ASEAN
- ✓ **Recommendation of most suitable investment zones** based on strategic and operational parameters
- ✓ **Execution of joint visits to prioritized regions** in Thailand and Malaysia to jointly select the best location

SCOPE & OUTCOME

- ✓ **Common ideation session to assess forward-looking value streams** and supply chain requirements
- ✓ Development of detailed **country and location requirement catalogue** for future investment
- ✓ **Assessment of prioritized investment regions** and indicative simulation of future cost structures
- ✓ **Verification available recommendation of best-fit sites** for final selection



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