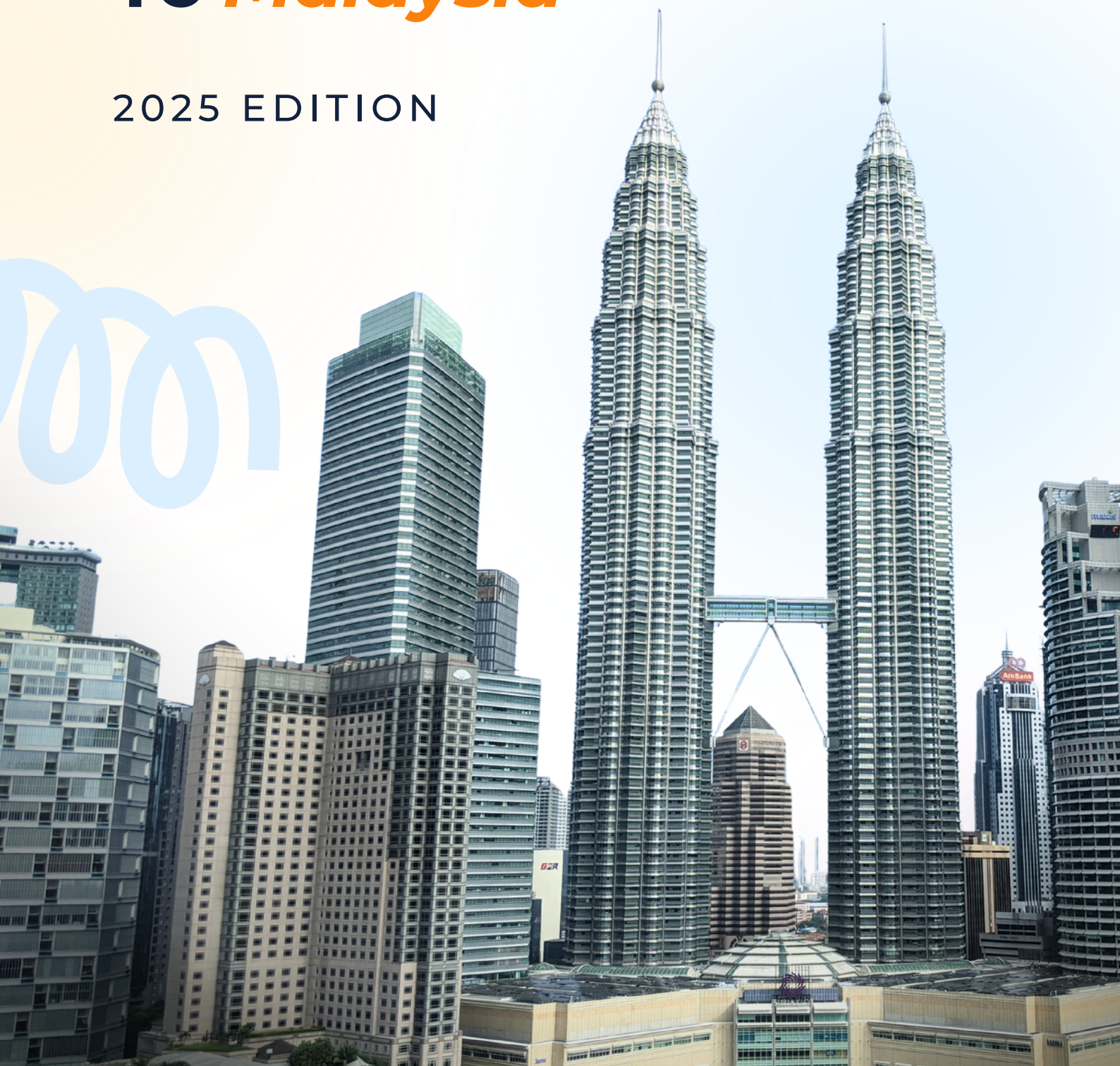




Business Owner's Guide In Expanding To *Malaysia*

2025 EDITION



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Why Malaysia

Why Now?

With rising rents and payroll squeezing margins, most of us are asking the same question — *where do I turn?*



Malaysia IS your next move.

Beyond the tasty food and affordable prices, here's why you should seriously consider making the move:

Population & Market Scale



Estimated Population as of 2024

34 Million



Estimated Population as of 2024

5.9 Million

This means Malaysia has **5-6× the population** and thus a larger potential addressable market.

With urbanisation and rising middle class, many parts of Malaysia are becoming more consumerised, increasing demand for retail, F&B, services, etc.

Wait... There's more?

A Pro-Business Climate

- Malaysia ranked **12th worldwide** in the World Bank's Ease of Doing Business report — ahead of many regional peers.
- Processes for incorporation, licensing, and compliance are straightforward compared to other ASEAN markets.
- With the newly announced **Johor-Singapore Special Economic Zone (JS-SEZ)** and the upcoming **RTS (Rapid Transit System)** link, cross-border business is set to become faster, cheaper, and more attractive than ever.

Ready Talent Pool

- SMEs can access multilingual talent (**English, Malay, Mandarin**) at significantly lower cost.
- Employer obligations (**EPF, SOCSO**) are clear and manageable, with strong government infrastructure.
- Malaysia is actively building future-ready talent pipelines to support high-value industries, from tech to logistics.

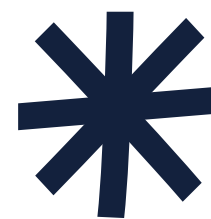


Market Opportunities

- Malaysia's retail market is valued at **USD 89 billion**, with steady domestic demand.
- In manufacturing, Malaysia contributes 24% of GDP, exporting 80% of its output — creating **strong supply chain** opportunities for SMEs.



Setting Up A Sdn Bhd in Malaysia



If you're familiar with running a Pte Ltd in Singapore, you'll find a Sdn Bhd in Malaysia very similar. Both give you limited liability, a separate legal entity, and allow foreign ownership.

Minimum paid up capital
RM 1000

Corporate Tax Rate
17% - 24%

Sales and Service Tax (SST)

Sales Tax: 5% or 10%
(depending on goods)

Service Tax: 6% on
prescribed services

Compliance Deadlines You Must Know

- **Annual Return:** Must be filed with SSM within 30 days of the company's anniversary date.
- **Audited Financial Statements:** Must be prepared and lodged together with the annual return (unless exempt as a small company).
- **Tax Filing:** Corporate income tax return (Form C) must be filed annually with LHDN (Inland Revenue Board of Malaysia).



Comparing Singapore & Malaysia



FEATURES	SDN BHD	PTE LTD
SETUP COST	SGD 900 - SGD 1500	SGD 800 - SGD 1500
MINIMUM CAPITAL	RM 1000	SGD 1
DIRECTORS	At least 1 local director	At least 1 local director
SHAREHOLDERS	1-50	1-50
COMPLIANCE DEADLINES	<ul style="list-style-type: none"> - Annual Return filed with SSM within 30 days of AGM - Annual financial statements must be audited and lodged 	<ul style="list-style-type: none"> - Annual Return filed with ACRA within 30 days of AGM - Annual financial statements not necessarily require audit
CORPORATE TAX	17% on first RM600,000 ; 24% on remaining profits (if revenue < RM50m)	17% flat corporate income tax rate
PAYROLL & HR	Mandatory EPF, SOCSO, EIS contributions	Mandatory CPF contributions
Ongoing Costs	Accounting, audit, company secretary fees ~ RM6,000 – 10,000 yearly.	Accounting, audit (if required), company secretary fees ~ SGD 3,000 – 6,000 yearly.
OTHER TAXES	Sales and Services Tax (SST) <ul style="list-style-type: none"> • Sales Tax: 5% or 10% (depending on goods). • Service Tax: 6% on prescribed services. 	Goods and Services Tax (GST) <ul style="list-style-type: none"> • 9% on most goods and services

With proper planning, you can enjoy lower operating costs, SME-friendly tax tiers, and a larger market base while keeping compliance in check.



Here's a snapshot comparison (illustrative figures):

Office rental (per sq ft):

- SG CBD: SGD 8–12 vs JB: SGD 1–3

Average staff salary (Admin role):

- SG: SGD 2,500–3,000 vs JB: SGD 1,000–1,500

Professional services (Accounting/Compliance):

- SG: higher due to manpower cost vs MY: 20–40% lower

Even with some cross-border admin, the overall cost savings can reach **30–40%**, especially for labour-heavy businesses.



Cost Advantages



Hiring & Talent Access

Malaysia offers SMEs access to a large, future-ready talent pool at a fraction of Singapore's cost. With over 17 million in the workforce, employees are not only multilingual (English, Malay, Mandarin) but also increasingly skilled thanks to government-driven upskilling programs.

This means you can scale teams faster, control payroll costs, and still enjoy reliable, educated talent aligned with industry needs.

Labour Force Size

17.47 million

Language Spoken

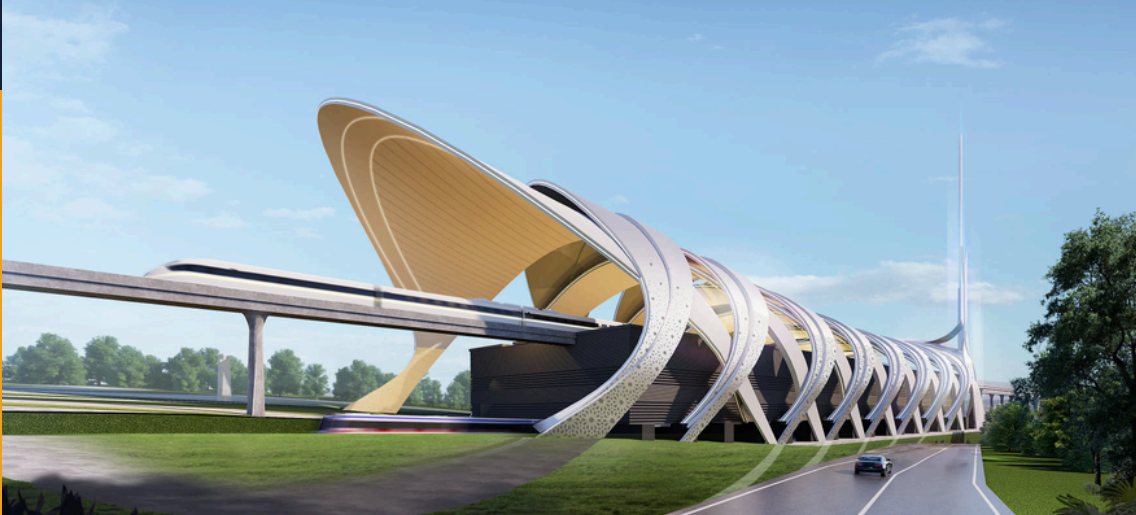
English, Malay, Mandarin

Average Median Salary

RM 3000 - 6000



Grants & Initiatives



RTS Link

By 2026, Singapore and Johor will be connected by the RTS Link, a **5-minute train ride** between Woodlands North (SG) and Bukit Chagar (JB). It can carry up to **10,000 passengers per hour** each way, with immigration for both countries done at the same station.



Ease of commute and cross-border operations



Supply chain & last-mile logistics



Shared labour pool access



Strategic location advantage

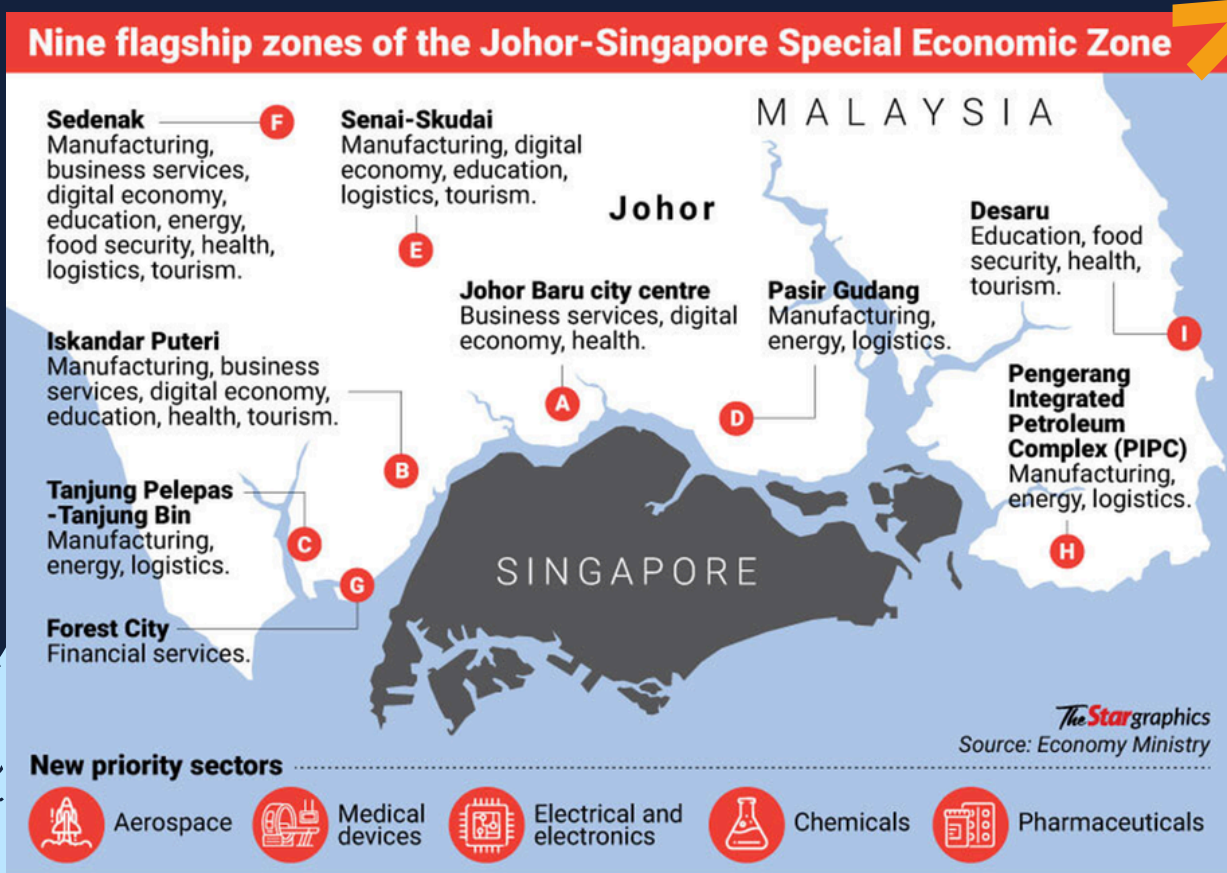
Johor-Singapore Special Economic Zone

The Johor-Singapore Special Economic Zone (JS-SEZ) is designed to make cross-border business easier and cheaper. It includes nine flagship areas (industries), with priority sectors such as advanced manufacturing, electronics, aerospace, medical devices, AI & quantum, energy transition, etc.

Singapore SMEs expanding into Johor can enjoy perks like:

- **Corporate tax rate as low as 5%** for up to 15 years for certain industries
- **100% investment tax allowance over 5 years** for qualifying projects
- Flat **15% personal income tax** for eligible knowledge workers for 10 years

With a one-stop centre to fast-track approvals, the JS-SEZ helps you set up and scale operations across the border with less cost and red tape.



Conclusion

Summary

Expanding to Malaysia gives Singapore SMEs bigger markets, cheaper talent, and strong tax incentives. With Sdn Bhd structures and the JS-SEZ making setup easier, now is the time to act and grow across the border.

Next Steps

Do a Cost-Benefit Analysis

Compare your current operating costs in Singapore with Malaysia's salaries, rentals, and corporate taxes to see potential savings.

Plan Your Structure

Choose Sdn Bhd for credibility and long-term operations, and appoint a trusted local director to get started right.

Leverage Incentives

Explore JS-SEZ perks like reduced corporate tax and investment allowances to maximise returns on your expansion.

Get Help From The Experts

Skip all the worries with guidance directly from Malaysia registered corporate service providers.



Thank you!

Thanks for reading this guide. If you'd like to explore any of these insights or discuss how they apply to your business, we're just a call away.

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