

SOFT LOAN SCHEME FOR AUTOMATION AND MODERNISATION (SLSAM)

Eligibility Criteria and Main Features

1. Eligibility:

Companies incorporated under the Companies Act 1965 with:-

- at least 60% equity held by Malaysians;
- possess a valid business licence; and,
- in operation for at least 2 years.

2. Sector:

Manufacturing Sectors

3. Financing Amount:

- Minimum: RM100,000.
- Maximum: RM5 million per application.

4. Eligible Items:

i. Industrial Adjustment

Financing for

- purchase of new or reconditioned machinery and equipment; *
- purchase of software and computer peripherals related to the industrial adjustment process
- purchase of new machinery, plant and equipment for the purpose of diversification into higher value-added activities;
- costs related to the installation, commissioning and related training as well as maintenance of the machinery and equipment; and,
- expenses related to undertake services related to mergers and acquisitions (M&As) such as registration fees and payment for services by investment bankers.

ii. Automation**

Financing for

- purchase of new or reconditioned automation related machinery and equipment; *
- costs related to the installation, commissioning and related training as well as maintenance of the machinery and equipment for investment in automation; and,
- purchase of software and computer peripherals related to the development of the automation system.

*The age of reconditioned machinery and equipment must not be more than 5 years.

** The above activities must result in a reduced number of foreign workers employed.

iii. Energy Saving

Financing for

- purchase of energy saving/machinery/equipment or devices directly installed in, or from part of, the production line or process which result in cost savings.

5. Percentage Financing:

- Up to 85% for new machinery and equipment.
- Up to 60% for reconditioned machinery and equipment.
- Up to 70% for services engaged by the company for the M&A. Payment will be made defrayment of 30 % of its services cost.

6. Repayment:

- 5 to 7 years including grace period of up to 1 year.

7. Interest Rate:

- 4% per annum on yearly rest.