

Some Important Facts regarding the EPP 6 Grant for large company

A. Purpose

To encourage domestic manufacturing of high-value palm oleo derivatives.

B. Obligation on grant recipient

Information and documents relating to contribution on Gross National Income (GNI) from the manufacturing Plant, number of local skilled and non-skilled employees of the Plant, production data, sales data and such other information and documents as may be determined by the Ministry of Plantation Industries and Commodities (MPIC) from time to time during the duration of the agreement entered into between the Malaysia Palm Oil Board (MPOB) and the successful applicant.

C. Grant Criteria

1. Company incorporated under Companies Act 1965 (SSM (excluding SME¹ though SME is eligible to apply):

¹ Definition of SME:

Small Enterprise-

- (a) Sales Turnover:RM0.3mil - <RM15mil
- (b) Employees: 5-74 people

Medium Enterprise-

- (a) Sales Turnover:RM15mil - <RM50mil
- (b) Employees:75-200 people

² Eligible Expenditure:

Includes -

- (a) Any payment relating to the planning and commissioning of the Plant including preparatory work but shall exclude any payment relating to the operation of the Plant or part thereof;
- (b) any payment referred to in paragraph (a) which has been paid by the Grantee ON or AFTER the Approval Date;
- (c) any payment made for the purpose of the Agreement;
- (d) any payment relating to capital expenditures as may be determined by MPOB including civil, structural and mechanical works
- (e) any payment which has been determined by MPOB to be eligible to be reimbursed

Does not include –

- (a) Opex items
- (b) Non-capex items
- (c) Items which cannot be capitalised into investment cost
- (d) Items which cannot be recorded in the company asset list e.g. land purchase, purchase of existing plant, payroll/remuneration, consumables, insurance, rental, raw material and catalyst, consultancy besides physical consultancy, contingency cost, legal and finance cost, taxes, out of pocket expenses, vehicle/equipment/furniture for non-plant production and interior decoration

- a. Products must have at least 40% value addition according to Malaysia Investment Development Authority's (MIDA) definition.
 - b. Effective Malaysian equity of project delivery company must be at least 51%.
2. Product scope for EPP 6 must contain at least 50% palm based content in weight and includes:
 - a. Surfactant
 - b. Agrochemical
 - c. Bio-lubricant
 - d. Bio-polyol
 - e. Glycerol derivatives
 - f. Bio-based chemical
 3. Commercial production (whether new product lines or expansion of existing product lines) of product specified in para 2 whether for local or export market.
 4. Legal entity of Grantee:
 - a. companies incorporated under Companies Act 1965 (SSM).
 - b. such other legal entity as may be approved by Steering Committee (SC) with recommendation from Technical Committee (TC).
 5. Complies with terms and conditions of the Grant.

D. Conditions for disbursement of Grant by MPOB to Grantee

1. Must be new investment; Plant or expansion of Plant should not be in existence on the date of Steering Committee meeting.
2. Complies with the Grant criteria.
3. Receives approval from Steering Committee.
4. Reimbursable on Eligible Expenditure.²
5. Grant shall not be used as a collateral for any loan or financial facilities to finance the Project.
6. Reimbursement is based on percentage of the total sum claimed by the Grantee.
7. Plant and audit visit, before disbursement of Grant.
8. Execution of Grant Agreement with MPOB.

E. Application Process Flow

1. Online submission will be done via downloading the Word doc application form which will then be sent to the email address 'nkeagrants@mpob.gov.my'
 2. The online submission will then be evaluated from two aspects, namely technical evaluation and commercial evaluation. A second stage of more comprehensive filtering will then follow to ensure that the proposal is sufficiently robust.
 3. If the applicant satisfies the criteria in both aspects of the evaluation process, the applicant will be invited to present to the Technical Committee (TC) whose members comprise MPIC, MPOB, PEMANDU, MIDA and other relevant agencies.
 4. Following the Technical Committee meeting, a briefing of the company proposal will then be done by MPOB/PEMANDU at the Pre-Council (PC) to Pre-Council members including KSU MPIC and other officials of MPOB and MPIC.
 5. The final stage of the grant application process will involve a presentation by the applicant at the Steering Committee (SC) meeting to members of the SC which include MPIC, MPOB, PEMANDU, EPU, MoF and other relevant agencies.
- c. the applicant has excellent track record and manufacturing experience in producing food or chemicals. Excellent track record and marketing experience are added advantage.
 - d. first come first serve basis; and
 - e. such other factors as may be determined by the Committee.

F. Other Important Notes

1. This brochure is for general information and the list of exclusions/obligations and other terms and conditions are not exhaustive. This is not a contract of financing.
2. The Committee does not guarantee any application to be successful even if the applicant complies with all the criteria and conditions of this Grant. The following factors are some of the key considerations:
 - a. new, novel, cost effective or other parameters in relation to the technology in producing the Product.
 - b. the applicant has strong financial standing and record.