Some Important Facts regarding the EPP8 SME Grant

A. Purpose

To encourage Small and Medium Enterprises (“SMEs”) to be involved in the local development of oil palm product and food and health-based products containing such oil palm products.

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. SMEs must be entities registered with SSM or other equivalent bodies, particularly local authorities or district offices in Sabah or Sarawak
2. SMEs are defined as firms with sales turnover not exceeding RM50 mil OR number of full-time employees not exceeding 200
3. Products must have at least 40% value addition according to MIDA’s definition
4. Value addition factor of at least 25% for both small and medium companies
5. Malaysia equity of at least 60%, not including PR
6. Commercial production (whether new product lines or expansion of existing product lines and whether for local or export market) of -
   a. food and health-based products containing palm oil products (for example, phytonutrients and palm intermediaries).
   b. phytonutrients (e.g. carotene, tocotrienol, phenolics).
7. 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 must not be in existence on the date of Steering Committee meeting.
2. Complies with the eligible SME Grant criteria.
3. Receives approval from Steering Committee.
4. Reimbursable on Eligible Expenditure.
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 PDF application form which will then be sent to the email address ‘nkeagrant@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 is 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.
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. MPOB 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.

   c. the applicant has excellent track record and manufacturing experience in producing food or chemicals. Excellent track record and marketing experience in an added advantage.

   d. first come first serve basis; and

   e. such other factors as may be determined by MPOB.