


**AGRO
BANK** **FREQUENTLY ASKED QUESTION**
TERAJU SMART FARMING

No.	Question	Answer
1	What is TERAJU Smart Farming Program?	TERAJU Smart Farming Program is a financing program that provide financing facilities to encourage Bumiputera Small and Medium Enterprise (SME) entrepreneurs to incorporate modern techniques and automation in agriculture sector with the purpose of increasing the quality and quantity of production.
2	What is the objective for TERAJU Smart Farming Program?	This Program is to support the intended agenda by TERAJU in strengthening the food production of the country to ensure the sustainability of food supply in the future by incorporating modern technique and automation. Therefore, the use of modern and smart techniques are real potential for productivity and environmental sustainability by increasing better food traceability and country's food security. It also beneficial to environment, for example, more efficient use of water and optimal use of treatment.
3	Who is eligible to apply for financing under this Program?	<ul style="list-style-type: none"> • SMEs with at least 60% shares owned by Bumiputera registered under Malaysian law such as Companies Commission Malaysia (CCM) or local authorities operated in Malaysia. • Business activities in agriculture sector with operations at least 12 months. • Non-individual with less than 12 months involvement in agriculture under contract farming model with an anchor company involved. • The owners/partners/directors/shareholders of the business entities must be between 18 years old (at the time of application) up to the age of 60 years old (at the maturity of financing). • The expansion of the business with the use of technology must be able to improve productivity of the agriculture sector. • Credit Rating to follow Agrobank's current credit policy (bankruptcy search, CCRIS, CTOS including the Section E, financial analysis, etc). • Not a subsidiary of a Government-Linked Companies (GLC) or Multinational Companies (MNC). • The company is not declared bankrupt or has no legal action that allows for bankruptcy action. • Must be Shariah-compliant business.
4	How can I apply for financing?	Applicants are advised to apply for financing at any Agrobank branch that is close to applicant's business location.
5	What is the scope of financing under TERAJU Smart Farming Program?	<ul style="list-style-type: none"> • To finance capital expenditure (CAPEX) and operational expenditure (OPEX) of activities along the agro-food value chain • Projects undertaken with the use of technology that increase the production yield with higher quality in comparison with conventional methods.
6	What is the tenure of financing facility under this Program?	The maximum tenure is 120 months including 36 months of grace period, if granted.


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7	What is the financing limit that can be applied for?	RM50,000 (Minimum) until RM1,000,000 (Maximum) per application.
8	What is the Profit Rate charged to the Customer?	<ul style="list-style-type: none"> • Term Financing-<i>i</i>: BFR + 0% • Working Capital-<i>i</i>: Subject to profit rate of the product.
9	What types of financing products are offered under this Program?	<p>Term Financing-<i>i</i> To provide financing for capital expenditure but not limited to purchase of technological equipment and procurement of materials for the industries within the scope of this program.</p> <p>Working Capital-<i>i</i> To provide financing for operating expenses but not limited to costs for the purchase of seeds, fertilizers, maintenance, and system utilities, employee salaries, overhead costs and others related to farm operations.</p>
10	What is the margin of financing?	<ul style="list-style-type: none"> • 90% of the project cost. • 5% for the related costs (i.e. takaful, stamp duty, etc) <p>It is subject to credit evaluation and type of facility offered. The margin of financing will be based on scale of operation area, type of crops and projected value of production yield as stated in project proposal.</p>
11	How will the disbursement be made?	<p>Capital Expenditure (CAPEX)</p> <ul style="list-style-type: none"> • Disbursement will be made to suppliers upon presentation of the documentary evidence acceptable to Agrobank. • Progressive disbursement based on percentage completion. • Reimbursement of the facility is allowed subject to documentary evidence and/ or proof of payment such as invoice, delivery, receipt, bank statement etc which is acceptable to Agrobank, and not more than 6 months from submission date. <p>Operational Expenditure (OPEX)</p> <ul style="list-style-type: none"> • Disbursement will be made directly to the customer and where relevant, disbursement will be made to the suppliers upon presentation of the documentary evidence acceptable to Agrobank. • Arrears are regularized/ paid-off at point of disbursement of the financing. Arrears that are regularized/ paid-off must be supported with evidence/ receipt of payment.



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12	What documents are required for the purpose of the application?	<p>For Sendirian Berhad</p> <ul style="list-style-type: none"> • Audited accounts not exceeding twenty-one (21) months from application date; and • Management accounts not exceeding nine (9) months from application date; or • Summary of latest 6 months bank statements from financing application date two (2) months from financing application date is acceptable. <p>For Sole Proprietor / Partnership</p> <ul style="list-style-type: none"> • Summary of latest six (6) months bank statements (with all banks) from the financing application date two (2) months from financing application date is acceptable; and • Management accounts not exceeding nine (9) months from application date; or • Tax submission (Form B/Form J)
13	How should the payment of this financing facility be done?	<p>Monthly instalments through any of the following channels;</p> <ul style="list-style-type: none"> • Standing Instruction (SI); • Cash Deposit Machine (CDM); • Online transfer (Automated Teller Machine (ATM) or via internet banking; • Over-the-counter of Agrobank branch.
14	Where can I get more information and application forms?	<ul style="list-style-type: none"> • Agrobank Call Center at 1-300-88-2476; • Visit Agrobank's official website www.agrobank.com.my ; • Visit the nearest Agrobank branch; • Visit Agrobank's official social media i.e. Facebook, Instagram, Twitter.