

MALAYSIA KITCHEN FINANCING FACILITY (MKFF) - FREQUENTLY ASKED QUESTIONS

- 1. Beside financing package, does EXIM Bank provide advisory services for the application of MKFF?**
Yes, EXIM Bank will provide advisory services in terms of guidelines on working capital and statement of cash flows.
- 2. Is there any application form to be submitted and what are the documents/information?**
Please click on to www.exim.com.my. Please download the MKFF Application Form from the website.
- 3. I intend to open a restaurant in Malaysia, am I eligible?**
No, you are not eligible as the MKFF is meant for Malaysian entrepreneurs to open a new restaurant overseas or expanding existing Malaysian restaurant in overseas.
- 4. How do we qualify for Malaysia Kitchen Financing Facility (MKFF)?**
The fundamental criteria for applying for MKFF is that:
(1) Borrower must be in the form of a Malaysian owned and/or controlled companies with minimum shareholding of 70% of total registered capital, incorporated in Malaysia under the Malaysian Companies Act 1965.
(2) Borrower should come with experience either having at least one (1) year relevant working experience in an overseas restaurant OR three (3) years in Malaysia.
- 5. Is there a requirements for security?**
Yes, as general rule, we would require a certain percentage of the loan amount in the form of Fixed Deposits (FDs).
- 6. How does EXIM Bank finance under the MKFF?**
First, we will part-finance the renovation cost of the restaurant, purchase of equipment, utensils and/or appliances required for the purpose of operating the restaurant.
Second, we also cover the Working Capital for up to three (3) months for the operation of the restaurant.
* Note: We do not finance buying or purchasing of building/premise for opening the restaurant*
- 7. What does it mean by Working Capital?**
Working Capital (*or Operating Capital*) is defined as day-by-day operating expenses i.e in purchasing of raw materials, paying of salary/wages, rental, utilities, statutory & fees, etc.
Please note that under MKFF, EXIM Bank will not cover the travelling expenses, legal fees, consultancy fees, etc.
- 8. How do you disburse the working capital?**
The Working Capital will be disburse every month.
For example: If the Borrower need to pay the salary to employees, consumables and rental for that particular month. They will need to state the amount of the salary, consumables and monthly rental for that particular month. We will disburse the money upon receiving the documents from your side.
- 9. Does EXIM covers the buying/purchasing of Raw Materials?**
Yes, we do cover the buying/purchasing of the raw materials in our Working Capital. (Please refer Question 4).
- 10. What is the maximum loan given? Minimum loan?**
There is NO minimum or maximum loan. However, as general guidelines the maximum loan would be 90% of the project cost.
- 11. Is there possibilities that EXIM Bank will extend the tenure or lower the interest rate?**
No, it is not possible. Reason being the pricing & tenure is dictated by the Malaysian Government Ministry.
- 12. Is there any Processing Fees involved?**
Yes, EXIM Bank will charge processing fees of RM2,000 or 0.1% of financing amount, whichever is higher.
- 13. How do we determine the Malaysian menu? Is there any criterias restricted in this matter?**
We would want to see a minimum of 70% of Malaysian dishes being serve in the restaurant.
- 14. What about Halal or Non-Halal issue?**
We do not restrict to either halal or non-halal restaurant. However, we encourage the restaurant not to serve "pork" food.
- 15. Does EXIM Bank wants to see the décor of the restaurant to resemble the Malaysian elements?**
Yes, it is a must.
- 16. How do we determine the level of acceptability of the Malaysian décor?**

We would want to see at least a minimum of 30% of the décor material to reflect our Malaysian arts, culture and heritage.

- 17. I understand that we also can display our arts and crafts (like batiks, pewters, etc.) in the restaurant? But, how do we determine the allocation of space for displaying such materials/merchandise?**
For this purpose, the floor area or space for displaying items must constitute not more than 10% to 15% of the floor area/space of the restaurant.
- 18. Do we need to present the décor concept in our business plan/proposal?**
Yes, we need the potential client to provide us with the décor concept in the business plan.
- 19. Do I need to use the local or Malaysian contractors for the renovation of the restaurant?**
It is not a necessity, however it is encourage where possible especially on construction materials.
- 20. Where to source for cooking ingredients?**
We will refer your case to the Ministry of Entrepreneur & Co-operative Development (MECD), where they will help you to source for suppliers from their database.
- 21. Upon expiry of the loan, do we still need to continue with the concept of MalaysiaKitchen?**
It is not a requirement, however, you are encourage in the spirit of MKFF.
- 22. Do I need to put up any logo/signage on MalaysiaKitchen at the restaurant?**
Yes, you need to put the logo/signage of MalaysiaKitchen on the restaurant signage besides the official restaurant name.
- 23. What are the requirements in the Business Plan?**
We requires any but not limited to the following information:
1. Business Concept of the restaurant
2. Target Market
3. Type of foods, pricing, etc.
4. Décor Concept
5. SWOT analysis
6. Host Country Profile (i.e GDP, GDP per capita, Population, Economic Growth, Inflation and Unemployment Statistics)
- 24. How long does it take to process an application?**
Upon receiving complete documentations from the potential clients, EXIM will issue Terms of Reference (TOR) Letter within 14 working days. Upon acceptance of the Terms of Reference (TOR) Letter & Earnest Deposit Money (EDM), full evaluation report will be done. EXIM will then approve/disapprove within the 21 working days from the date received of Earnest Deposit Money (EDM).
- 25. Do we need to consult any other government agencies before the submission of the application form?**
No. Please deal directly with us.
- 26. What do you mean by Malaysian owned/controlled companies?**
It means that the Borrower need to set up a Malaysian owned and/or controlled with minimum shareholding of 70% of total registered capital, incorporated under Malaysian Companies Act 1965. Upon setting up, the company will become the borrowing entity.
- 27. Can we "buy" any existing business?**
"Buying the business" can takes in two (2) scenario:
Scenario 1: When the Borrower wants to "buy" a company via purchasing shares/ownership of the company.
Scenario 2: When the Borrower wants to "buy" as in choosing the premise, buying the equipment, etc.
For such case, EXIM Bank will only provides loan under Scenario 2.
- 28. I have an idea to franchise my restaurant concept which is a new idea? Would EXIM finance the franchise?**
No, we do not finance newly set-up franchise. We would suggest you to approach another agency which is PNS Francais Sdn Bhd (subsidiary of Perbadanan Nasional Berhad) because they are focusing on those franchise basis restaurant.
- 29. For your information, I am currently residing in overseas and operating a business (not in the restaurant business) and I am interested to open a restaurant overseas. How do I qualify for the financing? How do I go about in setting the company, etc.?**
Yes, you can apply for the financing but you need to team up with experienced people with knowledge in managing the restaurant business or a certified chef. The next is to set up a company in Malaysia & the other company in the host country (subsidiary).
- 30. When do we set-up the 1st company? 2nd company in the host country?**
It is a must to set up the first company in Malaysia. Meaning, upon submission of the proposal, the 1st company which is registered in Malaysia should be set-up. Upon issuance of Letter of Terms of Reference, then only the second company which is located overseas is to be set-up.