



GUIDELINES

GOVERNMENT-OWNED LAND APPLICATION PROPOSAL

STATE OF PAHANG DARUL MAKMUR

Prepared by:

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PREPARATION

PROPOSAL FOR INVESTMENT PROJECTS INVOLVING GOVERNMENT LAND

1.

INTRODUCTION

- 1.1 The Pahang State Government has implemented the Investment on Government Land Program to assist the private sector in carrying out investment projects on State Government lands. According to the approved procedure, all applications for Government land projects by the private sector must obtain prior project basis approval from the State Authorities. The application approval must be made through the State Technical Investment Committee, managed by the State Economic Planning Department (BPEN), which acts as a "One Stop Agency". All applications for project basis approval from the State Government must be made by completing the application form - to be obtained from BPEN. Completed application forms should be submitted to BPEN together with the project proposal. This Proposal Guideline serves as the guide for the preparation of proposals.

2.

PROPOSAL INFORMATION

A. Details of the Project

2.1 Itemized details of the proposed project:-

- Project Objective
- Project Concept
- Project Components; and
- Area Land Measurement According to Components
- Land Study Report from the Agriculture Department if the project involves agriculture.

2.2 Financial Viability of the Project:-

- Financial Projection for the Whole Project Duration;
- Project Cost
- Revenue According to Components
- Source of Funding
- Debt/Equity coverage
- Return on Capital; and
- Project Financial Analysis
 - Repayment Period
 - Current Net Value
 - Internal Rate of Return
 - Sensitivity Analysis

2.3 Market:-

- Target Market
- Current Market Position
- Future Market Potential
- Marketing Strategy
- Marketing Mix
- Volume Traded
- Expected Competition

Note:

Please include the assumptions and market research conducted to support the data submitted.

B. Details of Applicant Company

2.4 Company background:-

- Date of Incorporation
- Status
- Authorized Capital
- Paid-Up Capital
- Shareholders
- Nature of Business; and
- Projects Undertaken

2.5 Management Expertise

- Interest of Shareholders
- Company Board of Directors
- Management
- Employees
- Organization Chart
- Experience and Expertise in Management, Manufacturing and Marketing

C. Details of Project Site

2.6 Physical Condition of Site:-

- Area
- Landscape and Environment; and
- Site Feasibility with Proposed Project

2.7 Project and Site Planning:-

- Environmental Conservation
- Earthworks; and
- Layout Plan

2.8 The Need for Infrastructure:-

- Roads
- Water Supply
- Electricity Supply; and
- Telecommunication

D. Proposed Costs and Benefits

a) State Government

Example:-

- Premium Revenue / Sale of Land;
- Lease
- Equity Holding
- Construction of Public Amenities Without Involving Government Expenditure

Example: Build-Operate-Transfer Scheme.

b) The User/Public

Example:-

- Development of Public Amenities
- Affordability
- Creation of Job Opportunities; and
- Social Positive and Negative Effects

c) Jobs

Example:-

- Lucrative Salaries; and
- Creation of Job Opportunities

d) Company

Example:-

- Returns to Shareholders; and
- Dividend Policy

e) Environment

Example:-

- Environmental Pollution; and
- Change to Earth Shape

E. Commitment Towards Project

2.9 One aspect which the State Government pays attention to in the implementation of land investment projects is the developer's ability to implement and complete the projects as promised. The State Government does not wish for a situation where a project is abandoned and the Government has to complete it. The proposal must state that the company is serious and will guarantee the completion the project as well as some provisions such as:-

- Penalty or Fine provisions if the project is incomplete or is not operational at the set date
- Penalty or Fine provisions for delay in completion of project
- The company holds a significant equity in implementation of the project; and
- Provisions to guarantee the quality and service level at all times.

2.10 Issues (if any) to guarantee the success/viability of the project, for example:-

- Incentives
- Basic Facilities
- Pioneer Status
- Promotion
- Special Concessions; and
- Management / Service Agreements

3.

CONCLUSION

- 3.1 Potential investors are responsible for their own out-of-pocket expenses in the application process and project implementation including fees for appointed consultants such as technical, legal and others which the State Government may consider to be required to ensure a thorough study.