

NFC: Loan deal doesn't bar property investments
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The agreement for the RM250 million government soft loan to the National Feedlot Corporation (NFC) does not prohibit the company from using the funds for investments unrelated to the cattle industry, said its CEO.

In a statement today, Wan Shahinur Izmir Salleh said that as such, the company cannot be faulted for making property purchases when the feedlot project was temporarily halted for a viability study.

"The loan agreement does not stipulate any expressed prohibitions on investments... Rather than just placing the monies in money market instruments, it was deemed more astute business to invest in property in the short term.

"Making investment in the property sector is putting the money where it is sound, as each investment has been calculated for its secure and definite returns," he said.

It is learnt that these investments refer to property bought under the company's name, including the two One Menerung Condominium units in Bangsar, Kuala Lumpur and a parcel of land in Putrajaya.

The three luxury condominium units in Singapore exposed by PKR were purchased under the names of executive director Mohd Salleh Ismail, who is cabinet minister Shahrizat Abdul Jalil's husband, and their children.

'We couldn't return the money'

According to Izmir, property investments are also good as "tenanted properties bring in rental income" which is a "bonus in fund management".

"The property market is sound and secure, more protected and less volatile than others," he said.

He added that NFC had initially decided to invest in properties in order to put the money in good use in the "breather" period while the viability study was conducted as the money could not be returned to the government.

"(NFC's) business operations are guided by a comprehensive loan agreement which categorically outlines the terms and conditions including the progressive draw-downs for (the feedlot project) and its deliverables.

"Amounts drawn-down from the special loan account are irrevocable which means it cannot be returned," he said.

He reiterated that the RM250 million, which was given at two percent interest, is a loan and not a grant and it is the company's responsibility to service the loan.

"The idea of (NFC's) loan money being equated to public funds by hardline critics is a political ploy intended to deceive the public," he said.