

M&A excuse another piece of NFC baloney
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YOURSAY 'Their (National Feedlot Corporation's) reasoning is getting from bad to worse. They really think Malaysians are stupid like their cows.'

NFC: 'Related documents' permit condo purchase

your sayAnonymous_3f4a: What utter nonsense it is to cite the powers of the company to invest in properties as the legitimate reason to misuse the government loan.

The company's memorandum and articles of association (M&A) only defines the powers of the company in general terms, but the company is specifically bound by the terms of the government loan in respect of the utilisation of the loan proceeds.

In any case, to purchase the properties in names other than the company's already breaches the directors' duties and constitutes criminal breach of trust (CBT).

Furthermore, disclaimers by other directors (representing the ministries of finance and agriculture) of any knowledge of the property purchases and the board's approvals, show there were serious irregularities as any company's purchases would require a circular board's resolution, containing the directors' signatures of the full board.

George_1de8: The M&A of any company allows one to do business as stipulated, however the investment by the company must strictly follow the loan granted for a specific purpose.

In this case, the money is for NFC's (National Feedlot Corporation's) cattle project, and should only be spent for this project as per the loan agreement.

In other words, if a bank lends me RM10,000 to purchase a car, only a car can be purchased; using that money to buy a bus is criminal breach of trust. The PM should know that. Everyone else does.

Myop101: There is only one word that describes NFC's argument - desperation. The standard M&A format allows for almost all business activities to be carried out in Malaysia. As for loan agreements, the lender clearly stipulated that the funds are only meant to be spent on selected activities.

In other words, the lender is effectively saying, "You can carry out any activities under the sun provided for under the M&A using your own funds, but you are only allowed to fund this national feedlot activities when you use my money."

Anyhow, the unanswered question remains: why isn't NFC servicing the principal sum when the grace period is effectively over?

2cts worth: The government has a preference share in the company - that sums it all. This not-funny-cow issue will not end in my lifetime; there will more attachments to the primary agreement to explain the unwarranted expenditures yet to be revealed.

Kairos: My simple understanding is that money lent to a company for a specific purpose is only meant for that purpose alone. The money is not earned money. It is loaned money. Loaned money is bound by the conditions of the loan agreement.

The point of reference is the loan agreement not the M&A. The M&A only covers any money that is earned by the company. They can do whatever they want with it.

For example, I loan you RM5 to buy food because you don't have enough money. You cannot take that money and buy toys instead. It constitutes a breach of trust.

Bystander: NFC's loan is specifically granted for a specific purpose and the company cannot assume the position like that of a fund manager to decided what to do with the money, be it property or shares speculation.

Their reasoning is getting from bad to worse. They really think Malaysians are stupid like their cows.

Black Mamba: I just love to read the twist of facts by the directors of NFC every now and then. Now they claim they had it all spelled out in the M&A to invest otherwise, but where is the government charge and lien on the property?

The NFC bosses can always dispose the property off without repatriating it to Malaysia as it's in their personal names.

The money is as good as gone where the rakyat are concern had it not been highlighted by the auditor-general, probed by PKR chief of strategy Rafizi Ramli and now clarified by DAP MP Tony Pua.

I guess the NFC directors are now doing damage control by reinstating and backdating the documents with the ample time they have had since the discovery of the alleged fraud.

The icing on this is that Najib has come out in their defence, ticking off the CCID (Commercial Crimes Investigation Department). They sure have Najib by the fingers.

Flying Eagle: Law students can differentiate between a company's M&A and a loan agreement. Using a company's money to purchase properties under individuals' names: isn't that abusing company funds?

Wslam: The statement by NFC, in spite of its nonsensical reasons, is meant for the mainstream media to manipulate, bluff and con the rural folks into believing they have legitimate use of the loan for the purchase of the condos.

1Best: NFC is trying to confuse the public, especially those from the rural areas as they do not have easy access to Internet news.

The attorney-general is trying to delay the charges. The PM and DPM are not taking any decisions for fear of more exposures from Shahrizat Abdul Jalil as she has claimed, "Which Umno leader has no problem?"

Every wise rakyat knows that GE13 would have been called already if not for the NFC issue. Umno fears a backlash.

Hello: This is the flimsiest excuse we have yet to hear from NFC. They still have not addressed the conditions of the loan agreement.

Which is more important and relevant - conditions of the loan agreement or the M&A of the company? The directors have shown their ignorance of their duties as directors and are not fit to be directors of any company.

Lim Chong Leong: The more they try to explain the more rubbish and lies come out. And by the way, condos are not landed properties.

Blind Freddo: A loan agreement is a loan agreement, full stop. Any related document is something produced after the event in an attempt to cover up a crime.

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