

'ONE-SIDED DEAL'

FELDA LODGES REPORT AGAINST NAJIB

Ex-PM duped Felda into investing in risky Indonesian plantation firm, says director-general

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FELDA has lodged a police report against former prime minister Datuk Seri Najib Razak for allegedly cheating it into investing in a “one-sided deal” two years ago.

Felda director-general Datuk Dr Othman Omar had, on Monday, lodged the report claiming Najib, who was then finance minister, had directed Felda to invest in Indonesia’s PT Eagle High Plantations Tbk (EHP).

A news portal reported that what Felda paid to acquire a 37 per cent stake in EHP was 344 per cent more than the actual value of US\$114 million (RM467 million).

The deal to acquire the stake in EHP, owned by Indonesian billionaire Tan Sri Peter Sondakh,

head of Rajawali Group and a friend of Najib, was done through a Felda special purpose vehicle, FIC Properties Sdn Bhd.

The report said Othman claimed Felda took a RM4.8 billion loan to finance the deal from GovCo Holdings Bhd, a subsidiary of the Finance Ministry, then headed by Najib.

“Following the purchase by Felda at RM2.3 billion, it suffered losses when the value as at last month was just RM555 million,” Othman was quoted as saying.

He alleged Najib had, in 2015, directed Felda, through FIC Properties, to invest in EHP, after approaching Felda’s FGV Bhd, as well as the Malaysian Palm Oil Board and Malaysian Rubber Board.

Othman claimed the deal, signed by then Felda chairman Tan Sri Mohd Isa Abdul Samad, was “one-sided” and “risky”, adding that EHP had debts of US\$547.4 million in 2014 and liabilities of US\$676.9 million in 2016.

The report also said EHP had no sustainable palm oil accreditation and could not get a

Roundtable on Sustainable Palm Oil certification even in the next 10 years.

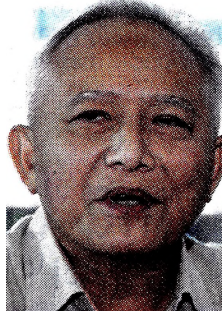
It also said the deal went against findings by auditors BDO Malaysia and KPMG Malaysia, due diligence undertaken by Indonesian law firm Hiswara Bunjamin Tandjung and a presentation by JP Morgan.

Following the report, Najib defended the investment, saying that Felda had in place an option to recover all of the monies with additional six per cent in annual premiums if it decided not to go ahead with the investment.

“The money that we used to pay for the investment was loaned through

bonds with an interest rate of 3.85 per cent. This means that if the firm is successful and the price of palm oil recovers, the investment will generate more income (for Felda).

“If otherwise, the government can still sell the stake since the premium that we imposed on them (EHP) is higher than the cost of our debts,” he said in a statement posted on his official Facebook account.



Datuk Dr Othman Omar