

Loan agreement shows NFCorp broke terms, says Pua
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KUALA LUMPUR, Feb 25 — DAP MP Tony Pua today revealed the loan agreement signed by the National Feedlot Corporation (NFCorp), which he claimed proved the company had violated conditions attached to the RM250 million facility.

The DAP publicity chief pointed out that Clause 3 of the agreement clearly states that the federal loan should be used to “part finance the project as described in the First Schedule of this agreement”.

The First Schedule states that use of the loan must be “consistent with the government of Malaysia’s policy of developing, promoting and nurturing the production of beef and beef products through the National Feedlot Centre as a centre for commercial and integrated cattle feedlot”.

“It cannot be more obvious. Use of the funds can only strictly be used to part finance the setting up of the centre and nothing else,” Pua (picture) told reporters at DAP headquarters here.

“So all the claims made by the executives and directors of NFCorp that they can use the money for anything is complete rubbish.”

He added that this point was reinforced by Clause 18.1(b), which states that as long as the loan is in existence, NFCorp must use the borrowed monies “for the purpose as stated in Clause 3 of this agreement”.

Pua also took to task the Agriculture and Agro-Based Industry Ministry for allowing NFCorp to draw down on the special loan account, noting that such requests have to be accompanied by a progress report from the company.

The progress report must be signed off by an authorised technical committee chaired by an official from the ministry, according to the agreement.

“They have to sign the progress report. So the fact that the drawdown has taken place despite the fact that NFC has failed to meet its targets... (shows that) the Ministry of Agriculture is equally culpable for the mess,” he said.

NFCorp must also provide monthly bank statements to the Finance Ministry on a quarterly basis with a statement setting out how the loan monies were used, Pua said, and questioned why the ministry allowed the loan to continue.

“Unless NFCorp submitted false reports. Then that would be definitely criminal. Now, we don’t know if they submitted false reports at this point in time.

“It is the Ministry of Finance that has to verify the contents of those reports,” he said, adding that the ministry official who briefed the Public Accounts Committee (PAC) on NFCorp stated that no mention of property purchases had been made in any report.

The Petaling Jaya Utara MP also asked why the ministry has not frozen the loan as Clause 4 of the agreement states that repayment shall begin three years after the first drawdown, which took place in January 2008.

"We are now in February 2012. Our understanding is that they have not made a single sen in repayment. We are way past the three-year grace period," he said.

"Why is it they have not paid? Why is it the Ministry of Finance has not taken action on the late payment? And why has the loan not been terminated or put into default status?"

The publicly-funded NFCorp hit national headlines following the Auditor-General's Report last year and has continued to hog the limelight after it was linked to federal minister Datuk Seri Shahrizat Jalil's family.

PKR has made several claims of abuse over NFCorp's federal loan involving over RM62 million spent on land, property and expenses unrelated to cattle-raising.

Shahrizat's son and NFCorp executive Wan Shahinur Izmir Salleh has insisted that the company had made better use of the money by investing in property during a break in business operations after Putrajaya's decision to suspend construction of an abattoir that would have been rented to the company.

Deputy Prime Minister Tan Sri Muhyiddin Yassin announced last month that Putrajaya would appoint an auditor to scrutinise NFCorp's books in light of accusations made against the company but dismissed calls for a royal commission of inquiry into the issue.

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