

# Opposition trying to mislead public, says NF Corp

THE National Feedlot Corporation (NF Corp) has accused Petaling Jaya MP Tony Pua of trying to mislead the public by providing the media with selective set of facts on the issue.

In a statement last night, the company said Pua, in his accusations, did not provide details and a true picture on the use of the government approved loan for the National Feedlot Centre (NFC) programme.

Earlier yesterday, Pua said NF Corp breached the terms of the loan agreement stressing the need for an immediate freeze.

NF Corp said the loan agreement had to be read concurrently with implementation agreement, the company's memorandum and articles of association (M&A) for a better understanding of the terms and

conditions for the loan.

"In law, the articles of association represent understanding between shareholders of the company on their relationship with each other and the powers of the company as a legal entity on how it would conduct business under the law and in accordance to the Companies Act 1965," the statement said.

It argued the company's M&A, Article 19 (K) entitled the company "to invest and deal with the money of the company not immediately required in such manner as may from time to time be thought fit."

Other segments of the article also allowed the company "to borrow or raise or secure the payment of money in such manner as the company may think fit and to secure the same or the repayment or performance

of any debt, liability, contract, guarantee or other engagement incurred or to be entered into by the company in any way and in particular by the issue of debentures perpetual or otherwise, charged upon all or any of the company's property (both present and future), including its uncalled capital; and to purchase, redeem, or pay off any such securities."

The matter, NF Corp claimed, is well known and accepted by the government.

The company said Pua failed to highlight clauses on the loan agreement signed on Dec 6, 2007, that states in the event the loan facility is utilised to fully pay for the purchase of landed properties, the borrower agrees as long as there is necessary charge or assignment over such landed properties in

favour of the lender.

Furthermore, during the course of the project implementation, the company said the government in April 2009 had put on hold the building of an Export Quality Abattoir that was to be completed and rented to the NF Corp to facilitate a feasibility study.

NF Corp stated due to this, the monies invested with the objective to ensure it was able to meet its loan repayments.

"Rather than just placing the monies in money market instruments, it was deemed more prudent to invest in properties in the short-term and the intention to invest in properties was to hedge the funds in order to protect its value.

"Clearly this was not a dissipation of funds," the statement read.

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**NATIONAL FEEDLOT CORPORATION**

It added that in the event the government resumes the programme, the company would dispose off its other short-term investments in properties with the funds and profits would be made readily available for its operations.

The company concluded the investment decision was well within its powers.