

'Loan has to be repaid'

SOUND: NFCorp CEO says no issue of public funds abuse in property investment

KUALA LUMPUR

THE National Feedlot Corporation (NFCorp) retained the prerogative to invest the loan monies it obtained from the government as the loan agreement did not stipulate any expressed prohibitions on short-term investments, its chief executive Wan Shahinur Izmir said yesterday.

The decision to invest in property was due to the temporary suspension by the government in the building of an export quality abattoir.

"This was to facilitate the feasibility study of the feedlot project. The study has since been completed by an independent consultant appointed by the government," he said in a statement.

He said the agreement signed on Dec 6, 2007 between NFCorp and the government which was represented by the Finance Ministry, saw the funds deposited into a special loan account for the pur-

pose of remittance and repayment of the loan facility.

"Loans have to be repaid at 2 per cent interest and served in full. The issue of the company managing its loan monies amounting to RM250 million is the company's responsibility to administer and utilise.

"And as a private company, it will make the best decisions in the interest of the company, whether for short or long term."

He said NFCorp's business operations were guided by a comprehensive loan agreement which categorically outlined the terms and conditions, including the progressive draw-downs and its deliverables.

"The interest rate for the funds transferred to the special loan account becomes operable, regardless of how much of the RM250 million has been specifically drawn down for the various stages of the project.

"No other party, to my knowledge, is being made responsible for repaying the loan as per the loan agreement that we signed, and in this respect, completely negates the issue of public funds abuse.

"It is not a grant or free money, but a repayable loan.

"Making the investments 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, adding tenanted properties bring in rental income that could be considered a plus-point in fund management.

He said the idea of NFCorp's loan monies being equated to public funds by critics was a political ploy intended to deceive the public.

He said: "The property market is secure, protected and less volatile than other markets.

He explained that with an export quality abattoir, the possibility of beef production numbers would be achieved.

"By 2015, the contract farmers under the Entrepreneur Development Programme and NFCorp will be able to reach its target of beef and cattle bred production.

"The figures we would be able to see are 246,000 head of cattle bred and 44,000 metric tonnes of beef.

NFCorp would eventually become a highly successful venture, he said.



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Wan Shahinur Izmir
NFCorp CEO

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