

'Infrastructure funds given to NFC'

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Chairman: Allocation has nothing to do with NFCorp

PETALING JAYA: The RM74mil allotted for infrastructure development of the National Feedlot Centre (NFC) in Gemas has nothing to do with NFCorp Sdn Bhd, company chairman Datuk Dr Mohamad Salleh Ismail said.

He said the money was channelled to the Agriculture and Agro-based Industry Ministry to prepare basic infrastructure for the centre aimed at boosting the halal beef industry.

"Once the centre is ready, NFCorp will move in as the first tenant. The concept is similar to preparing the infrastructure for a free industrial zone to promote the manufacturing sector," he said yesterday.

Dr Mohamad Salleh added that the company as well as the Auditor-General had issued earlier statements to clarify the confusion arising from allegations and misleading information levelled against NFCorp by the Opposition.

NFCorp was set up to be involved in the slaughter of cattle and not cattle breeding, he said.

He said Auditor-General Tan Sri Amrin Buang had, in a letter sent to NFCorp in January 2012, clarified

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— DATUK DR MOHAMAD SALLEH ISMAIL

that they had never described NFC as being "in a mess" in the 2010 Auditor-General's (A-G) Report.

Amrin said the words "in a mess" and "corruption" were brought up by outsiders.

Amrin also clarified that there were no statements in the A-G's report accusing NFCorp of not meeting targets.

He said the audit was done on

Government-owned NFC and not on NFCorp.

"Based on the implementation agreement between the Government and NFCorp on March 8, 2010, 30,600 heads of cattle were supposed to be slaughtered under the Entrepreneur Development Programme, and (another) 8,000 by NFCorp," said Amrin in the letter.

Amrin also noted that the Finance Ministry had on May 27, 2009, ordered the deferment of the proposed construction of an export quality abattoir pending a viability study.

Dr Mohamad Salleh said a feasibility study done by UPM Holding in 2011 said the project was viable. UPM Holding is a research and consultancy company owned by Universiti Putra Malaysia.

He also noted that the proposed size of NFC in Gemas was reduced from 2,000ha to 600ha.

"Our main concern is inability to proceed with the entrepreneur development project to train 310 contract farmers as the proposed abattoir with the capacity to slaughter 350 heads of cattle per day had yet to be built.

"As such, we could not generate enough revenue to service the government loan due to the absence of an export-quality abattoir," he said.

He also said Finance Minister Datuk Seri Najib Tun Razak had allotted an additional RM50mil to build the export quality abattoir after Pemandu chief executive officer Datuk Idris Jala agreed that it was a good project.

Dr Mohamad Salleh also clarified that the funds from NFCorp's bank accounts were transferred to the National Meat and Livestock Corporation (NMLC) with the knowledge of the authorities and with the approval of the board and shareholders, as plans were in the pipeline to turn NMLC into a holding company.

He said, however, following unwarranted attacks by the Opposition, the authorities froze his company's accounts under the Anti-Money Laundering Act 2001 for two years before releasing it to the Accountant-General's Department last year.

He also took a swipe at PKR secretary-general Rafizi Ramli for making

false claims that NFCorp was unable to settle a private loan taken from a bank.

"We never took any loan from the said bank. And we have taken legal action against Rafizi for publicly showing our companies' transaction details (an offence under Bafia)," he said, adding that the case was pending in court.

On Wednesday, Najib said in Parliament that the Government had terminated the contract with NFCorp after it failed to repay the 2014 instalment of the RM250mil soft loan given to it in 2008.

He said the loan repayment period was from 2012 to 2028, and as of Sept 30 this year, RM34.98mil had been received as the 2012 and 2013 instalments.

Najib however said this year's instalment had not been settled although the deadline was Jan 9.

"The Government issued a notice to remedy the breach to NFCorp on May 5, along with a grace period of 90 days.

"However, NFCorp failed to remedy the breach. As such, we issued an event of default notice on Sept 4 to terminate the contract, and we will take legal action," he said in a written reply to Khalid Abdul Samad (PAS-Shah Alam).