

## **KWAP not worried about SRC's ability to repay RM4b loan**

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**Kow Gah Chie**

Retirement Fund Inc (KWAP) is not concerned at all over SRC International's ability to repay the RM4 billion loans it gave to the 1MDB's former subsidiary, said KWAP chief executive officer Wan Kamaruzaman Wan Ahmad.

He said this was because the loan obtained from KWAP was guaranteed by the government.

"A government-guaranteed (loan) is the highest guarantee in the country, so we are not concerned about the (repayment)," he said at the sideline at Invest Malaysia 2016 event in Kuala Lumpur today.

"We have safeguarded KWAP's interest by getting a government guarantee (for the loan); we have taken the stakeholders' interest (into consideration) when we gave out the loan," he said.

As such, KWAP has no issue with SRC International, which is a subsidiary of Finance Ministry.

SRC had told KWAP that it was using the loan for energy-related investments globally when it first applied for the loan, said Wan Kamaruzaman.

But KWAP had not say on how the money was used later.

"It's like I give you a personal loan and you said you want to buy a car, but if you don't buy the car, we cannot have a say, because the loan is based on your credit, that's all," said Wan Kamaruzaman.

He noted that KWAP gave out two tranches of RM2 billion loan in 2011 and 2012 respectively.

SRC International need to repay the loan in 10 years, where it only services interest in the first five years and pays interest plus the principal sum the following five years.

Wan Kamaruzaman said the Finance Ministry subsidiary has been servicing the interest on time.

SRC International came into the spotlight after it took the RM4 billion loan and invested part of the money in the controversial Gobi Coal & Energy Ltd, a joint-venture project in Mongolia.

The opposition had wanted SRC International be **investigated** on the whereabouts of the RM3.81 billion out of the RM4 billion loan invested overseas.

In a recent parliamentary written reply, Prime Minister Najib Abdul Razak said that 1MDB was unable to reveal the details of KWAP's loan given to SRC International.

This is because, he said, 1MDB has yet to audit part of the relevant information to ensure its genuineness and accuracy.