

'INCONSISTENT EXPLANATIONS'

'NAJIB BENEFITED FROM SRC FUNDS'

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Ex-PM the main architect of US\$1.18 billion loss, court told

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DATUK Seri Najib Razak was the primary beneficiary in the large-scale fraud involving SRC International Sdn Bhd, the High Court heard yesterday.

Lawyer Datuk Lim Chee Wee said SRC International, formerly a 1Malaysia Development Bhd subsidiary, was exploited by the former prime minister for personal gain, straying from its public-interest mandate.

He said this in his submissions during the hearing of SRC International's suit against Najib and former chief executive Nik Faisal Ariff Kamil to seek US\$1.18 billion in damages.

Nik Faisal, who is wanted in connection with the RM42 million SRC probe, was last traced to Hong Kong in 2020.

"Although SRC International suffered massive losses amounting to US\$1.18 billion, the first defendant (Najib) received US\$120 million into his account and another RM42 million, which is the subject of a separate suit.

"He also acted as a shadow director of the company, controlling the board through shareholder resolutions relating to key macro decisions, which should have been made by the company's board.

"Najib signed shareholder resolutions to approve and secure a RM4 billion loan from the Retirement Fund Incorporated, or KWAP, and spent RM3.6 billion of that on unlawful purposes.

"This makes Najib the main architect behind the substantial loss of US\$1.18 billion," said Lim.

A shadow director is an individual who, though not formally appointed as a director, exerts significant influence over the company's board and its decisions.

Lim said Najib gave inconsistent explanations, offering five versions when questioned about the US\$120 million SRC International funds credited into his personal bank account.

He said Najib denied receiving money from the company's funds, instead claiming it was a donation and insisting the account was not managed by him personally but was for corporate social responsibility (CSR).

He submitted that Najib abused his public office by, among other things, securing two loans worth RM2 billion and two government guarantees without conducting due diligence or feasibility studies for a company the former prime minister himself described as "a new company with no track record".

He said the loans suffered repayment defaults that Najib attempted to conceal by approving several short-term loans to SRC to avoid default, without any inquiry into repayment capability.

On May 7, 2021, SRC International filed a civil suit against Na-



Former prime minister Datuk Seri Najib Razak at the Kuala Lumpur Courts Complex yesterday. SRC International Sdn Bhd's lawyer, Datuk Lim Chee Wee, said Najib acted as a shadow director of the company, controlling the board through shareholder resolutions. NSTP PIC BY SAIFULLIZAN TAMADI

jib and Nik Faisal seeking US\$1.18 billion in damages.

In the suit, former SRC director Datuk Suboh Md Yassin was named as a third-party respondent, along with other former directors, including Tan Sri Isme Osman Khairuddin, Datuk Shahrol Azral Ibrahim Halmi and Datuk Che Abdullah @ Rashidi Che Omar.

The company alleged both defendants conspired and committed breaches of trust and that Na-

jib abused his powers and gained personal rewards from its funds, in addition to misappropriating them.

The company is seeking a declaration that all defendants are liable to pay for the investment fund's losses arising from the use of the loans, as well as general, exemplary and aggravated damages, interest, costs, and any other relief the court deems fit.

The hearing before judge Datuk Ahmad Fairuz Zainol Abidin continues today.