

SRC loan of RM4 bln cannot be used for social, political activities - Witness

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KUALA LUMPUR, July 10 (Bernama) -- The High Court here was told today that the RM4 billion loan given to SRC International Sdn Bhd by Retirement Fund Incorporated (KWAP) could not be used for social, charity and political activities or personal benefit.

Former secretary-general of the Finance Ministry Tan Sri Dr Wan Abdul Aziz Wan Abdullah, 67, said this was stated in the two agreements signed between SRC and KWAP in 2011 and 2012.

“The loans given by KWAP cannot be used for purposes other than that stated in the application letter and the loan agreement.

“Any abuse of the loan is a breach of the terms and conditions of the agreement and can cause an event of default,” the former KWAP chairman said when reading out his witness statement on the 35th day of former prime minister Datuk Seri Najib Razak’ s trial involving SRC funds.

Wan Abdul Aziz, the 45th prosecution witness, said if the loans were abused or there was any breach of the terms and conditions of the agreement, KWAP could terminate the agreement and recall the outstanding loan with interest.

SRC had obtained loans totalling RM4 billion from KWAP, with the first loan of RM2 billion in August 2011 and the second loan of RM2 billion in March 2012.

Prior to this, witnesses had testified that Ihsan Perdana Sdn Bhd was established to handle corporate social responsibility (CSR) activities for SRC.

The court was also told that the first loan to SRC was for working capital and general investment, while the second loan was for investment in natural resources and as revolving capital.

Najib, 66, is facing three charges of criminal breach of trust, one charge of power abuse and three counts of money laundering involving SRC funds totalling RM42 million.

The hearing before Justice Mohd Nazlan Mohd Ghazali continues tomorrow.

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