

Bonuses paid to 1MDB bosses are confidential, says Najib
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By Eileen Ng

Incentives and bonuses paid to troubled 1Malaysia Development Berhad's (1MDB) top executives are confidential, said Datuk Seri Najib Razak in a written parliamentary reply.

"For your information, 1MDB is a company under Companies Act 1985 where any agreements entered by 1MDB is private and confidential, including contract of employment between the company and its employees," the finance minister told DAP's Kampar MP, Dr Ko Chung Sen.

Dr Ko, a first-term lawmaker, had asked about the annual incentives and bonuses paid to the state investment vehicle's chairman, board of directors and CEO since it was set up in 2009.

1MDB chairman is Tan Sri Lodin Wok Kamaruddin, while Arul Kanda Kandasamy is its president and group executive director.

The finance ministry-owned firm has chalked up RM42 billion debt in just six years of operations, and is currently under several probes over alleged financial improprieties.

The allegations have piled pressure on Najib and prompted opposition politicians, former and current Umno leaders including former prime minister Tun Dr Mahathir Mohamad, and anti-graft bodies, to demand a thorough investigation into the fund.

The auditor-general submitted a preliminary report of its findings into 1MDB's books to the Parliament's Public Accounts Committee (PAC) on July 10, with a full report due by the year end.

PAC was probing into the company's operations until its proceedings were frozen in late July, following the elevation of its chairman and three other members to be ministers and deputy ministers.

Rompin MP Datuk Hasan Arifin, who was appointed as the new PAC chairman yesterday, had pledged to restart the committee's inquiry soon.

The strategic fund has come under public scrutiny mainly because of the whopping RM42 billion debts it has racked up in the past five years.

Opposition MPs have also said the firm's explanations on alleged impropriety have not been satisfactory.

1MDB had not been able to generate enough earnings to service its debts, and is in the midst of a rationalisation exercise to generate cash flow. This has raised public concerns over some of its debt papers issued with the government's letter of support,

making Putrajaya responsible should the company default. – October 20, 2015.

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