

PM on why PNB must also invest overseas

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IT IS important for Permodalan Nasional Berhad (PNB) to invest both locally and abroad, said Prime Minister Datuk Seri Dr. Mahathir Mohamad.

This was because if there was a drop in revenue from local investments, the losses could be offset by the foreign investments, he told Lee Lam Thye (DAP - Bukit Bintang).

Dr Mahathir said this was what happened to a petroleum-producing country. When oil prices dropped, it was able to absorb its losses through the profits made from its overseas investments in developed countries.

He said although share prices in Malaysia had dropped drastically, there

was a boom in share prices in developed countries.

He said up to June 30, PNB's investment overseas involved three companies - Guthrie Corporation PLC (Guthrie), Harrisons & Crosfield PLC (H & C) and Amalgamated Metal Corporation Ltd (AMC) whose headquarters are in London.

Guthrie and H & C were listed on the London Stock Exchange while AMC was not listed, he added.

Dr Mahathir said PNB's investment in Guthrie through Guthrie Holdings Ltd (GHL) was 62.8 per cent involving 51,475,000 shares valued at an investment cost of \$129.2 million at \$2.50 per share.

The market price of

Guthrie was 230 pence or \$9.25 on June 20, he said.

Guthrie, he added, also announced a dividend of 3.2 pence for every share worth 25 pence for 1986.

Dr Mahathir said PNB's investment in H & C was 7.59 per cent involving 9,425,108 shares at an investment cost of \$174.3 million or \$18.49 per share.

He said the market price of H & C shares was 590 pence or \$23.60 on June 20.

H & C announced 22 pence dividend for every one pound worth of shares for 1986, he added.

Dr Mahathir said PNB's share in AMC was 3.64 per cent involving 654,750 shares.

No dividend has been announced for 1986, he added.