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Fund-KUB

RM60 BLN FUND ENOUGH TO BRING LIFE TO KLSE, SAYS KUB CHAIRMAN

KUALA LUMPUR, Sept 4 (Bernama) -- The RM60-billion fund to be raised and utilised to prop up the Kuala Lumpur Stock Exchange would be enough to bring life to the stock market, said KUB Malaysia Bhd's chairman and chief executive officer Datuk Hassan Harun.

"I think it will be enough to keep everybody afloat so they (investors) can weather the short term market situation (market fall)," he told newsmen during a break at the UMNO Youth and Wanita assemblies here today.

Hassan said the funds would help local investors face up to selling pressure caused by margin calls.

Prime Minister Datuk Seri Dr Mahathir Mohamad, who announced the setting up of the fund yesterday, said the money would be used to buy shares from locals at a premium while those shares sold by foreigners would be purchased at the current market value.

Hassan said the 45-points drop in the stock market yesterday did not reflect the failure of local institutional effort to support the local bourse.

The local funds have not made a strong presence as the RM60 billion has yet to be spent, said Hassan.

KUB is the former UMNO cooperative which is now listed on the KLSE.

"We cannot make a judgement in one day. The fund (RM60 billion) was not really in since it is being marshalled at the moment," he said.

Hassan also dismissed perception that the local market was plunging to "rock bottom".

"Our companies have their own value and none of our bluechip companies particularly, are suffering any losses," he said.

On KUB shares, Hassan said he was proud that its members, who had bought the shares at RM1 a piece, were still benefiting from a premium.

"The (bearish) market does not affect KUB and we are very lucky despite our present premium not being that high," he said.

For its recent flotation, KUB was supposed to have allocated 1.5 shares for one share held by its members, but the initial offering had only distributed shares on a one-to-one basis.

"The balance half a share would be distributed as soon as the current market problem settles," he added.-- BERNAMA

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