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CLOB: An extension is probable

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PRIME Minister Datuk Seri Dr Mahathir Mohamad said the deadline for the release of the Central Limit Order Book (CLOB) shares formerly traded on Singapore's over-the-counter market can be extended if time was needed.

Nevertheless, any extension would be for the Ministry of Finance to decide.

"If there is not enough time (to resolve the impasse), we may have to extend the deadline," he said.

The Kuala Lumpur Stock Exchange (KLSE) had authorised the Singapore Central Depository Pte Ltd (CDP) to act as nominee for the shares but its status will expire tomorrow following which the shares will be transferred to the Finance Ministry.

The CLOB securities have been frozen since September last year as part of the selective capital controls introduced by Malaysia.

To date, five proposals to buy the frozen shares have been put forward.

Dr Mahathir said since the shareholders could not come to an agreement on the proposals, it would necessitate Malaysia taking over the shares.

He said the shareholders should accept the offers because the share prices had gone up compared to the time when CLOB trading was halted.

"As far as I can see, they have made a 200 per cent profit compared to the value of the shares when controls were first imposed.

"Because of the restrictions, the value has gone up, so they should be happy to accept any reasonable offer. But apparently they want to get maximum benefit after being responsible for practically destroying our market," he told reporters after opening an international conference on religious studies at the Palace of the Golden Horses hotel in Kuala Lumpur yesterday.

Asked to comment on the KLSE, Dr Mahathir said the market was expected to perform better next year as the economy continued to progress.

"I think the market will do better next year because there is generally a sense of well-being (among the people). Also, business is good in Malaysia and all these companies are doing well."

To a question on whether the KLSE Composite Index could reach 1,000 points, Dr Mahathir said this could happen in the next couple of years or even next year, but everything would depend on the market and investors.

On Wednesday, the CI breached the 800 level to close at 804.74 points, the first time since Aug 13.

In a light-hearted manner, Dr Mahathir said: "I don't play stock market. I don't understand these people on why they buy and sell (shares). But if I were to buy shares, it has to be companies making profit because I want the dividends but these people are not interested in dividends.

"They are interested in capital gains, so they play the stock market as if it is a casino."

Dr Mahathir also painted a rosy picture of next year's economy.

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