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SINGAPORE-CLOB

SIAS WELCOMES MAHATHIR'S REMARKS ON CLOB NOMINEE STATUS

SINGAPORE, Dec 30 (Bernama) -- The Securities Investors Association (Singapore) welcomes remarks by Malaysian Prime Minister Datuk Seri Dr Mahathir Mohamad that the nominee status of Singapore's Central Depository Pte Ltd (CDP) may be extended over frozen Malaysian shares once traded over the republic's Central Limit Order Book (Clob) exchange.

"We are delighted to hear that. It is the only right thing to do especially in dealing with foreign investors," said Sias president David Gerald when contacted.

Gerald said Sias was also prepared to fine-tune its proposal for the staggered release of the shares, said to be worth RM17 billion held in some 170,000 accounts.

"What investors want is to address the concerns of Malaysia and to be allowed to trade and invest in Malaysia. We would therefore call on the Malaysian Prime Minister and government to look at our proposal which is a reasonable and workable solution," he said.

Dr Mahathir said today the nominee status of CDP may be extended subject to Malaysia's Finance Ministry. The nominee status expires tomorrow.

The Clob shares were frozen after Malaysia imposed selective capital controls in September 1998.

Malaysia has never recognised Clob and said short-selling of Malaysian shares on the over-the-counter exchange was partly responsible for bringing down the Kuala Lumpur bourse during the height of the 1997-98 financial crisis.

Since then, there have been six private sector offers to resolve and unlock the frozen shares so that they could be released for trading on the KLSE.

However, Singapore investors have rejected all the proposals.

Said Gerald: "We are prepared to talk and fine tune our proposal to the satisfaction of Malaysia but to expect private companies to carry out what has been provided further in the Scans agreement which was readily agreed to between Singapore and Malaysia is not acceptable to investors."

The shares were transferred by CDP to Scans (Securities Clearing Automated Network Services Sdn Bhd) in Malaysia when their trading was stopped. -- BERNAMA

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