

27 JAN 2000

LEAD DAIM-CLOB

CONSIDER EXISTING OFFERS TO RESOLVE CLOB ISSUE, DAIM TELLS INVESTORS

KUALA LUMPUR, Jan 27 (Bernama) -- Finance Minister Tun Daim Zainuddin has told Central Limit Order Book (CLOB) International shareholders to just concentrate on and consider existing offers to resolve the frozen CLOB shares issue.

"Don't waste time if you are serious about wanting to resolve it," he said at a press conference after opening the Southeast Asian Central Bank Governors Conference here today.

"Should there be more proposals coming in, when will it be settled?" he said.

Several proposals had been put forward to try and end the 17-month dispute over the CLOB shares. They included proposals from United Engineers (Malaysia) Bhd, Bintang Melewar Sdn Bhd and Effective Capital Sdn Bhd.

The CLOB shares, now valued at around RM17 billion, were issued by more than 100 Malaysian companies listed on the Kuala Lumpur Stock Exchange (KLSE) but purchased by investors in Singapore via the over-the-counter market of CLOB.

As to whether the planned meeting between Prime Minister Datuk Seri Dr Mahathir Mohamad and his Singapore counterpart Goh Chok Tong after the Chinese New Year would mean that the CLOB issue would be settled through a government-to-government initiative, Daim said: "No."

"Both governments, especially Malaysia, want the matter to be resolved as quickly as possible. This is a problem between the KLSE and SES (Stock Exchange of Singapore)."

He said both exchanges should meet and try to settle the matter as soon as possible.

However, he said KLSE and SES had not met to discuss the CLOB shares impasse.

Daim stressed that the government's stand had been that it would never bail out the private sector and the CLOB issue was a private sector problem.

"The government would step in only if the private sector wants the government to be involved, but they have not sat down to discuss the issue," he said.

Daim was also asked whether he had replied to a letter sent to him by Singapore's Finance Minister Richard Hu regarding the agreement between Singapore's Central Depository Pte Ltd (CDP) and Malaysia's Securities Clearing Automated Network Services (SCAN).

Daim said he had replied some time this month but declined to reveal details.

It was reported that Hu in his letter had requested Daim to ask the KLSE to fulfil its legal obligations under the CDP-SCAN agreement.

Late last month, the KLSE announced the final extension of the authorised nominee status of CDP for holding the frozen CLOB shares to June 30, 2000.

CDP, which represents 172,000 CLOB investors in Singapore, was first accorded the status on Dec 1, 1998 to expire on Jan 1, 1999. In the interest of facilitating a resolution, this period was then extended to Dec 31, 1999. -- BERNAMA

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