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Focus on existing proposals, CLOB investors told

FINANCE Minister Tun Daim Zainuddin says holders of stocks in Malaysian companies once traded on the Central Limit Order Book exchange should concentrate on the existing proposals rather than consider the new ones so that the issue could be resolved quickly.

"Forget about new proposals and don't waste time. Just consider what is on the table, if you're serious about one," he said.

On whether the planned meeting between Prime Minister Datuk Seri Dr Mahathir Mohamad and his Singapore counterpart Datuk Goh Chok Tong after the Chinese New Year would solve the issue, Daim said it would not.

"It is not a Government-to-Government issue but between the Kuala Lumpur Stock Exchange (KLSE) and Stock Exchange of Singapore (SES)".

Daim said the CLOB issue should be settled quickly by the KLSE and the SES.

"The KLSE and the SES should meet first in order to resolve this matter. The Government's stance is that it would never bail out the private sector and this issue is a private sector problem ... we would only step in if the private sector wants the Government to be involved," he added.

He was speaking to reporters after opening the 35th Conference of Governors of South-East Asian Central Banks in Kuala Lumpur yesterday.

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

The CLOB shares are now valued at about RM17 billion in more than 100 Malaysian companies listed on the KLSE but purchased by investors in Singapore via the over-the-counter market of CLOB.

Asked if 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), he said: "I replied some time this month", but declined to elaborate.

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 Dec 31, 2000. CDP represents 172,000 CLOB investors in Singapore and was first accorded the status on Dec 1, 1998 to expire on Jan 1, 1999. The expiry had previously been extended to June 31, last year.

* Please see Page 22.

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