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No feedback on boosting prices

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JOHOR BARU, Sun. - The Johor Government is still awaiting feedback from the Federal Government on its proposal to boost the unit price of the Amanah Saham Johor and Dana Johor.

Menteri Besar Datuk Abdul Ghani Othman said he had submitted a proposal to Prime Minister Datuk Seri Dr Mahathir Mohamad five months ago detailing four possible ways in which the Federal Government could assist in boosting the value of the funds.

Addressing a crowd at the Johor Umno Convention here today, Ghani explained that the State hoped to receive a favourable reply in the next few months.

The poor performance of the two unit trust funds, under Johor Corporation (JCorp), was one of the prime topics debated at the two-day convention at the Eden Garden Hotel here attended by 400 delegates from 20 divisions.

Many expressed their disappointment over the poor returns of the funds and demanded quick remedial action from the State and JCorp in particular.

JCorp, through subsidiary Pelaburan Johor Bhd, is the manager of the unit trust schemes.

Ghani said: "ASJ and Dana Johor are not the only funds affected as all 13 State-based unit trust funds have been adversely hit by the slow performance of the stock market and the effects of the 1997 financial crisis."

Ghani explained that JCorp's listed subsidiaries themselves did not possess the financial resources to assist.

The four options proposed are:

* a direct financial aid in the form of a RM1.4 billion allocation from the Federal Government, which would be able to boost ASJ's price to RM1; or

* a guarantee by the Federal Government that fund holders who want to sell their units will receive a return of RM1; or

* the Federal Government transfer its own assets as well as inject cash into the funds; or

* the Federal Government to grant a soft loan of between RM500 and RM700 million to restructure the portfolio of the funds.

ASJ's price yesterday was 17 sen, while Dana Johor was traded at 15 sen.