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PM: Financial audit normal

KUALA LUMPUR, Tues. - The financial audit of Effective Capital Sdn Bhd, which is controlled by Singaporean businessman Akhbar Khan, is a normal procedure, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

He said it was not an investigation as such because the Government merely wanted to know the situation after the completion of the transfer process of the frozen stocks traded on Singapore's Central Limit Order Book.

"It is a normal thing when the Government has an interest in a matter. For example, with Clob. As it is now finished and the transfer has been done, we want to know what has happened.

"It is not an investigation as such," he told reporters after launching Amanah Saham Nasional 3 Imbang.

He was asked to comment on an Asian Wall Street Journal report last Friday that the Government was looking into the business affairs of Akhbar Khan, reportedly a close associate of former Finance Minister Tun Daim Zainuddin.

The report said Dr Mahathir had ordered a financial audit of Effective Capital which had won a concession to manage the transfer of the shares to the Kuala Lumpur Stock Exchange.

Trading of the over-the-counter shares were stopped when Malaysia imposed selective capital controls in September 1998.

The Clob investors were able to recover their shares over 13 months, after paying the company a fee of 1.5 per cent of the shares' value as at Feb 15, 2000.

According to the report, Effective Capital had grossed almost RM300 million from the arrangement.

It said that the company's chief executive Datuk Mohamed Moiz, nephew of Akhbar Khan, had met government investigators involved in the Clob probe last month.

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