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GHANI-SHARES

JOHOR CONFIDENT FEDERAL GOVT'S PLAN TO REVIVE SHARES WILL BE A SUCCESS

JOHOR BAHRU, Jan 6 (Bernama) -- The Johor state government is confident that the value of shares in Amanah Saham Johor (ASJ) and Dana Johor (DJ) will recover in a few months via the Federal government's plan to help the state-run unit trusts, which had been badly affected by the 1997/98 regional financial crisis.

Menteri Besar Datuk Abdul Ghani Othman said here today that when the process to revive the unit trusts is completed, the value of ASJ and DJ would be back to the RM1.00 level per share or at least much better than the current 19 sen for ASJ and 14 sen for DJ.

"As soon as the plan is completed, investors will be given an option to dispose of a portion of their shares in stages at a much better price compared to the current price," he told reporters after attending a programme "Bersama Yang Berhormat" at the Johor Radio Television Malaysia here.

He said this when asked to comment on a report that the government would set up a special purpose vehicle to help the state-run unit trusts which required at least an injection of RM2 billion.

Commenting on the same issue, Prime Minister Datuk Seri Dr Mahathir Mohamad, said in Kuala Lumpur that the government is studying ways to minimise losses incurred by the state-run unit trusts.

The government would not resort to any bailout measures as it involved large amounts of funds but would "arrange for something" to help ease the burden of the state governments involved, he said.

Abdul Ghani, however, stressed that investors are not allowed to dispose of their entire unit trusts at one go, but could do so in stages for example 10 percent in the first year, followed by 30 percent and so on.

He said that with this concept, investors would not only obtain capital from the sales of their investments but the value of ASJ and DJ in the market would also be enhanced.

He said that investors who did not want to dispose of their unit trusts would be able to benefit from dividends from investments which would be much better from the previous ones.

ASJ was launched in May 1992 with an offer price of RM1 per share while DJ was launched in February 1995 at RM1 per share.

When asked how much capital was needed to revive ASJ and DJ, he said that it would involve millions of ringgit.

"Investors need to understand that the state-run unit trusts are subjected to the performance of the Kuala Lumpur Stock Exchange (KLSE) Composite Index. In terms of fundamentals, the unit trusts are strong, but the current fall has affected the confidence of certain parties," he said.

-- BERNAMA

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