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LION STILL KEEN ON PERWAJA

KUALA LUMPUR, Dec 18 (Bernama) -- Lion Group is still keen to participate in the privatisation of Perwaja Steel Sdn Bhd, its chairman and managing director Tan Sri William Cheng said.

"We are happy with the 30 percent stake in Perwaja offered by the government up to now. But to take it up, the terms and conditions must first be acceptable to us."

The government, in announcing the proposed rescue of Perwaja, had offered Maju Holdings a 51 percent stake in the steelmaker and the Lion Group 30 percent. The government is to hold a 19 percent share

After the government had made the offer to Lion Group, the latter was cool towards the rescue proposal but now it appears that Lion Group is keen on the privatisation exercise.

As such, Cheng confirmed that Lion Group was not involved in Perwaja's interim management during the rescue period between July and December this year.

The interim manager of Perwaja, Equal Concept Sdn Bhd, had submitted the rescue plan to the government on which a decision has yet to be made.

Maju Holdings holds 51 percent of Equal Concept.

Deputy Prime Minister Datuk Seri Anwar Ibrahim was quoted recently as saying that Lion Group was not keen on the proposed rescue plan due to its unpreparedness to participate in the plan and that it was not too happy with the stake.

Speaking to reporters after Lion Corporation Bhd's annual general meeting and extraordinary general meeting here, Cheng said the portion of stake was not a major concern, but the company was facing constraints to commit itself in providing funds to rescue the ailing Perwaja.

"We ourselves are having quite huge expansion plans since the last five to six months to strengthen our steel division," he said.

Cheng said due to this, the company's shareholders expected to face difficulties to source additional funds for Perwaja, adding that as far "as I know the cost for Perwaja's rescue cum privatisation package is high."

Prime Minister Datuk Seri Dr Mahathir Mohamad had said recently that Equal Concept Sdn Bhd needed to invest more than RM1 billion to revive the steel making firm which was saddled with accumulated loss of RM2.9 billion.

However, Cheng said the Lion Group had helped Perwaja to train some 160 Perwaja's staff at its major steel plant in Labuan and Bukit Raja, Kelang since early this year.

"The training, aimed at improving the productivity and efficiency of Perwaja's staff, was free of charge," he added.

At the EGM, he said Lion Corporations's shareholders had given the green light to its proposed subscription for an additional 180,000,001 new ordinary shares in Megasteel Sdn Bhd. -- BERNAMA

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