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LION STILL MUM ON PERWAJA PRIVATISATION

KUALA LUMPUR, May 15 (Bernama) -- Although Perwaja Steel Sdn Bhd officials have indicated that the privatisation agreement of the company would be signed soon, Lion Group has yet to indicate that it would take up a 30 percent stake in the steelmaker.

Enquiries from the company have drawn a blank. Lion Group has yet to issue any statement to the Kuala Lumpur Stock Exchange on the matter.

Prime Minister Datuk Seri Dr Mahathir Mohamad was quoted on Monday that he hoped that Lion Group would take up the offer.

Stockmarket analysts said Lion Group has been invited to join in because of its vast expertise in steelmaking.

"This is not to say that Maju Holdings Sdn Bhd is incapable but it is always good to share the risks," one of them said, adding that Maju had admirably managed to reduce the steelmaker's losses since it took over from the middle of last year.

Given the long gestation involved in steelmaking projects, the analyst said it was better to have Lion, which has a proven track record in the steel industry, as a partner.

As an inducement, the government has offered to shoulder Perwaja's debts at around RM2.9 billion.

But another analyst said that Lion's hesitancy may be due to the fact that it has to answer its shareholders.

Conversely, another analyst argued that Maju Holdings too has to answer various parties now that it has taken up strategic stakes in three public listed companies in preparation for the privatisation exercise.

He said Lion could perhaps view its involvement in Perwaja as a "national duty" due to the strategic nature of the steel business and it (Lion) could be rewarded for its "responsibility" through other means like approval for other projects. -- BERNAMA

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