

22 JAN 1997

LION: WE'RE STILL INTERESTED IN PERWAJA STEEL

KUALA LUMPUR, Jan 22 (Bernama) -- Lion Group Bhd today said it is still interested to participate in the rescue and privatisation of Perwaja Steel Sdn Bhd but its involvement will be subject to terms and conditions to be offered by the government.

Lion's chairman and managing director, Tan Sri William Cheng, said the government has yet to officially state its final terms.

He stressed that Lion is still interested in a stake in Perwaja Steel which ranged "between 30 and 49 percent".

"We maintain that we are still interested but it will depend on the terms and conditions. We expect negotiations with the government to complete in one to two months," he told reporters after the signing of a US\$100 million guaranteed floating rate notes by Amsteel Capital Holdings Sdn Bhd here today. Amsteel Capital is part of the Lion Group.

Cheng also emphasised that Lion is more interested in knowing the terms and conditions of the rescue plan rather than the equity.

Asked on the sort of participation that Lion would have, Cheng said the company would first have to discuss with Maju Holdings Sdn Bhd which now has a 51 percent stake in Perwaja Steel.

Lion was offered a 30 percent stake in Perwaja Steel about seven months ago but it had not been able to make any commitment then. This was despite a meeting with the Economic Planning Unit of the Prime Minister's Department together with Perwaja Steel in June.

In October last year, it was announced that Lion was not keen on the rescue plan on Perwaja Steel which had incurred billions of ringgit in losses and debt.

On Jan 6 this year, Prime Minister Datuk Seri Dr Mahathir Mohamad said the government is still open to offers by companies interested in Perwaja Steel's rescue and privatisation other than Maju Steel.

When Dr Mahathir was asked whether he felt the various companies could work together in the rescue, he had said that how he felt did not matter but it was more important how the companies themselves felt.

The prime minister also announced that the government would absorb Perwaja Steel's debts and losses to enable the rescue party (Maju Holdings) to start on a clean slate.

Cheng said both Lion and Maju had not come up with the "right conclusions" but added that both sides "are sincere to work together".

Asked on why the group backed out earlier, he explained that the first phase of the rescue plan involved a shared management from July to December 1996 and that the Lion Group would have to pump in RM200 million as well.

He said Lion Group, being a public-listed company, did not participate because it was not sure of the terms and conditions for the privatisation and rescue.

He, however, now said that Lion is interested in the privatisation of Perwaja and would be willing to pump in money for the ailing company. --  
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