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SFI revamp to be finalised by end of month

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LION Group Bhd expects to complete the documentation of Sabah Forest Industries Sdn Bhd (SFI) restructuring exercise by the end of this month.

After Amsteel Corp Bhd's annual general meeting yesterday, Amsteel and Lion Group Chairman Tan Sri William Cheng told reporters that all approvals for the restructuring exercise have been obtained.

Cheng said the restructuring exercise is to regroup its activities while rationalising eight of its core businesses namely, steel related, automotive, pulp and paper, plantation, food and drinks, retail, property and construction, and finance.

The restructuring exercise will result in Posim Bhd, a member company of the Lion Group, holding 80 per cent of SFI and settling SFI's borrowings of RM820 million.

Posim is to acquire 746.53 million shares or 80 per cent of SFI from Avenel Sdn Bhd which is 55 per cent owned by Amsteel, 25 per cent by Lion Land Bhd and 20 per cent by Angkasa Marketing Bhd.

Meanwhile, he said Lion Group expects the condition and terms for the privatization of Perwaja Steel by the Government to be finalised by the end of this month.

Lion Group had been offered a 30 per cent stake in Perwaja, while Maju Holdings will hold 51 per cent, and the Government the remaining 19 per cent.

When the Lion Group declined, the stake offered to it was held by the Government.

Prime Minister Datuk Seri Dr Mahathir Mohamad said the federal and state government's stakes in Perwaja are open for disbursement to interested parties.

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