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LION-MEGASTEEL

LION CORP HAS NO PLANS TO SELL STAKE IN MEGASTEEL, SAYS TAN SRI CHENG

BANTING, Oct 23 (Bernama) -- Lion Corporation Bhd has no plans to divest parts of its majority stake in Megasteel Sdn Bhd after the completion of the Lion Group's debt restructuring, Lion Group chairman Tan Sri William Cheng said here today.

"We have no plans to divest," he said when asked whether the group is selling any stake in the steel mill operator to foreign parties.

Speaking to newsmen after the opening of Megasteel's RM2.5 billion hot strip mill by Prime Minister Datuk Seri Dr Mahathir Mohamad, Cheng said the group would control 90 percent equity in Megasteel after the restructuring exercise.

The rest would be owned by the government's investment arm, Khazanah Nasional Bhd.

(Earlier when asked a similar question, Dr Mahathir said the government has no objections on foreign investment in Megasteel provided it represents a minority share.)

To another question Cheng said the mill, which has a production capacity of 2.5 million tonnes of hot rolled coils per annum is expected to break even in the next three months.

Last July, the Lion group proposed a RM5.9 billion debt restructuring scheme to resolve part of its total debt of RM10 billion owed to some 109 financial institutions.

Cheng said a majority of the group's bankers supported the debt restructuring exercise.--BERNAMA

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