

Lion's creditors to vote on RM8.6b debt plan

Nst 2 1 AUG 2002

LION Corp creditors will vote next month on a plan to **reorganise** RM8.6 billion of debt, said Datuk **Azman** Yahya, chairman of the Corporate Debt Restructuring Committee (CDRC).

"We are confident the Lion debt scheme will be approved," he told reporters at a briefing on the closure of the government-run debt mediator which has helped **reorganise** **US\$11.6 (US\$1 = RM3.80)** billion of debt. Voting will run for three days from September 16.

Lion plans to sell assets and bonds, ask lenders to forgive 11 per cent of RM6.4 billion owed to banks, and resolve RM2.2 billion owed between companies within the group.

Lion founder William Cheng spent most of the 1990s piling up debt, extending the group into 391 companies from Malaysia to China involved in businesses ranging from beer to steel. In 1999, the group defaulted and turned to the debt mediator to help with more than 100 local and foreign creditors.

Lion is the last big obstacle to Prime Minister Datuk Seri Dr Mahathir Mohamad's goal of resolving Malaysia's more than **US\$8** billion of corporate debt defaults, stemming from the 1997-1998 Asian financial crisis, when spiralling interest rates brought many companies to the brink of bankruptcy. — Bloomberg