MSM drops legal action against Gas Malaysia unit

FMT Business - 02 Nov 2023, 11:14 PM

The sugar refinery company had filed a lawsuit over a disputed sum of RM10.32 million relating to gas supply.

MSM Malaysia filed a lawsuit against Gas Malaysia Energy and Services Sdn Bhd last year. (MSM Malaysia pic)

PETALING JAYA: Sugar refinery company MSM Malaysia Holdings Bhd has discontinued its legal action against Gas Malaysia Bhd's subsidiary over a disputed sum of RM10.32 million pertaining to gas supply to its wholly-owned subsidiary MSM Sugar Refinery (Johor) Sdn Bhd (MSM Johor).

In its filing with Bursa Malaysia, it said the notices of discontinuance have been filed in the Kuala Lumpur High Court today.

The group said the move will not result in any potential financial and operational impact on MSM Malaysia or its affiliated companies.

Both parties will cover their respective costs, and no new legal actions can be pursued, it said.

Last year, MSM initiated the lawsuit against Gas Malaysia Energy and Services Sdn Bhd (GMES) after MSM Johor was forced to stop accepting gas supply from them, which followed a shutdown of its refinery operations due to boiler leakages in 2020 and 2021.

In April last year, GMES had demanded RM10.32 million from MSM Johor via a take-or-pay invoice for the gas supply dispute.

According to MSM's latest annual report, FGV Holdings Bhd is the majority shareholder with a 51% stake.

Tycoon Syed Mokhtar Albukhary has a deemed interest of 30.93% in Gas Malaysia while Petroliam Nasional Bhd (Petronas) has a 14.8% deemed interest through its shareholding in Petronas Gas Bhd.

At close today, MSM's share price was up 1 sen or 0.80% at RM1.26 with a market capitalisation of RM885.75 million.

Gas Malaysia closed 3 sen or 0.89% higher at RM3.41, valuing the group at RM4.38 billion.

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HEADLINE	MSM drops legal action against Gas Malaysia unit
MEDIA	Free Malaysia Today - Online
DATE	02 November 2023, 11:14pm
BY	FMT Business
LINK	https://www.freemalaysiatoday.com/category/business/2023/11/02/msm-drops-legal-action-against-gas-malaysia-unit/