

Edition: Malaysia Singapore



MALAYSIA CORPORATE COURT POLITICS & GOVERNMENT

Court allows Sabah Forest Industries' bid for another judge to hear takeover suit

Timothy Achariam / theedgemarkets.com

February 06, 2020 13:19 pm +08





KUALA LUMPUR (Feb 6): The High Court allowed Sabah Forest Industries Sdn Bhd (SFI)'s bid to transfer tycoon Tan Sri Syed Mokhtar Albukhary-linked company Pelangi Prestasi Sdn Bhd's suit against two parties involved in the proposed takeover of SFI to another judge.

Justice Datuk Ahmad Bache allowed the application today. "Justice must be done and must be seen to be done," he said. Pelangi was represented by Datuk Lim Chee Wee.

It is unclear why SFI had brought the application to transfer the proceedings to another judge.

The two other parties are Lee & Man Paper Manufacturing Ltd, a China-based company appointed by the Sabah-led state government to take over SFI, and Grant Thornton Consulting Sdn Bhd, a tax and accountancy firm involved in the restructuring of companies.

In April 2018, Pelangi signed an agreement to purchase a 98% stake in SFI from India-based pulp and paper manufacturer Ballarpur Industries Ltd for about RM1.2 billion.

Under the deal, Pelangi would assume control of SFI, including all its assets, land titles and timber licences.

SFI, which was facing financial problems, was put under receivership and management of Grant Thornton after the agreement was signed.

Pelangi subsequently went to court after the newly-elected Sabah government, which came into power following the state's General Election in May 2018, decided not to grant new timber licences to SFI but instead impose a new set of conditions to issue the licences.

In March 2018, the previous Barisan Nasional state government had agreed to approve new timber licences if Pelangi fulfilled the preconditions of the agreement.

Pelangi, in its suit, claimed it had paid the salaries of SFI employees in full since March 2018, including the period of January to March 2018.

The salaries, it said, were paid even up until March last year, amounting to RM23.1 million, and hence it had met the prerequisites set by the Sabah government.

We deliver news to your inbox daily

Email Address

Sign Up

RELATED NEWS

6 February 2020

Court allows Sabah Forest Industries' bid for another judge to hear takeover suit

21 June 2019

Court to decide on injunction application by Syed Mokhtar-linked firm against Sabah Forest Industries

7 February 2020

Court allows SFI's application for new judge to hear suit

6 February 2015

Sabah Forest reaches settlement with UNP Plywood for RM85m

30 November 2017

Priceworth may pay RM30 mil less for Sabah forest reserve area

FEATURED VIDEOS