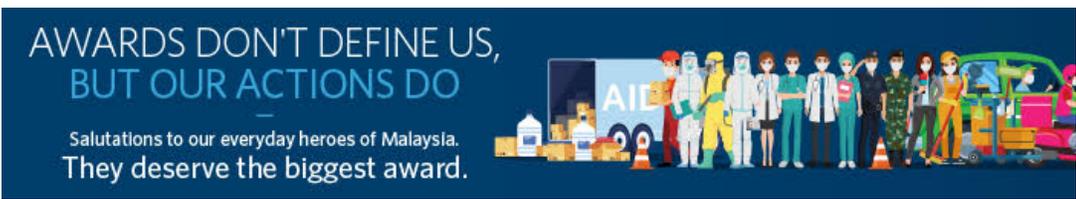


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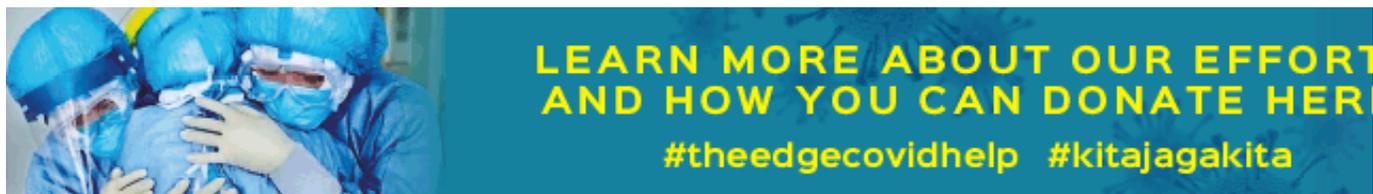
MALAYSIA CORPORATE POLITICS & GOVERNMENT

Update

Syed Mokhtar firm allowed to proceed with suit over Sabah Forest Industries takeover

Hafiz Yatim / theedgemarkets.com

October 22, 2019 19:35 pm +08



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KUALA LUMPUR (Oct 22): Tycoon Tan Sri Syed Mokhtar Albukhary-linked company Pelangi Prestasi Sdn Bhd has been allowed by the High Court to proceed with its suit against Sabah Forest Industries Sdn Bhd (SFI) over its proposed takeover of Sabah Forest Industries Sdn Bhd (SFI).

Justice Datuk Ahmad Bache today dismissed the striking out application by Lee & Manufacturing Ltd and Grant Thornton Consulting Sdn Bhd.

Pelangi's counsel Datuk Lim Chee Wee, who relayed the decision to theedgemarket.com, said the court fixed Dec 7 to Dec 10 as hearing dates for the suit.

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Lim said Justice Ahmad also allowed an injunction application by Pelangi to restr implementation of a new set of preconditions to grant timber licences by the Sab

Lee & Man Paper is a China-based company appointed by the Parti Warisan Sabah government to take over SFI, while Grant Thornton is a tax and accountancy firm involved in the restructuring of companies.

In April 2018, Pelangi signed an agreement to acquire a 98% stake in SFI from Ind and paper manufacturer Ballarpur Industries Ltd for about RM1.2 billion. Under tl Syed Mokhtar-controlled firm would assume control of SFI, including all its asset timber licences.

SFI, which was facing financial problems, was put under receivership and manag Thornton before the agreement was signed.

Pelangi subsequently went to court over a decision made by the new Sabah gover 14th General Election in May 2018 not to issue fresh timber licences to SFI and ins an entirely new set of preconditions for granting the licences.

A month before the signing the agreement, the previous Barisan Nasional state go agreed to approve new timber licences to Pelangi, if it fulfilled the prerequisites ir

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

The salaries, it said, were paid even up until March this year, amounting to RM23 million, hence it had fulfilled part of the prerequisites set by the Sabah government.

More to follow

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