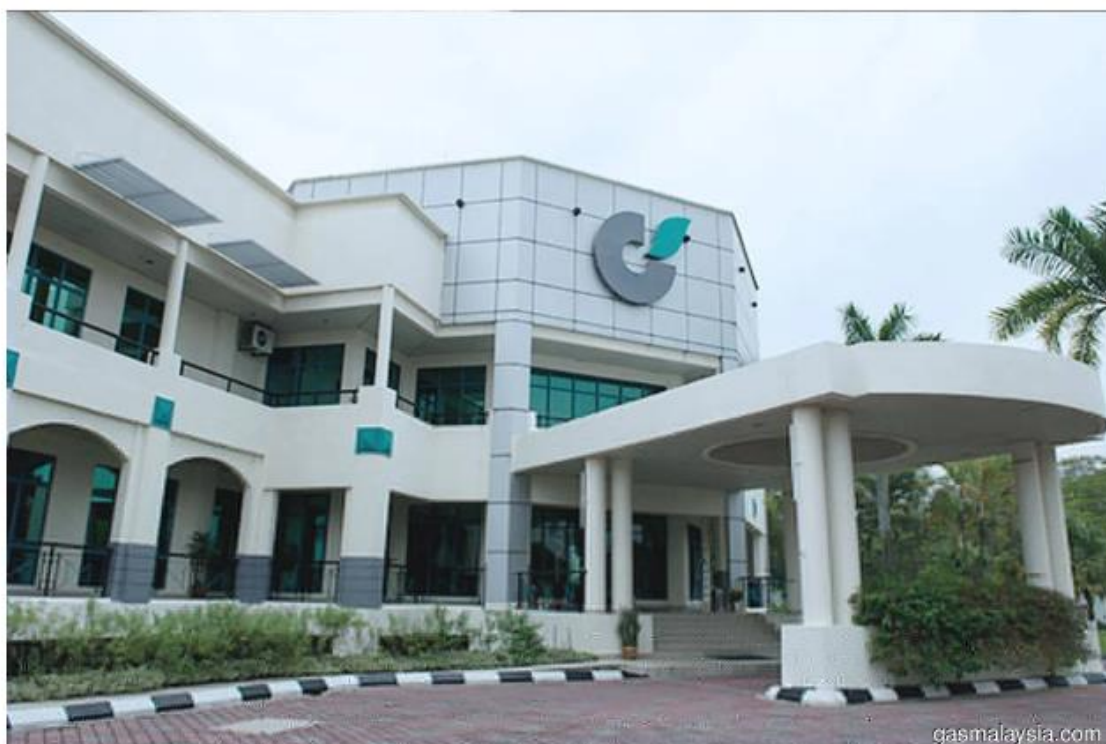


Gas Malaysia clarifies stand in MSM's legal suit over issue of gas supply to Johor refinery

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KUALA LUMPUR (Nov 11): Gas Malaysia Bhd, which is being sued by MSM Malaysia Holdings Bhd over a disputed sum of RM10.32 million relating to gas supply to MSM Malaysia's sugar refinery unit in Johor, said it maintains its stand that it had acted in accordance with the gas supply agreement (GSA) inked by the unit.

In a statement filed with Bursa Malaysia, Gas Malaysia also explained that a take-or-pay (TOP) provision is part of the contractual requirements in the GSA entered into by its unit, Gas Malaysia Energy and Services Sdn Bhd (GMES), and MSM Malaysia's sugar refinery unit, MSM Sugar Refinery (Johor) Sdn Bhd (MSM Johor).

"Being the supplier, it is our obligation to secure and ensure [an] adequate volume of gas is ready for supply as per the GSA. This is a reflection of GMES' commitment to supply and therefore contractual arrangements in the GSA are structured accordingly, which is a common practice in the energy supply sector," Gas Malaysia said.

The statement came after MSM Malaysia announced a day earlier that it had filed a lawsuit against Gas Malaysia, and that the legal action was necessary as GMES in August issued a demand for the RM10.32 million from MSM Johor, even after MSM Johor objected to the TOP invoice issued four months earlier by GMES for the sum.

The disputed sum is the alleged charges for the difference between the TOP quantity and the actual quantity delivered in 2021, MSM Malaysia said in its Thursday (Nov 10) filing.

MSM Malaysia and MSM Johor are denying all of GMES' allegations of liability and claims for the disputed sum. MSM Johor is also seeking an order that the reasonable sum payable to GMES be assessed by the court instead.

On market close on Friday (Nov 11), Gas Malaysia's share price settled six sen or 1.77% lower at RM3.33, with a market capitalisation of RM4.28 billion.

MSM Malaysia's share price slipped 0.5 sen or 0.62% to end at 80.5 sen, giving the group a market value of RM562.45 million.