



The Observer

30 June 2016

MSWG'S QUICK TAKE ON ONGOING CORPORATE TRANSACTIONS

MULTI SPORTS HOLDINGS LTD ("MSPORTS")

The Board of Directors of Msports announced that it had received a letter dated 20 May 2016 from a major shareholder, Mr Paramjit Singh Gill ("Requisitionist") on 23 May 2016, requisition for Msports to convene a special general meeting ("SGM") to propose resolutions to seek shareholders' approval on the appointment of the following five additional Directors:

No	Resolutions
1	Appointment of Mr Kasinathan a/l Tulasi to be a director of the Company. (Resolution 1)
2	Appointment of Mr Naren Anand Gill to be a director of the Company. (Resolution 2)
3	Appointment of Mr Clarence Yeow Kong Chew to be a director of the Company. (Resolution 3)
4	Appointment of Mr Cheh Chee Mun to be a director of the Company. (Resolution 4)
5	Appointment of Mr Guan Swee Kee to be a director of the Company. (Resolution 5)
6	The abovementioned directors to be appointed to the board also be added as the nominees appointed to become directors in the company's subsidiaries, namely Pak Sing Shoe Material (H.K.) Ltd, Jinjiang Baixing Shoe Material Co. Ltd, Fujian Qingte Investment Ltd, Fujian Evidoma Ltd and Quanzhou Sinte Trading Ltd. (Resolution 6)

[Source: Msports' announcement on Bursa Malaysia's website on 23 May 2016]

MSWG'S COMMENTS:

The Requisitionist had on 23 May 2016 given a notification to Msports on the appointment of the five additional Directors. However, the shareholders of Msports have yet to receive any update from Msports.

The Bermuda's Companies Act 1981 stated that *"If the directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date"*. Following the Act, the Requisitionist can now convene the SGM before 14 September 2016.

In view of this, we believe it's now up to the Requisitionist to convene the SGM before 14 September 2016.



KARYON INDUSTRIES BERHAD (“KARYON”)

The Board of Directors of Karyon had on 13 April 2016 announced that Allbright Industries (M) Sdn Bhd (“AISB”), a wholly-owned subsidiary of Karyon, received a letter dated 12 April 2016 from Jabatan Kastam Diraja Malaysia for the payment of sales tax amounting to RM1,063,464.98 together with a penalty of RM531,732.49 due to the different classification of product tariff code (“Letter”). However, AISB would make an appeal to the relevant authority in respect of the Letter.

Subsequently, the Board of Directors of Karyon announced that AISB had on 17 June 2016 received a letter from the Ministry of Finance (“MOF”) which stated the following:

- (i) to rescind the sales tax penalty subject to AISB making the full sales tax payment by 31 December 2016; and
- (ii) no refund for penalty or compound that has been partially or fully paid.

The Board of Directors of Karyon had deliberated and resolved to seek further appeal on the MOF’s letter as AISB had paid the sales tax and penalty amounting to RM1,063,464.98 and RM531,732.49 on 19 April 2016 and 25 April 2016 respectively.

[Source: Karyon’ announcement on Bursa Malaysia’s website on 14 April 2016, 24 June 2016 and 28 June 2016]

MSWG’S COMMENTS:

We are concerned that AISB had paid fully the sales tax and penalty on 19 April 2016 and 25 April 2016 respectively, when AISB is still appealing on this case. It appears that AISB would have difficulty to recover the penalty paid as MOF had made it clear that there is no refund for penalty that had been fully or partially settled.

MSWG’S WATCHLIST

RHB BANK BERHAD (“RHB BANK”)

The Board of RHB Capital Berhad (“RHB Capital”) announced that RHB Capital will be delisted from the Main Market of Bursa Malaysia and RHB Bank will assume the listing status of RHB Capital with effect from 9.00 a.m., Tuesday, 28 June 2016.

The transfer of RHB Capital’s listing status on the Main Market of Bursa Malaysia to RHB Bank will be completed upon the listing of RHB Bank Shares on the Main Market of Bursa Malaysia.

[Source: RHB Bank’s announcement on Bursa Malaysia’s website on 27 June 2016]

TOP GLOVE CORPORATION BERHAD (“TOP GLOVE”)

The Board of Directors of Top Glove announced that the secondary listing of Top Glove on the Main Board Of The Singapore Exchange Securities Trading Limited (the “SGX-ST”) by way of introduction has been completed following the secondary listing of and quotation for the entire issued and paid-up

share capital of Top Glove of RM627,360,982 comprising 1,254,721,964 ordinary shares of RM0.50 each in Top Glove ("Shares") (including 2,164,400 treasury shares) on the Main Board of the SGX-ST.

The Shares are and will continue to be listed on the Main Market of Bursa Malaysia, which will remain as the primary stock exchange on which the Shares are listed.

[Source: Top Glove's announcement on Bursa Malaysia's website on 28 June 2016]

LOCAL NEWS AND DEVELOPMENTS

Malaysian palm oil price dips on weaker exports, volatile ringgit

<http://www.thestar.com.my/business/business-news/2016/06/28/palm-oil-dips-in-evening-trade-on-weaker-exports-volatile-ringgit/>

Statement by Financial Market Committee on Brexit

http://www.bnm.gov.my/index.php?ch=en_press&pg=en_press_all&ac=3422&lang=en

Scomi Engineering denies delay caused by unit

<http://www.thestar.com.my/business/business-news/2016/06/28/scomi-engineering-denies-delay-caused-by-unit/>

Bursa records net foreign outflow, first time since late February

<http://www.thestar.com.my/business/business-news/2016/06/27/bursa-records-net-foreign-outflow-first-time-since-late-february/>

Value of construction jobs higher at RM150bil

<http://www.thestar.com.my/business/business-news/2016/06/27/construction-jobs/>

Finance Ministry withdraws penalty against Karyon unit, subject to settlement of arrears

<http://www.theedgemarkets.com/my/article/finance-ministry-withdraws-penalty-against-karyon-unit-subject-settlement-arrears?type=Corporate>

MyCC fines MyEG RM2.27mil

<http://www.thestar.com.my/business/business-news/2016/06/25/mycc-fines-myeg-rm227mil/>

Malaysian economy seen growing 'at a slower rate' - Statistics Department

<http://www.theedgemarkets.com/my/article/malaysian-economy-seen-growing-slower-rate-statistics-department?type=Corporate>

Minorities may reject ECM offer

<http://www.thestar.com.my/business/business-news/2016/06/25/minorities-may-reject-ecm-offer/>

Capital Market has to position the country as a globally-recognised financial centre

<http://www.thestar.com.my/business/business-news/2016/06/25/a-challenging-task-ahead/>

Tomypak's rights issue with warrants oversubscribed by 29%

<http://www.theedgemarkets.com/my/article/tomypaks-rights-issue-warrants-oversubscribed-29-0?type=Corporate>

High-5 'has no choice but to close down'

<http://www.theedgemarkets.com/my/article/high-5-%E2%80%98has-no-choice-close-down%E2%80%99?type=Corporate>

Scomi's term of injunction against Prasarana extended

<http://www.theedgemarkets.com/my/article/scomis-term-injunction-against-prasarana-extended?type=Corporate>

Cover Story: The State Of The Nation:THE ECONOMY:How bad can it get?

<http://www.theedgemarkets.com/my/article/cover-story-state-nationthe-economyhow-bad-can-it-get?type=Corporate>

GLOBAL NEWS AND DEVELOPMENTS

Pound collapses to lowest since 1985 on Brexit shock: Bloomberg

<http://www.nst.com.my/news/2016/06/154240/pound-collapses-lowest-1985-brexit-shock-bloomberg>

China June official PMI seen dropping to 4-month low

<http://www.theedgemarkets.com/my/article/china-may-official-pmi-seen-dropping-4-month-low?type=Corporate>

India whittles shortlist for new central bank governor to four

<http://www.themalaymailonline.com/money/article/india-whittles-shortlist-for-new-central-bank-governor-to-four>

China-backed AIIB seeks cooperation and new members

<http://www.thestar.com.my/business/business-news/2016/06/25/china-backed-aiib-seeks-cooperation-and-new-members/>

Norway's central bank keeps interest rates on hold

<http://www.thestar.com.my/business/business-news/2016/06/24/norways-central-bank-keeps-interest-rates-on-hold/>

Singapore central bank says BSI's Swiss appeal has no bearing on its regulatory action

<http://www.theedgemarkets.com/my/article/singapore-central-bank-says-bis-swiss-appeal-has-no-bearing-its-regulatory-action?type=Corporate>

French parliament scraps planned extra tax on palm oil

<http://www.theedgemarkets.com/my/article/french-parliament-scraps-planned-extra-tax-palm-oil?type=Corporate>

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- *With regard to the companies mentioned, MSWG holds a minimum number of shares in all these companies covered in this newsletter.*
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