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CSL appoints new law firm to review cases allegedly linked to chairman

BY ADAM AZIZ

KUALA LUMPUR: China Stationery Ltd (CSL) has appointed a new independent law firm to review litigation cases in China to verify if they are related to its executive chairman's personal loans and involved subsidiaries of CSL.

The plastic stationery group said Zhi Jun Law Firm of Fujian has been appointed to the role, after its previous choice — Messrs Fujian Weijie Law Firm — was found to have outsourced its services to another legal firm.

Apart from the review, the law firm will also assess the liabilities and potential financial impacts on CSL due to the litigation cases, the group said in a filing with Bursa Malaysia yesterday. Both tasks should be completed by end-November, it added.

On Aug 10, CSL announced that the independent law firm would review the accuracy of litigation cases against three of its subsidiaries — Sakura (Fujian) Packaging & Stationery Co Ltd, Sakura (Fujian) Plastics Enterprise Co Ltd and Ruiyuan (Fujian) Enterprise Co Ltd.

The group said it learned of the cases from the Chinese government's National Legal Cases Search, but did not disclose details.

CSL added in the announcement that its executive chairman and chief executive officer, Chan Fung @ Kwan Wing Yin, had told the group that the litigation matters were related to his personal loans.

CSL's share price closed unchanged at 4.5 sen yesterday, giving the group a market capitalisation of RM55.47 million.