MINORITY SHAREHOLDERS WATCH GROUP

The Observer

Official Newsletter from MSWG

FRIDAY | 11 APRIL 2025

It’s not how many hats you wear but whether you can wear them well.
When it comes to directors holding multiple executive roles, there’s no one-size-fits-all.
The real question is whether they can truly deliver on each responsibility without compromising governance or performance.

WEARING TOO MANY HATS, WITH A HAT OR TWO GETTING BLOWN AWAY

Holding multiple directorships is not uncommon in Malaysia. Nevertheless, recent developments have sparked debates around how many executive roles an individual should reasonably hold in public listed companies (PLCs).

There is no straightforward answer, as a director's effectiveness, especially in an executive capacity, hinges on a range of factors, including board composition, governance structure, and the organisation's overall capacity.

A Common Sight

For now, Bursa Malaysia Listing Requirements (LR) paragraph 15.06(1) limits the number of directorships an individual could hold in PLCs to not more than five. The LRs do not limit the number of executive or non-executive roles one could hold.

It is common to see family-run PLCs with family members taking up executive roles across multiple boards, as in the case of a conglomerate.

For instance, the Yeoh family consists mainly of Tan Sri Francis Yeoh Sock Ping and his six siblings, who serve executive roles across multiple PLCs, namely YTL Corporation Berhad, YTL Power International Berhad and Malayan Cement Berhad. Francis Yeoh is the executive chairman (EC) of the three listed entities, while his siblings take up the managing director (MD) and executive director (ED) roles.

Another notable example is Genting Group, where the family patriarch Tan Sri Lim Kok Thay helms EC and deputy EC roles in Genting Berhad, Genting Malaysia Berhad and Genting Plantations Berhad. In what is considered a pivotal moment for Genting, Kok Thay relinquished the chief executive baton to Datuk Seri Tan Kong Han last month. He remains the chief executive of Genting Malaysia and Genting Plantations. He is also the EC of Genting Singapore Limited, an SGX-listed hospitality and resort player.

Among the mid and smaller-cap PLCs, there is Datuk Seri Chiau Beng Teik, who sits in five PLCs. He is the EC of Chin Hin Group Berhad and Ajiya Berhad. He also serves as non-independent non-executive chairman on the boards of Chin Hin Group Property Berhad, Signature International Berhad and Fiamma Holdings Berhad. Meanwhile, his son Chiau Haw Choon holds executive roles in all five PLCs, being the MD and/or executive director in these listed outfits. Beng Teik's daughter Shelly Chiau Yee Wern also serves as ED of Chin Hin Group, Chin Hin Group Property and Signature International.

Elsewhere, Datuk Keh Chuan Seng, who was recently under the radar due to his abrupt resignations from a few PLCs due to personal circumstances, was the EC in K Seng Seng

Corporation Berhad, Tex Cycle Technology (M) Berhad and Ge-Shen Corporation Berhad, in which he held significant stakes of 22.98%, 26.44%, and 29.59%, respectively.

Lastly, Mak Siew Wei, who was recently suspended as ED of Erdasan Group Berhad, was once an ED of five PLCs. He sat on the boards of Pasukhas Group Berhad, Advance Information Marketing Berhad, AE Multi Holdings Berhad and Trive Property Group Berhad before gradually resigned from these PLCs in November 2024, December 2024 and March 2025. Mak is currently sought by the Malaysian Anti-Corruption Commission (MACC) to assist in ongoing investigations.

The Debates Around Multiple Executive Roles

At first glance, having directors with multiple executive roles offers advantages like broader perspectives and streamlined decision-making. On the flip side, this practice can also raise concerns about overboarding, diluted focus, potential conflict of interest and heightened scrutiny from shareholders, particularly when a company is underperforming.

Generally, large companies are better positioned to manage such arrangements given their deeper talent pools, more robust governance framework and greater resources. They typically maintain a well-structured distribution of roles, with a clear delineation of power, authority, and accountability between the chairman, MD, executive directors, and senior management.

The chairman is responsible for the leadership of the Board while leading the Board in upholding good corporate governance practices. In the meantime, the MD serves as the conduit between the Board and management while overseeing the day-to-day operation and developing and implementing Board policies and corporate strategies. On top of this, EDs (if appointed) and senior management play supporting roles, enabling efficient decision-making and addressing strategic or operational issues in a timely manner.

However, even in large, well-resourced companies, **EDs risk spreading themselves too thin**, let alone mid and smaller PLCs where resources and management bandwidth are far more constrained.

Once darlings of the Malaysian stock market, Genting and Genting Malaysia were removed from the benchmark index at the end of last year—a stark signal of declining prominence. Both companies posted fourth-quarter losses in FY2024, weighed down by mounting debt, weak growth prospects, and shrinking dividends. Such performance inevitably raises questions about the effectiveness of EDs in steering companies forward.

Yet, it is even more perplexing to see individuals holding executive roles across multiple boards—particularly in PLCs with persistently poor financial performance, such as Erdasan, Pasukhas, Advance Information Marketing, and AE Multi, which have all been loss-making for at least five consecutive years.

This raises fundamental questions: **Are these EDs dedicating sufficient time, focus, and resources to address the deep-rooted issues in these struggling companies**? If they are unable or unwilling to demonstrate the commitment required to drive a turnaround, how can they expect shareholders to place trust in their leadership?

Moreover, it warrants scrutiny of the **Nomination Committee's assessment process**—specifically, how it evaluates the fit and properness of EDs who hold multiple roles, particularly when financial performance remains dismal. In loss-making PLCs, the expectation is not mere maintenance but transformation that requires full-time commitment, strategic focus, and accountable leadership.

Paragraph 2.20A of Bursa's LR stipulates that every PLC must ensure its directors and chief executive possess the necessary character, experience, integrity, competence, and time to discharge their roles effectively. This reinforces the growing regulatory emphasis on directors' ability to dedicate sufficient time and attention to their responsibilities, ensuring that they are not merely qualified on paper but also meaningfully engaged in promoting the company's long-term success and governance integrity.

The issue becomes even more concerning when EDs sit on multiple boards with overlapping interests or related-party transactions. In such cases, standard safeguards like disclosures and abstentions may fall short. Safeguarding confidentiality and avoiding undue influence between boardrooms is difficult, and even the perception of divided loyalties can erode stakeholder trust and compromise boardroom integrity.

When Commitment Counts

Ultimately, the core issue isn't simply how many executive roles a director holds but whether they can effectively fulfil the demands of each role without compromising governance standards or business performance. There is no one-size-fits-all solution—what matters is the director's capacity to commit, lead, and deliver tangible results across the board.

So, should an individual serve in executive roles across multiple boards? It depends on governance, capacity, and, most importantly, performance.

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MSWG AGM/EGM WEEKLY WATCH

The following are the AGMs/EGMs of companies on the Minority Shareholders Watch Group's (MSWG) watch list for this week.

The summary of points of interest is highlighted here, while the details of the questions to the companies can be obtained via MSWG's website at www.mswg.org.my.

QUICK-TAKE

Date & Time	Company	Quick-take
14.04.25 (Mon) 9.30 am	Signature International Berhad (EGM)	The Company proposes to undertake the listing of and quotation for the entire enlarged issued share capital of Signature Alliance Group Berhad (SAG) on the official list of the ACE Market of Bursa Malaysia Securities Berhad ("Proposed Listing"). In conjunction with the Proposed Listing, SAG intends to undertake an initial public offering comprising a public issue of 260 million new shares.
15.04.25 (Tues) 2.30 pm	Vizione Holdings Berhad (EGM)	Vizione is seeking shareholders' approval for the proposed reduction of the issued share capital of Vizione up to RM500 million ("Proposed Share Capital Reduction"). The Proposed Share Capital Reduction is expected to be completed by June 2025, subject to approval from shareholders and relevant authorities.
16.04.25 (Wed) 10.00 am	OCK Group Berhad (EGM)	OCK has entered into a conditional investment agreement with Zelestra and SPK Asia for an investment in SPK Asia, along with the novation of a loan to OCK from Zelestra, based on an indicative enterprise value of RM350 million. The proposed investment is expected to expand OCK Group's solar generation assets, potentially earning dividend returns and positioning the Group to capitalise on future opportunities.
16.04.25 (Wed) 10.00 am	Affin Bank Berhad (AGM)	In FY2024, Affin Bank posted a higher PBT of RM701 million (FY2023: RM518.3 million), with an 8.1% growth recorded in loans, advances and financing. Its CASA ratio improved to 30.4% (FY2023: 26.7%) with a slight uptick in gross impaired loan ratio to 1.94%.

		The entry of a new largest shareholder, the Sarawak state government, is expected to boost its lending and deposit-taking activities, unlocking exciting opportunities ahead.
16.04.25 (Wed) 10.00 am	Citaglobal Berhad (EGM)	The Company and its subsidiary, Citaglobal Property Development Sdn Bhd (formerly known as Sinergi Dayang Sdn Bhd), entered into a joint venture agreement with Tree Technologies Sdn Bhd (Tree Technologies) to develop a leasehold land in Kuantan, Pahang. Tree Technologies has granted Sinergi Dayang an option to acquire the land for RM90 million, to be satisfied via Irredeemable Convertible Preference Share B (ICPS-B) and cash. The company also proposes a bonus issue of up to 88,067,734 Warrants C and amendments to its constitution to facilitate the ICPS-B issuance.
16.04.25 (Wed) 11.00 am	Poh Huat Resources Holdings Berhad (AGM)	The Group recorded a higher turnover of RM475.70 million for FY 2024, compared to RM428.11 million in FY 2023. This increase was primarily driven by higher orders for office furniture from its Malaysian operations, as business sentiment among U.S. companies improved following the uncertainties during the pandemic years. Consequently, the profit after tax attributable to owners of the Company rose to RM29.36 million in FY 2024, compared to RM26.71 million in FY 2023.
17.04.25 (Thurs) 11.00 am	Malaysia Marine and Heavy Engineering Holdings Berhad (AGM)	MHB group has delivered a strong financial recovery in FY2024, recording revenue of RM3.6 billion, up by 9.1% compared to the previous year. Most notably, the group achieved a profit before tax of RM123.3 million, a significant turnaround from a loss of RM483.1 million in FY2023. While conventional energy remains relevant, the group is scaling up new energy investments in offshore wind, hydrogen, and carbon capture projects, which supports a more balanced energy mix, aligning its business with the global energy transition.

POINTS OF INTEREST

Company	Points/Issues to Be Raised
Vizione Holdings Berhad (EGM)	The Company reported significant losses for the six-month period ended 30 November 2024, resulting in a substantial deterioration from retained earnings of RM16.3 million as of 31 May 2024 to accumulated losses of RM520.6 million as of 30 November 2024. The Company explained that it has recognised impairments related to investments and advances in the affected subsidiaries due to the extended construction timelines for several on-going projects, which resulted in additional operating costs. (Page 2 of the Circular) a) Kindly provide a detailed breakdown of the impairments recognised, including the names of the affected subsidiaries, the amount of impairment recorded for each subsidiary and the specific construction projects that contributed to these impairments. b) With respect to the ongoing construction projects impacted by these impairments: (i) What is the current progress of each project? (ii) What are the key factors contributing to the delays in completion? (iii) What are the latest projected completion timelines for these projects? (iv) What mitigation strategies has the Board put in place to address cost overruns and minimise further financial impact on the Group?
OCK Group Berhad (EGM)	1. "*OCK as the holder of the OCK's Redeemable Preference Shares (RPS) shall be entitled to receive notice of and attend but shall not be entitled to vote at any general meeting of SPK Asia*." (Page 5 of the Circular) a) In view of the above, how does OCK intend to safeguard its rights as it does not have the ability to influence the declaration or payment of dividends? b) In view that SPK Asia incurred finance costs of RM18.99 million against a revenue of RM40.59 million for the FYE 2023. What due diligence or assessment has been undertaken to ascertain SPK's ability to pay dividends?

	2. As at 31 December 2024, OCK Group reported cash and cash equivalents of RM98.92 million against total borrowings of RM685.76 million. *"The Consideration will be satisfied via internally generated funds and/ or bank borrowings, of which the breakdown can only be ascertained at a later stage." (Page 10 of the Circular)* In the event that the Proposed Investment yields return are below expectations, and SPK Asia delays the redemption of the RPS, what would be the potential impact on the Group's cash flow and overall liquidity position? Additionally, what recourse does OCK have in such a scenario to recover its investment or mitigate potential losses?
Affin Bank Berhad (AGM)	Affin Bank's cost-to-income ratio (CIR) continued to be elevated at 76.9% (FY2023: 71.6%). "Efficiency x5" is one of the five Strategic Thrusts (STs) under the AX28. The Bank has set an ambitious CIR target of <53% by 2028. Meanwhile, Affin Bank plans to expand its branch network from 130 in 2024 to 150 by 2025 and possibly to 180 by 2028, focusing on expansion in Penang, Johor, Sabah and Sarawak. While the expansion will lead to stronger loan and fee income growth in the longer term, CIR may remain elevated due to higher operating expenses to be incurred upfront. a) Given the current high CIR of 76.9%, what concrete initiatives are being implemented under the "Efficiency x5" ST to bring it below 53% by FY2028? b) How feasible is the targeted CIR of <53% by 2028, considering the cost pressures from planned branch expansions and continued investment in digital initiatives? c) Given the rising trend in digital banking, what is the rationale behind expanding the physical branch network rather than optimising or digitising existing operations to improve efficiency?

Poh Huat Resources Holdings Berhad (AGM)	The Group's products are either original designs which carry its own branding or customers' specified designs which are sold under the customers' branding. (Page 5 of Annual Report (AR) 2024) a) What percentage of the Group sales is generated from products under its branding versus those under the customers' branding? b) Considering that products sold under the Group's branding would be able to command higher margins, is the Group strategising to increase its production and sales under this category?
Malaysia Marine and Heavy Engineering Holdings Berhad (AGM)	Considering the recent U.S. tariff and sanctions imposed on China and many countries' products and the counter tariff increases by other countries, what is the Board's view on the impact of these developments on the Group's Heavy Engineering projects going forward?

DISCLOSURE OF INTERESTS
With regard to the companies mentioned, MSWG holds a minimum number of shares in all the companies covered in this newsletter.