MSWG
MINORITY SHAREHOLDERS WATCH GROUP

The Observer

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More info on Page 10 >>

TWL Holdings' recent announcement to seek retrospective ratification over the grant of 192 million ESOS shares to its executive chairman Datuk Tan Wei Lian, raised governance concerns over the board oversight and accountability.

GRANTED AND EXERCISED FIRST, APPROVAL LATER

Shareholders of TWL Holdings Berhad (formerly Tiger Synergy Berhad) have found themselves in a conundrum that strikes at the core of shareholder rights and regulatory compliance. The Company is seeking post-facto ratification for the grant of 192 million Employee Share Option Scheme (ESOS) shares to its Executive Chairman, Datuk Tan Wei Lian, a move that was made without shareholders' prior consent.

This came about as the ESOS shares granted to Tan on 1 July 2025 were without shareholders' approval, resulting in non-compliance with Paragraph 6.06 (1) of the Main Market Listing Requirement (MMLR) and Paragraph 7.4 of the Company's ESOS by-Laws.

The MMLR explicitly requires that any grant of shares or convertible securities to directors, major shareholders, chief executives, or persons connected to them must first be approved by shareholders in a general meeting. Yet, TWL proceeded with the allocation of ESOS options to Tan.

On the day of the ESOS grant (1 July 2025), Tan immediately exercised 110 million of those options at 2.7 sen per share, generating total proceeds amounting to RM2.97 million. The balance of 82 million ESOS option shares granted to Tan had since been cancelled on 11 July 2025 as he "*had decided not to exercise the outstanding options*".

On 4 November 2025, TWL realised that approval has not been sought for the grant and subsequently made the relevant announcement. What stroke them to such realisation after four months is anyone's guess.

Checks and Balances Gone Missing

TWL's ESOS, established in December 2021 for a five-year period (extendable for another five years), vests broad discretionary powers in its ESOS Committee.

The ESOS Committee is responsible for administering the scheme in such manner as it shall deem fit and with such powers and duties are conferred upon it by the Board. Its power and authorities include:

- To determine any other eligibility criteria or waive the conditions of eligibility from time to time
- To select and identify suitable Eligible Persons to participate in the ESOS
- To award ESOS options to Eligible Persons after taking into consideration the designation, length of service, work performance, and/or other criteria as the Committee deems relevant.

- To set out the basis of allotment, identify the category or grade of the Eligible Person(s) and the Maximum Allowable Allotment for the Eligible Person(s) in the differing categories or grades.

Even if the Committee is at discretion to determine the quantum of ESOS option for eligible directors or employees, that does not negate the fact that there are clear-cut rules for shareholders' approval before the grant of ESOS options.

The ESOS Committee comprises two independent non-executive directors – namely S. Nagaraju Sinniah and Rithauddin Hussein Jamalatiff Jamaluddin – and managing director Tan Lee Chin who is Tan's sibling.

As it is, that such a large ESOS grant, which made up 74% of the total 258 million ESOS shares, went below the radar of the ESOS committee and the five-member board, including the two Tans, is beyond comprehension.

Exception not Norm

Pending an EGM to be convened on 10 December, soon after its 29th AGM, the TWL Board has recommended shareholders to vote in favour of the resolution pertaining to the proposed ratification as "*such action is in the best interest of TWL Holdings Group*".

TWL claims this step is necessary to "*maintain regulatory compliance, uphold transparency, and safeguard stakeholder confidence*."

Yet, this justification rings hollow. Ratification, while not unheard of, is typically a corrective measure — not a substitute for governance discipline. It is deeply troubling when companies treat shareholder ratification as a procedural formality rather than a fundamental safeguard of accountability.

While TWL attempts to cast this as an "*administrative oversight*", the implications go deeper. After all, Tan had exercised and received the 110 million shares. The damage was irreversible. Shareholders are now effectively being asked to retroactively legitimise a breach that benefited the director at their expense.

This is not an isolated lapse. Other public-listed companies have similarly sought post-facto ratifications to regularise earlier non-compliance — such as Malaysian Genomics Resource Centre Berhad (MGRC), which only recently moved to ratify acquisitions and disposals of quoted securities from 2022–2023. Astonishingly, MGRC has not obtained the ratification even after two years, despite the Company was aware of the lapses as earlier as 2023.

If such behaviour becomes tolerated, it sets a dangerous precedent: that directors may act first, seek forgiveness later, and rely on shareholders' limited options to legitimise their missteps.

Given that the ESOS options have already been exercised, shareholders have little options but to vote in favour of the ratification to restore compliance. Yet, they should not do so silently.

Shareholders must demand a full and transparent explanation from the Board and ESOS Committee regarding:

- How the breach occurred under their watch;
- What internal control failures enabled it; and
- What remedial governance actions will be taken to prevent recurrence.

Such scrutiny is not just warranted, but essential. The episode must serve as a wake-up call for all listed issuers: Shareholder approval is not a rubber stamp, nor should ratification become a convenient justification to absolve governance failures.

[END]

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
19.11.25 (Wed) 10.00 am	RGT Berhad (AGM)	For FY2025, the Group recorded revenue of RM140.29 million, representing a 27.07% increase y-o-y, mainly driven by higher sales from the Engineered Polymer Products (EPP) segment. Despite the stronger topline performance, the Group reported a LBT of RM2.44 million, compared to a PBT of RM3.15 million in FY2024. The weaker results were primarily attributed to foreign exchange losses and goodwill impairment, coupled with continued losses in the Factory Automation and Precision Engineering (FAPE) segment.
19.11.25 (Wed) 10.30 am	DPI Holdings Berhad (AGM)	For FY2025, DPI generated revenue of RM93.27 million, an increase of 67.18% from RM55.79 million previously, primarily contributed by growth in the FMCG segment. However, PBT was lower at RM4.07 million (FY2024: RM7.38 million), mainly due to gross profit movements, foreign currency fluctuations, and higher administrative expenses related to corporate exercises during the year.
20.11.25 (Thur) 10.00 am	Dialog Group Berhad (AGM)	Dialog ended FY2025 with a 20.6% and 48.8% decline in revenue and net profit to RM2.50 billion and RM309.7 million, respectively. The weaker performance was mainly due to one-off impairments in petrochemical and renewable projects, as well as cost overruns in Engineering, Procurement, Construction and Commissioning (EPCC) projects.
20.11.25 (Thur) 10.00 am	AIZO Group Berhad (AGM)	AIZO delivered a revenue of RM157.05 million for the 15-month ended 30 June 2025 (FPE2025), driven by stronger performances in all its core business

Date & Time	Company	Quick-take
		segments, i.e., the Civil Engineering, Renewable Energy, and Bituminous segments. Despite these significant improvements, the Group reported a LBT of RM16.46 million in FPE2025, compared with a loss of RM6.85 million in FY2024. The wider loss was primarily attributable to the substantial impairment loss of RM11.03 million on investments and receivables recorded in FPE2025. These non-cash adjustments, required under accounting standards, offset the revenue and efficiency gains achieved during the period.
20.11.25 (Thur) 10.00 am	Pecca Gorup Berhad (AGM)	The Group recorded its highest-ever net profit of RM57.1 million in FY2025, marking a 3.8% y-o-y increase from RM55.0 million in FY2024, despite a moderation in revenue to RM224.5 million due to normalised order flows from automotive customers. This improved bottom-line performance was supported by disciplined cost control, a more favourable product mix, and ongoing operational efficiency improvements. As a result, the Group achieved a higher net profit margin of 25.4%, compared to 22.7% in the previous year.
21.11.25 (Fri) 10.30 am	Paos Holdings Berhad (AGM)	In FY2025, Paos reported lower revenue of RM614.15 million (FY2024: RM705.74 million) due to reduced trading volumes and softer fuel oil prices. It turned loss-making during the year with a net loss of RM3.43 million (FY2024: net profit of RM0.09 million). The Group was impacted by higher operational costs, as well as fluctuations in foreign currency exchange rates.
21.11.25 (Fri) 11.00 am	Eurospan Holdings Berhad (AGM)	In FY2025, Eurospan reported marginal decline in revenue to RM21.83 million and a PBT of RM22.37 million, compared to RM23.02 million and RM5.94 million previously. The lower revenue was mainly attributable to reduced contributions from the Manufacturing and Trading of furniture and other trading products. Meanwhile, the significant increase in PBT was primarily driven by a gain on disposal of properties and investment in a subsidiary.

Date & Time	Company	Quick-take
21.11.25 (Fri) 12.00 pm	Eurospan Holdings Berhad (EGM)	The Company is seeking shareholders' approval for the proposed new shareholders' mandate for recurrent related party transactions of a revenue or trading nature.
21.11.25 (Fri) 11.00 am	Sern Kou Resources Berhad (AGM)	The Group recorded revenue at RM486.7 million in FY2025, marginally lower than the all-time high of RM493.8 million posted in FY2024. This was chiefly attributed to lower contribution from the processing and trading of wood segment resulted from the severe floods in Kelantan, which disrupted timber supply. The Group's bottom-line performance was impacted by the input cost pressures particularly the rise in minimum wage, EPF contributions for foreign workers and elevated logistics costs. Nevertheless, its net loss for FY2025 narrowed to RM5.9 million (FY2024: RM13.9 million)

POINTS OF INTEREST

Company	Points/Issues to Be Raised
RGT Berhad (AGM)	*"A key highlight was the acquisition of two parcels of leasehold land and buildings located at Bukit Minyak Industrial Park, Penang for a total consideration of RM16.8 million. This acquisition, completed in August 2025, strengthens the Group's infrastructure and position us for scalability going forward." (Page 23 of AR2025).* a) Given that both the Engineered Polymer Products (EPP) and Factory Automation and Precision Engineering (FAPE) segments have experienced margin compression, what quantifiable business case underpinned the said acquisition? b) What is the intended purpose of the acquired land, and what are the estimated capital expenditure requirements and projected timeline for achieving operational readiness? c)
DPI Holdings Berhad (AGM)	EF had on the same date entered into a conditional sale and purchase agreement with PCA Venture Sdn Bhd ("PCA") for the proposed acquisition of an industrial property from PCA for a purchase consideration of RM18.00 million to be satisfied entirely in cash ("Proposed Warehouse Acquisition") (Note 45(a), page 131 of AR 2025).

Company	Points/Issues to Be Raised
	a) Since EF acquisition has been completed on 27 December 2024 and given that the warehouse acquisition will be completed after the EF acquisition is completed, what is causing the delay to complete the warehouse acquisition until both parties agreed to extend the payment date to 30 November 2025? b) Has EF secured bank borrowings to pay the remaining balance of the purchase consideration of the warehouse? Please update how much of the purchase consideration for the warehouse acquisition of RM18.00 million will be satisfied through EF's internally generated funds and bank borrowings.
Pecca Group Berhad (AGM)	The Group secured a supply contract with a well-known American automotive upholstery manufacturer during the year. The contract involves several new vehicle models for the North American market, with initial shipments scheduled between October and November 2025. a) What is the total value and duration of the contract with the American automotive upholstery manufacturer? Does it include an option for renewal? b) What is the expected margin from this new contract and how does it align with margins from existing products, particularly in the Replacement Equipment Manufacturer (REM) or upholstery segments? c) Does the Group have sufficient capacity to deliver under this contract or are there plans to expand or adjust production operations?
Paos Holdings Berhad (AGM)	The Company's Trading segment, which mainly involves the trading of marine gas oil, reported a 15% lower revenue of RM570.09 million in the current year compared to RM671.04 million in the previous year due to reduced sales volumes and lower average fuel oil prices (Page 12 of AR 2025). This points to a combination of market demand weakness and price pressure, both of which could impact profitability and business sustainability. a) How much of this decline was due to volume reduction versus pricing pressure, and did the Company lose market share to competitors, or did the overall market shrink? b) What are the immediate steps taken by the Company to prevent further revenue erosion?
Eurospan Holdings Berhad (AGM)	The Group diversified into the trading of sealed lead acid (SLA) batteries and automotive batteries during the year (Page 4 of the

Company	Points/Issues to Be Raised
	Annual Report (AR) 2025). The business is still small with a revenue of RM5.65 million but the segment contributed a profit before tax of RM0.8 million (Page 5 of AR 2025). a) What is the strategic rationale for this diversification and how does the Board see this new business contributing to the Group's revenue and profitability in the future? b) Who are the strongest competitors in the market for SLA and automotive batteries, and does this new business of the Group have a competitive edge over them?
Eurospan Holdings Berhad (EGM)	The Group intends to venture into the trading of construction materials to grow its present revenue and improve profitability. In relation to this, the Company has on 2 October 2025 incorporated a new wholly-owned subsidiary, Euro Chain Supply (M) Sdn. Bhd. (ECS), to undertake this new business (Page 3 of the Circular). a) Apart from growing revenue and profitability, what is the strategic rationale for venturing into the trading of construction materials? Will it become the new main business? b) Was a feasibility or risk assessment conducted before venturing into this new business? If so, what were the key findings?
Sern Kou Resources Berhad (AGM)	A recent ruling by the US Supreme Court on the legitimacy of certain tariff implementations has also intensified debate and added another layer of complexity to global trade dynamics (Page 7 of AR 2025). In light of the newly imposed 19% U.S. tariff, to what extent does this impact the Company’s business directly and indirectly, especially the margins and competitiveness?

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- Food Bazaar
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