MSWG
MINORITY SHAREHOLDERS WATCH GROUP

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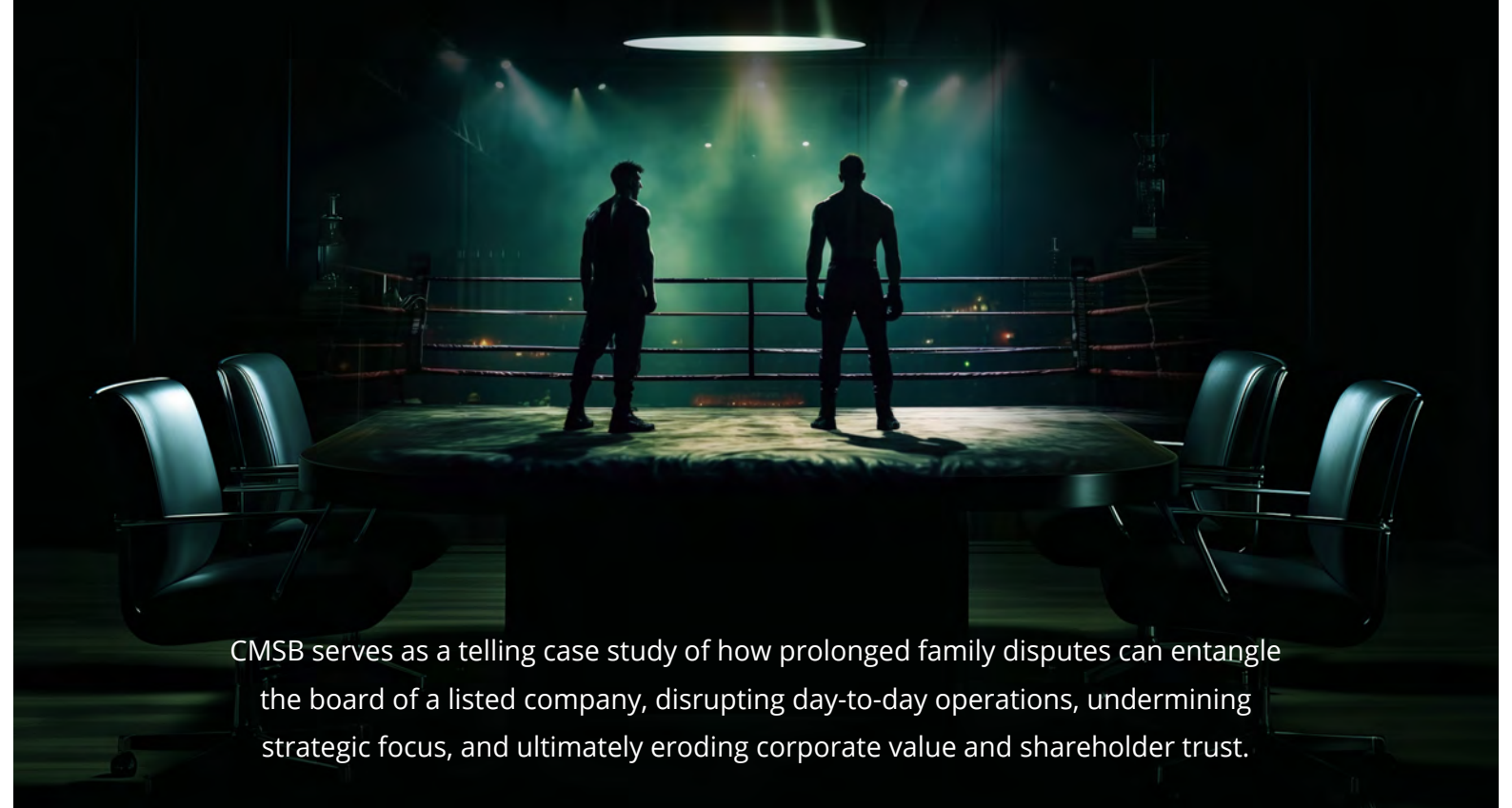
More info on Page 13 >>

RUMBLE IN THE ROOM



CMSB serves as a telling case study of how prolonged family disputes can entangle the board of a listed company, disrupting day-to-day operations, undermining strategic focus, and ultimately eroding corporate value and shareholder trust.

> MSWG AGM/EGM Weekly Watch
Page 6

> Special Announcement
Page 13

LOVE, INHERITANCE, AND LITIGATION: THE CMSB CHRONICLES

Board infighting is a common occurrence, particularly in the context of family business, often stemming from blurred lines between personal and professional matters, which eventually lead to conflicts over strategy, compensation and succession, among others.

Unclear job descriptions, roles and responsibilities coupled with a blurred understanding of how to keep personal conflicts out of the boardroom can spark disruption at the board level, especially among family members who are ill-prepared or unqualified for their board role.

Family dysfunction, as in the case of siblings/close relatives who cannot see eye-to-eye, can bleed into the boardroom with such animosity, not only impeding the decision-making/voting process but eventually spilling over onto outside directors who will get embroiled in choosing sides.

The disruptive nature of a crippled board dynamics, epitomised by inheritance disputes and sibling rivalry, can be best illustrated by Cahya Mata Sarawak Berhad (CMSB) – once Sarawak's biggest conglomerate on Bursa Malaysia.

In fact, CMSB is an ideal testbed to gauge how prolonged and ongoing internal conflicts among family members can drag boards of listed entities into a quandary with disruption to day-to-day group operations, which could potentially lead to reduced company value and erosion of shareholders' trust, which ultimately jeopardises the business.

A legacy that divides the family

Even before the death of patriarch Tun Abdul Taib Mahmud at the age of 87 on 21 February 2024, there was a legal suit pending between Taib's sons and his wife Toh Puan Raghad Kurdi Taib over shares in the family's flagship company, CMSB.

In 2023, Taib's sons, Datuk Seri Mahmud Abu Bekir Taib and Datuk Seri Sulaiman Abdul Rahman Taib, filed a suit to block the transfer of 50 million CMSB shares to their stepmother, Raghad, arguing that the shares were part of the estate of their late mother, Datuk Patinggi Dr. Hajjah Lejla Taib.

And within his own family, there appear to be differences among his children. For example, Taib's daughters - Jamilah Taib Murray and Datuk Hanifah Hajar Taib are not part of the legal suit involving Mahmud, Sulaiman and 45-year-old Syrian-born Raghad. Interestingly, the sisters controlled Majaharta Sdn Bhd, the single largest shareholder in CMSB today with 12.6% interest.

That CMSB had some three years ago filed a civil suit against several individuals, including the Hanifah's husband, Datuk Syed Ahmad Alwee Alsree, further explaining a strain in the siblings' stance pertaining to the inheritance squabble.

Syed Ahmad was an executive director of CMSB between 2006 and 2019. He joined the group when the Taib family was exiting the banking industry with the disposal of a 32.8% stake in RHB Banking Group to the Employees Provident Fund (EPF). He even took over from Sulaiman as CMSB head honcho after the latter won the Kota Samarahan parliamentary seat in the 2008 national polls and briefly served as deputy minister of Tourism.

Eldest son Abu Bekir, 61, is currently CMSB's deputy group chairman and non-independent non-executive director, while Sulaiman, 57, is the group managing director (GMD) of CMSB. Both sit in CMSB's 10-member board helmed by senior independent director Gen. (R) Tan Sri Mohd Zahidi Zainuddin.

Following Syed Ahmad's departure in 2019, CMSB was managed by two professionals, including the long-serving Datuk Isaac Lugun. After Sulaiman re-joined the CMSB board in June 2021, CMSB had in July 2022 filed a suit against six individuals – including Syed Ahmad and Isaac – for alleged breach of fiduciary duties in relation to the construction of an integrated phosphate additives plant in Samalaju, Sarawak. This followed an investigative audit by an accounting firm.

Deepening divide on corporate front

While the inheritance squabble with their stepmother has somehow united both Abu Bekir and Sulaiman, such cordiality is seemingly missing at the corporate front, with strain having reared its ugly head between both brothers at the board level of CMSB.

In fact, both are embroiled in a slew of legal battles preceding and post Taib's demise. These include the following:

- On 6 March 2025, Abu Bekir filed an originating summons against CMSB to inspect the Company and its subsidiaries' accounts.

  In an affidavit to oppose the proceedings brought by Abu Bekir dated 13 March 2025 and sighted by a local news portal, Sulaiman claimed that "*it would not be far-fetched to allege that Mahmud is attempting to launch a coup to remove me as a director*."

- Later on, 20 March 2025, CMSB initiated a legal suit against Abu Bekir and five others for breach of trust and fiduciary duties related to a failed Enterprise Resource Planning (ERP) system, part of the Company's digital transformation project awarded in 2019.

  The project involved Abu Bekir and former chief information officer Karl Vink @ Khalid Abdullah, who in turn were shareholders of Vienna Advantage GmbH (VAG), the entity awarded the digital transformation project by CMSB. Disputes ensued as CMSB claimed VAG failed to deliver and implement the ERP system.

In April 2021, CMSB launched an investigation into allegations of conflict of interest involving Abu Bekir and Vink. Subsequently, Abu Bekir took leave of absence from all his positions in the Group. However, in a statement dated 6 May 2021, the Board clarified that Abu Bekir need not to do so, deeming the allegations baseless.

Toll on financial performance

Mirroring the waning political clout of the late Taib and bitter ongoing family feud, CMSB now trades at around RM1.55 per share, a far cry from its record high of RM5.60 a decade ago. Such a steep decline in share price underscores not just cyclical business challenges, but also the destructive impact of family disputes that have spilt into corporate affairs, eroding investor confidence and long-term shareholder returns.

As the siblings remained embroiled in internal squabbles, CMSB's operations have been anything but smooth. The most glaring example came in July 2023, when Syarikat SESCO Bhd — the Sarawak state utility — cut off power supply to CMSB's phosphate plant in Bintulu's Samalaju Industrial Park following disagreements over the power purchase agreement.

The phosphates division has since become a major financial drain, posting persistent losses since FY2020. For the first half of FY2025, the segment's losses ballooned to RM87.19 million, more than double the RM40.45 million in the corresponding period of the prior year. It had earlier chalked up pre-tax losses of RM156.70 million and RM96.80 million in FY2023 and FY2024, respectively.

Financially, CMSB posted a 12% year-on-year (y-o-y) rise in net profit to RM128.19 million (FY 2023: RM114.44 million) during its financial year ended 31 December 2024. However, its revenue dwindled slightly to RM1,196 million (FY2023: RM1.201 million).

However, the Group's financial performance has since headed south with 1HFY2025 net earnings dwindling 80.44% to RM14.01 million (1HFY2024: RM71.61 million), while revenue retreated 11.2% to RM493.05 million (1HFY2024: RM555.36 million).

For shareholders, the return has been uninspiring in recent years. Return on equity improved marginally to 3.83% in FY2024 from 3.51% in FY2023, while the five-year ROE range of 3.51% and 9.20% illustrated dismay shareholders' capital deployment efficiency. Dividend payouts have also been lacklustre, averaging 2–3 sen per share over five years.

Even as optimism surrounds the imminent restarting of the phosphate plant, the real test lies not just in production metrics but in governance resilience.

If there isn't a robust family governance initiative in place, family issues are bound to seep into the boardroom. Time spent focusing on family issues inevitably reduces the board's effectiveness, for it profoundly impacts how much value a board can bring to the company and shareholders.

After all, board dysfunction emanating from family conflict is a complex matter for it can be a hot rod for a boardroom to handle. For CMSB, restoring market confidence requires not just operational turnaround, but a rebuilding of trust within the family and among shareholders.

[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
27.10.25 (Mon) 10.00 am	TMC Life Sciences Berhad (AGM)	In FY2025, the Group recorded revenue of RM345.5 million, a slight decline of 0.3% from the previous year. This reflects a resilient topline performance, supported by continued contributions from the Oncology Centre, despite the loss of certain customer contracts. Profit before tax dropped significantly by 87% year-on-year to RM7.1 million. The decline was mainly due to higher direct and operating costs, increased customer discounts to maintain volume and competitiveness, and a one-off accelerated depreciation charge of RM3.0 million related to the Hospital Information System upgrade under the Group's digital transformation plan.
27.10.25 (Mon) 10.00 am	Hong Leong Bank Berhad (AGM)	HLB recorded commendable financial performance in FY2025 with a higher net profit of RM4.3 billion, complemented with robust growth in non-interest income of 33.4% y-o-y, improvement in CASA mix to 32.9% and strong asset quality with a low gross impaired loan ratio of 0.54%. During the reporting period, the Bank was impacted by one-off items, including the release of management overlay allowances and a non-cash loss attributed to the dilution of the Bank's stake in its associated company, Bank of Chengdu Co., Ltd (BOCD), following the completion of its convertible bond conversion. Excluding these, the normalised pre-BOCD profit would have improved 10.1% y-o-y and PAT expanded 4.3% y-o-y.
28.10.25 (Tue) 09.00 am	TAS Offshore Berhad (AGM)	The Group delivered a strong performance in FY2025, achieving revenue of RM145.17 million,

Date & Time	Company	Quick-take
		more than double the RM72.39 million recorded in FY 2024. The growth was driven primarily by robust tugboat sales to Indonesia and Singapore. Profit after taxation rose 81.6% year-on-year to RM17.55 million from RM9.66 million.
29.10.25 (Wed) 09.30 am	Ancom Logistics Berhad (AGM)	For FY2025, the Group reported revenue of RM33.4 million, representing an increase of 6.4% y-o-y from RM31.4 million in FY2024. The growth was principally driven by sustained strong demand for spot tank rentals within the tank farm segment. For FY2025, the Group recorded a pre-tax profit of RM2.0 million, compared to a pre-tax loss of RM1.9 million the year before. The losses incurred in FY2024 was mainly due to an impairment loss on other receivables amounting to RM2.0 million.
29.10.25 (Wed) 11.30 am	Ancom Nylex Berhad (AGM)	The Group reported sound financial results for the year, with revenue amounting to RM1.87 billion (FY2024: RM1.99 billion) and net profit totalling RM63.5 million (FY2024: RM 81.5 million). The decrease in revenue was primarily due to lower selling prices and volume of Industrial Chemicals products. This was partially offset by higher revenue in the Agrichemicals division, which recorded increased sales volume with continued customer demand.
29.10.25 (Wed) 02.30 pm	Hong Leong Financial Group Berhad (AGM)	HLFG chalked up record financial performance in FY2025 with total income of RM7.22 billion and a PBT of RM6.1 billion. In line with the improved performance, the Company increased its dividend payout to 72 sen per share from 54 sen previously. In FY2025, it was impacted by two material one-off items from Hong Leong Bank Berhad (HLB) regarding the release of management overlay allowances and a non-cash loss attributed to the dilution of HLB's stake in its associated company, Bank of Chengdu Co., Ltd (BOCD), following the completion of its convertible bonds conversion to equity by its remaining bondholders. As such, HLFG's PATAMI on normalised basis would have expanded by 3.9% y-o-y to RM3.32 billion with a ROE of 10.7%.
30.10.25 (Thur) 10.00 am	KUB Malaysia Berhad (AGM)	KUB recorded strong financial performance in FY2025, driven by the expansion of its Cables and Building Materials (CBM) Division and the majority divestment of its oil palm business. The Group's

Date & Time	Company	Quick-take
		revenue rose 34.2% to RM738.6 million, supported by higher contributions from the CBM and core LPG Divisions. Profit after zakat and tax (PAT) increased 80.2% to RM64.5 million, boosted by one-off gains, including RM17.7 million from the sale of SSSB and a RM5.3 million bargain purchase gain. Excluding one-off items, PAT from continuing operations still rose a solid 82.0% year-on-year.
30.10.25 (Thur) 10.00 am	Cypark Resources Berhad (AGM)	FY2025 was a pivotal year for Cypark with almost all of its remaining projects in the pipeline were successfully commercialised, marking the significant completion of its delivery backlog. During the year, it commenced the commissioning of LSS2 Danau Tok Uban floating solar plants in Kelantan and the LSS3 Merchang hybrid solar plant in Terengganu. Its financial turnaround was equally significant, with a net profit of RM13.4 million, reversing a loss of RM87.9 million in FY2024. While revenue declined to RM157.8 million due to lower construction activities, profitability improved through contributions from new assets, the revised tipping fee for its waste-to-energy facility, disciplined cost control, and reversal of provisions tied to project settlements and impairments.

POINTS OF INTEREST

Company	Points/Issues to Be Raised
TMC Life Sciences Berhad (AGM)	In FY2025, the Group recorded revenue of RM345.5 million, representing a marginal decline of 0.3% compared to the previous financial year. This reflects a resilient topline performance despite the discontinuation of certain customer contracts, supported by contributions from the Oncology Centre, which helped sustain overall revenue levels. (a) As stated in the MSWG response letter dated 18 November 2024, the contract with Great Eastern Life Assurance (Malaysia) Berhad ("GE") expired in Q4 FY2024 and is currently under re-negotiation, while Allianz Life Assurance Malaysia Berhad ("Allianz") has terminated its agreement with Thomson Hospital Kota Damansara (THKD).

Company	Points/Issues to Be Raised
	We note that, as of 21 April 2024, THKD was no longer listed as a panel hospital by GE, primarily due to operational concerns. The hospital has since undertaken corrective actions, implemented key improvements, and is actively engaging with GE with the aim of securing reinstatement. What is the current status of negotiations with GE and Allianz, and is there a target timeline for resolution or potential reinstatement? In the event that negotiations are unsuccessful, what contingency measures will the Group implement to mitigate any potential decline in patient volume? (b) We note that the Oncology Centre has contributed positively to revenue. What portion of the revenue increase can be attributed specifically to patient volumes and services at the Oncology Centre, compared to other hospital departments? (c) Could the Group provide a breakdown of revenue contributions by the Group's main business segments?
Hong Leong Bank Berhad (AGM)	On 8 October 2025, Dewan Rakyat passed a bill to abolish the use of flat rate and Rule 78 for fixed-rate hire purchase loans. Under the amendment bill, the effective interest rate (EIR) and the reducing balance method will replace Rule 78 to ensure greater transparency in loan calculations. Accordingly, work is also underway to abolish Rule 78 for personal financing products. As at FY2025, HLB's exposure to hire purchase (HP) and personal financing stood at RM24.15 billion and RM4.61 billion, or equivalent to 11.5% and 2.19% of HLB's total gross loans, advances and financing. (Page 194 of AR2025) (a) What are the potential complications to the Bank arising from the abolishment of Rule 78 for HP and personal loans? (b) Some market observers suggest banks might offset the loss of front-loaded income by adjusting EIRs upward — does HLB anticipate repricing its HP or personal loan products to preserve margins, or will competition constrain such moves?
TAS Offshore Berhad (AGM)	Indonesia remains the Group's largest market, contributing approximately 95% of Group revenue in FYE2025. The reliance on tugboats and barges for inter-island transport, coupled with abundant natural resources, underpins steady demand for the Group's vessels. (Page 12 of AR2025)

Company	Points/Issues to Be Raised
	Why is revenue generated from only Indonesia and Singapore followed by Malaysia (as stated on page 121 of AR 2025) and none from Philippines and other ASEAN countries? What are the Group's strategies and plans to expand into other ASEAN countries?
Ancom Logistics Berhad (AGM)	For FY2025, the Group reported revenue of RM33.4 million, representing an increase of 6.4% from RM31.4 million in the preceding year. The growth was principally driven by sustained strong demand for spot tank rentals within the tank farm segment. (Page 12 of AR2025) (a) What were the key catalysts behind the stronger demand for spot tank rentals in FY2025, and how sustainable is this trend going into FY2026? How is the industry demand and supply dynamic for chemical tank farm? In addition, what is the average utilisation rate of the expanded capacity of 54,100 cbm after the latest expansion? (b) Between spot rental and long-term lease agreements, which segment delivers higher margins and is more strategically preferred by the Group? What is the breakdown of ALB's long-term lease agreement by tenure? Accordingly, what is the revenue ratio between long-term leasing and spot rental? What is the optimal revenue ratio between spot rental and long-term leases?
Ancom Nylex Berhad (AGM)	In FY2025, ANB reported lower revenue of RM1.87 billion, compared to RM2.00 billion in FY2024. The decrease in revenue was primarily due to lower selling prices and volume in the Industrial Chemicals division. This was partially offset by higher revenue in the Agrichemicals division, which recorded increased sales volume with continued customer demand. (Page 29 of AR2025) (a) What were the causes for lower volume in the Industrial Chemicals division? What is the outlook for prices and demand in FY2026? (b) Which product range, i.e., Palm Oil, Sugarcane, drove the increased sales volume Of Agrichemicals in FY2025?
KUB Malaysia Berhad (AGM)	Central Cables Berhad (CCB) manufactures medium and low voltage power cables and wires. The company serves a wide customer base in Malaysia, including a longstanding business relationship with Tenaga Nasional Berhad. (Page 25 of AR2025) (a) What was CCB's total production capacity as of 30 June 2025? Are there any plans to expand production capacity?

Company	Points/Issues to Be Raised
	(b) What was the average utilisation rate of CCB's production facilities in FY2025? Considering the current demand outlook, how is the utilisation rate expected to trend in FY2026?
Cypark Resources Berhad (AGM)	Cypark's FY2025 revenue declined to RM157.82 million compared to RM183.91 million in the previous year. Although the Group's net loss narrowed sharply to RM7.05 million from RM88.51 million, this improvement was primarily due to a one-off reversal of liquidated ascertained damages (LAD) provision amounting to RM90 million (FY2024: RM0.985 million). (Page 160 of AR2025) Without this reversal, Cypark's underlying performance would have remained loss-making at a level comparable to FY2024. (a) The Renewable Energy (RE) segment would have remained loss-making if without the RM90 million LAD reversal, compared to a segmental profit of RM1.34 million in the previous year. (Pages 259 – 261, Note 33 – Segment information, AR2025) The depreciation of plant and equipment as well as finance costs chipped away at the profitability of the segment. Given that all backlog projects have now been completed and commissioned, how confident is management that the RE division will be operationally profitable on a recurring basis moving forward? (b) The Waste Management and WtE segment recorded slightly higher revenue of RM48.08 million (FY2024: RM46.73 million), while segmental loss narrowed to RM56.5 million (FY2024: RM61.33 million). Nevertheless, Q1FY2026 merely showed marginal improvement in revenue at RM12.99 million (Q1FY2025: RM12.72 million) despite the absence of disruption arisen from a fire incident between April and October 2024. i. Is the Ladang Merah WTE plant currently operating at full processing capacity, and if not, what is the expected timeline to reach optimal output levels? ii. Cypark previously disclosed that the Ministry of Housing and Local Government has approved a revision to the tipping fee for the Ladang Merah WTE plant.

Company	Points/Issues to Be Raised
	What is the quantum of the revised tipping fee, and how much incremental annual revenue does the revision contribute to Cypark? iii. In FY2024, Cypark made a RM39 million impairment on intangible assets due to uncertainty surrounding the tipping fee revision. Please explain the accounting treatment applied to reflect the future cashflow projection arising from the revision. How is the retrospective effect of the fees revision recognised in the financial statements? iv. What is the ratio for revenue between tipping fees and sale of green energy generated from the plant? (c) The Construction and Engineering division reported significantly lower revenue of RM2.87 million (FY2024: RM46.72 million) but achieved a much higher segmental profit of RM15.28 million (FY2024: RM5.47 million). Please clarify the key contributors to the unusually high profit despite the minimal revenue. (d) "Other income" rose sharply to RM20.90 million (FY2024: RM9.10 million). Please provide a breakdown and explanation of the main items contributing to this increase. (e) Despite lower overall revenue, administrative and general expenses increased substantially to RM27.18 million (FY2024: RM15.31 million). What were the main cost drivers behind this increase?

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