MSWG
MINORITY SHAREHOLDERS WATCH GROUP

The Observer

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REWIND 2025

As 2025 comes to an end, the year is marked by intensified corporate activity and governance challenges, including debatable privatisation offers, boardroom and family disputes, contentious related-party transactions, and a troubling rise in disclosure lapses.

IT'S A WRAP! HOW CONTROL, FAMILY FEUDS AND ERRATA TESTED GOVERNANCE IN 2025

As 2025 draws to a close, it is timely to take stock of a year marked by heightened corporate activity and governance flashpoints.

Several dominant themes emerged on the corporate front, led by a series of high-profile privatisation and delisting exercises involving Malaysia Airports Holdings Berhad (MAHB), FGV Holdings Berhad and Genting Malaysia Berhad (GenM) at unfair offer prices, underscoring the continued strain between controlling shareholders and minorities.

Beyond privatisation, the market was punctuated by boardroom tussles and family feuds, where disputes that should have remained private spilled into the public arena as shareholders and siblings vied for control of listed companies.

The year also saw heightened scrutiny of contentious related-party transactions, which sparked debate over fairness, commercial rationale and governance standards.

Compounding these concerns, MSWG repeatedly highlighted an alarming rise in errors, omissions and inconsistencies in corporate disclosures, prompting renewed calls for greater vigilance, accountability and due diligence by boards and management.

Big moves, bigger control

Amid much political brouhaha, MAHB was successfully privatised on 26 February at an offer price of RM11 per share by the Gateway Development Alliance (GDA) consortium spearheaded by sovereign wealth fund Khazanah Nasional Bhd and retirement fund EPF (Employees Provident Fund) in tandem with global partners Abu Dhabi Investment Authority (ADIA) and Global Infrastructure Partners (GIP). This ended the airport operator's quarter-century reign as a blue-chip counter on Bursa Malaysia, having been listed on 30 November 1999 at RM2.50 per share.

The offer price drew criticism for failing to adequately reflect MAHB's long-term strategic value, irreplaceable national assets and future earnings potential. For many minority shareholders, the take-private exercise crystallised value at a time when recovery and infrastructure-led upside had not yet fully materialised, following years of doldrums caused by the COVID-19 pandemic.

For the Federal Land Development Authority's (Felda), persistence paid off in its second attempt to privatise FGV. The plantation group was delisted from Bursa Malaysia on 28 August, after Felda and other parties acting in concert (PACs) secured 94.97% in the plantation player.

However, the relaunch of the privatisation exercise on 26 May at RM1.30 per share, a far cry from FGV's IPO price of RM4.55 just 13 years ago, is a classic example of value erosion borne disproportionately by minorities.

Once celebrated for its RM10.5 billion listing in 2012, among the world's largest IPOs at the time, FGV's delisting at a fraction of its debut valuation underscored how years of governance failures, financial shenanigans, mismanagement, and questionable acquisitions ultimately culminated in minorities being compelled to exit at depressed prices.

Similarly, Genting Berhad's surprise move late in 2025 to take Genting Malaysia Berhad (GenM) private at RM2.35 per share reignited debate over fair value and control.

The deal's independent adviser recommended that shareholders reject Genting's privatisation offer, citing a steep discount and strong liquidity.

Genting said it would not maintain GenM's listing status should the acceptance level for its offer cause the company's public shareholding to fall below the 25% spread. Nevertheless, the integrated resort player will remain listed on Bursa Malaysia, as Genting only managed to secure a 73.13% interest in GenM at the close of its offer.

Taken together, these transactions reflect a recurring and troubling theme: privatisation offers are often pitched at valuations that favour controlling shareholders, often at moments when future upside remains intact.

These recent privatisation exercises highlight a recurring structural concern: where controlling shareholders wield entrenched influence, minority shareholders may be left with little options but to accept offers.

Such outcomes do not necessarily reflect valuation alignment, but rather the constraints imposed by control dynamics, liquidity considerations and the absence of competing proposals. This underscores the persistent vulnerability of minority shareholders within Malaysia's takeover framework.

When company money starts to look personal

DXN Holdings Bhd's purchase of a luxury condominium unit perched on Dubai's iconic Burj Khalifa – the world's tallest structure at 829.8 metres – has raised eyebrows about whether such spending truly aligns with the long-term business needs of the multi-level marketing (MLM) company.

The controversial nature of the related party transaction (RPT), which costs 6.4 million UAE dirham (RM7.37 million), centred on the fact that the vendors are its executive chairman and major shareholder, Datuk Lim Siow Jin, and its substantial shareholder, Datin Wan Illiyyin Wan Mohd Nazi.

The strategic objective of the said acquisition is to further strengthen DXN's member engagement and performance-driven reward ecosystem by incorporating the iconic Burj Khalifa into its incentive and lifestyle offerings.

The deal became even more contentious, given it came barely a year after an earlier RPT quest to charter a Gulfstream G550 corporate jet from Lim at a cost that could top US$6.60 million (RM29.06 million) a year to expand its global business.

The rationale offered by DXN back then was that it was a global company with 11 of its 13 manufacturing facilities located outside Malaysia. The Latin American market contributed 57.9% to the Group's total gross sales for its financial year 2024, followed by the Asian market.

From a private jet to a luxury condo, it implied that the entire reward system is lopsided in favour of the Group's senior executives and MLM members, at the expense of minority shareholders.

When family matters become market problems

Cahya Mata Sarawak Berhad (CMSB), Sapura group of companies and Greenyield Berhad showed how family feuds can escalate to the boardroom level and quickly become market issues.

When internal battles consume management's energy, shareholders are left wondering what is not getting the attention it deserves.

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

Doubtless, CMSB is an ideal testbed to gauge how ongoing internal conflicts among family members can drag a company into a quandary, disrupting day-to-day operations, reducing the company's value, and eroding shareholders' trust, which ultimately jeopardises the business.

The quagmire that involved inheritance squabbles has its roots in the late company patriarch Tun Abdul Taib Mahmud – both prior to and after his demise – between siblings Dato Sri Mahmud Abu Bekir Taib and Dato Sri Sulaiman Abdul Rahman Taib and their family members over shares in the family's flagship CMSB.

Strain reared its ugly head with the brothers and family members embroiled in a slew of legal battles preceding and post-Taib's demise.

Internal squabbles among brothers dominate the centre stage of the Sapura family feud, with Tan Sri Shahril Shamsuddin and Datuk Shahriman Shamsuddin fighting over control and assets of the family's private investment vehicle, Sapura Holdings Sdn Bhd (SHSB).

Shahril and Shariman are equal shareholders (40.5% each) in SHSB. Their equally-owned vehicle, Brothers Capital Sdn Bhd, holds another 15% interest in SHSB.

Shahriman filed a petition in September 2024 to wind up SHSB, contending that it is a family concern where trust has completely broken down, necessitating a fair distribution of assets. Elder brother Shahril, however, opposed this, asserting that the entity is not a family company but a commercial one and that the dispute is merely a commercial disagreement – not a breakdown of mutual trust.

Most recently, the family patriarch, Tan Sri Shamsuddin Abdul Kadir Shamsuddin, pitted against his son, filed an application to revoke the gift of 14.85 million SHSB shares he had given to Shahril in 1997.

As the case drags on amid various court hearings, cross-examinations of family members and failed settlement talks, not only are private family matters brought into the public corporate sphere, but the interests of especially minority shareholders have also taken a backseat in the companies they control.

Elsewhere in the small-cap segment, Greenyield, founded by the Tham family in 1937, is charting a new journey after a recent saga involving three Tham brothers who ousted their brother and nephew.

Too many fixes after the fact

One slightly worrying pattern this year was the high number of errata and rectification announcements, especially in Q2 2025.

Mistakes occur, but when corrections become routine, they naturally erode confidence in the quality of the information on which investors rely.

One such glaring instance was that of TWL Holdings Berhad (formerly Tiger Synergy Berhad), whereby its shareholders found themselves in a conundrum with the property company having to ratify 192 million employees share option scheme (ESOS) shares granted to executive chairman Datuk Tan Wei Lian without their consent.

This came about as the option shares granted to Tan on 1 July 2025 were found to have been made without obtaining the requisite prior TWL shareholders' approval, hence resulting in non-compliance with Paragraph 6.06(1) of the Main Market Listing Requirement and that of Paragraph 7.4 of the group's ESOS by-Laws.

Both provisions explicitly state that any specific grant of the ESOS option to a director, CEO, major shareholder, or a person connected to them requires approval from shareholders at a general meeting before the grant.

Elsewhere, MSWG detected multiple inconsistencies in the annual disclosure of several PLCs, such as P.I.E. Industrial Bhd and Destini Berhad, revealing significant shortcomings in ensuring accuracy and attention to detail.

Their oversights resulted in numerous errors, raising questions about their due diligence process that potentially undermine shareholders' trust.

Governance Doesn't Collapse; It Leaks

From privatisations and delistings at disputed valuations, to related-party transactions that blurred the line between corporate resources and personal benefit, the year of 2025 underscored the persistent power imbalance between controlling shareholders and the investing public.

Family feuds that spilled into boardrooms further illustrated how private conflicts can derail corporate focus and destroy value. Compounding these challenges, the growing incidence of disclosure errors and post-facto corrections raised questions about board oversight, internal controls and the reliability of information presented to shareholders.

If 2025 taught investors anything, it is this: governance failures rarely arrive with a bang; they creep in quietly, wrapped in offer documents, family disputes, related-party justifications, and erratum notices. By the time shareholders realise what has happened, control has shifted, value has leaked, and explanations arrive after the fact. Good governance is not about correcting mistakes efficiently; it is about having the discipline not to make them casually, especially when other people's money is at stake.

[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.

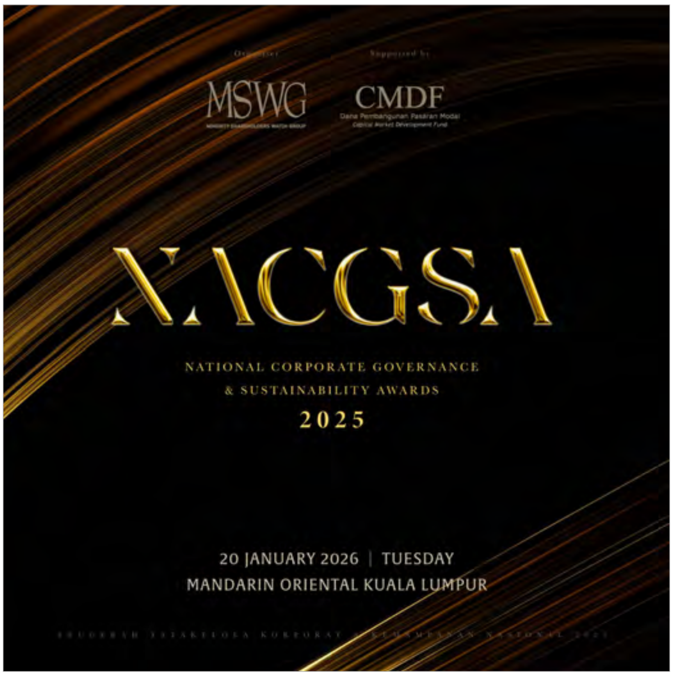
QUICK-TAKE

Date & Time	Company	Quick-take
22.12.25 (Mon) 10.00 am	Lotus Circular Berhad (EGM)	Lotus Circular proposes to acquire Earthwise Resources Sdn Bhd and Expert Resource Management Sdn Bhd for RM100 million to be satisfied via a combination of RM35 million cash and the issuance of 156.6 million new shares at 41.5 sen each (Proposed Acquisition). It also seeks exemption for Datuk Wong Sak Kuan, Lotus Essential Sdn Bhd, and their associates from mandatory takeover offer requirements when the new consideration shares are issued pursuant to the Proposed Acquisition. Lastly, it will seek a new mandate allowing recurrent related party transactions following completion of the acquisitions.

POINTS OF INTEREST

Company	Points/Issues to Be Raised
Lotus Circular Berhad (EGM)	1. The proposed acquisitions of Earthwise Resources Sdn Bhd and Expert Resource Management Sdn Bhd for RM100 million significantly exceed LCB's market capitalisation of approximately RM43 million as at 15 December 2025. a) Can the Board and Management explain how this acquisition will position LCB to capitalise on the growth opportunities (Page 18 of the Circular) in Malaysia's recycling industry, given the government's Circular Economy Blueprint for Solid Waste 2025- 2035 and the

Company	Points/Issues to Be Raised
	country's need to rethink waste management strategies (Pages 16-17 of the Circular)? b) Given the magnitude of this investment relative to market capitalisation, what specific performance metrics, reporting protocols, and oversight frameworks will the Company implement to ensure transparent shareholder assessment? 2. The integration of Earthwise and Expert into the Group's portfolio will unlock new growth opportunities, enhance operational synergies, and drive efficiency gains through improved economies of scale (Page 19 of the Circular). The proposed acquisitions are expected to result in cost savings (Page 13 of the Circular). a) What measurable cost savings are expected and over what timeframe? b) How will LCB measure and report progress on achieving the targeted synergies, and what specific milestones will be used to evaluate integration success over the next 12-24 months?


MSWG
CMDF
NACGSA
NATIONAL CORPORATE GOVERNANCE
& SUSTAINABILITY AWARDS
2025
20 JANUARY 2026 | TUESDAY
MANDARIN ORIENTAL KUALA LUMPUR


MSWG
25 Years
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Festival for Minority Shareholders
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BURSA MALAYSIA
Luno
Maybank
pharmaniaga
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EVENT PHOTOS
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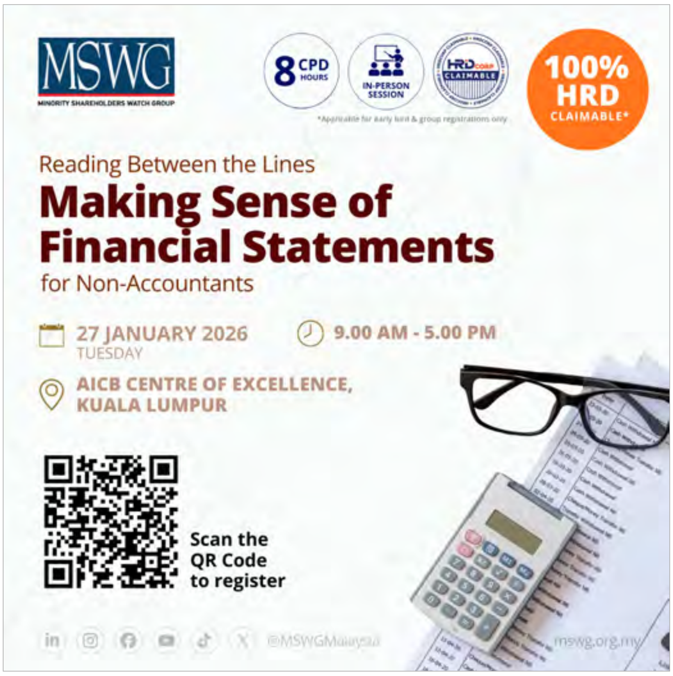
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Reading Between the Lines
Making Sense of Financial Statements
for Non-Accountants
27 JANUARY 2026
TUESDAY
9.00 AM - 5.00 PM
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