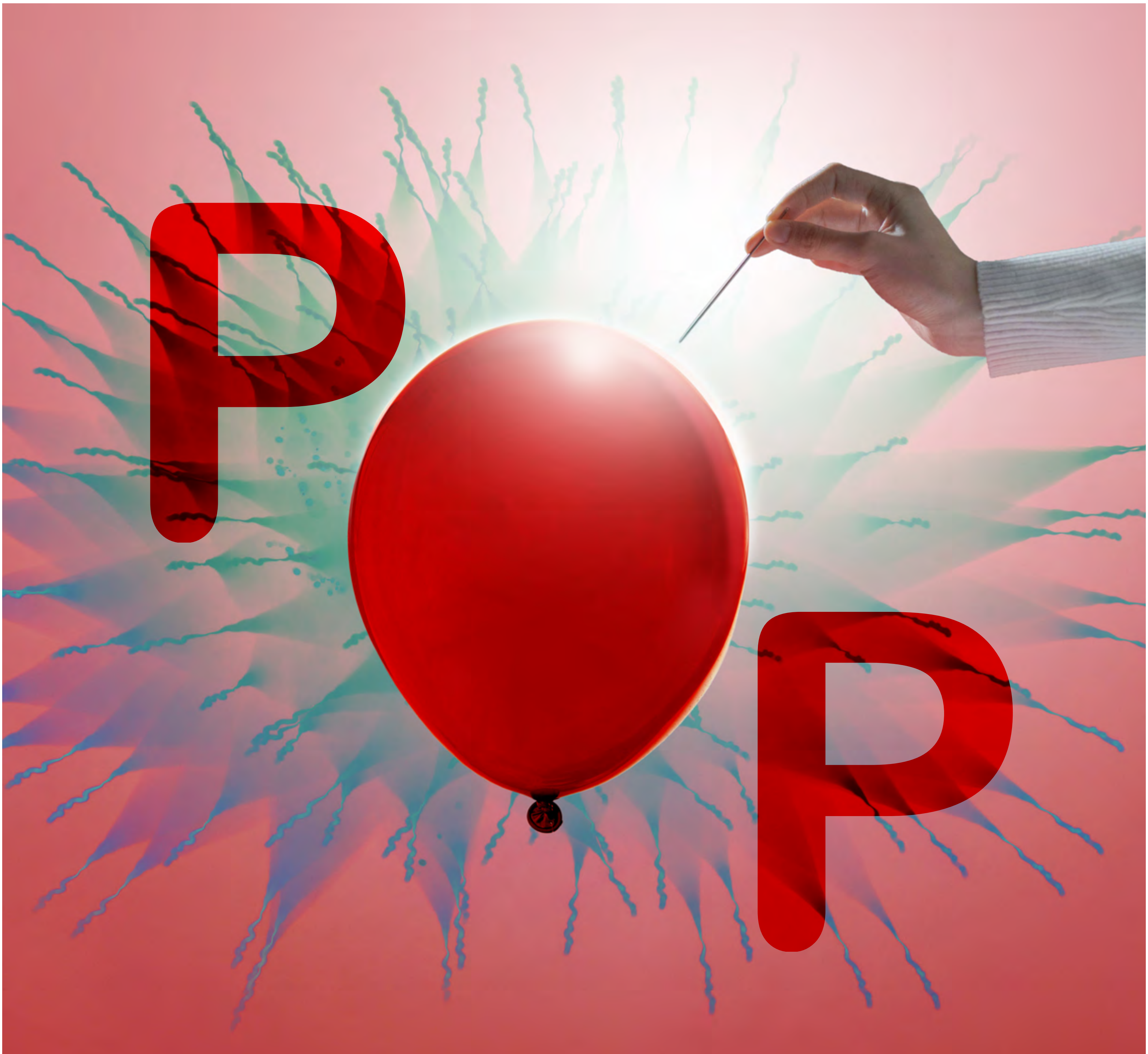
MINORITY SHAREHOLDERS WATCH GROUP

The Observer

Official Newsletter from MSWG

FRIDAY | 23 JANUARY 2026



What was supposed to be a routine re-election instead raised more questions than answers.

UNEXPECTED TWIST AT KAREX'S AGM

At its 13th AGM on 28 November 2025, the world's largest condom manufacturer, Karex Berhad, tabled eight resolutions for voting, seven of which were passed.

The one rejected was "Ordinary Resolution 2", the proposed re-election of Dato' Edward Siew Mun Wai, who was retiring in accordance with Clause 97 of the Company's constitution and had offered himself for re-election. Siew had served as an independent non-executive director (INED) of Karex since November 2020.

What set tongues wagging was not merely the rejection itself, but the peculiar circumstances surrounding it. Despite being formally recommended by Karex's Nomination Committee and the Board ahead of the AGM, Siew was booted out decisively. By contrast, resolutions to re-elect three other INEDs were passed with unanimous shareholder support.

The voting breakdown tells the story. While 103 shareholders representing 109.04 million shares (15.36%) voted in Siew's favour, 22 shareholders with an overwhelming 600.86 million shares—equivalent to 84.64% of total shares voted— blocked the resolution. The message was clear: the seasoned accountant had fallen out of favour with Karex's controlling shareholders.

To add credence to the irony, the board had earlier assured shareholders during the AGM that it was satisfied with the company's board structure and composition, only to dispense with an independent director hours later.

Following what transpired at the AGM, Siew ceased to hold office as a Karex's director, chairman of the Remuneration Committee (RC), and members of the Risk Management, Audit and ESOS Committees.

Not short of corporate exposure

Siew was first appointed to the Karex board on 27 November 2020 as an INED and a member of the AC.

On 29 November 2021, he was redesignated as chairman of the RC and AC before being redesignated from the latter as a member on 2 January 2025. On the same date, he ceased to be a member of the NC.

A check on Siew's professional background suggests that – on paper at least – his experience fits the bill as the 'right man for the job'.

A Fellow Member of the Institute of Chartered Accountants in England & Wales (ICAEW), he spent over eight years in public practice in London before returning to Malaysia. After a brief stint with a local bank, he joined HSBC's Hong Kong headquarters.

This was followed by over 26 years of C-suite roles at multinational companies, i.e., the L'Oreal Group, Ciba-Geigy (now Novartis) Group, which entailed managing their subsidiaries in Melbourne, Seoul, Paris, Bangkok, Singapore, Jakarta, Taipei and Hong Kong.

Following his repatriation to Malaysia on the Talent Corp programme, Siew was the acting global CEO/CFO of Crabtree & Evelyn London until its divestment.

Insofar as PLCs are concerned, from 2011-2014, he was an independent director and audit committee chairman of an ASX (Australian Securities Exchange)-listed junior mining company. Siew presently sits on the board of directors of Malton Bhd and Prestar Resources Bhd as an INED.

In short, this was hardly a novice director cutting his teeth.

Conflict of opinion?

Against the backdrop of Siew's professional credentials, the voting pattern showed that the rejection stemmed from the founding and controlling Goh family.

The Goh family and their relatives own a direct 47.08% or 495.875 million shares as of 26 September 2025 – a level that is sufficient to determine the outcome of any ordinary resolution.

Insofar as minority shareholders' interest is concerned, INEDs play an important role in corporations with their objective oversight to ensure transparency and accountability while safeguarding shareholders' interests as they are not encumbered by material relationships with the company's management.

It is therefore not uncommon for INEDs, who are often armed with decades of global corporate experience, to challenge or disagree with controlling shareholders, sometimes unknowingly stepping on sensitive toes in the process.

This is very much expected that independent directors who are also professionals in their fields with extensive industry experience, are well-aware of the need for good governance, timely corporate disclosures and compliance with regulations.

Seasoned professionals, particularly those steeped in multinational governance standards, tend to be acutely aware of the imperatives of transparency, timely disclosure and regulatory compliance—traits that can occasionally sit uneasily with entrenched control.

Such tensions are neither unusual nor unhealthy. In fact, they are often the norm of a functioning board, where independent directors are expected to probe, question and, where appropriate, push back. Ideally, these differences are resolved through robust debate in pursuit of outcomes that serve the company and all shareholders.

An unanswered question

Why, then, was an INED with fewer than nine years' tenure—endorsed by the nomination committee and the board—suddenly deemed unsuitable by shareholders holding decisive voting power? What caused the change of mind within a short span of time?

Was the rejection driven by concerns over the director's performance, competence, commitment or independence? If these were indeed the issues, why were they not flagged earlier through the NC and board's evaluation process?

That question is likely to remain unanswered. Minority shareholders are almost certainly to be kept in the dark about the real reasons behind Siew's abrupt exit.

What is clear is that this unexpected voting outcome may be read as more than a routine boardroom reshuffle. To some, it could well be a red flag—an early signal that all may not be entirely harmonious beneath the surface at Karex.

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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
26.01.26 (Mon) 03.00 pm	PLB Engineering Berhad (AGM)	In FY2025, the Group recorded a total revenue of RM102.19 million compared to RM134.43 million previously. The higher revenue in the preceding year was mainly derived from the disposal of vacant lands at Zoo Road, Tanjung Bungah and Bakar Arang. It recorded a PBT of RM8.16 million in FY2025, consisting of loss before tax of RM3.34 million from continuing operations and a PBT of RM11.50 million from discontinued operations. The completion of share sales transaction for disposal of equity interests in PLB Green Solar Sdn Bhd contributed to the discontinued operations.
28.01.26 (Wed) 10.00 am	Concrete Engineering Products Berhad (AGM)	CEPCO registered a lower revenue of RM59.43 million in FY2025 due to slow take-off by overseas customers and delays in delivery. The Group recorded a PBT of RM19.67 million compared to a LBT of RM4.61 million previously, thanks to gains from both operations and an increase in the fair value of investment properties.
29.01.26 (Thur) 10.30 am	Chin Teck Plantations Berhad (AGM)	With a total revenue of RM309.5 million (+16.8% yoy), Chin Teck delivered a standout in FY2025, with PAT jumping 130% to RM200.5 million. Performance was driven by stronger plantation operations, supported by higher CPO and PK prices and improved FFB yields, lifting core profitability. However, earnings were materially boosted by a one-off gain of ~RM95 million from its property associate, West Synergy, following major land disposals.

Date & Time	Company	Quick-take
		Segment-wise, plantations remained the key recurring contributor, while property development was exceptional but non-recurring, and Indonesian plantations remained loss-making due to operational disruptions. Its earnings are expected to normalise in FY2026.
30.01.26 (Fri) 11.00 am	Eduspec Holdings Berhad (EGM)	The Group proposes to settle RM10.23 million owed to CM Asia Learning Pte Ltd through the issuance of 68.17 million shares at 15 per share, with no cash outlay, preserving its limited cash balance of approximately RM2.7 million. The Proposed Debt Settlement will enable the Company to reduce its indebtedness, thereby lowering the overall debt level and total liabilities of the Group. Upon debt settlement, CM Asia will hold an interest of between 3.5% and 4.6%, subject to the total number of issued shares.

POINTS OF INTEREST

Company	Points/Issues to Be Raised
PLB Engineering Berhad (AGM)	Given the challenging property market environment in FY2025, where market sentiment softened, and the sector faced multiple headwinds (Page 9 of AR 2025): a) What differentiation strategies does the Group employ to maintain competitive advantage in the affordable housing segment, particularly against larger developers? b) How does the Group plan to accelerate sales velocity for the Skyline project, which has achieved only 28 condominium units (Page 9 of AR 2025)
Concrete Engineering Products Berhad (AGM)	1. Since the resignation of Mr. Leong Kway Wah as Executive Director/Managing Director with effect on 15 January 2025 (Page 42 of the Annual Report (AR) 2025), CEPCO has been operated without a Managing Director or CEO for the past year. This prolonged absence gives rise to a clear governance vacuum. With a board comprised entirely of Independent Non-Executive Directors, responsibility and accountability cannot simply be diffused.

Company	Points/Issues to Be Raised
	a) During this period, who was effectively in charge of the Company's day-to-day management, who exercised executive decision-making authority, and who is ultimately accountable for the financial and operational outcomes? b) Can the Board clearly explain to shareholders why the search for a Managing Director/CEO has taken this long, and by when this governance gap will be decisively closed? To date, how many candidates have been shortlisted and interviewed, and has the Board set a definitive timeline for appointment? 2. The quantum of Directors' Fees and benefits payable to the Directors for the financial year ended 31 August 2025 which the Company is seeking shareholder's approval under Resolution 1, was not stated in the Notice of AGM dated 23 December 2025. To ensure that shareholders are aware of the quantum of Directors' Fees and benefits that they are voting for, please state proposed payment amounts of the Directors' Fees and benefits in the Notice of AGM in future.

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