



# SHADOW LANDINGS

Appointing new directors without clear disclosure of their credentials and expertise is not shareholder participation; it is governance by guesswork.

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## **VOTE FIRST, ASK LATER? THE GOVERNANCE GAMBLE AT JENTAYU**

Every good corporate drama has its protagonists, its antagonists, and a subplot thick enough to fill the business pages for weeks.

The unfolding situation at Jentayu Sustainables Berhad certainly has all the ingredients. There is a requisition by a group of shareholders. There is a proposal to remove the entire board. There is the nomination of a fresh slate of directors. At the same time, parallel legal manoeuvres are playing out in court.

But let us be clear at the outset.

This article is not about the allegations raised by the requisitioning shareholders. It is not about whether the incumbent board deserves to stay or go. It is not about who is right in the broader dispute.

We are framing this discussion on one very specific governance issue: the nomination of new directors without sufficient disclosure of who they are and what they bring to the table. We are not siding with any party, neither the existing board nor the requisitionists. We are commenting independently, from the perspective of a fellow minority shareholder who is ready, willing and eligible to vote.

And like any responsible shareholder, we ask a simple question: How are we supposed to decide when we are asked to vote in the dark?

### **Replacing the Board in the Dark**

The requisition calls for a sweeping change. Not one director. Not two. The entire board. In its place, a new slate of nominees. That is not routine housekeeping. That is a corporate reset button.

But here lies the problem.

The nominations were made without accompanying director profiles. No detailed background. No clear articulation of experience. No disclosure of how these individuals, collectively, would enhance the board's capability. No skills matrix showing what gaps they are meant to fill. No explanation of strategic alignment. It is as if shareholders are being asked to approve a new management team based solely on a list of names.

Imagine attending a job interview and being told, "Trust us, they are good." Would you sign the employment contract without asking for qualifications? Would you appoint a fund manager without reviewing their track record? Would you hire a surgeon without reading their credentials?

Yet here we are, being asked to appoint directors entrusted with fiduciary duties, oversight of strategy, stewardship of capital and long-term sustainability without the most basic information.

Shareholder voting is often described as corporate democracy. But democracy without information is theatre. Directors are not ornamental fixtures. They set strategic direction. They oversee risk management. They approve capital allocation. They hold management accountable. They carry statutory and fiduciary obligations.

Replacing a board is not like changing office furniture; it is replacing the navigators of the ship. Before entrusting a new team to steer the company, shareholders must understand their experience in Jentayu's sectors, their grasp of renewable energy and capital markets, their exposure to complex financing structures, and whether they collectively bring the financial literacy, governance strength, independence and cohesion required of an effective board.

Without this information, shareholders are not voting. They are guessing.

### **Technicalities Don't Replace Transparency**

Some may argue that the Listing Requirements do not explicitly mandate disclosure of detailed director profiles in an EGM scenario. Technically, they would be correct.

Paragraph 8.27(2) of the Bursa Malaysia Listing Requirements applies to notices of Annual General Meetings and refers to Appendix 8A, which sets out specific disclosure requirements, including biographical details for directors standing for election or re-election.

But this is an EGM, not an AGM. So does that mean disclosure standards fall away? Not quite.

Paragraph 8.27(3) states that any notice of a general meeting called to consider special business must be accompanied by an explanatory note containing the necessary information to enable a member to make an informed decision. The explanatory note must also include the effect of any proposed resolution.

Two phrases matter here: "necessary information" and "informed decision". Appointment and removal of directors are clearly special business. And the question becomes unavoidable: Can shareholders make an informed decision to remove an entire board and appoint a new one without knowing who these individuals are, what experience they bring, and how they strengthen governance?

If the answer is no, then the explanatory disclosure is, at the very least, incomplete in spirit. Governance is not about navigating technical loopholes. It is about ensuring substance over form.

## Democracy Without Disclosure

The core issue here is information parity. When shareholders vote on mergers, they receive valuation reports. When they consider related-party transactions, independent advice is available. It is therefore reasonable to ask why, when voting on the architects of corporate strategy, namely directors themselves, disclosure standards should be any thinner. If the incumbent board is assessed based on its track record and performance, then new nominees should be evaluated equally on their credentials, experience, and suitability.

Parity does not mean bias, nor does it amount to obstruction. It simply means fairness. Shareholders must be placed in a position to make decisions based on balanced, adequate information. Without such parity, minority shareholders are structurally disadvantaged, asked to exercise their voting rights without the tools necessary to do so responsibly.

This very issue formed part of MSWG's recent response to the Securities Commission Malaysia's consultation on the Corporate Governance Framework. We argued for two key reforms.

First, there should be a mandatory disclosure of a board skills matrix. Shareholders must understand what competencies a board requires and whether proposed directors fill genuine gaps. A skills matrix is not cosmetic; it is a governance map.

Second, there should be no parachuting of directors without adequate disclosure. Any requisition proposing the appointment of directors must be accompanied by comprehensive information on the nominees, their background, expertise, independence status, and intended contribution.

These recommendations were not made with Jentayu in mind, but to address a broader governance gap that this episode now illustrates.

## The Larger Governance Lesson

The Jentayu episode should prompt a broader reflection. Corporate Malaysia has grown over the years. Disclosure standards are stronger. Sustainability reporting has expanded from footnotes to full chapters. Governance codes are periodically refreshed and refined. We speak fluently about ESG, board effectiveness and long-term value creation. Yet when it comes to director nominations, especially in contested situations, we still find ourselves wandering in grey corridors where the lighting is strangely dim.

Markets thrive on transparency. Confidence compounds when information flows evenly and predictably. But when disclosure is thin, even if technically permissible, suspicion quietly creeps in. Trust does not collapse overnight; it erodes gradually, like a shoreline

against persistent waves. And rebuilding trust is far harder than replacing directors. Credibility, once dented, takes years to restore.

There is nothing wrong with seeking change. No board is sacred. Directors ultimately serve at the pleasure of shareholders. But revolutions, even corporate ones, should not happen in the dark. Before we remove directors, we must understand who replaces them. Before we dismantle a governance structure, we must see the blueprint of the new one.

Before we cast our vote, we must be properly informed. Because corporate democracy without information is not democracy at all. It is roulette.

And minority shareholders should never be asked to place their capital on the table and spin the wheel blindfolded.

**[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](http://www.mswg.org.my).

## QUICK-TAKE

Date & Time	Company	Quick-take
09.03.26 (Mon) 10.30 am	UMS Holdings Berhad (AGM)	<p>The Company posted weaker financial performance in FY2025, with revenue declining to approximately RM68.8 million from RM76.7 million in FY2024, mainly due to the overall market condition.</p> <p>PBT plummeted to RM5.2 million from RM9.9 million in the previous year due to lower revenue and the absence of one-off gains recognised previously.</p>
10.03.26 (Tue) 10.00 am	OCK Group Berhad (EGM)	<p>OCK is undertaking the listing of its power engineering subsidiary, EIP, on the ACE Market. This will enable the Group to unlock the value of its investment in EIP, thereby enhancing shareholder value. In addition, OCK shareholders can participate directly in EIP's growth through restricted offering. Post-listing, OCK will retain a 51% stake in EIP (vs 62.6% previously), allowing it to maintain majority control while benefiting from the capital raised and value realisation.</p>
10.03.26 (Tue) 11.00 am	Vsolar Group Berhad (AGM)	<p>Vsolar's revenue for the 15-month financial period ended 30 September 2025 (FPE 2025) reached RM18.8 million, against RM11.4 million for FYE 30 June 2024 due to a longer reporting period.</p> <p>However, LBT widened to RM23.3 million in FPE 2025, compared with a LBT of RM3.2 million in FYE2024, primarily due to a fair value loss on other investments of RM15.7 million and an unrealised foreign exchange loss of RM2.6 million.</p>
12.03.26 (Thur) 10.00 am	MKH Berhad (AGM)	<p>For FY2025, the Group's revenue declined by 10.1% to RM953.3 million (FY2024: RM1,060.9 million). However, profit before tax increased by 15.3% to RM166.8 million (FY2024: RM144.7 million).</p>

Date & Time	Company	Quick-take
		<p>The improvement in profitability was mainly driven by higher average selling prices for crude palm oil (CPO) and palm kernel (PK), the commencement of crude palm kernel oil (CPKO) sales in February 2025 from the Plantation segment, higher rental yields, and increased fair value gains on investment properties of RM8.4 million (FY2024: RM7.7 million) from the Hotel and Property Investment segment.</p>
13.03.26 (Fri) 08.00 am	Revenue Group Berhad (AGM)	<p>Revenue fell 26% to RM269.2 million, mainly due to a RM95.1 million decline in Digital Payment Services from supplier restrictions and customer product mix changes.</p> <p>Net loss widened to RM19.37 million (FY2024: -RM10.28 million), mainly due to impairment losses and lower contribution from discontinued operations.</p> <p>Cash position improved significantly after disposals and debt repayment. Loan receivables rose to 14% of assets, while auditors issued a qualified opinion due to missing loan agreements of RM20.6 million and related interest income of RM0.5 million.</p>

## POINTS OF INTEREST

Company	Points/Issues to Be Raised
UMS Holdings Berhad (AGM)	<p>UMS has consistently maintained a strong balance sheet, low leverage, and a prudent capital structure. However, revenue has remained within a relatively narrow range over several years and returns on equity appear modest relative to the Group's capital base.</p> <p>Given the structural constraints of a distribution-led business model — including supplier dependency and limited pricing power — please elaborate a clear three- to five-year strategy to drive growth?</p>
Vsolar Group Berhad (AGM)	<p>The Group continues to achieve steady progress across its renewable energy operations, with existing solar assets delivering stable output and ongoing development activities proceeding as planned. These initiatives not only strategically expand its project portfolio but are also expected to make a meaningful contribution to the growth of its solar energy segment (Page 22 of AR 2025).</p>

Company	Points/Issues to Be Raised
	<p>How are the abovementioned development activities expected to translate into measurable financial performance, including their expected contribution to revenue and profitability, the anticipated timeline for break-even and turnaround, and how will the Group ensure operational efficiency and financial sustainability amid continued negative operating cash flow over the past two financial cycles (Page 83 of AR 2025)?</p>
<p>MKH Berhad (AGM)</p>	<p>MKH Berhad and Hillpark Resources Sdn Bhd (“HRSB”) were sued on 2 December 2025 by 47 homeowners at Bandar Hillpark, Shah Alam following floods on 29 December 2024 and 23 April 2025, allegedly caused by the retention pond’s improper construction, modification, and maintenance. Plaintiffs claim special damages (RM1,025,609.44); general damages (RM14,000,000), exemplary damages, interest, costs, and court orders for pond reconstruction, flood mitigation planning, and independent engineering audit. MKH denies liability as it was not the developer, HRSB is defending, and the litigation is ongoing.</p> <p>a) Given the Company’s position on the suit, has the Board examined whether parent-level accountability may arise despite non-involvement in construction, and whether any gaps in contracts or indemnities could expose the Company to related claims?</p> <p>b) Following claims that failures in the construction, modification, and maintenance of the retention pond by MKH and HRSB caused floods on 29 December 2024 and 23 April 2025. Can the Board clarify the responsibilities held by HRSB and oversight by MKH?</p> <p>Please explain as to why no formal risk mitigation plan was implemented after the first flood, and clarify what verifiable checks, if any, were undertaken prior to the second occurrence.</p>



**DISCLOSURE OF INTERESTS**

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

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