MSWG
MINORITY SHAREHOLDERS WATCH GROUP

The Observer

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STUCK ON REPEAT

Extension after extension, these deals are going nowhere.

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The Deals That Never Closed: Inside Ekovest's Two-and-a-Half-Year Related-Party Merry-Go-Round Transactions

The Filing Nobody Noticed

On the evening of 26 January 2026, Ekovest Berhad (Ekovest) filed a routine-looking announcement to Bursa Malaysia with the title "Execution of Heads of Agreement Between Ekovest and Tan Sri Dato' Lim Kang Hoo (TSDLKH)". Anyone who had been following the Company's newsroom for the previous two years would have scrolled past it without a second glance, since that exact title had already appeared on Ekovest's filing record multiple times over the preceding two years.

Except this time, the filing was announcing the end. The heads of agreement underpinning a proposed RM1.15 billion acquisition of Credence Resources Sdn Bhd (CRSB) had simply expired.

Twenty-four hours later, on 27 January 2026, Ekovest filed another announcement. This time, a further extension of a different RM310 million related-party land deal, also involving TSDLKH, pushed that one's deadline out to 27 April 2026.

That two-day sequence is the cleanest single window into what has been happening at Ekovest since September 2023. Not one related-party transaction (RPT), but four running in parallel, involving the same controlling shareholder, structured through a legal instrument, the "heads of agreement" that lets a mega-deal stay technically alive for years without full disclosures or shareholder votes.

The Man at the Centre

To understand why this matters, you must understand who TSDLKH is to Ekovest, and to everything around it.

TSDLKH has been a fixture at Ekovest since 1988. He has been Group Executive Chairman since February 2021. His direct and indirect stake in the company has been disclosed at approximately 28% and combined with his family's board seats.

TSDLKH's sister and son, Dato' Lim Hoe and Lim Chen Thai, are executive directors of the Company. His nephew, Tan Sri Datuk Seri Lim Keng Cheng, sits on the board as a non-independent non-executive director. These family members are deemed interested in transactions involving three other entities TSDLKH controls or has stakes in, namely PLS Plantations Berhad, Knusford Berhad (Knusford), and Iskandar Waterfront Holdings Sdn Bhd (IWHSB).

None of this is unusual for a Malaysian-listed company who built around a founding family. What makes Ekovest's case worth a closer look is what TSDLKH proposed to do with all of it, starting in September 2023.

The Blueprint

The story properly begins on 27 September 2023, when TSDLKH sent a letter to the board of Ekovest, Knusford, IWH and Iskandar Waterfront City Berhad (IWCity), proposing a tie-up as part of a wider plan to streamline, merge and reorganise his group of companies. Reporting at the time described it as a four-point blueprint to rationalise TSDLKH's personal and family construction, property, and infrastructure holdings into a single enlarged vehicle, with Ekovest as the hub.

Within a month, all four points were in motion simultaneously.

Point one - On 27 October 2023, Ekovest and Knusford, another listed company in which TSDLKH holds roughly a third of the shares, signed a Heads of Merger Agreement. Ekovest would sell its wholly-owned construction subsidiary, Ekovest Construction Sdn Bhd, to Knusford for RM450 million, paid in new Knusford shares at 60 sen apiece. The stated rationale, worth sitting with for a moment, was that the deal would help to eliminate RPTs between the two TSDLKH-linked entities.

Point two - On 27 October 2023, Ekovest signed an agreement with TSDLKH to buy up to 70% of CRSB for an indicative deal value of RM1.15 billion. CRSB is a private company mostly owned by TSDLKH, who holds 90%, while his nephew and sister each hold 5%. In simple terms, CRSB's main value comes from its stake in IWHSB, which itself owns a stake in IWCity, the same company that TSDLKH proposed to merge with Ekovest. In a nutshell, Ekovest was looking to buy into a company whose main asset was an indirect interest in IWCity.

Point three - The same day, 27 October 2023, Ekovest signed a binding term sheet to acquire four parcels of land totalling 15.82 acres along the Johor Bahru–Singapore Rapid Transit System (RTS Link) corridor, a prime transit-oriented-development (TOD) real estate, for RM310 million. The vendors were Danga City Mall Sdn Bhd and Khazanah Melati Sdn Bhd, both linked to TSDLKH, in which he holds 86 million redeemable preference shares in the former and has extended a loan to the latter. Consideration was structured as new Ekovest shares to be issued at RM0.60 each at the time.

Point four - IWCity meanwhile announced that it would begin evaluating TSDLKH's original merger proposal, appointing an adviser and promising updates in due course.

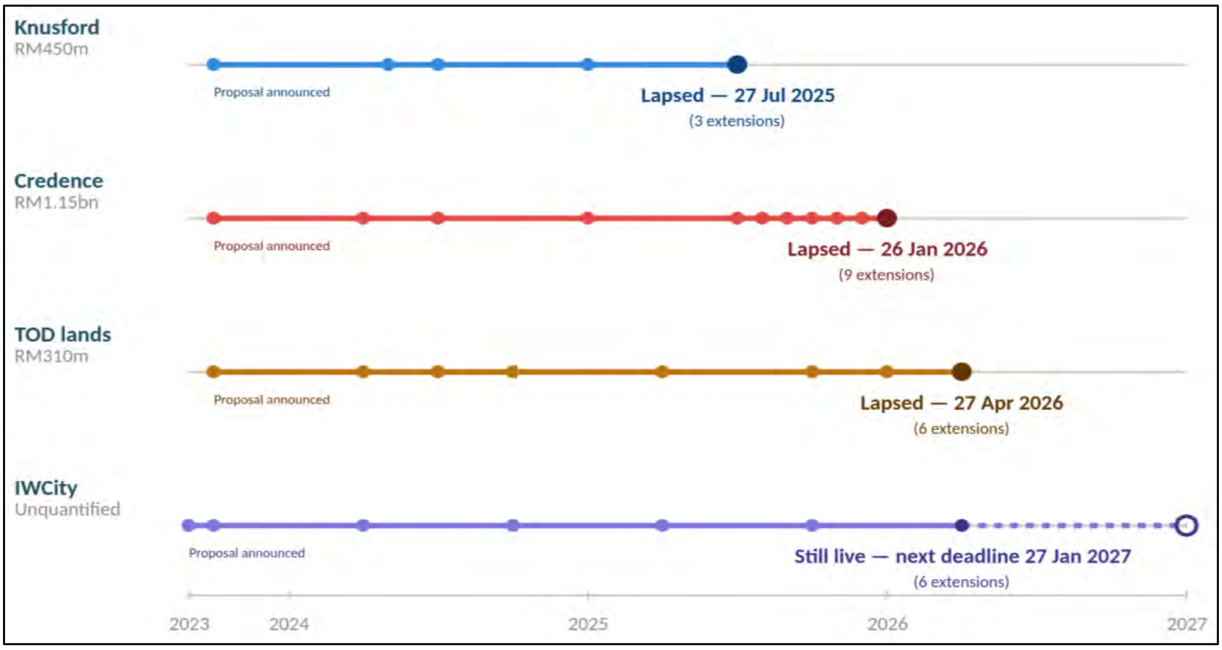
Four deals and one architect, with a combined headline value of approximately RM1.91 billion (excluding IWCity), more than double Ekovest's entire market capitalisation at several points during the period this story covers.

A Study in Serial Extension

Here is where the story stops being about the size of the numbers but rather the start of the mechanics of time.

None of the four deals were closed on their original schedule. All four entered a rolling cycle of extensions, typically 1-6 month increments (refer to the chart below). Each announcement made on Bursa Malaysia was just a short statement stating that the parties needed additional time to assess and evaluate the proposal in detail.

Extension timeline from September 2023 to January 2027



Note: The first dot indicates when the proposal was announced, and subsequent dots mark deadline extensions until it lapses.

The Knusford construction merger was extended three times before it finally lapsed on 27 July 2025, a Sunday, meaning the deadline expired quietly over a weekend and the market only learned of it via the announcement made on Bursa Malaysia on the following Monday, 28 July 2025. The initial announcement gave no reason for the failure. The following day, Ekovest and Knusford each filed a separate clarification stating the parties were "unable to reach an agreement on the transaction value and key terms" for the merger.

The CRSB acquisition fared worse, or, depending on your view of it, simply took longer to arrive at the same conclusion. It was extended nine separate times over more than two years before lapsing on 26 January 2026. Along the way, the filings documenting those extensions occasionally arrived in pairs. On 29 October 2025, Ekovest filed an "Execution of Heads of Agreement" announcement, then filed the identical-titled document again later, this time marked as an amended announcement.

The TOD lands acquisition provides a useful illustration of how a transaction with total purchase consideration that was fully satisfied by issuance of new shares at a pre-agreed share-price can become increasingly difficult to complete when the market conditions change substantially over time.

When the deal was announced in October 2023, Ekovest's shares were trading around 48 sen. By the extension filed on 27 January 2026, the sixth extension since the deal was first signed, Ekovest's stock was trading around 27 sen against the pre-agreed issuance price of 60 sen per share. Rather than being resolved, the gap simply ran out the clock. On 27 April 2026, Ekovest confirmed the binding term sheets had lapsed for good, ending more than two and a half years of negotiation. With this lapse, three of TSDLKH's four original 2023 proposals are now dead and only IWCity merger evaluation remains open.

The IWCity merger proposal has now been extended six times over two and a half years, with still no binding deal signed. Based on the announcement made by IWCity, the company cited that the company needs more time to assess, evaluate and deliberate on the proposal. More than two years on, that evaluation is still ongoing with the next update due on 27 January 2027.

Potential Implications for Minority Shareholders

It would be a mistake to treat this story as being about any single transaction. The Knusford merger, the CRSB acquisition, the TOD lands acquisition, and the IWCity proposal are not four unrelated data points, but four expressions of the same underlying dynamic, and the dynamic itself is the story.

Three potential implications are worth considering because they are the ones most likely to affect minority shareholders rather than TSDLKH or Ekovest's other related entities.

First, an opportunity cost measured in years, not deals. For more than two years, a meaningful share of Ekovest's disclosed corporate exercises and, by extension, analyst and investor attention, has been consumed by mega-deals that ultimately did not proceed to completion. All three Ekovest-side deals, representing the full RM1.91 billion announced, lapsed without completion.

Second, a valuation-timing risk that became increasingly evident as the gap between the reference share price and the current market price has widened. The TOD lands acquisition was priced at 60 sen reference value against a market price that had fallen to 27 sen, and that gap was never closed. The parties let the term sheets lapse on 27 April 2026 rather than renegotiate. Throughout the two-year delay, repetitive extension filings offered minority shareholders zero insight into how this valuation disconnect was being addressed.

Third, a pattern of multiple extensions for each deal, each rolled over with little to no new information, warrants closer scrutiny from investors. The cumulative scale of nine such extensions over more than two years has left investors confused about where the deal stands, rather than better informed.

What Happens Next

For minority shareholders, the takeaway is clear. Never view a deadline extension as a routine update; treat it as a warning that a deal's financial value is shifting. As shareholders await the next update on IWCity proposal, they may demand the board stop dragging out non-binding term sheets.

Cases like this ultimately point to a broader governance question, whether this kind of gaps are best to be addressed through tighter regulation, stronger internal oversight, or both. There is no external rule-tightening substitutes for board of listed company to be proactively insists on clear timelines, independent scrutiny, and full explanations before allowing a related-party proposal to run for years. The two are complementary, not alternatives. Perhaps this can be a better regulation that can close the structural gaps, while enhancing stronger internal governance to ensure shareholders' interests are treated fairly before any regulator steps in to intervene.

Some investors and governance observers may view this as an area where further regulatory review could enhance transparency and shareholder visibility, particularly where multiple related-party proposals involving the same controlling shareholder remain active simultaneously.

The next development to watch is whether IWCity announces a seventh extension or finally brings the deal to a closure.

[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	Voting Position
27.07.26 (Mon) 10.00 am	PGF Capital Berhad (AGM)	PGF Capital delivered record revenue of RM168.0 million in FY2026, up 8.4%, driven primarily by stronger demand for insulation products in Australia and New Zealand. On the other hand, PBT declined 21.7% to RM36.8 million, mainly due to the absence of the RM19.6 million one-off reversal of impairment loss recognised in FY2025, together with inventory write-downs and unrealised foreign exchange and derivative movements. Excluding these items, adjusted PBT increased 34.3%, driven primarily by higher sales contributions from the Insulation segment.	MSWG will vote "FOR" the resolution tabled in the meeting.
27.07.26 (Mon) 10.30 am	AYS Ventures Berhad (AGM)	The Group returned to a profit after tax of RM1.49 million for FY2026, from a loss of RM12.89 million in FY2025. This was mainly due to the Trading and Services division returning to profitability and a 29.3% revenue increase at the Manufacturing division.	MSWG will vote "FOR" the resolutions tabled in the meeting.
28.07.26 (Tue) 11.00 am	Atlan Holdings Berhad (AGM)	Atlan recorded a 9.7% decline in revenue to RM411 million in FY2026, mainly due to weaker contributions from its automotive component manufacturing and duty-free retail businesses following the closure of its outlets in Johor Bahru and Langkawi.	MSWG will vote "AGAINST" Ordinary Resolutions – ▪ 1 & 9 (Re-election and retention of a long-serving INED) ▪ 8 (Against the authority to issue

Date & Time	Company	Quick-take	Voting Position
		PBT fell 46.4% to RM42.7 million, largely because of a RM69.6 million one-off compulsory land acquisition compensation in FY2025. Excluding one-off items, including the RM23.3 million lease derecognition gain in FY2026, normalised PBT nearly doubled to RM19.4 million. The Group maintained a strong balance sheet with a net cash position of RM208.2 million and declared a 10 sen dividend. Management remains cautiously optimistic, focusing on cost optimisation, strategic investments and operational efficiency.	shares as the Group is cash rich with a net cash position of RM208.2 million as at the end of FY2026).
29.07.26 (Wed) 9.00 am	Cabnet Holdings Berhad (AGM)	Cabnet reported a challenging FY2026 as revenue fell 33.9% to RM87.1 million, mainly due to the completion of a major project, fewer new high-value contracts and a RM7.88 million revenue reversal following the termination of a Northern Region project. Gross profit declined sharply as project delays increased engineering costs and compressed margins. Consequently, the Group recorded a net loss of RM16.8 million versus a net profit of RM2.3 million a year earlier, further impacted by RM7.74 million of impairment on receivables and contract assets and RM0.98 million impairment on investment property. As of 28 February 2026, the Group's total outstanding unbilled order book stood at RM132 million, providing medium-term revenue visibility.	MSWG will vote "FOR" the resolutions tabled in the meeting.
29.07.26 (Wed) 10.00 am	Alliance Bank Malaysia Berhad (AGM)	For FY2026, the Bank achieved its strongest financial performance to date, recording an all-time high net profit after tax of RM826.5 million. Total revenue rose to RM2.5 billion, representing an 8.6% y-o-y, supported by a 3.1% increase in net interest income (including net profit income from Islamic Banking) to RM2.0 billion, with net interest margin at 2.34%. Other operating income rose	MSWG will vote "FOR" the resolutions tabled in the meeting.

Date & Time	Company	Quick-take	Voting Position
		strongly by 42.0% YOY to RM459.2 million, driven by higher treasury and investment income, foreign exchange sales and fee-based activities. Its gross loans, advances and financing grew 7.5% y-o-y to RM67.2 billion, led by Commercial Banking, which grew 13.2%, followed by Consumer Banking at 9.0% and SME at 7.4%. Customer deposits increased by 8.8% y-o-y to RM71.6 billion.	
29.07.26 (Wed) 10.00 am	ACO Group Berhad (AGM)	ACO's FY2026 revenue declined 6.7% to RM141.0 million, while net profit fell 22.2% to RM4.0 million, mainly due to weaker operating performance and a higher effective tax rate. Despite a 12.6% decline in revenue, the Industrial Users segment remained the Group's key earnings contributor, with its margin improving from 17.9% to 18.5%. Meanwhile, the Resellers segment delivered encouraging revenue growth of 11.9%, supported by early traction from OEM products, but segment profit declined 13.0% as margin compressed from 10.0% to 7.8% amid cost pressures. Despite slower growth, the Group maintained a healthy balance sheet with net cash and lower borrowings.	MSWG will vote "FOR" the resolutions tabled in the meeting.
30.07.26 (Thur) 11.00 am	Pantech Group Holdings Berhad (AGM)	Pantech reported a softer FY2026 as revenue declined 9.4% to RM858.3 million, mainly due to weaker transactional demand in its Trading Division, particularly from the oil and gas, palm oil and refinery sectors as large-scale greenfield project cycles slowed. The Manufacturing Division partially mitigated the decline through stronger export sales, driven by increased contributions from established markets and encouraging uptake from newer geographical destination. Meanwhile, PBT fell 22% to RM88.1 million, reflecting lower revenue, compressed margins and a one-off	MSWG will vote "FOR" the resolutions tabled in the meeting.

Date & Time	Company	Quick-take	Voting Position
		RM9.64 million tax provision relating to Pantech Global Berhad listing exercise. The Group expects demand to be supported by critical midstream and upstream capital expenditure, maintenance activity, energy infrastructure and carbon capture projects.	
30.07.26 (Thur) 11.00 am	SC Estate Builder Berhad (AGM)	SC Estate Builder Berhad's FPE2026 revenue rose to RM35.67 million (FPE2024:RM9.22 million), driven by the higher year-on-year contribution from the trading segment and land sales. In contrast, its Construction segment recorded zero external revenue. The Group turned around to a profit of RM1.54 million for FPE2026, from a loss of RM12.24 million previously, mainly due to Trading revenue nearly tripling to RM27.62 million and the existence of new revenue of RM8.05 million from land sales.	MSWG will vote "FOR" the resolutions tabled in the meeting.
30.07.26 (Thur) 2.00 pm	Astro Malaysia Holdings Berhad (AGM)	Astro's FY2026 revenue declined 4.5% to RM2.79 billion, while PATAMI halved to RM63 million. The Television segment remained the Group's core business but saw revenue decline 5.4% to RM2.65 billion and PBT fall 34.1% to RM58.0 million as Pay-TV ARPU softened 4.3% to RM94.30 despite improved customer retention. Sooka continued to gain traction, with monthly active users and paying subscribers increasing 24% and 17%, respectively. Enterprise revenue grew 6% to RM114.0 million, while the Radio segment's PBT fell 59.6% to RM36.0 million amid weaker advertising demand.	MSWG will vote "FOR" the resolutions tabled in the meeting.

POINTS OF INTEREST

Company	Points/Issues to Be Raised
PGF Capital Berhad (AGM)	1. At RM200 million, the new Kulim plant represents the largest investment in PGF's history. a) Three to five years after commissioning, what financial metrics should shareholders use to assess whether this investment has been successful? Specifically, what are management's target return on invested capital (ROIC) and payback period once the Kulim plant reaches optimal utilisation? b) As the Kulim plant commences operations, what are the biggest risks to sustaining the Group's current profit margins? What measures is management taking to mitigate these risks? 2. As larger global competitors continue to invest in manufacturing capacity and innovation, what does management believe will be PGF's sustainable competitive advantage over the next decade? Beyond product quality and competitive pricing, what capabilities will differentiate PGF and enable it to continue gaining market share?
AYS Ventures Berhad (AGM)	Purchases from related parties rose to RM6.372 million from RM6,000 a year earlier, and a new RM229,000 sales commission was charged by a related party (Note 35, Page 136 of AR 2026). By contrast, the conflict of interest disclosure for three named Directors, including Ms. Jess Oh Pooi Foon, states that aggregate related party transaction values remain below RM1.0 million and at arm's length (Page 15 of AR 2026). a) Are these related parties in Note 35 the same parties covered by the Page 15 disclosure, or additional parties? b) How does the RM6.372 million purchase figure reconcile with the RM1.0 million threshold?
Atlan Holdings Berhad (AGM)	The automotive component parts manufacturing segment remains focused on expanding its product portfolio, particularly in component parts and solutions aligned with the growing adoption of electric vehicles (EVs). (page 30 of AR 2026) a) How is the Group positioning its automotive components business to capitalise on the structural shift towards EVs? b) What proportion of the segment's current revenue is derived from components supplied for EV programmes? How does management expect this contribution to evolve over the next three to five years?
Cabnet Holdings Berhad (AGM)	In response to MWSG's questions during last year's AGM, the Group mentioned that approximately RM80-85 million of the RM156 million order book would be recognised in FY2026. However, FY2026 revenue declined to RM87.1 million while the outstanding order book also fell to RM132 million.

Company	Points/Issues to Be Raised
	a) What were the key reasons for the slower-than-expected execution? b) What percentage of the current RM132 million order book is expected to be recognised in FY2027? c) What is management's target orderbook replenishment for FY2027?
Alliance Bank Malaysia Berhad (AGM)	The Group reported record profits in FY2026. However, several key ratios saw deterioration in numbers. Net interest margin (NIM) declined from 2.45% in FY2025 to 2.34% in FY2026, despite an expanding loan book, interest income, and bottom line. These trends suggest that earnings growth was increasingly supported by business volume rather than improvements in underlying margin performance. a) What were the principal factors contributing to the 11 basis-point decline in NIM? b) The Bank's CASA ratio declined from 41.0% to 37.5%, while NIM also narrowed during the same period. Had the deterioration in CASA contributed to the increase in funding costs and subsequent compression in NIM? c) For FY2027, management guided a net interest margin of between 2.28% and 2.35% (page 23 of ABMB Q4FY2026 Analyst Briefing). As a comparison, NIM for FY2026 stood at 2.34%. The guidance implies wider headroom for downside in NIM. Kindly explain the assumptions made in formulating the NIM guidance.
ACO Group Berhad (AGM)	1. The number of authorised global brands distributed by the Group declined from eight (8) in FYE2025 to seven (7) in FYE2026. (Source: Page 2 of AR2025 and Page 3 of AR2026) What led to the reduction in the number of authorised distributorships from eight to seven, and what happened to the other brand? Did the loss of this distributorship have any material impact on the Group's revenue, profitability or customer base? 2. The flood incident during FYE2026 highlighted the Group's exposure to physical risks at its operating premises. The Group has reviewed its business continuity plans, strengthened flood mitigation measures at the affected premises, and continues to maintain comprehensive insurance coverage across its operating sites. (Source: Page 25 of Annual Report 2026) a) Which operating premises were affected by the flood incident, and has Management reviewed whether similar vulnerabilities exist at other operating locations?

Company	Points/Issues to Be Raised
	b) Beyond the measures implemented at the affected premises, how is the Group strengthening the resilience of its operations and business continuity preparedness against increasingly frequent extreme weather events?
Astro Malaysia Holdings Berhad (AGM)	The Group's local content investment remained broadly stable at RM370 million in FY2026 (FY2025: RM379 million). (Source: Page 5 of AR2026). Has the profitability generated from this investment improved compared with the approximately 20% decline in margin recorded in FY2025? If not, when does Management expect the profitability of its local content investment to recover, and what specific initiatives will drive that improvement?

Special Announcement

DISCLOSURE OF INTERESTS

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