

FRIDAY | 2 OCTOBER 2026



Who's at Fault?

Seasoned listed property developer Hua Yang's breach of share buyback activities has caught the public off guard.

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WHAT WENT WRONG IN HUA YANG'S SHARE BUYBACK BREACH?

For a company with decades of experience as a listed entity, news of Hua Yang Berhad being publicly reprimanded by Bursa Malaysia Securities Berhad for share buyback activities (SBB) via the acquisition of 4.48 million shares via a direct business transaction (DBT) is both surprising and shocking.

On 20 August 2026, Bursa Malaysia publicly reprimanded Hua Yang after finding that the property developer had acquired 4.48 million of its own shares through a direct DBT, rather than through the market of the Exchange as required under paragraph 12.04 of the Main Market Listing Requirements (MMLR). The shares were acquired on 22 April 2026 at 19.5 sen each, for a total consideration of RM876,515.98.

Paragraph 12.04 expressly requires a listed issuer to ensure that any purchase of its own shares is effected only on the market of the Exchange. The requirement is to ensure that share buybacks are conducted openly and transparently, subject to the safeguards and parameters prescribed under Chapter 12 of the MMLR.

A Basic Rule that Should Have Been Difficult to Miss

SBB is a corporate action in which a company uses surplus cash to repurchase its own shares on the open market, reducing the total number of shares in circulation.

Depending on the circumstances, buying back shares may reduce the number of shares in circulation and, all else being equal, potentially improve per-share metrics. It may also provide a means for a company to deploy surplus cash where the board considers its shares to be undervalued.

In Bursa Malaysia's contention, the said SBB requirement under Paragraph 12.04 of the MMLR is fundamental to ensure that SBB transactions are carried out within the safeguards and parameters prescribed under Chapter 12 of the MMLR.

The requirement for purchases to be undertaken on the open market promotes transparency in price discovery and execution, while reducing the possibility of a listed company selectively buying shares from a particular shareholder on privately negotiated terms.

There is a limited exception. Under paragraph 12.26(2) of the MMLR, a listed corporation may purchase odd-lot shares (fewer than 100 units) through a DBT. The 4.48 million shares acquired in this case plainly did not fall within that exception. Bursa Malaysia therefore determined that the purchase should have been effected on the market of the Exchange.

In Hua Yang's case, a DBT involving 4.48 million shares allowed a particular shareholder to dispose of a substantial block directly to the company at an agreed price of 19.5 sen

per share. Had the company acquired the shares through the market, the purchase would instead have been subject to the normal market mechanism and forces.

Hua Yang's decision-making process that led to the non-compliance remains unclear, but one thing is certain: the DBT enabled a particular shareholder to offload a substantial number of shares at an agreed-upon price, potentially at the expense of the Company and shareholders' interests.

Who Is Accountable for this?

Bursa Malaysia did not find any of Hua Yang's directors to have caused or permitted the breach. The board at that time comprised Chairman Tan Sri Dr Ting Chew Peh, executive director/CEO Ho Wen Yan and independent non-executive directors (INEDs) Tengku Datuk Rahimah Sultan Mahmud, Choo Seng Choon and Chew Hoe Soon, and NINED Ho Wen Fan.

Nevertheless, Bursa took the opportunity to remind the board that directors have a duty to maintain appropriate standards of responsibility and accountability in ensuring compliance with the MMLR.

There should ordinarily be several layers of control surrounding such a transaction — from the relevant management personnel, board of directors and the relevant committee.

This therefore raises some legitimate governance concerns: Who initiated or authorised the proposed DBT? What internal process was followed before the transaction was executed? Was the transaction reviewed by the relevant parties? Was the board informed before or after the transaction?

No Breach Is Too Small

In financial terms, RM876,515.98 is not material to a company of Hua Yang's size. The significance of this case goes beyond the monetary value and lies in the nature of the rule breached.

From a corporate governance perspective, non-compliance does not become acceptable merely because the financial quantum is modest.

Bursa Malaysia was right to take the breach seriously despite the relatively modest financial amount involved. The action reinforces the principle that listing rules are not optional guidelines to be observed only when convenient.

When a listed company deploys shareholders' money to buy back its own shares, investors trust that the transaction is executed transparently, fairly and strictly within the rules applicable to all listed companies.

The Hua Yang episode should therefore prompt the Company to look beyond the reprimand itself and examine how a transaction that fell outside a clearly defined regulatory exception was able to pass through its governance and compliance controls.

[END]

Special Announcement



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and preparing for impending assurance requirements

27 OCTOBER 2026
TUESDAY

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FIRST WAVE NSRF

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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	Voting Position
07.10.26 (Wed) 10.00 am	Bermaz Auto Berhad (AGM)	The Group ended FY2026 weaker, with revenue down 13.4% to RM2.27 billion and net profit down 31.8% to RM104.7 million, reflecting the Kia exit and intensifying Chinese competition. Bermaz Auto is banking on new Mazda models and EV growth to improve FY2027 performance.	MSWG will vote FOR all resolutions.
08.10.26 (Thur) 10.00 am	Revenue Group Berhad (EGM)	The Group proposed to change its name to "Revenue IF Berhad" as part of its rebranding exercise to reflect its move from a payment processing vendor towards an end-to-end payment technology solutions provider.	MSWG will vote FOR the said resolution.
08.10.26 (Thur) 10.00 am	Omesti Berhad (EGM)	The Group proposed to consolidate every 5 shares into 1 consolidated share, with the entitlement date to be determined later. The Group also proposed to change its name to "Tegra Berhad" as part of the Group's rebranding exercise to better reflect its updated corporate identity.	MSWG will vote FOR all resolutions.
08.10.26 (Thur) 10.00 am	Apollo Food Holdings Berhad (AGM)	Apollo Food recorded a modest 1.7% revenue growth to RM303.5 million in FY2026, mainly due to higher domestic sales. However, PBT declined by 21% to RM43.2 million as the Group invested in its route-to-market (RTM) transformation, trade support, promotional activities and broader distribution coverage alongside higher operating costs.	MSWG will vote FOR all resolutions.

Date & Time	Company	Quick-take	Voting Position
		The RTM transition temporarily affected first-half sales before recovery in the second half. Despite lower earnings, Apollo maintained a healthy financial position with RM60.3 million net cash and RM43.1 million operating cash flow.	
08.10.26 (Thur) 10.30 am	Beshom Holdings Berhad (AGM)	The Group's revenue declined 6.6% to RM144.8 million in FY2026 from RM155.1 million in FY2025, mainly due to lower sales in the MLM and Retail segments, partly offset by improved Wholesale revenue. Despite maintaining a gross profit margin of approximately 40% through effective cost management, PBT fell to RM10.3 million from RM12.2 million due to the lower revenue and continued retail market pressures. Equity attributable to shareholders decreased slightly to RM305.4 million from RM309.5 million, while NA per share declined to RM1.02 from RM1.03, mainly due to the Group's dividend payout of almost 100% of FY2026 profits.	MSWG will vote FOR all resolutions.
08.10.26 (Thur) 12.00 pm	Beshom Holdings Berhad (EGM)	The Group proposes to dispose of 3 plots of freehold industrial land, all located in Mukim Kapar, Tempat Batu 3 1/2, Jalan Kapar, Daerah Klang, Negeri Selangor, through its wholly-owned subsidiary, Hai-O Enterprise Bhd, for a cash consideration of RM85.80 million.	MSWG will vote FOR the said resolution.

POINTS OF INTEREST

Company	Points/Issues to Be Raised
Bermaz Auto Berhad (AGM)	Given that profit attributable to shareholders fell 31.8% (<i>Source: 2026 Annual Report - Group Financial Summary, page 12</i>) while executive directors' remuneration fell only 4.4%, what specific metrics does the Nomination and Remuneration Committee use to justify holding the performance incentive at RM2 million flat? (<i>Source: 2026 Annual Report - Note 24 - Directors' Remuneration, page 315</i>)
Beshom Holdings Berhad (AGM)	The Group's revenue declined from RM209.6 million in FY2022 to RM144.8 million in FY2026, while profit before tax (PBT) fell from RM40.3 million to RM10.3 million, return on equity (ROE) declined from 8.9% to 2.5%, and earnings per share (EPS) fell from 9.46 sen to 2.58 sen. (<i>Source: Page 6 of AR2026</i>) Despite the weaker PBT, ROE and EPS, the Group declared total dividends of 2.5 sen per share for FY2026, representing a payout ratio of approximately 102%. (<i>Source: Page 17 of AR2026</i>) (a) Does the Board view the prolonged decline in earnings and ROE as a long-term concern, despite the measures taken to manage costs and drive sales growth? (<i>Source: Page 16 of AR2026</i>) What targets have been set to improve performance, and if revenue and PBT do not recover within the next two financial years, will the Board consider restructuring or discontinuing underperforming businesses or assets, or further reducing costs? (b) With the Group's FY2026 dividend payout exceeding its earnings, how does the Board intend to sustain the current payout without putting pressure on the Group's cash flow and financial position?