

PARTICIPATING ORGANISATIONS' CIRCULAR

Date: 15 February 2016

No : G 1 of 2016

Enforcement Action Pursuant to the Rules of Bursa Malaysia Securities Berhad**15 FEBRUARY 2016****BURSA MALAYSIA SECURITIES REPRIMANDS, FINES AND SUSPENDS LONG JIN SENG FOR ENGAGING IN MANIPULATIVE DEALING ACTIVITIES**

Bursa Malaysia Securities Berhad (635998-W) (Bursa Malaysia Securities) has publicly reprimanded, imposed a fine of RM30,000 and suspended/restricted (as the case may be) Long Jin Seng (LONG) for 6 months as/from being a Registered Person of Bursa Malaysia Securities, for engaging in manipulative dealing activities in the securities of 8 counters (the 8 Counters), namely:-

- (i) Malaysian Resources Corp Bhd-CU (MRCB-CU);
- (ii) TA Enterprise Bhd-CW (TA-CA);
- (iii) Encorp Bhd-WA (ENCORP-WA);
- (iv) RHB Capital Bhd-CW (RHBCAP-CQ);
- (v) Selangor Properties Bhd-CW (SPB-CA);
- (vi) Malton Bhd-Warrants 11/18 (MALTON-WB);
- (vii) Alliance Financial Group Bhd-CW (AFG-CO); and
- (viii) Guocoland (Malaysia) Bhd (GUOCO).

In addition, LONG was further required to undergo training on conduct or professionalism of Dealer's Representatives/market offences (Mandatory Training).

LONG, who was at the material time of the breach a Commissioned Dealer's Representative (CDR) of Maybank Investment Bank Berhad at its Ipoh Branch Office, had contravened and/or triggered the provisions of Rules 3.14(d), (e) & (g) and 5.01(b) of the Rules of Bursa Malaysia Securities and paragraph 1.1(1)(h) of the Directives No. 5-001 of the Participating Organisations' Directives and Guidance (POs' Directives).

Bursa Malaysia Securities places a strong emphasis on the need to maintain a fair and orderly market and will not tolerate any acts or practices which could lead to false trading, manipulative activities and/or compromise the integrity of the market. Bursa Malaysia Securities will not hesitate to take appropriate actions against anyone who engages in such misconduct which commensurate with the severity of the breach, including suspension/striking off a Registered Person from the Register and imposition of fines.

BACKGROUND

The finding of the breach and the imposition of the sanctions on LONG were made pursuant to Rule 15.02 of the Rules of Bursa Malaysia Securities after according due process to LONG and taking into consideration all facts and circumstances, including that:-

- (1) LONG had engaged in false market/manipulative activities in the 8 Counters through the execution of on-market cross trades (Cross Trades/Cross Trading activities) in the accounts of his two clients who are related to him (his son and his brother-in-law) (his 2 Clients), on/by the settlement dates to facilitate the rollover of trades and prolong the holding period for the securities acquired/traded by his 2 Clients.
- (2) By engaging in these Cross Trading activities which were undertaken on one to four trading days for the 8 Counters that involved the matching/crossing of the opposing corresponding buy and sell orders in his 2 Clients' accounts, LONG had:-
 - (a) enabled the selling by his 2 Clients to be done at the dictated seller's prices;
 - (b) caused an increase in the trading volume and provided artificial price support for these 8 Counters of the Cross Trades which were done in large quantity with the opposing orders entered in close proximity of time to each other; and
 - (c) thus, created a false or misleading appearance as to the market for and/or price of the 8 Counters as these Cross Trades were not due to natural market forces of supply and demand.
- (3) The imposition of the sanctions including the fine and suspension on LONG had taken into account, amongst others, the period and number of the breaches/counters involved which were undertaken by LONG on several trading days and the impact of the breaches as well as his co-operation/admission to the breaches against him.
- (4) As a DR, LONG must at all times:-
 - (a) observe professional standards of integrity and fair dealing including exercise proper skill, care and diligence in the execution of trades;

- (b) carry out his duties in a manner which contributes to the maintenance of an orderly and fair market; and
- (c) avoid or refrain from engaging or becoming a party to, or getting involved in any acts or practices which might lead to a false/misleading appearance of active trading in, the market for or price of the securities (including participating in/facilitating any operation/trading activities by others that might have the same result).

-End-

Senior Executive Vice President/Head,
Enforcement

ADDENDUM

Rules 3.14(d), (e) & (g) and 5.01(b) of the Rules of Bursa Malaysia Securities and paragraph 1.1(1)(h) of the Directives No. 5-001 of the POs' Directives (which came into effect on 2 May 2013) state, amongst others, that a Registered Person must:

- observe professional conduct, standards of integrity and fair dealing, exercise proper skill, care and diligence and carry out the Registered Person's duties in a manner that contributes to the maintenance of a fair and orderly market;
- in the conduct of the Participating Organisation's business, not through any act or omission, do anything which may result in or has the effect of the market not being orderly and fair; and
- not engage in any act or practice that might lead to a false or misleading appearance of active trading in any securities on the stock market of the Exchange or a false or misleading appearance with respect to the market for, or the price of, any such securities, or directly or indirectly be tantamount to stock market manipulations and must not participate in any operation by others that might have the same result.