

PARTICIPATING ORGANISATIONS' CIRCULAR

Date: 28 May 2015

No : G 8 of 2015

Enforcement Action Pursuant to the Rules of Bursa Malaysia Securities Berhad**28 MAY 2015****BURSA MALAYSIA SECURITIES REPRIMANDS, FINES AND SUSPENDS JEREMY HIEW JIAN CHANG 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) Jeremy Hiew Jian Chang (Jeremy) for 6 months as/from being a Registered Person of Bursa Malaysia Securities, for engaging in manipulative dealing activities in the securities of 5 counters (the 5 Counters), namely:-

- (i) Greenyield Berhad (GREENYB);
- (ii) Sersol Technologies Berhad (SERSOL);
- (iii) K – One Technology Berhad (K1);
- (iv) Instacom Group Berhad Warrants (INSTACO-WB); and
- (v) Pasukhas Group Berhad (PASUKGB).

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

Jeremy, who was at the material time of the breach a Salaried Dealer's Representative (SDR) of HwangDBS Investment Bank Berhad (HDBS) at its Principal Office, had contravened and/or triggered the provisions of Rules 401.1(3), 404.3(1)(a)&(c) and 1302.1(1)(a)&(g) of the Pre-Revamped Rules of Bursa Malaysia Securities and the equivalent provisions under the current Rules of Bursa Malaysia Securities.

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 Jeremy were made pursuant to Rule 15.02 of the Rules of Bursa Malaysia Securities after according due process to Jeremy and taking into consideration all facts and circumstances, including that:-

- (1) Jeremy had engaged in manipulative/false dealing activities as well as failed to act fairly and observe standards of integrity and fair dealing in undertaking dealing activities in the Investment Account of HDBS (HDBS' IVT Account) on numerous trading days as follows:-
 - (a) Price manipulation of the share price of PASUKGB on a trading day by executing a series of increasing bids buy orders, at prices higher than the last done price including using small quantities (100 units) buy orders which were undertaken to influence/dictate the share price movement. This caused a surge in the share price of PASUKGB within certain interval of trading session to enable him to sell his outstanding position at higher prices.
 - (b) Order book manipulation on several trading days through entries of multiple buy orders at various price levels including at or near the Best Bid prices in the counters of GREENYB, SERSOL, K1 and INSTACO-WB (order stacking). These stacked up buy orders were subsequently withdrawn upon/after disposal of shares which indicated that these buy orders were not genuine and entered to give a false appearance of strong/active demand in attracting investing public to trade. By engaging in these manipulative order stacking activities, Jeremy was able to sell the shares at his dictated/desired price levels which sales were matched to the buys of other buyers who had keyed-in their buy orders at prices higher/above his buy orders to gain priority over Jeremy's buys.
- (2) The aforesaid manipulative trading activities by Jeremy had given rise to the creation of a false/misleading appearance of active trading in, the market for and/or the price of, the securities of the 5 Counters as these were not due to natural market forces of supply and demand.
- (3) The imposition of the sanctions including the fine and suspension on Jeremy had taken into account, amongst others, the period of the Breaches by Jeremy which were undertaken on several trading days in the counters concerned, the impact of the Breaches and the small amount of profits derived/earned by him.

- (4) As a DR, Jeremy must at all times:-
- (a) observe professional standards of integrity and fair dealing including exercise due care and diligence in the execution of trades;
 - (b) carry out his duties efficiently and in a manner which contributes to the maintenance of a fair and orderly 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.

-End-

Head, Enforcement

ADDENDUM

Rules 401.1(3), 404.3(1)(a) & (c) and 1302.1(1)(a) & (g) of the Pre-Revamped Rules of Bursa Malaysia Securities state, amongst others, that:-

- DRs shall avoid any act or practice which 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;
- every DR employed or engaged by the PO shall at all times observe professional standards of integrity and fair dealing, and conduct their business in a manner which contributes to the maintenance of a fair and orderly market; and
- any Participant who, in any circumstances, directly or indirectly commits a breach of or violates any of the Rules or fails to perform his duties efficiently, honestly or fairly shall be liable and be dealt with in accordance with the provisions of the Rules relating to the same.

Rules 3.14(d), (e) & (g), 5.01(b) and paragraph 1.1(1)(h) of the POs' Directive No. 5-001 of the Rules of Bursa Malaysia Securities (which came into effect on 3 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 an orderly and fair stock market;
- a PO and Registered Person must, in the conduct of the PO'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
- a PO and Registered Person must 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 manipulation.