

**Administrative Actions by Securities Commission (SC)
Jan 2021 – Mar 2021**

No.	Nature of Misconduct	Parties Involved / Brief description of misconduct	Action Taken / Date
1.	Non-compliance of Paragraphs 19.01 and 19.04 of the Rules on Take-overs, Mergers and Compulsory Acquisitions	<p><u>Datuk Wira Lye Ek Seang</u> <u>Non-compliance 1</u> Datuk Wira Lye, being a person acting in concert with the offeror and the ultimate offeror, had disposed 8,875,770 shares held by him in Caring Pharmacy Berhad (“Caring”) via off-market transactions during the offer period in relation to the take-over offer of Caring without the SC’s consent. <u>Non-compliance 2</u> Late disclosure of dealings in relation to some of his Caring shares disposed.</p> <p><u>Datuk Seri Syed Ali bin Syed Abbas Al-Habshee</u> <u>Non-compliance 1</u> Datuk Seri Syed Ali, being a person acting in concert with the offeror and the ultimate offeror, had disposed 6,527,035 shares held by him in Caring via off- market transactions during the offer period in relation to the take-over offer of Caring without the SC’s consent. <u>Non-compliance 2</u> Late disclosure of dealings in relation to some of his Caring shares disposed.</p> <p><u>Encik Arsam bin Damis</u> <u>Non-compliance 1</u> Encik Arsam, being a person acting in concert with the offeror and the ultimate offeror, had disposed 5,085,160 shares held by him in Caring via off-market transactions during the offer period in relation to the take-over offer of Caring without the SC’s consent. <u>Non-compliance 2</u> Late disclosure of dealings in relation to some of his Caring shares disposed.</p>	<p>Reprimand Penalty of RM38,500 25 March 2021</p> <p>Reprimand Penalty of RM38,500 25 March 2021</p> <p>Reprimand Penalty of RM38,500 25 March 2021</p>

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2.	<p>Four (4) breaches of section 354(1)(b)(iii) of the Capital Markets and Services Act 2007 ("CMSA") read together with:-</p> <ul style="list-style-type: none"> • Clauses 5(a)(i) and 5(f) of the Code of Ethics and Standards of Professional Conduct for the Unit Trust Industry as at 1 September 2001 of The Federation of Malaysian Unit Trust Managers • Clauses 2.1.9(g), 2.1.14(b) and 2.6.4(b) of the Code of Ethics and Rules of Professional Conduct (Unit Trust Funds) as at 22 January 2013 of the Federation of Investment Managers Malaysia ("FIMM"); and <p>Paragraphs 9(e) and (f) of the Circular entitled "Duties and Responsibilities of Members and Registered Persons in Helping Investors to Make Informed</p>	<p><u>Bank Kerjasama Rakyat Berhad</u></p> <p><u>1st Breach</u> Bank Rakyat had failed to ensure that its Unit Trust Consultants ("UTCs") remained fit and proper as they had committed various misconduct against their clients.</p> <p><u>2nd Breach</u> There was no proper segregation of duties between the front office and back office. Bank Rakyat's UTCs were able to perform both the front office and back office functions.</p> <p><u>3rd Breach</u> There was no oversight by Bank Rakyat's branches and Head Office over the UTCs.</p> <p><u>4th Breach</u> There were no systems and procedures in place for Bank Rakyat to monitor or review the transactions executed by its UTCs which includes churning.</p>	<p>Reprimand for each of the Breaches and directive to carry out the following: -</p> <ul style="list-style-type: none"> • Bank Rakyat shall allocate and utilise the sum of not less than RM1,260,000.00 within a period of three (3) years from the sanctions towards:- <ul style="list-style-type: none"> ○ continuous enhancement of Bank Rakyat's monitoring systems and internal control measures with respect to its unit trust activities; and ○ ensuring effective implementation of its controls and processes including upskilling of staff through training or capacity building; • Bank Rakyat shall appoint an independent consultant to review and enhance Bank Rakyat's internal controls in relation to its unit trust activities which shall be completed within six (6) months from the date of the sanctions, which would include the following: <ul style="list-style-type: none"> ○ to review that sufficient controls are in place in marketing and distributing unit trust funds and to ensure all lapses in controls are effectively rectified; and ○ to review the effectiveness of Bank Rakyat's current and planned initiatives particularly in

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	Investment Decisions under "Switching Transactions" issued by FIMM dated 14 July 2015		<p>relation to system enhancements, implementation of Suitability Assessment Exercise, on-going monitoring of clients' transactions and monitoring of marketing and distribution activities (including the competency of bank personnel involved);</p> <ul style="list-style-type: none"> • Bank Rakyat shall only resume its unit trust activities which would include the marketing and distribution of unit trust funds (investment via cash) upon satisfactorily completing paragraph 2(b) above; • Bank Rakyat shall report to the SC on the implementation of paragraph 2(a) above every six (6) months from the date of the sanctions until the end of the three (3) year period; and • Bank Rakyat shall report to the SC on the implementation of paragraph 2(b) above within six (6) months from the date of the sanctions; and <p>Bank Rakyat shall table these sanctions to Bank Rakyat's Board of Directors and forward the Board minutes to the SC within one (1) month from the date of the sanctions.</p> <p>3 March 2021</p>

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3.	Breach of Section 356(1)(a) of the CMSA read together Paragraph 4.17 and Paragraph 4.18(e), Section B, Part 1 of the Unlisted Capital Market Products under the Lodge and Launch Framework (LOLA Guidelines)	<p><u>MIDF Amanah Asset Management Berhad</u> Delay of one (1) business day in the submission of the monthly statistical returns of a wholesale fund required until the winding up process is completed.</p> <p><u>Kumpulan Sentiasa Cemerlang Sdn Bhd</u> Delay of one (1) business day in the submission of the monthly investment report of one wholesale fund.</p> <p><u>J.P. Morgan Chase Bank Berhad</u> Delay of three (3) business days in the submission of the monthly post-issuance report for their structured product programme.</p>	<p>Penalty of RM1,000 22 March 2021</p> <p>Penalty of RM1,000 15 March 2021</p> <p>Penalty of RM3,000 15 March 2021</p>
4.	Breach of 354(1)(a) of the CMSA read together with Section 25(4) of the Securities Industry (Central Depositories) Act 1991	<p><u>Othman bin Bakri ("Othman")</u> Othman was found to be the beneficial owner of the deposited securities, namely Grand-Flo Berhad shares in the CDS account of Mohammed Noor bin Mohd Sham.</p>	<p>Reprimand Penalty of RM84,000.00. 16 February 2021</p>
5.	<p><u>Breach 1</u> Breach of Section 218(2) of the CMSA read together with Section 9(1)(a) of the Malaysian Code on Takeovers and Mergers 2010 ("2010 Code") and Paragraph 5.2 of Practice Note 9 of the 2010 Code</p>	<p><u>Sim Cheng Young</u> <u>Breach 1</u> Failure to undertake a mandatory offer or to seek exemption, in relation to his acquisition of shares in Grand Hoover Berhad ("GHB") on 5 January 2015, which increased his shareholding when aggregated with the shareholding of Dynamic Merchant Limited, his wholly owned company to above 33% in GHB.</p>	<p>SC imposed a penalty of RM35,000 for the breaches 20 January 2021</p>

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	<u>Breach 2</u> Breach of Section 218(2) of the CMSA, read together with Paragraphs 4.01(b) and 4.07(1) of the Rules on Take-overs, Mergers and Compulsory Acquisitions	<u>Breach 2</u> Failure to undertake a mandatory offer or to seek exemption, in relation to shares transferred to him pursuant to a Grant of Probate with respect to his late mother's GHB shares on 7 January 2020, which increased his shareholding in GHB by more than 2% in a period of six months.	

Source: <https://www.sc.com.my/regulation/enforcement/actions/administrative-actions/administrative-actions-in-2021>