

PARTICIPATING ORGANISATIONS' CIRCULAR

Date: 31 October 2016

No : G 15 of 2016

Enforcement Action Pursuant to the Rules of Bursa Malaysia Securities Berhad**31 October 2016****BURSA MALAYSIA SECURITIES REPRIMANDS, FINES AND SUSPENDS CHIANG MAY LIN FOR ENGAGING IN MANIPULATIVE DEALING ACTIVITIES**

Bursa Malaysia Securities Berhad (635998-W) (Bursa Malaysia Securities) has publicly reprimanded, imposed a fine of RM85,000 and suspended/restricted (as the case may be) Chiang May Lin (Chiang) for 6 months as/from being a Registered Person of Bursa Malaysia Securities, for engaging in manipulative dealing activities in the securities of 12 counters (the 12 Counters), namely:-

- (i) Land & General Bhd;
- (ii) TA Enterprise Bhd;
- (iii) Kumpulan Fima Bhd;
- (iv) IJM Plantations Bhd;
- (v) DRB-Hicom Bhd;
- (vi) TDM Bhd;
- (vii) Ivory Properties Group Bhd;
- (viii) MK Land Holdings Bhd;
- (ix) TA Global Bhd;
- (x) Eastern & Oriental Bhd;
- (xi) Seal Incorporated Bhd; and
- (xii) Oriental Holdings Bhd.

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

Chiang, who was at the material time of the breach a Commissioned Dealer's Representative of PM Securities Sdn Bhd at its Penang 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 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 Chiang were made pursuant to Rule 15.02 of the Rules of Bursa Malaysia Securities after according due process to Chiang and taking into consideration all facts and circumstances, including the following:-

- (1) Chiang had engaged in false market/manipulative activities in the 12 Counters through the execution of on-market cross trades (Cross Trades/Cross Trading activities) in the accounts of her two clients who are related to her (her husband and her sister-in-law) (her/Chiang's 2 Clients) on/by the settlement dates or on T+4.

These Cross Trades that constituted a significant portion of the shares of the 12 Counters bought and sold by Chiang's 2 Clients' were carried out to facilitate the rollover of trades or passing on the shares to each other and prolong the holding period for the securities acquired/traded by her 2 Clients (Rollover activities).

- (2) By engaging in these Cross Trading activities which were repeatedly undertaken on a significant number of trading days within a few months involving matching/crossing of the opposing corresponding buy and sell orders of the 12 Counters in her 2 Clients' accounts, Chiang had:-
 - (a) entered in close proximity of time her 2 Clients' opposing corresponding orders, at the price and quantity that took up each other's orders;
 - (b) caused the trades carried out on-market in her 2 Clients' accounts not to be subject to natural market forces of supply and demand by deliberately matching her 2 Clients' opposing orders;
 - (c) enabled the selling by her 2 Clients to be done at the price levels dictated by her/her 2 Clients; and
 - (d) thus, created a false or misleading appearance as to the market for/price of the shares for these 12 Counters.
- (3) The imposition of the sanctions including the fine and suspension on Chiang had taken into account, amongst others, the period and number of the breaches/counters involved and the impact of the breaches as well as a relatively significant sum of commission generated and earned by her arising from these false market activities.
- (4) As a DR, Chiang must at all times:-
 - (a) observe professional conduct, standards of integrity and fair dealing including exercise due care and diligence in the execution of trades;
 - (b) carry out her duties in a manner which contributes to the maintenance of a fair and orderly market; and

- (c) avoid or refrain from engaging in 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 by others that might have the same result).

-End-

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 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 an orderly and fair stock market;
- 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
- 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.