

PARTICIPATING ORGANISATIONS' CIRCULAR

Date: 4 December 2025

No.: G 33 of 2025

Enforcement Action Pursuant to the Rules of Bursa Malaysia Securities Berhad

4 December 2025

BURSA MALAYSIA SECURITIES PUBLICLY REPRIMANDS, FINES AND SUSPENDS HAZNI BIN OTHMAN FOR MISCONDUCTS AND VIOLATION OF RULES

Bursa Malaysia Securities Berhad [Registration No.: 200301033577 (635998-W)] (**Bursa Malaysia Securities**) has publicly reprimanded, imposed a fine of RM48,000 and suspended/restricted (as the case may be) Hazni bin Othman (**HAZNI**) for 5 months as/from being a Registered Person of Bursa Malaysia Securities, for engaging in manipulative trading activities in the securities of Hap Seng Consolidated Berhad (**HAPSENG**).

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

HAZNI, who was at the material time of the breach a Salaried Dealer's Representative (**SDR**) of Affin Hwang Investment Bank Berhad (**AHIBB**) at its Principal Office, had contravened and/or triggered the provisions of Rules 3.14(d), (e) & (g), 5.01(a) & (b) and 15.09(a) & (g) of the Rules of Bursa Malaysia Securities and Paragraphs 1.1(1)(a), (b), (e) & (h) of Directives No. 5-001 of the Participating Organisations' Directives and Guidance (**Directives No. 5-001**).

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 misconducts 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 imposition of the sanctions on HAZNI were made pursuant to Rule 15.02 of the Rules of Bursa Malaysia Securities after according due process to HAZNI, taking into consideration all facts and circumstances including the following: -

- (1) The breaches by HAZNI were in relation to the manipulative trading activities in the securities of HAPSENG undertaken through the trading account of a corporate client of AHIBB (**Client A**) spanned over a period of 12 months (**Relevant Period**) which displayed manipulative characteristics (**Manipulative Trading Activities**), as follows (**Breaches**): -
 - (i) the execution of increasing bid trades (**IB Trades**) i.e. driving up the share price activities with positive price changes from the last traded price (**LTP**) and/or price maintenance activities through HAZNI's repeated entry of buy orders at prices higher than the prevailing market prices/LTP and/or the repeated entry of market

orders by taking the sellers at various ask price levels in particular during the last trading hour which caused the price of HAPSENG shares to rise and created an appearance of upward trend of the share price or maintained/sustained at certain price levels; and

- (ii) the activities of influencing the theoretical closing price (**TCP**) during the pre-closing phase (**PCP**) where buy orders were entered at prices higher than the LTP or the prevailing TCP which had influenced/dictated/contributed to HAPSENG shares price to increase and closed higher and/or prevented the price from closing lower (**Influencing TCP**),

which were undertaken in a manner not in accordance with the relevant Rules and might give/had given rise to the creation of false/misleading appearance for the securities of HAPSENG.

- (2) Despite the trading concerns raised by Bursa Malaysia Securities' Market Surveillance (**Bursa MS**) in regard to the trading activities in Client A's account on HAPSENG shares, HAZNI continued to engage in the Manipulative Trading Activities of IB Trades and Influencing TCP in Client A's account for another 4 months after ceasing such activities for about 3 months after Bursa MS' trading concerns raised to AHIBB, as follows: -
 - (a) HAZNI's multiple and repeated IB Trades were mainly carried out with his entry of buy orders at prices higher than the prevailing market price which caused the share price to:
 - (i) rise and create an appearance of upward trend of the share price; or
 - (ii) maintain/sustain the share price at a certain price level after the market activities by other market participants had caused the share price to move down/lower;
 - (b) HAZNI's manipulative activities of repeatedly narrowing the spread between best bid and best ask by inflating the buy side of the order book with the creation of several buy orders at different prices; and
 - (c) HAZNI's activities of entering buy orders during the PCP at prices higher than the LTP/prevaling TCP that influenced the TCP to either:
 - (i) close at a higher price than the LTP/the prevailing TCP; or
 - (ii) prevent the closing price from closing at a much lower price.
- (3) Notwithstanding HAZNI's assertions that the trades in Client A's account were based on Client A's authorised person's instructions and that he had no personal interests in those trades, as an experienced DR, HAZNI knew/ought to know that he ought to: -
 - (a) make a proper assessment of the client's orders;
 - (b) be alerted of the irregularity of the trades;
 - (c) undertake due inquiry in light of the characteristics and implications of the trades; and
 - (d) exercise reasonable due skill, care and diligence in undertaking dealing activities for the clients so as to avoid manipulative trading activities.

In this regard, the repeated trading patterns by Client A during the Relevant Period, i.e. the IB Trades being undertaken over prolonged period including the IB Trades during the late trading hours that impacted the LTP before the market moved into PCP and the

Influencing TCP activities during PCP that influenced/dictated the closing price to close higher should have alerted HAZNI of the irregularity of the trades/trading activities, in particular when these Manipulative Trading Activities had dictated the price movement/direction of HAPSENG shares and hence, created a false/misleading appearance of HAPSENG shares during the Relevant Period.

- (4) It was unacceptable for HAZNI to act as a mere order-taker in undertaking dealing activities for Client A without proper assessment of the orders received/executed having considered amongst others the timing and impact to the market and he ought to have exercised reasonable due care and diligence so as to avoid/prevent/refrain from any manipulative trading activities.
- (5) HAZNI had failed to discharge his duties as a RP to exercise proper skill, care and diligence and observe professional conduct, standards of integrity and fair dealing and act in a manner that contributed to the maintenance of an orderly and fair market for HAPSENG shares including for failing to avoid/refrain/restrain Client A from engaging in manipulative trading activities in HAPSENG shares during the Relevant Period.
- (6) The sanctions were imposed having considered, amongst others, the following: -
 - (a) The materiality/extent/intensity/impact of the Manipulative Trading Activities and HAZNI's recalcitrant conducts in continuing with the Manipulative Trading Activities despite Bursa MS' trading concerns raised.
 - (b) The sanctions underlined the severity/extent of the breaches and the importance of orderliness of dealing activities and trading in a manner which contributes to the maintenance of an orderly and fair market which is one of the fundamental obligations/duties of a Dealer's Representative (**DR**) and cornerstone of market integrity which must be upheld at all times.
 - (c) HAZNI's conduct where he had acted as a mere order taker and turned a blind eye instead of being alerted of the irregularity of the trading activities in Client A's account which was not acceptable in the discharge of his duties as a DR.
 - (d) HAZNI had acknowledged and did not dispute the Breaches at the enforcement stage. In this regard, in determining the sanctions to be imposed, Bursa Malaysia Securities will take into account the extent of co-operation by the errant party (including admission of the breaches/timing of the initiation of settlement by the errant party).
- (7) The public reprimand was imposed to serve as a deterrence to other Registered Persons and create awareness on the serious view taken by Bursa Malaysia Securities against such misconducts that involved market offences. It further underlines the importance of the Registered Person's duty to observe professional conduct/standards of integrity and ensure market integrity at all times.
- (8) As a Registered Person acting in the capacity of a DR, HAZNI must, at all times: -
 - (a) observe professional conduct, standards of integrity and fair dealing;
 - (b) act with due skill, care and diligence and with due regard for the integrity of the market;
 - (c) not engage in or avoid/refrain himself from: -

- (i) any act or practice that might lead to a false or misleading appearance of active trading in the securities or a false or misleading appearance with respect to the market for, or the price of the securities or directly or indirectly be tantamount to stock market manipulation;
- (ii) doing anything which may result in or has the effect of the market not being orderly and fair;
- (iii) engaging in unlawful or irregular or unhealthy practice; and
- (d) carry out his duties in a manner that contribute to the maintenance of an orderly and fair stock market.

-End-

Investigation and Enforcement Department

ADDENDUM

Rules 3.14(d), (e) & (g), 5.01(a) & (b) and 15.09(a) & (g) of the Rules of Bursa Malaysia Securities and Paragraphs 1.1(1)(a), (b), (e) & (h) of Directives No. 5-001 provide, amongst others, that:

- Throughout the term of a Registered Person's (**RP**) registration, a RP must:
 - (a) observe professional conduct, standards of integrity and fair dealing;
 - (b) act honestly and in the best interest of the Client and the PO; and
 - (c) carry out the RP's duties in a manner that contributes to the maintenance of an orderly and fair stock market.
- A PO and RP must, in the conduct of the PO's business: -
 - (a) adhere to just and equitable principles and act with due skill, care and diligence and with due regard for the integrity of the market;
 - (b) not through any act or omission, do anything which may result in or has the effect of the market not being orderly and fair.
- Any Participant, which includes a RP who, in any circumstances, directly or indirectly:
 - (a) commits a breach of or violates any of the Rules; and
 - (b) fails to perform his duties efficiently, honestly or fairly,will be in breach of the Rules and be dealt with in accordance with the provision of the Rules relating to the disciplinary proceedings.
- A PO and RP must not engage in any unlawful or irregular or unhealthy practice and must not participate in any operation by others that might have the same result.
- A PO and RP must:
 - (a) observe professional conduct and high standards of integrity and fair dealing;
 - (b) conduct their business in a manner that contributes to the maintenance of an orderly and fair market;
 - (c) not engage in any unlawful or irregular or unhealthy practice;
 - (d) not engage in any act or practice: -
 - (i) 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
 - (ii) directly or indirectly be tantamount to stock market manipulation,and must not participate in any operation by others that might have the same result.

[Note:

The Pre-Closing Phase (**PCP**) is from 4.45 p.m. to 4.50 p.m. during which orders can be entered, amended, or cancelled but no trades are matched. Following the PCP, the Trading-At-Last phase runs from 4.50 p.m. to 5.00 p.m. during which orders can be entered, amended, or cancelled and trades can be executed at the closing price of the stock.

The Theoretical Closing Price (**TCP**) is calculated during the PCP at an interval of every 5 seconds to take into account any change in the order price or volume entered into the order book. The last calculated TCP during the PCP will be the closing price.]