

MEMORANDUM

To : **All Dealer's Representatives (DRs)**
From : **The Management**
Date : **25 September 2025**
Re : **Reminder on Standard of Conduct / Prohibited Conduct**

The Management wishes to remind all DRs on the relevant Rules of Bursa Malaysia Securities Berhad ("BMSB") (in particular to Rule 5.01 Standard of Conduct and Paragraph 1 of Directives No. 5-001 on Conduct of Business) and Section 175, 176, 177, 178 and 179 of Capital Markets and Services Act 2007 ("CMSA") in relation to false trading and market rigging transaction, stock market manipulations, false or misleading statements and fraudulently inducing persons to deal in securities.

The relevant BMSB rules and CMSA sections are extracted below for your attention:

BMSB Rules**5.01 Standard of conduct**

A Participating Organisation and Registered Person must, in the conduct of the Participating Organisation'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; and
- (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.

BMSB Directives on Conduct of Business No. 5-001

- (1) Rule 5.01 requires a Participating Organisation and Registered Person in the conduct of the Participating Organisation's business, adhere to just and equitable principles and act with due skill, care and diligence and with due regard for the integrity of the market and must not through any act or omission, do anything which may result in or has the effect of the market not being orderly and fair.
- (2) In discharging the obligations under the said Rule, a Participating Organisation and Registered Person
must, amongst others, comply with the requirements set out below.

1.1 Standard of Conduct

- (1) A Participating Organisation and Registered Person 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) prevent insider trading, misuse of confidential information and the commission of other offences relating to the abuse of confidential information. In doing so, a Participating Organisation and Registered Person must strictly maintain the confidentiality of all relevant information, including information that on becoming generally available would or would tend to have a material effect on the price or value of securities;
- (d) not engage in any act that amounts to advertising securities for sale or purchase or share hawking;
- (e) not engage in any unlawful or irregular or unhealthy practice;
- (f) not engage in any act that may damage the confidence of investors or hamper the sound development of the stock market of the Exchange;
- (g) not do or cause or permit to be done any act which:
 - (i) would adversely affect the goodwill or public image of the Exchange;
 - (ii) would bring or is likely to bring the Exchange into disrepute;
 - (iii) is injurious to the character and interest or prejudicial to the objects of the Exchange.
- (h) 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 manipulations, and must not participate in any operation by others that might have the same result

CMSA Sections

False trading and market rigging transaction

175. (1) Subject to section 180, no person shall create, or cause to be created, or do anything that is calculated to create, a false or misleading appearance of active trading in any securities on a stock market within Malaysia or a false or misleading appearance with respect to the market for, or the price of, any such securities.

(2) A person shall not, by means of purchases or sales of any securities that do not involve a change in the beneficial ownership of those securities, or by any fictitious transaction or device, maintain, inflate, depress, or cause fluctuations in, the market price of any securities.

(3) Without affecting the generality of subsection (1), a person who—

(a) effects, takes part in, is concerned in or carries out, either directly or indirectly, any transaction of sale or purchase of any securities, being a transaction that does not involve any change in the beneficial ownership of the securities;

(b) makes or causes to be made an offer to sell any securities at a specified price where he has made or caused to be made or proposes to make or to cause to be made, or knows that a person associated with him has made or caused to be made or proposes to make or to cause to be made, an offer to purchase the same number, or substantially the same number, of securities at a price that is substantially the same as the first-mentioned price; or

(c) makes or causes to be made an offer to purchase any securities at a specified price where he has made or caused to be made or proposes to make or to cause to be made, or knows that a person associated with him has made or caused to be made or proposes to make or to cause to be made, an offer to sell the same number, or substantially the same number, of securities at a price that is substantially the same as the first-mentioned price,

shall be deemed to have created a false or misleading appearance of active trading in securities on a stock market.

Stock market manipulations

176. (1) Subject to section 180, no person shall effect, take part in, engage in, be concerned in, or carry out, either directly or indirectly, any number of transactions in securities of a corporation, being transactions that have, or are likely to have, the effect of—

(a) raising;

(b) lowering; or

(c) pegging, fixing, maintaining or stabilising,

the price of securities of the corporation on a stock market in Malaysia, for the purpose which may include the purpose of inducing other persons, whether or not another person is induced, to acquire or dispose of the securities of the corporation or of a related corporation.

(2) A reference in this section to a transaction, in relation to securities of a corporation, includes—

(a) a reference to the making of an offer to sell or purchase such securities of the corporation; and

(b) a reference to the making of an invitation, however expressed, that expressly or impliedly invites a person to offer to sell or purchase such securities of the corporation.

False or misleading statements, etc.

177. A person shall not make a statement, or disseminate information, that is false or misleading in a material particular and is likely to induce the sale or purchase of securities by other persons or is likely to have the effect of raising, lowering, maintaining or stabilizing the market price of securities if, when he makes the statement or disseminates the information—

(a) he does not care whether the statement or information is true or false; or

(b) he knows or ought reasonably to have known that the statement or information is false or misleading in a material particular.

Fraudulently inducing persons to deal in securities

178. (1) A person shall not—

(a) by making or publishing any statement, promise or forecast that he knows to be misleading, false or deceptive;

(b) by any dishonest concealment of material facts;

(c) by the reckless making or publishing, dishonestly or otherwise, of any statement, promise or forecast that is misleading, false or deceptive; or

(d) by recording or storing in, or by means of, any mechanical, electronic or other device, information that he knows to be false or misleading in a material particular, induce or attempt to induce another person to deal in securities.

Use of manipulative and deceptive devices

179. It shall be unlawful for any person, directly or indirectly in connection with the subscription, purchase or sale of any securities—

(a) to use any device, scheme or artifice to defraud;

(b) to engage in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person; or

(c) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made in the light of the circumstances under which they were made, not misleading.

A person who contravenes section 175, 176, 177, 178, 179 or 181 commits an offence and shall be punished on conviction to imprisonment for a term not exceeding ten years and to a fine of not less than one million Ringgit.

It is DR responsibility to exercise proper skill, care and diligence and observe professional conduct, standards of integrity and fair dealing and ensure that their / their clients' trading activities do not, in any way, contravene the relevant rules of BMSB and the CMSA.

The Management takes a serious view of any misconduct or breaches of the rules and will not hesitate to take appropriate disciplinary action against DR who engage in such misconduct/breaches or fail to carry out their duties with integrity.

The regulators, including BMSB and the Securities Commission, also take any misconduct or contravention of the relevant rules under BMSB and the CMSA seriously, and will not hesitate to take appropriate action against DR who engages in such misconduct or breaches, including striking off the DR from the Register and imposing fines.

DRs are also reminded that they are required to regularly access the Remisier's Portal to keep themselves abreast with the latest company memorandums, announcements and regulatory circulars and guidelines that have been or will be posted from time to time. The BMSB enforcement actions and Securities Commission administrative actions are also posted in the Remisier's Portal to create awareness on the serious view taken by BMSB / SC for misconduct or breaches of the rules / CMSA.

Thank you.

