

CONTENTS

- 2 Former Transmile directors to enter defence
- 2 Court calls for defence on CBT charges with respect to transfer of Cold Storage funds
- 3 Jail sentence for furnishing misleading statements
- 3 Investment scam – Operator jailed five years
- 4 Former remisier loses his appeal to the Court of Appeal
- 4 Two directors jailed and fined over Suremax share manipulation
- 5 Administrative actions against CMSRL holders for improper conduct
- 6 The SC reprimands valuer and valuation firm and bars submission from valuer for failing to comply with guidelines
- 6 Offeror fined and reprimanded for breaching creeping provision
- 7 Enforcement Highlights

Executive Summary

High standards of ethical conduct and integrity are expected of all market players who, in spite of their varied individual roles, collectively ensure that investor confidence in our capital market is preserved and strengthened. Directors in particular, play an important role as champions of corporate governance. They owe a fundamental duty to shareholders to ensure that correct and reliable information is communicated to the market to enable investors and the market to make informed investment decisions.

Ethical conduct and integrity expected of all market players

Where directors fail to discharge their duties or when they misuse their position and influence, the SC will not hesitate to take enforcement action against them. In the case of Suremax Group Bhd, the Court imposed custodial sentences on two former directors for their involvement in market manipulation. Meanwhile, a former director of Cold Storage (Malaysia) Bhd and his business associate were ordered to enter their defence for criminal breach of trust.

Custodial sentences on directors of PLCs

For furnishing misleading information to Bursa Malaysia, custodial sentences of six months each were imposed on two former directors of MEMS Technology Bhd. Four former directors of Transmile Group Bhd were also asked by the Court to enter their defence for similar offences.

In another enforcement action taken by the SC, Raja Noor Asma Raja Harun, was sentenced to five years imprisonment for operating an illegal investment scheme that purportedly traded in futures contracts, thereby defrauding investors.

Five-year jail sentence for ponzi scheme operator

Capital Market Services Representative's Licence (CMSRL) holders too, as providers of intermediation services, play a critical role in upholding market integrity and ensuring investors' interests are protected. The quarter saw the conviction of a former remisier who had deceived and misappropriated his clients' money, along with the administrative actions taken by the SC against CMSRL holders who have committed a variety of trading breaches that include short selling and carrying out improper order placements.

Administrative actions against CMSRL holders for trading breaches

Similarly, market professionals provide valuable professional advice and services to issuers and the capital market at large. It is therefore vital that they demonstrate high levels of ethical conduct and professionalism when providing their services. The SC reprimanded valuer Noraini Jaafar Sidek and the valuation firm of Messrs Raine & Horne International Zaki & Partners Sdn Bhd for falling short of these expected standards.

Former Transmile directors to enter defence

With respect to their roles in the submission of misleading financial information to the stock exchange, four former directors of Transmile Group Bhd (TGB) are now required to enter their defence after the Court ruled that the Prosecution has successfully proven a *prima facie* case against them.

The four are Gan Boon Aun, Khiuddin Mohd, Chin Keem Feung and Shukri Sheikh Abdul Tawab. Gan and Khiuddin were executive directors of TGB at the time when the offence was committed while the other two, Chin and Shukri were members of the Audit Committee.

All four were charged in relation to a misleading statement in TGB's Quarterly Report on Unaudited Consolidated Results for the Financial Year ended 31 December 2006. This misleading financial statement was furnished to Bursa Malaysia and announced on 15 February 2007.

The case against Gan and Khiuddin

Gan and Khiudin were ordered by the Court on 16 March 2011 to enter their defence with respect to the alternative charge under section 122B(a)(bb) of the *Securities Industry Act 1983* (SIA) read together with section 122(1) of the Act. Both Gan and Khiudin, are said to have committed the offence when the company, with intent to deceive, furnished the 2006 unaudited financial statements containing a misleading statement to Bursa Malaysia.

The case against Chin and Shukri

Members of the Audit Committee of TGB, Chin and Shukri, were ordered to enter their defence on 22 March 2011. Chin and Shukri, who were also independent non-executive directors, were charged in relation to their roles in the release of the impugned 2006 unaudited financial statements. The charges against them were brought under section 122B of the SIA.

Court calls for defence on CBT charges with respect to transfer of Cold Storage funds

On 11 March 2011, a former director of Cold Storage (Malaysia) Bhd (CSM) and his business associate were ordered to enter their defence on an alternative charge of criminal breach of trust (CBT) for transferring out RM185 million belonging to CSM on 20 March 1998. After calling 23 witnesses, the court ruled that the prosecution had successfully proven a *prima facie* case against Dato' Chung and Dato' Yip.

Dato' Chung and Dato' Yip Yee Foo were charged on 24 September 2004. If convicted, they face a jail sentence of up to 20 years with caning and a fine.

The Court, however, acquitted both of them of the principal charge under section 87A(a)(a) of the SIA for defrauding CSM by using the company's money to finance their purchase of 26,724,337 units of shares via Excoplex Sdn Bhd and Fulham Finance & Trade Limited.

Jail sentence for furnishing misleading statements

The High Court allowed the SC's appeal on 11 January 2011 to enhance the sentence meted out by the Sessions Court against Ooi Boon Leong and Tan Yeow Teck, former directors of MEMS Technology Bhd (MEMS). The High Court upheld the original fine of RM300,000 but added to the fine, a six-month imprisonment term each.

Both were convicted in February 2010 after they pleaded guilty to an offence under section 122B(b)(bb) of the SIA for authorising the furnishing of misleading information to Bursa Malaysia. The misleading information was made in relation to MEMS' reported revenue of RM73.4 million contained in its condensed consolidated income statements for the twelve-month period ended 31 July 2007. The revenue was misleading as it included fictitious sales amounting to RM30.17 million which constituted 41% of MEMS' total revenue.

The High Court Judge agreed with the SC's submission that a fine alone was not a deterrent enough sentence for this type of offence. In delivering his decision, the Judge stressed that the capital market is the heart of the nation's economy and that its integrity is vital to sustain the confidence of investors, locally and overseas. Thus, the court held that the interest of the public should not be outweighed by the interest of the accused persons.

Ponzi scheme perpetrator jailed

The director of FX Capital Consultant and FX Consultant, Raja Noor Asma Raja Harun was sentenced on 10 January 2011, to an imprisonment term of five years and a fine of RM5 million (in default, six months imprisonment) for operating a ponzi scheme. The heavy custodial sentence meted out by the Court reflects the gravity of the offence.

Raja Noor Asma was convicted and sentenced after she pleaded guilty to four charges of employing a scheme to defraud investors and trading in futures contracts on behalf of others without a licence. The scheme had duped over 4,000 investors between February 2007 and May 2008 and more than RM100 million was collected from investors under the pretext that the money would be used to trade in crude palm oil futures. The investors were also promised an unusually high guaranteed return of 8% per week.

For taking part in money laundering activities, Raja Noor Asma was also convicted of 50 counts under the *Anti-Money Laundering and Anti-Terrorism Financing Act 2001* (AMLATFA) and sentenced to two years imprisonment for each of the AMLATFA charges, which are to run concurrently. The court ordered the two-year jail term to run consecutive to the five-year imprisonment imposed for the fraud charges.

On 14 April 2011, the Court ruled that 600 investors who had invested their monies with Raja Noor Asma were allowed to get their money back. In the ruling, the Judge stressed that, "...this Court does not suffer fools. Persons who are motivated by greed, avarice and promise of disproportionate returns have only themselves to blame if these investments go awry..."

The Judge, in her ruling also warned that it is not the function of the government to recover the investors' investments and as such, the Court may not be easily persuaded again to reconstitute investors. The Court's ruling is stayed pending the appeal filed by the Attorney-General's Chambers who was seeking to forfeit the monies.

Former remisier loses his appeal at the Court of Appeal

Haron Jambari, a former remisier at Arab Malaysian Securities Sdn Bhd lost his battle in court on 23 February 2011 after the Court of Appeal upheld the convictions and sentences imposed on him earlier by the High Court and Sessions Court. Haron was convicted and sentenced for deceiving his client in relation to the purchase of Petronas Dagangan Bhd shares in 1994 (PDB shares transaction) and for committing criminal breach of trust (CBT).

Haron was charged under section 87A of the SIA for making a false statement to his client in relation to the purchase of PDB shares. He was also charged under section 409 of the *Penal Code* for committing CBT by misappropriating RM2 million belonging to his client in connection with the said PDB shares transaction.

Haron was charged together with his client's accountant at the time, Nik Aziz Nik Mohd Amin. The latter was charged for abetting Haron both for the securities offence as well as for CBT. Nik Aziz was also charged under section 165 of the *Penal Code* for accepting RM130,000 without consideration from Haron while performing his duties as a public servant.

On 29 July 2002, the Sessions Court sentenced Haron to three years imprisonment and imposed a fine of RM1 million (in default two years imprisonment) for the securities offence, as well as four years imprisonment and two strokes of the cane for committing CBT. The High Court and Court of Appeal upheld this sentence.

Nik Aziz received similar sentences for the SIA and CBT offences, plus two years imprisonment in respect of the charge under section 165 of the *Penal Code*. However, the Court of Appeal only upheld the conviction and sentence for the CBT and section 165 *Penal Code* offences imposed on Nik Aziz but acquitted him on the charge of abetting Haron in making the false statement under the securities laws.

The Court also set aside the whipping as Nik Aziz is now over 50 years old. All sentences were ordered to run concurrently. The prosecution of Haron and Nik Aziz in 1995 was the first case instituted by the SC under section 87A of the SIA for using manipulative and deceptive devices in connection with a sale and purchase of shares. It also became, in 2002, the first case in which the SC secured upon conviction, a custodial sentence under that section.

Two directors jailed and fined over Suremax share manipulation

On 17 January 2011, the SC secured a conviction against Datuk Phillip Wong Chee Kheong and Francis Bun Lit Chun for their involvement in the manipulation of Suremax Group Bhd (Suremax) shares. The Sessions Court on 12 January 2011, sentenced Datuk Phillip to 24 months imprisonment and a fine of RM3 million (in default, six months imprisonment) and Francis to three months imprisonment and a fine of RM2 million (in default, six months imprisonment). The sentences were imposed upon their conviction under section 84 of the SIA for creating a misleading appearance of active trading in the shares of Suremax when they traded using nine accounts without any change in the beneficial ownership of the shares on the stock exchange.

Datuk Phillip and Francis were charged on 25 October 2005 and the trial commenced in 2007. The court heard testimonies from 38 witnesses called by the prosecution and the defence raised by both accused persons. The court rejected their defence that the manipulative trading activities conducted were done under the instructions of a third party and that they had no knowledge of the purpose of the trading.

In passing sentence, Judge Komathy SM Suppiah said "The Court has to set imprisonment terms as the new benchmark in securities cases. The securities market should be real and genuine. Market manipulation is a serious offence affecting the confidence of investors and thus an imprisonment sentence should be meted out."

Administrative actions against CMSRL holders for improper conduct

Intermediaries and their representatives are expected to display high ethical standards in order to maintain a fair, efficient and orderly market. They are required to comply with market and business conduct standards set out in securities laws and guidelines. Improper conduct is viewed seriously, leading the SC to institute administrative actions against a number of CMSRL holders.

Improper order placement

On 22 December 2010, two CMSRL holders were reprimanded and suspended for carrying out improper order placements when they had, during a pre-opening afternoon trading session, placed buy orders in large quantities at limit-up price and also sell orders in similarly large quantities at limit-down price and subsequently cancelled those orders within short intervals before the opening of the afternoon trading session. These actions gave the impression of demand for the stocks and could have influenced the theoretical opening prices. Chin Chee Nang of Hong Leong Investment Bank and Tan Phaik Yen of HwangDBS Investment Bank Bhd were suspended for four months and one month respectively. Chin was imposed a longer suspension period for using his client's account without the client's knowledge and authorisation for order placement of shares in seven counters. Tan Phaik Yen on the other hand had made improper order placement of shares in one counter.

Shortselling

On 24 February 2011, the SC suspended Zuridah Mohamed, a CMSRL holder with ECM Libra Investment Bank Bhd for failure to supervise a trading clerk. The trading clerk was found to have shortsold shares in seven counters in a client's account. Zuridah's licence was suspended for one month from 10 March 2011. Ho Sze Lip, who was at the material time a trading clerk at ECM Libra, was reprimanded for shortselling. He ceased to be employed as a trading clerk effective 15 December 2010.

Trading not in client's best interest

On 28 February 2011, the SC reprimanded a former CMSRL holder of AmInvestment Bank Bhd, Ng Chin Sing, for his failure to give priority to a client's order. The SC found that Ng had traded for a third party connected to him ahead of his client's order. Ng ceased to be a CMSRL holder effective 1 November 2010.

The SC reprimands valuer and valuation firm and bars submission from valuer for failing to comply with guidelines

On 2 February 2011, the SC reprimanded Noraini Jaafar Sidek and the valuation firm of Messrs Raine & Horne International Zaki & Partners Sdn Bhd (RHIZP) for making a submission to the SC that was in breach of the SC's *Asset Valuation Guidelines*. Noraini is the registered valuer and the director of RHIZP who signed the valuation reports for a corporate exercise submitted to the SC through AmInvestment Bank Bhd in 2010.

The SC, in reviewing the valuation reports, found several instances of non-compliance with the guidelines by both Noraini and RHIZP, including:

- Failure to ensure that the valuation was properly carried out and reviewed for quality control;
- Failure to ensure that the data applied in carrying out the valuation was properly verified and correctly analysed; and
- Adoption of adjustments that were inappropriate and unjustified.

On the whole, the valuation reports submitted by RHIZP demonstrated the firm's failure to exercise professionalism and due care. Professionals such as valuers, auditors, accountants and lawyers are expected to display high standards of professionalism and accountability. The Board of Valuers, Appraisers and Estate Agents were also notified of the sanction taken against their registered members.

Besides reprimanding Noraini and RHIZP, the SC will also not accept or consider any submissions by Noraini to the SC for six months, effective 2 February 2011.

Offeror fined and reprimanded for breaching creeping provision

In June 2010, the SC imposed a penalty of RM100,000 and reprimanded Ancom Bhd (Ancom) for breach of the creeping provision in the *Malaysian Code on Take-overs and Mergers 1998* (TOM Code). The breach was in relation to Ancom's acquisition of shares in Nylex (M) Bhd (Nylex).

Before the breach occurred, Ancom already owned a 39.41% stake in Nylex. Subsequently, on 17 March 2008, Ancom acquired an additional 2.65% in Nylex, thereby increasing its shareholding in Nylex to 42.06%. No mandatory offer was made in breach of subsection 6(4) of the TOM Code.

Subsection 6(4) of the TOM Code provides that a person and his concert parties who already hold voting rights between 33% and 50% in a company, will incur a mandatory offer obligation if they acquire more than 2% within a period of six months. This provision seeks to ensure that all shareholders in a company are treated fairly. The underlying principle is that if control of a company changes, a mandatory offer is made to other shareholders for their shares.

The sanction was meted out after taking into consideration, among others, the following:

- Ancom and its 100% owned subsidiary, Rhodemark Development Sdn Bhd, already had control of more than 50% equity of Nylex before the acquisition (i.e. 54.01%)
- The acquisition did not result in a change in control over Nylex as Ancom and Rhodemark Development Sdn Bhd remained the largest shareholders of Nylex, controlling over 50% shares in Nylex before (i.e. 54.01%) and after the acquisition (i.e. 56.66%)

Enforcement Highlights

Convictions

- January 2011 – *PP v Raja Noor Asma Raja Harun*. The Kuala Lumpur Sessions Court convicted and sentenced Raja Noor Asma to five years imprisonment and a fine of RM5 million for operating an illegal investment scheme. She pleaded guilty to four charges of employing a scheme to defraud investors and trading in futures contracts without a licence under the *Futures Industry Act 1993* (FIA) and the *Capital Markets and Services Act 2007* (CMSA). She was also convicted of 50 counts of money laundering under the AMLAFTA and was sentenced to two years imprisonment for each charge, to be served concurrently. The court ordered the two-year jail sentence to be served consecutively upon the five-year imprisonment sentence for the securities offences. (see full article on page 3 – Ponzi scheme perpetrator jailed)
- January 2011 – *PP v Phillip Wong Chee Kheong & Francis Bun Lit Chun*. Datuk Phillip Wong Chee Kheong and Francis Bun Lit Chun were convicted of market manipulation with respect to the shares of Suremax Group Bhd (Suremax). Datuk Phillip Wong was sentenced to 24 months imprisonment and a fine of RM3 million (in default six months imprisonment) while Francis Bun was sentenced to three months imprisonment and a fine of RM2 million (in default six months imprisonment). (see full article on page 4 – Two directors jailed and fined over Suremax share manipulation)

Ongoing trials

- January 2011 – *PP v Tan Siok Wan, Lee Sin Teck, Lim Kim Ming & Lim Kim Hai*. In 2007, the four accused persons, who were executive directors of GP Ocean Food Bhd (GP Ocean), were charged with submitting misleading information on the company's revenue and customers to the SC. The misleading information was submitted in connection with GP Ocean's proposal for listing on the Main Board of Bursa Malaysia. On 6 January 2011, the Sessions Court held that the Prosecution had not proven a prima facie case at the end of its case against the four accused persons. Accordingly, they were acquitted and discharged. The Prosecution has filed an appeal to the High Court.
- January to April 2011 – *PP v Mohd Adam Che Harun*. The trial against Mohd Adam Che Harun, which commenced in December 2009, continued in January to April this year. Mohd Adam, the Executive Chairman of Megan Media Holdings Bhd (MMHB) was charged in 2007 under section 122B of the SIA read together with section 122(1) of the SIA for allegedly submitting a false statement to Bursa Malaysia. The false statement consisted of the inflated revenue in MMHB's quarterly financial statements for the financial periods ended 31 July 2006, 31 October 2006 and 31 January 2007 respectively.
- January to April 2011 – *PP v Ravandran and Kenneth Tan Kam Sang*. The trial against Ravandran and Kenneth Tan continued in January to April this year. They were both charged in 2004 under section 32B(1) of the *Securities Commission Act 1993* (SCA) for their alleged false reports to the SC concerning the utilisation of Kiara Emas Asia Industries Bhd's rights issue proceeds.
- January to April 2011 – *PP v Gordon Toh Chun Toh and Abul Hassan Mohamed Rashid*. The SC continued with the trial at the Sessions Court against both the accused persons. Gordon Toh and Abul Hassan were charged in 2009 for allegedly using RM17.55 million of Multi-Code's funds to purchase the company's shares. The defence closed its case on 20 April 2011, and parties proceeded to submit. The Court will hear further submissions from the parties on 4 May 2011.

- March 2011 – *PP v Alan Rajendram and Eswaramoorthy Pillay*. Trial commenced against Alan Rajendram and Pillay. In June 2010, the SC charged Alan, a former director of LFE Corporation Bhd (LFE) for committing securities fraud under section 87A(b) of the SIA. Alan has been charged for defrauding LFE by using RM9 million of LFE’s monies to finance his purchase of LFE shares. At the same time, Alan was also charged with five other charges under the securities laws and the *Penal Code* for committing CBT. Pillay, Alan’s former business partner was charged under section 87A(b) read together with section 122C(c) of the SIA for allegedly abetting Alan in the securities fraud, as well as for one other offence under the *Penal Code*. Further trial dates have been fixed for 3–6 May, 27–30 June, 1 July, 2–5 August, 9–12 August and 6–9 September 2011.
- March 2011 – *PP v William Yue Chi Kun*. Trial commenced against William Yue, the engaging and signing partner of the audit firm which audited United U-Li Corporation (U-Li)’s financial statements for the financial year ended 31 December 2004. William Yue was charged on 28 April 2009 under section 122B of the SIA for abetting U-Li in submitting a false report to Bursa Malaysia. Further trial dates have been fixed for 16–17 June and 5–8 July 2011.
- March 2011 – *PP v Yip Yee Foo and Chung Wai Meng*. On 11 March 2011, Yip and Chung were ordered by the Sessions Court to enter their defence on the alternative charge of criminal breach of trust (CBT) involving RM185 million. Further trial dates have been fixed for 3 and 9–11 May 2011. (see full article on page 2 – Court calls for defence on CBT charges with respect to transfer of Cold Storage funds)
- March 2011 – *PP v Gan Boon Aun and Khiuddin Mohd*. On 16 March 2011, the Sessions Court held that the prosecution had proven a prima facie case with respect to the alternative charge and the accused persons were ordered to enter their defence. Further trial dates have been fixed for 28-29 April 2011 and 22–24 June 2011. (see full article on page 2 – Former Transmile directors to enter defence)
- March 2011 – *PP v Shukri Sheikh Abdul Tawab and Chin Kim Feung*. On 22 March 2011, the Sessions Court held that the Prosecution had established a prima facie case at the end of the Prosecution case. Both accused persons were ordered to enter their defence. Further trial dates have been fixed for 5–6 May and 11–13 May 2011. (see full article on page 2 – Former Transmile directors to enter defence)
- March 2011 – *PP v Poh Gaik Lye and Goh Bak Ming*. Alice Poh, the former business co-ordinator of Liqua Health Corporation Bhd (Liqua), was charged under section 87A(a) of the SIA for allegedly committing a scheme to defraud Liqua. The SC’s investigations revealed that Liqua paid RM12 million to an entity called Wynsum Sdn Bhd. Out of this sum, a total of RM9.75 million was used by Alice Poh to finance the purchase of 45 million Liqua shares. Besides Alice Poh, Goh Bak Ming, a former director of Liqua was charged under section 87A(a) read together with section 122C(c) of the SIA for abetting her. Trial dates have been fixed for 22–24 August and 12–14 September 2011.

Appeals

High Court

- January 2011 – *PP v Ooi Boon Leong and Tan Yeow Teck*. On 11 January 2011, the High Court allowed the Prosecution’s appeal against the sentence and imposed a six-month imprisonment term on each of them in addition to the RM 300,000 fine. Ooi and Tan have both filed an appeal to the Court of Appeal against the enhanced sentence. (see full article on page 3 – Jail sentence for furnishing misleading statements)
- February 2011 – *PP v Chee Kok Wing, Shamsul Khalid Ismail and Mah Soon Chai*. Chee and Shamsul were charged with causing the issuance of NasionCom Holdings Bhd’s (NHB) prospectus which contained misleading information, namely the top ten customers of NHB for the financial period ended 31 July 2005. This information was required to be submitted to the SC in connection

with NHB's proposal for listing on the MESDAQ Market of Bursa Malaysia. Chee was also charged with an offence under the *Companies Act 1965* for authorising the making of false statements in documents which are used in the preparation of financial statements contained in NasionCom's 2005 Annual Report. Mah was charged for abetting NHB in submitting the false information contained in NHB's 2005 Annual Report. On 18 October 2010, pursuant to an application by the defence, the Sessions Court decided to sever trial of each of the accused. The SC filed a revision against the Sessions Court's decision to the High Court. On 10 February 2010, the High Court decided to revise the decision of the Sessions Court to sever the trial. Chee Kok Wing has filed an appeal to the Court of Appeal. The High Court also granted a stay with respect to the trial pending the disposal of the appeal at the Court of Appeal.

- March 2011 – *Phazaluddin v PP*. On 9 July 2010, Phazaluddin was convicted and sentenced to four years imprisonment for operating an online investment scam without a fund manager's licence as required under section 15A(1) of the SIA. In addition, Phazaluddin was also convicted of three offences under section 4(1) of the AMLATFA for taking part in money laundering activities involving a sum of RM1.3 million. He was sentenced to two years imprisonment in respect of each money-laundering charge which were ordered to run concurrently. Phazaluddin appealed against his conviction and the appeal was heard at the High Court on 3 and 31 March 2011. Decision has been fixed for 5 May 2011.
- March 2011 – *PP v Chan Kok Suan*. On 1 March 2010, the Sessions Court convicted Chan Kok Suan after he pleaded guilty to the offence of submitting false statements to the SC involving the initial public offering (IPO) of Granasia Corporation Bhd, under section 32B(1) read together with section 138(2) of the SCA. Chan was fined RM500,000, in default, 10 months imprisonment. The SC appealed against the sentence and the hearing was scheduled to be heard on 9 March 2011. However, as Chan's counsel had discharged himself, the hearing date was vacated to enable Chan to appoint a new counsel. A new hearing date has been fixed for 6 June 2011.

Court of Appeal

- February 2011 – *Haron Jambari and Nik Abdul Aziz Nik Mohd Amin v PP*. On 23 February 2011, the Court of Appeal upheld the conviction and the sentence imposed by the High Court against Haron Jambari. In the case of Nik Aziz, the Court of Appeal upheld the conviction and sentence for CBT, and section 165 of the *Penal Code* charge, but acquitted him on the charge of abetting Haron in making the false statement. The Court of Appeal also set aside the whipping imposed on Nik Aziz as he is now over 50 years old. All sentences were ordered to run concurrently. (see full article on page 4 – Former remisier loses his appeal to the Court of Appeal)

Civil Cases

- February 2011 – *Securities Commission v Wimems Corporation Bhd, Flex-P Industries, Fong Piau*. On 28 February 2011, the SC filed a civil action against Wimems Corporation Bhd (Wimems), Flex-P Industries Bhd (Flex-P) and Fong Piau for submitting false information to the SC. The false information consists of the Wimems' Group Revenue in the Wimems' 2005 Annual Report and their prospectus dated 30 December 2005.
- March 2011 – *SC v Dato' Ishak Ismail*. The SC had on 16 June 2010 commenced civil proceedings and obtained an ex-parte injunction against Dato' Ishak, restraining him from dealing with RM10.2 million, the sum of proceeds from his disposal of 58.7 million Kenmark shares on 9 June 2010 and 11 June 2010. Trial for the main suit against Dato' Ishak has been fixed for 9–12 May 2011. In the meantime, Dato' Ishak had filed an application for leave to appeal to the Federal Court following the Court of Appeal's decision to affirm the High Court's decision to maintain the injunction which the SC obtained on 16 June 2010. On 28 March 2011, the Federal Court unanimously rejected his leave application, effectively maintaining the 16 June 2010 injunction pending the disposal of the main suit at the High Court. Dato' Ishak also filed an appeal to the Court of Appeal against the High Court's decision to dismiss his application to prevent the SC from recording his statement under section 134 of the SCA.

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