

CRIMINAL PROSECUTIONS AND APPEALS

As at 31 March 2022, there were 11 ongoing criminal trials at the Sessions Court for various breaches of the securities laws. The securities laws breaches include furnishing misleading or false reports to the SC and the stock exchange, market manipulation, unlicensed activity, and securities fraud. As for criminal appeals, there were 7 ongoing appeals at the High Court and the Court of Appeal.

The details and relevant updates of the criminal cases for Q1 2022 are summarised in the table below:

No.	Nature of offence	Offender(s)	Outcome
1.	With intent to deceive, furnished a misleading statement to Bursa Malaysia	Gan Boon Aun (Gan)	<p>On 12 July 2007, Gan was charged with the principal charge under section 86(b) read together with section 122C(c) of the <i>Securities Industry Act 1991</i> (SIA).</p> <p>On 26 May 2008, Gan was charged in the alternative under section 122B(a)(bb) read together with section 122(1) of the SIA.</p> <p>The trial commenced on 22 July 2010 and the Prosecution closed its case on 28 January 2011 after having called 42 witnesses.</p> <p>On 16 March 2011, the Sessions Court held that the Prosecution had proven a <i>prima facie</i> case and ordered Gan to enter his defence on the alternative charge.</p> <p>On the eve of the hearing of the defence case, Gan filed an application under section 30 of the <i>Courts of Judicature Act 1964</i> (CJA) to challenge the constitutionality of section 122(1) of the SIA.</p> <p>On 15 March 2017, the Federal Court upheld that section 122(1) of the SIA was constitutional and ordered for the case to be remitted to the Sessions Court for commencement of defence case.</p> <p>Subsequently on 27 April 2017, Gan filed an application under rule 137 of the <i>Rules of the Federal Court 1995</i> to review and set aside the decision of the Federal Court on 15 March 2017. On 21 June 2017, Gan's application was dismissed by the Federal Court.</p> <p>On the eve of the hearing of the defence case, Gan made another similar application under section 30 of the CJA before the Sessions Court but it was again unsuccessful.</p> <p>On 6 December 2017, Gan filed an appeal to the High Court and simultaneously filed a motion for revision to the High Court on 15 December 2017.</p> <p>On 15 January 2018, the High Court dismissed Gan's motion for revision. On the very same day, Gan filed an appeal to the Court of Appeal.</p>

No.	Nature of offence	Offender(s)	Outcome
			<p>Gan's appeal at the High Court was dismissed on 17 May 2018 after the Prosecution successfully raised preliminary objection.</p> <p>On 18 May 2018, the Court of Appeal allowed the Prosecution's preliminary objection and dismissed Gan's appeal. The Court of Appeal ordered for the defence case to commence.</p> <p>The defence case finally commenced in July 2018 and on 14 February 2020, the defence closed its case without calling any other witness.</p> <p>On 27 August 2020, Gan was convicted by the Sessions Court on the alternative charge. Gan was sentenced to a fine of RM2.5million (in default, 18 months' imprisonment) and 1-day imprisonment.</p> <p>The SC has filed an appeal to the High Court against the sentence imposed by the Sessions Court, while Gan is appealing against the conviction and sentence.</p> <p>On 18 October 2021, Gan's appeal against his conviction was dismissed by the High Court. Gan's conviction is affirmed by the High Court.</p> <p>On 25 January 2022, the High Court proceeded to hear the SC's appeal against the sentence. The High Court allowed the appeal - maintained the RM2.5 million fine but set aside the 1-day imprisonment and substituted the imprisonment term with 24 months.</p>
2.	Derivatives fraud, unlicensed activities and failure to appear before the SC's Investigating Officer	Mohd Azhidi Laili (Azhidi)	On 14 January 2022, Azhidi was charged with 9 counts of offences under subsection 206(b) of the CMSA.
3.	Failure to appear before an investigating officer as required under s. 32(2)(a) <i>Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001</i> (AMLATFPUAA), contrary to s. 32(8)(a) of the same Act.	Amirruddin Nin (Amirruddin)	<p>On 19 February 2020, Amirruddin was charged with 3 charges under s 32(8) AMLATFPUAA.</p> <p>The trial commenced on 30 March 2021 and the Prosecution closed its case on 23 February 2022 having called 10 witnesses.</p> <p>On 31 March 2022, the Sessions Court held that the Prosecution had proven a prima facie case on all 3 charges and ordered Amirruddin to enter his defence on the same.</p>

CIVIL ACTIONS

As at 31 March 2022, there were 9 ongoing civil cases at the High Court and Court of Appeal. In Q1 2022, no new civil suit was filed in the High Court. However, the SC entered into 2 regulatory settlements and managed to disgorge a total amount of RM1,157,033.56.

No.	Breach	Defendant(s)	Outcome
1.	<ul style="list-style-type: none"> Use of manipulative and deceptive devices (Section 179 of CMSA) Causing wrongful loss to a listed corporation (Section 317A of CMSA) Attempt, Abetment and Conspiracy (Section 370 of CMSA) 	Datin Chan Chui Mei (Datin Chan)	<p>On 26 September 2016, the SC filed a civil suit against Datin Chan for breaches under section 179, 317A and 370 of the CMSA.</p> <p>After a full trial, the High Court had on 17 December 2019 granted the following orders:</p> <ul style="list-style-type: none"> A declaration that Datin Chan had contravened section 179, 317A and 370 of the CMSA; Datin Chan to pay the SC the sum of RM11.54 million and that this sum be held by the SC on trust for Stone Master; An account and inquiry of the sum of RM11.54 million and all profits earned by Datin Chan of this amount from the time that it was deposited into her personal bank accounts; All sums awarded and to be paid to the SC by Datin Chan be vested in the SC pursuant to section 360(1) of the CMSA; Datin Chan be barred from being a director, be involved in the management, whether directly or indirectly, of any public company for a term of 5 years from the date of this judgment; Datin Chan pays the SC civil penalty of RM1 million within 30 days of this judgment; Datin Chan to pay costs of RM150,000 to the SC; and Datin Chan shall pay interest of 5% per annum on all sums awarded to the SC from the date of this judgment until full settlement. <p>Datin Chan filed an appeal to the Court of Appeal against the decision of the High Court.</p> <p>On 3 March 2022, the Court of Appeal dismissed Datin Chan's appeal and affirmed the High Court's decision.</p>

REGULATORY SETTLEMENTS

No.	Breach	Defendant(s)	Outcome
1.	Insider trading in the shares of Focal Aims Holdings Bhd and communication of inside information	Loh Chiek Feei (Alison Loh)	On 7 January 2022, Alison Loh entered into a settlement with the SC in the sum of RM827,093.56.
2.	Insider trading in the shares of Focal Aims Holdings Bhd	Loh Khee Feei (Dr Loh) and Quah Joo Leng (Janet Quah)	On 7 January 2022, Dr Loh and Janet Quah entered into a settlement with the SC in the sum of RM329,940.00.