

## CRIMINAL PROSECUTIONS AND APPEALS

As at 31 March 2021, there are 14 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, insider trading and securities fraud. As for criminal appeals, there are 10 ongoing appeals at the High Court and Court of Appeal.

The details and relevant updates of the criminal cases for Q1 2021 are summarised in the table below:

No.	Nature of offence	Offender(s)	Outcome
1	Holding out as a fund manager without a licence	Uzir Abdul Samad (Uzir)	On 24 March 2021, Uzir, a former director of UAS Management Bistari Sdn Bhd, was charged for holding himself out as a fund manager when he is not licensed by the SC to carry out the regulated activity of fund management.
2	Insider trading	Fang Siew Yee (Fang SY)	Fang SY was charged on 25 October 2016. On 23 March 2021, Fang SY pleaded guilty to all 9 charges and sentenced to 1-day imprisonment and a fine of RM5 million for 2 charges.  The remaining 7 charges were taken into consideration by the Sessions Court under section 171A of the <i>Criminal Procedure Code</i> during sentencing.
3	Insider trading	Sreesanthan Eliathamby (Sreesanthan)	Sreesanthan was charged on 20 July 2012.  On 11 January 2021, Sreesanthan was acquitted and discharged at the end of the Prosecution's case.  The SC has filed an appeal to the High Court against the acquittal and discharge order.
4	Failing to appear before an Investigating Officer of the SC in connection with an investigation	Ong Kar Kian (Ong KK)	Ong KK was charged on 19 February 2020.  On 10 December 2020, Ong KK was convicted and sentenced to a fine of RM75,000 and 1-day imprisonment (in default, 3 months' imprisonment); and a daily fine of RM1,500 for the 673 days he had failed to appear before an Investigating Officer of the SC as required, amounting to RM1,009,500 (in default, 7 months' imprisonment).  On 17 December 2020, Ong filed an appeal to the High Court against his sentence and conviction.  On 8 January 2021, the High Court rejected Ong KK's stay application and directed him to pay the fine within 14 days of the decision.

## CIVIL ACTIONS

As of 31 March 2021, there are 9 ongoing civil cases at the High Court. In Q1 2021, 1 civil suit was filed in the High Court in relation to insider trading activity where the SC is claiming RM383,173.59 in disgorged amounts and civil penalties of RM1,600,000.

The details and updates of the civil cases for Q1 2021 are summarised in the table below:

No.	Breach	Defendant(s)	Outcome
1	<ul style="list-style-type: none"> <li>Fraudulently inducing persons to deal in securities.</li> <li>Carrying out a regulated activity without a licence.</li> <li>Breach of the <i>Guidelines on Compliance Function for Fund Managers</i>.</li> </ul>	<ul style="list-style-type: none"> <li>RBTR Asset Management Bhd (RBTR)</li> <li>Locke Guaranty Trust Limited, New Zealand (LGT)</li> <li>Locke Capital Investments Ltd, British Virgin Island (LCI)</li> <li>Al Alim bin Mohd Ibrahim</li> <li>Valentine Khoo</li> <li>Isaac Paul Ratnam (Isaac)</li> <li>Nicholas Chan Weng Sung (Nicholas)</li> <li>Joseph Lee Chee Hock (Joseph)</li> </ul>	<p>On 23 January 2013, the SC filed a civil action against all the defendants.</p> <p>On 30 March 2021, the High Court declared in favour of the SC against RBTR, LGT, LCI, Isaac, Nicholas and Joseph and made the following orders:</p> <ol style="list-style-type: none"> <li>Allowed the SC's claim only in respect of RBTR to make restitution to satisfy losses of all the EDI Scheme Investors who have not been repaid;</li> <li>Declared that RBTR acted in breach of its obligations as a holder of a fund manager licence and/or under the fund manager guidelines;</li> <li>Declared that all assets and properties of RBTR belong to EDI Scheme Investors;</li> <li>Declared to lift the corporate veil, all assets and properties of LGT and LCI are lifted;</li> <li>Declared that all assets and properties of Isaac, Joseph and Nicholas belong to the EDI Scheme Investors;</li> <li>Ordered that all assets and properties of RBTR, LGT, LCI, Isaac, Joseph and Nicholas be traced and thereafter paid to the SC for the purpose of compensating the EDI Scheme Investors by way of restitution or otherwise; and</li> <li>Isaac, Nicholas and Joseph to pay cost of RM350,000 to the SC.</li> </ol>
2	<ul style="list-style-type: none"> <li>Insider trading in the shares of M3energy Bhd.</li> <li>Communicating inside information in relation to voluntary take-over offer of M3energy Bhd to Tay Hup Choon and Theng Boon Cheng.</li> </ul>	<ul style="list-style-type: none"> <li>Lim Kim Chuan</li> <li>Tay Hup Choon</li> <li>Theng Boon Cheng</li> </ul>	<p>On 26 March 2021, the SC filed a civil suit against the defendants.</p>