

## Listing Requirements Enforcement In Focus

### Enforcement for Non- Compliance of Chapter 14 of the LR on Dealings by Directors

*Failure to  
Disclose  
Dealings in  
Quoted  
Securities by  
Director*

#### **CASE 1 – WRONG AND NON-DISCLOSURE OF NUMEROUS SECURITIES DEALINGS**

Mr. L, the Chief Executive Officer cum Executive Director of Company PIC was found to have undertaken numerous dealings in the securities of Company PIC directly and through his 3 companies. These dealings were undertaken from September 2008 until August 2009. In this regard, Mr. L failed to make the necessary announcements (prior to and/or after each dealing, as the case may be) and disclosures with regard to his dealings during the material period in accordance with paragraphs 14.08 and 14.09 of the LR. His explanation to Bursa Securities that the non-disclosure of the dealings was due to the fact that the dealings were undertaken by his financiers arising from margin calls, was unacceptable as it was noted that he was aware of the dealings through the margin call notices issued by his financiers. In any event, he had the duty to monitor his dealings and ensure compliance of the LR. In addition, he was found to have made announcements of his dealings in the securities of Company PIC in March 2009 which were inaccurate and misleading. Mr. L was **publicly reprimanded and fined RM10,000**.

More information on this case can be found in the Media Release dated [28 October 2010](#).

#### **CASE 2 – NON-DISCLOSURE OF NUMEROUS SECURITIES DEALINGS**

Mr. C, the Chief Financial Officer and Executive Director of Company IET was found to have carried out numerous dealings in the securities of Company IET from May 2007 until June 2008 and from January 2009 until 31 December 2009. None of the dealings was announced to Bursa Securities and the market pursuant to paragraphs 14.08 and 14.09(a) of the LR. Arising from these dealings, he ceased to be a substantial shareholder of Company IET. Mr. C justified his failure to make the necessary disclosures premised on his reliance on his broker and the company secretary to ensure compliance of his obligations which was unacceptable as it was his duty to monitor and ensure compliance. A **public reprimand and fine of RM15,000 was imposed** on Mr. C.

More information on this case can be found in the Media Release dated [28 October 2010](#).

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#### Glossary:

Bursa Securities - Bursa Malaysia Securities Berhad

LR - the Main Market Listing Requirements or the ACE Market Listing Requirements, as the case may be

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### **CASE 3 – NON-DISCLOSURE OF FORCE SELLING OF SECURITIES**

Mr. K, the Group Managing Director/Chief Executive Officer and a substantial shareholder of Company SDH, had on 5 May 2022 announced his notice of intention to deal in the securities of Company SDH during closed period from 1 May 2022 to 30 May 2022. On 9 May 2022, there was a disposal of Mr. K's interest in 107,963,930 shares in Company SDH by way of force-selling by the lender to whom the shares were pledged pursuant to a loan agreement ("**the Disposal**") but the Disposal was not announced to Bursa Securities pursuant to paragraph 14.08(d) of the LR. The Disposal was only announced on 12 August 2022. Mr. K's explanation that the Disposal was carried out without notice to him was unacceptable as he was and should be aware of the circumstances and his default leading to the Disposal of the shares by the lender. He had a duty, but failed to monitor, ascertain and put in place adequate procedures towards compliance of his obligation under paragraph 14.08 of the LR. Further, Mr. K had failed to undertake reasonable enquiry and action to ascertain the Disposal despite the company's enquiry on 17 May 2022 and Bursa Securities' engagements on 12 July 2022 and 10 August 2022. Mr. K was **publicly reprimanded and fined RM15,000**.

More information on this case can be found in the Media Release dated [29 September 2023](#).

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