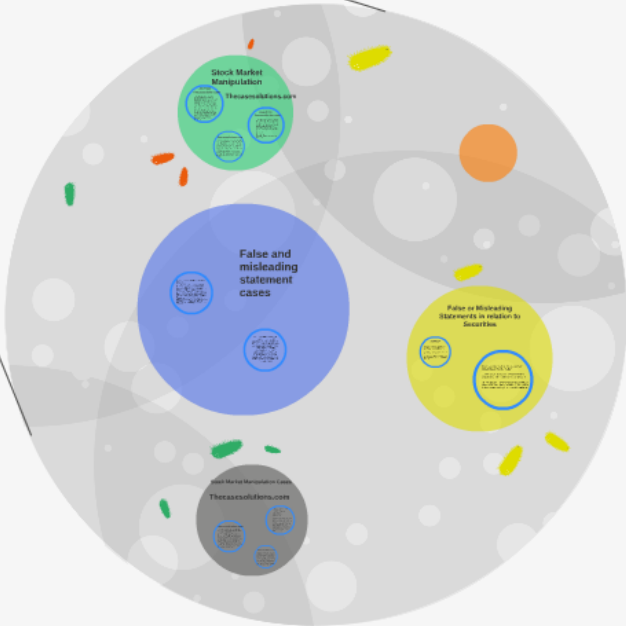


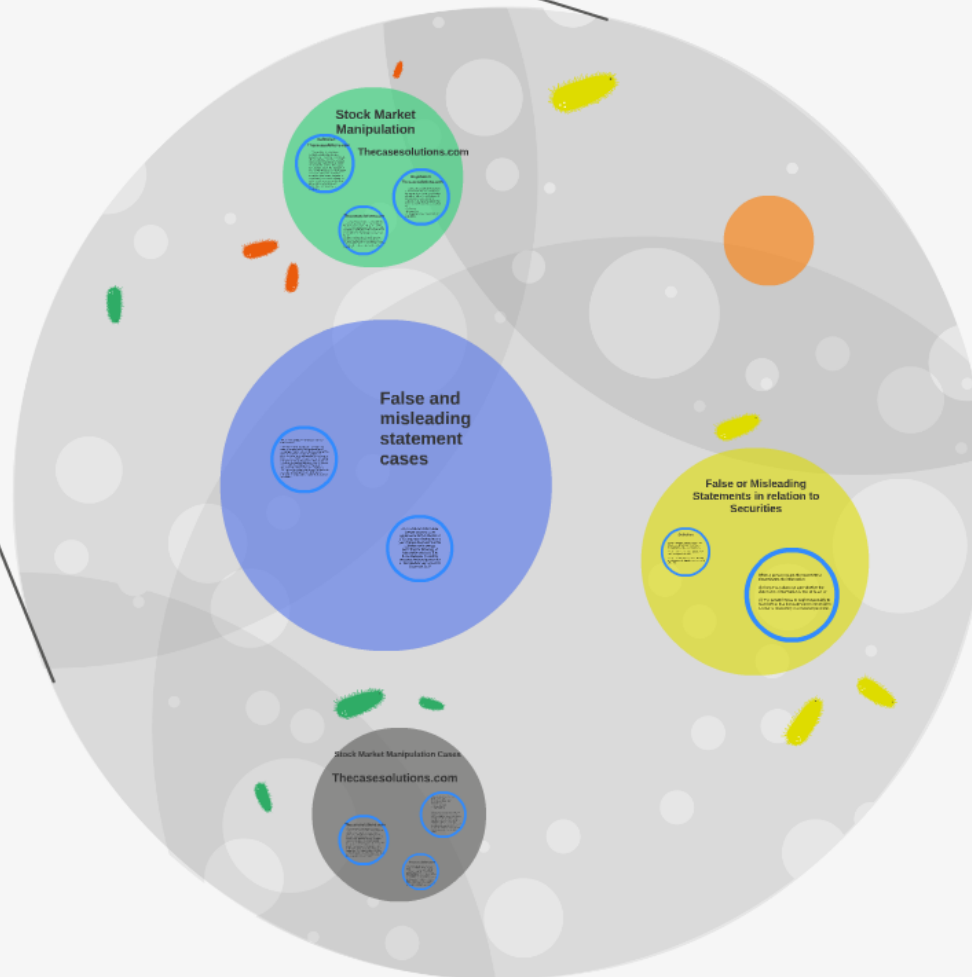
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## Stock Manipulation by China's Pangang Group



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# Stock Market Manipulation

## Definition

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Manipulation is intentional conduct designed to deceive investors by controlling or artificially affecting the market of the security. Manipulation can involve a number of techniques to affect the supply, demand and stock. Manipulation of the market where certain transaction creates a false price for traded securities. Market manipulation is considered a deliberate attempt or action which creates a misleading price or market for different currencies, commodities or securities.

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## Regulation

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Subject to section 85, 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
- (C) Pegging, fixing, maintaining or stabilizing,

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The price of the securities of the corporation on a stock market in Malaysia, for the purpose which may include the purpose of the 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. A reference in this section to a transaction, in relation to securities of a corporation, includes –

- A reference to the making of an offer to sell or purchase such securities of the corporation; and
- 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.

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# Stock Market Manipulation Cases

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- Securities commission takes enforcement action against seven individuals for manipulation of DVM Technology Berhad shares. The defendants has make transaction in a week between 14 March 2006 to 21 March 2006 and actively make transaction among themselves that cause the price of the share artificially increase from RM 0.11 on 14 March 2006 to RM 0.32 on 21 March 2006. This created false or misleading appearances of active trading on DVM shares as well as the price. The week of manipulation DVM shares traded is 63 million shares compared to 3.6 million shares one week prior to the manipulation. The seven names individuals involved in this offence:-

- i. Kenneth Yun@Vun Yun Lion
- ii. Teng Choo Teik
- iii. Simon Lee Siang Hock
- iv. Lye Pei Ling
- v. Chuah Hock Soon
- vi. Choong Lay Ti
- vii. Gui Boon Huat

The Securities Commission would take the profit earned by the defendants from the manipulation would be used to compensate affected investors. The Securities Commission also claiming a civil penalty RM 1million for each defendants. The defendants also would be barred from being a director of public listed company and from trading any stock exchange in period five years.

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- Oh Kok Boon, who was a dealer representative of TA Securities Holding Berhad was involved in numerous manipulation and false dealing activities over period of time for several client's account. These activities include the rollover via direct business transactions (DBT) at price higher than the prevailing market price. Married DBT were used as a tool provided savings or avoided losses to the selling clients. He also undertook on-market trading in the six counter with the execution of opposing buy/sell orders for a group of clients that resulted their opposing orders being matched against each other. He have been imposed a fine of RM 360,000 and ordered him to be struck off as a trader.

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