

MEDIA NOTIFICATION

4 March 2021

BURSA MALAYSIA SECURITIES PUBLICLY REPRIMANDS AND/OR FINES BERTAM ALLIANCE BERHAD AND 5 DIRECTORS

Bursa Malaysia Securities Berhad [Registration No.: 200301033577 (635998-W)] (Bursa Malaysia Securities) has publicly reprimanded Bertam Alliance Berhad (Bertam) and 5 of its directors for breaches of the Bursa Malaysia Securities Main Market Listing Requirements (Main LR). In addition, the 5 directors of Bertam were imposed total fines of RM225,000.

Bertam was publicly reprimanded for the following breaches:-

(1) Disclosure Breach

Breach of paragraph 9.19(19)(a)(ii) of the Main LR for failing to make an immediate announcement of the winding-up order dated 30 November 2017 (the Winding-Up Order) against its subsidiary, Bertam Development Sdn. Bhd. (BDSB) and the announcement of the Winding-Up Order on 11 December 2017 did not include the information contained in Part C of Appendix 9A.

Bertam had only on 11 December 2017 announced that the High Court had refused to set aside the winding-up petition and allowed the winding-up and on 22 December 2017 announced the detailed contents of the Winding-Up Order as required under Part C of Appendix 9A.

(2) FA Breach

Breach of paragraph 8.04(3)(b) of the Main LR read together with paragraph 4.1(a) of Practice Note 17 (PN17) for failing to make the First Announcement on an immediate basis upon the winding-up of BDSB on 30 November 2017.

The Winding-Up Order had triggered the prescribed criteria in paragraph 2.1(c) of PN17 as BDSB was a major subsidiary and the total assets of BDSB represented 82% of Bertam Group's total assets as at 30 September 2017. However, Bertam only made the First Announcement on 4 April 2018.

All the 5 directors of Bertam at the material time were publicly reprimanded and fined for breaches of paragraph 16.13(b) of the Main LR for permitting, either knowingly or where they had reasonable means of obtaining such knowledge, the Company to commit the Disclosure Breach and/or FA Breach as follows:

No.	Director	Breach	Penalty
1	Lim Nyuk Foh Managing Director (re-designated to Executive Director on 22 November 2019)	Disclosure Breach and FA Breach	Public Reprimand & Fine of RM100,000
2	Chiew Boon Chin Executive Director	Disclosure Breach and FA Breach	Public Reprimand & Fine of RM50,000
3	Datuk Mohamed Arsad Bin Sehan Senior Independent Non-Executive Chairman Audit Committee member	FA Breach	Public Reprimand & Fine of RM25,000

No.	Director	Breach	Penalty
4	Lim Shaw Keong @ Alfred Lim Independent Non-Executive Director Audit Committee Chairman (resigned on 30 April 2019)	FA Breach	Public Reprimand & Fine of RM25,000
5	Koo Jenn Man Non-Independent Non-Executive Director Audit Committee member	FA Breach	Public Reprimand & Fine of RM25,000

The finding of breach and imposition of the above penalties on Bertam and its directors were made pursuant to paragraph 16.19 of the Main LR upon completion of due process and after taking into consideration all facts and circumstances of the matter including the materiality of the breaches, impact of the breaches to Bertam and shareholders/investors and the roles, responsibilities, knowledge and conduct of the directors.

Bursa Malaysia Securities views the contraventions seriously as the obligations to make timely disclosure of material information and the First Announcement in accordance with paragraph 4.1(a) of PN17 are fundamental obligations of listed issuers and of paramount importance in ensuring a fair and orderly market for the securities traded on Bursa Malaysia Securities and to aid shareholders and investors to make informed investment decisions.

BACKGROUND

Bertam and the directors had represented that:-

- The solicitors had only on 8 December 2017 formally informed Bertam of the winding-up of BDSB on 30 November 2017 without providing a copy of the Winding-Up Order. Bertam was only served with the sealed copy of the Winding-Up Order on 20 December 2017. Accordingly, Bertam had only released the announcements of the winding-up of BDSB on 11 December 2017 based on the content of the solicitors' letter dated 8 December 2017 and on 22 December 2017 as per the information required under Part C of Appendix 9A.
- Bertam did not make the First Announcement as BDSB was solvent, the winding-up of BDSB was an abuse of the Court's process and after considering the solicitors' opinion that BDSB had a good and arguable defence to oppose, amongst others, the Winding-Up Order.

However, paragraph 9.19(19)(a)(ii) of the Main LR clearly requires a listed issuer to make an immediate announcement upon a winding-up order being made against its subsidiary. Hence, the announcement which was material for shareholders/investors to make informed investment decision must be made on an immediate basis when the event (i.e. Winding-Up Order being made) was triggered irrespective of how the Winding-Up Order was communicated to Bertam.

In addition, Bertam had clearly triggered the prescribed criteria in paragraph 2.1(c) of PN17 upon the Winding-Up Order regardless of the purported solvency of BDSB, Bertam's dispute that the Winding-Up Order was not justified or the pending appeal against the Winding-Up Order. In this regard, Bursa Malaysia Securities had also clearly clarified in the Consolidated Questions and Answers in relation to the Main LR that if the winding-up order is pending appeal, the listed issuer will nonetheless be classified as a PN17 Issuer, pending the outcome of the appeal.

Lim Nyuk Foh, the Managing Director and Chiew Boon Chin, the Executive Director were primarily responsible to ensure Bertam's compliance with the Main LR to make an immediate announcement of the Winding-Up Order and First Announcement. They had failed to monitor and follow-up with the solicitors on the outcome of the hearing of the winding-up petition on 30 November 2017 and further failed to make an immediate announcement of the Winding-Up Order upon being informed of the same verbally by the solicitors on 4 December 2017.

In respect of the FA Breach, all the directors had failed to undertake reasonable enquiry, assessment and/or follow-up to ascertain whether Bertam had triggered the prescribed criteria under paragraph 2.1(c) of PN17 and the necessity to make the First Announcement to ensure compliance with the Main LR upon being informed of the Winding-Up Order vide the solicitors' letter dated 8 December 2017 and despite BDSB being a major subsidiary. Further, despite being clearly informed in early February 2018 that Bertam had triggered PN17 and was required to make the First Announcement, Lim Nyuk Foh had decided not to release the First Announcement and the other directors had merely relied on and accepted his explanation and decision not to make the First Announcement.

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About Bursa Malaysia

Bursa Malaysia is an exchange holding company incorporated in 1976 and listed in 2005, and has grown to be one of the largest bourses in ASEAN today. Bursa Malaysia operates and regulates a fully-integrated exchange offering a comprehensive range of exchange-related facilities, and is committed to *Creating Opportunities, Growing Value*. Learn more at www.bursamalaysia.com.

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