PEPERIKSAAN AKHIR SEMESTER PERTAMA SESI 2012/2013
FINAL EXAMINATION FIRST SEMESTER SESSION 2012/2013

KOD / NAMA KURSUS : GLUP 4133 UNDANG-UNDANG INDUSTRI SEKURITI /SEcurities INDUSTRy LAw
COURSE CODE / NAME
TARIKH / DATE : 08 JANUARI/JANUARY 2013 (SELASA/TUESDAY)
MASA / TIME : 9.00 PAGI/AM – 12.00 TGH/NOON (3 JAM/HOURS)
TEMPAT / VENUE : BK7 (FWB)

ARAHAN / INSTRUCTION:

1. Kertas soalan ini mengandungi EMPAT (4) soalan di dalam ENAM (6) halaman bercetak tidak termasuk kuit hadapan.
   This question paper contains FOUR (4) questions in SIX (6) printed pages excluding the cover page.

2. Anda dikehendaki menjawab SEMUA soalan.
   You are required to answer ALL questions.

   You are provided with the Capital Markets and Services Act 2007.

NO. MATRIK : ____________________________
MATRIC NO. ( dengan perkataan / with word ) ( dengan angka / with number )

NO. KAD PENGENALAN : 
IDENTIFICATION CARD NO.

PENSYARAH : ____________________________
LECTURER

KUMPULAN ; NO. MEJA ; TABLE NO.
GROUP

JANGAN BUKA KERTAS PEPERIKSAAN INI SEHINGGA DIBERI ARAHAN
DO NOT OPEN THIS EXAMINATION PAPER UNTIL INSTRUCTED
SOALAN SATU/QUESTION ONE


Pada 2 Oktober 2010, pencantuman berkenaan telah diumumkan kepada awam dan harga saham Bank Sejahtera Bhd. meningkat sebanyak 65%. Puan Christina telah menjual sahamnya dengan memperolehi keuntungan lebih kurang RM300,000.00.

Anda dikehendaki menganalisis kes di atas dan menulis pandangan undang-undang berhubung dengan jenis kesalahan, liabiliti dan sanksi bagi setiap individu di atas.
Mr Allan Wong was the secretary general of the Banking Trade Union, a trade union representing employees in the financial sector. Mr Kamaruddin Shah was the employee-elected member of the executive board of Bank Sejahtera Bhd, a major financial institution listed on the stock exchange. He was also a member of its corporate liaison committee established by agreement between the company and the trade union. Mr Kamaruddin Shah was also secretary of one of the banking trade union in Selangor.

Following a board meeting on 23 August 2010, Mr Kamaruddin Shah disclosed to Mr Allan Wong Bank Sejahtera Bhd.’s plan to enter into merger negotiations with Semporna Bank, a listed financial institution. Mr Allan passed on the information he received to his two deputy secretary generals and a Mrs Christina, a colleague in the union's secretariat. On 31 August 2010, Mrs Christina bought shares in Bank Sejahtera Bhd.

On 18 September 2010, Mr Kamaruddin Shah attended a board meeting where details of the merger were discussed. They were also discussed at the corporate liaison committee meeting on 22 September 2010. Following this, Mr Kamaruddin Shah approached Mr Allan again, with the aim of helping employees to deal with the consequences of the merger. They discussed its timetable and the expected rise in Bank Sejahtera Bhd.’s share price. On 27 and 28 September 2010, Mr Allan passed on this information to the head of the trade union’s secretariat and to Mrs Christina. On 29 September 2010, Mrs Christina purchased additional shares in Bank Sejahtera Bhd.

On 2 October 2010, the merger was made public and Bank Sejahtera Bhd’s share price increased by 65%. Mrs Christina sold her shares for a profit of around RM300,000.00.

Analyse the above case and write your legal opinion in terms of type of offences, liability and sanctions for each of the mentioned individuals.

(25 markah/marks)
SOALAN DUA/QUESTION TWO

Bandiking perkara-perkara berikut:

*Compare the following matters:*

i. Dana Pampasan Pasaran Modal dan Dana Pembangunan Pasaran Modal dalam aspek objektif, pengurusan dan kuasa dana-dana berkenaan.

_{The Capital Markets Compensation Fund and the Capital Market Development Fund in terms of their objective, management and power._}

(12.5 markah/marks)

ii. *Market rigging* dalam urusniaga sekuriti dan *bucketing* dalam urusniaga pasaran derivatif.

_{Market Rigging in securities transaction and bucketing in derivatives markets transaction._}

(12.5 markah/marks)

SOALAN TIGA/QUESTION THREE

i. Bincangkan mengenai hak-hak pemegang syer minoriti mengikut peruntukan yang ada dalam Akta Pasaran Modal dan Perkhidmatan 2007 berkaitan dengan pengambilalihan dan pengambilan wajib.

_{Discuss rights of minority shareholders according to provisions in the Capital Markets and Services Act 2007 in relation to takeovers and compulsory acquisition._}

(12.5 markah/marks)

ii. Neng Musalmah telah meminta nasihat anda tentang peranan Majlis Penasihat Syariah bagi sekuriti Islam dan syarat-syarat peryenaraian sekuriti yang mematuhi Syariah di Malaysia.
Neng Musalmah seeks your advice with regards to roles of Syariah Advisory Council in Islamic securities and the listing requirements of syariah-compliant securities in Malaysia.

(12.5 markah/marks)

SOALAN FOUR/QUESTION FOUR

Pengumuman Umum/Public Announcement

TA Securities
A Member of the TA Group

COMPANY UPDATE
Wednesday, 10 October, 2012
FBMKLCI: 1,663.32
MENARA TA ONE, 22 JALAN P. RAMLEE, 50250 KUALA LUMPUR, MALAYSIA TEL: +603-20721277
/ FAX: +603-20325048 Sector: Property
Sunway Berhad
TP: RM3.47 (+54.2%)

Disposing Sunway Medical Centre for RM310mn. Last Traded: RM2.31
Tan Kam Meng, CFA +603-20721277 (tian@ta.com) (www.tainline.com.my)

Sale and leaseback agreements
Sunway has entered into following agreements with Sunway Real Estate Investment Trust (Sunway REIT):

i. a conditional SPA for the proposed disposal of the Sun Med Property to Sunway REIT for a total cash consideration of RM310mn; and

ii. a conditional 10+10 years lease back agreement.

The proposed disposal include the sale of land and building of Sunway Medical Centre (SMC) together with plant & machinery, services infrastructure and all fixtures and fittings affixed or located or used in SMC. Meanwhile, the lease will have an initial tenure of 10 years with an option to renew granted to Sunway to lease the SMC for a further 10 years. The lease is granted on a triple net lease basis, i.e.: excluding quit rent, assessment, utilities, insurance premium and maintenance costs and expenses. The annual rental is fixed at RM19mn for the first 12 months with an incremental rental rate of 3.5% per annum for each subsequent year for the initial 10-years term.

Unlocking asset value and freeing up cash

We view this as a positive move to unlock asset value and free up cash flow to finance the construction of new investment properties including Sunway Pinnacle, Sunway Pyramid Phase 3 and Sunway Velocity. According to announcement, the proceeds from asset disposal will be partly used for repayment of bank borrowings (17% of proceeds) and for working capital and capital expenditure purpose (83% of proceeds).

Table 1: Utilisation of proceeds

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Est. Expenses in relation to the proposal</td>
<td>570.6 months</td>
</tr>
<tr>
<td>Repayment of bank borrowings</td>
<td>53.3 1 months</td>
</tr>
<tr>
<td>Working capital and capital expenditure</td>
<td>256.15 24-36 months</td>
</tr>
<tr>
<td>Total proceeds</td>
<td>879.43</td>
</tr>
</tbody>
</table>

Source: Sunway
Impact
As far as the valuation is concerned, the disposal consideration of RM310mn is at par with the market value derived by the independent valuer. It is also within the rule of thumb of RM1.01mn/bed based on SMC’s current bed capacity of 305 beds. As such, we consider the disposal consideration as fair to Sunway. The disposal will give rise to a disposal gain of RM148.8mn. Meanwhile, the expected decrease in depreciation and interest expenses and increase in associate contribution will partially offset the annual rental payment of RM19mn (see Table 2).

Table 2: Net impact to bottom line

Increase in rental payment - 19.0
Decrease in depreciation charges 3.4
Interest saving 2.4
Net change in associate contribution 6.0
Total -7.2

Source: Sunway & TA Research

In a separate announcement, Sunway REIT has proposed to undertake a private placement of new units to raise proceeds of up to RM329mn (see our report on Sunway REIT). This is expected to dilute Sunway’s equity interest in Sunway REIT to 34.4% from 37% currently (see Table 3).

Table 3: Sunway REIT

Sunway REIT’s unit outstanding (mn) 2698.6
Sunway’s equity interest in Sunway REIT (mn) 998.4
Sunway’s equity interest in Sunway REIT before placement (%) 37.0
Proceeds from placement (RM’mn) 320.0
No. of placement units @ RM1.50/unit (mn) 213.3
Enlarged share base (mn) 2911.9
Sunway’s equity interest in Sunway REIT after placement (%) 34.3
Source: TA Research

All in, the proposed disposal is expected to reduce our FY13-14 core earnings estimates (excluding disposal gain) by 0.4-2%, assuming the asset injection exercise to be completed in early-13.

Valuation
With the change in earnings and the target price of Sunway REIT (refer to Sunway REIT report), we adjust our SOP-derived fair value to RM3.47/share from (RM3.34/share previously). Given a potential upside of 54%, we reiterate our Buy recommendation on Sunway.

Earnings Summary
Revenue 3134.5 3738.9 3304.3 3646.8 4146.6
EBITDA 672.1 451.0 479.4 524.2 606.9
EBITDA margin (%) 21.4 12.1 14.5 14.4 14.6
Pretax profit 469.9 443.9 423.4 479.6 588.5
Net profit 688.2 369.7 312.5 504.1 436.7
Net profit -adj 323.1 325.6 312.5 355.3 436.7
EPS (sen) 53.3 28.6 24.2 39.0 33.8
EPS - adj (sen) 25.0 25.2 24.2 27.5 33.8
UPS Growth (Core) (%) 0.7 (4.0) 13.7 22.9
PER (x) 9.0 8.9 9.3 8.2 6.7
GDP (sen) 31.0 0.0 4.5 5.0 6.0
Div Yield (%) 13.8 0.0 2.0 2.2 2.7
IV/HITDA (x) 6.5 8.9 9.0 8.1 6.9
ROE (%) 12.4 8.7 10.1 10.4 11.4

The above statement is an announcement made by the TA Securities in the official website of Bursa Malaysia. Why does TA Securities need to make such announcement? If this announcement is not done by TA Securities, what actions can be taken by Bursa Malaysia against the company pursuant to the Listing Requirements of Bursa Malaysia?

(25 markah/marks)