

MINORITY SHAREHOLDER WATCHDOG GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia – Company No. 524989-M)

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Ex-Transmile directors jailed

Guilty as charged: Chin (right) and his lawyer Mohd Firuz outside the Sessions Court yesterday after the sentence was handed down.



Court also fines duo RM300,000 each for providing misleading info to Bursa

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KUALA LUMPUR: Two former directors of Transmile Group Bhd were each jailed a year for providing misleading information of revenue totaling almost RM1 mil to Bursa Malaysia Securities Bhd.

Chin Keem Feung, 46, and Shukri Sheikh Abdul Tawab (*pic*), 47, were also fined RM300,000 each for the offence, in default six months' jail by a Sessions Court here yesterday.

The two were found guilty under Section 122B(b)(bb) of the Securities Industry Act 1983 for having authorised the furnishing of a misleading statement to Bursa Malaysia in Transmile's quarterly report on unaudited consolidated results for the financial year ending Dec 31, 2006.

The statement was in respect of the group's unaudited revenue of RM989,191,000 which was reported to the stock exchange for both the fourth quarter of 2006 as well as the cumulative period for 2006.

Chin and Shukri were charged individually on Nov 14, 2007.

Both were former independent non-executive directors of the air transportation company and also members of its audit committee at the time the offence was committed on Feb 15, 2007.

In handing down the sentence, Sessions Court judge Datuk Jagjit Singh said the "public interest" factor was given paramount consideration.



"A director or audit company member is not a decorative piece of a company.

"He is a vital organ of the company, in particular when it comes to corporate governance.

"They have specific duties, functions and responsibilities and investing public shareholders rely on them," the judge said.

He granted a stay of the jail sentence and also ordered both Chin and Shukri to pay the first instalment of RM150,000 yesterday and the remainder by Nov 30.

DPP Shanti Geoffrey and prosecuting officer Nor Rifhan Rozi from the Securities Commission prosecuted.

Counsel Mohd Firuz Jaffril represented Chin while Tan Hock Chuan appeared for Shukri.

Meanwhile, **B.K. SIDHU** reports that the judgment was a milestone for corporate Malaysia as it was the first time in recent years that independent directors have been found guilty of not performing their duties.

Minority Shareholder Watchdog Group CEO Rita Benoy Bushon said it would send a strong message to the market place that the role of independent directors was not to just endorse anything given to them.

"They have a responsibility to discharge their fiduciary duties properly," she said.

Rita added that the purpose of identifying and appointing independent directors was to ensure that the board included directors who could effectively exercise their best judgment for the exclusive benefit of the company.