

Directive

Whereas, in terms of section 2(g) of the Securities and Exchange Ordinance, 1969 (XVII of 1969), United Commercial Bank Limited is an issuer of securities (hereinafter called the "issuer");

Whereas, the equity security (i.e. share) of the said issuer is listed with the Dhaka Stock Exchange Limited (hereinafter called the "Exchange");

Whereas, a directive was issued on September 4, 2005, under section 20A of the Securities and Exchange Ordinance, 1969, to United Commercial Bank Limited to hold its pending AGMs for the years 2003 and 2004 within sixty days and, accordingly, the issuer declared holding of its said pending AGMs, including that of 2005, on October 3, 2005;

Whereas, the Board of the issuer also recommended 9 bonus shares for every 10 shares for the years 2002, 2003 and 2004, and the record date was fixed for September 25, 2005 for the said purposes;

Whereas, subsequently on September 28, 2005, the AGMs were postponed by the issuer in pursuance to the stay order dated September 28, 2005 passed by the Hon'ble Vacation Judge of the Appellate Division of the Supreme Court of Bangladesh;

Whereas, the Dhaka Stock Exchange Limited through letter dated September 29, 2005 informed the Commission that the issuer's said annual general meetings which were scheduled for October 3, 2005, have been postponed due to stay order from the Appellate Division of the Hon'ble Supreme Court and, as such, the Dhaka Stock Exchange management temporarily suspended trading of shares of United Commercial Bank Limited due to uncertainty about the status of general investors regarding entitlement of declared corporate benefits;

Whereas, on October 3, 2005, the issuer requested the Exchange to withdraw the trade suspension stating that further action in respect of holding of AGMs and "Record Date" could be taken only after the decision of the Hon'ble Supreme Court;

Whereas, the issuer also requested the Commission through letter dated October 19, 2005 to instruct Dhaka Stock Exchange Limited for resuming normal share trading in the interest of shareholders;

Whereas, the Commission through letter dated November 22, 2005 requested the Dhaka Stock Exchange Limited to explain justification for continuing trade suspension of shares of United Commercial Bank Limited within one week stating that the President and the Chief Executive Officer of the Exchange met the SEC Chairman on October 24, 2005 and agreed to withdraw the trade suspension of shares of the issuer with effect from the last trading day before the ensuing vacation of Eid;

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December 29, 2005

Whereas, Dhaka Stock Exchange Limited, acknowledging the said assurance, has informed the Commission through reply letter dated November 28, 2005 that neither the listing committee nor the Board of the Exchange agreed to withdraw trade suspension of United Commercial Bank Limited and that the Board also resolved that if the Securities and Exchange Commission or the company could ascertain what should be the price basis i.e. 'cum dividend' and 'ex-dividend' then it would be possible to resume trade of United Commercial Bank Limited;

Whereas, the Commission considers that indefinite suspension of trading of shares of United Commercial Bank Ltd. by the Dhaka Stock Exchange Limited is unjustified and contrary to public interest because the whole matter is pending before the Hon'ble Court and that until and unless a decision is given by the Hon'ble Court, no one can decide on 'cum dividend' and 'ex-dividend' issue, as stated by the issuer; and

Whereas, in view of all above, the Commission deems it to be expedient that, in the interest of the investors in securities and the capital market as well, a directive to the Dhaka Stock Exchange Limited, as well as to Chief Executive Officer of the said Exchange, should be given for withdrawal of suspension of trading of shares of United Commercial Bank Limited.

Now, therefore, the Securities and Exchange Commission, in exercise of its power conferred by section 20A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), read with regulation 8 of the Dhaka Stock Exchange (Board and Administration) Regulations, 2000, hereby directs the Dhaka Stock Exchange Limited, as well as the Chief Executive Officer of the said Exchange, to withdraw the suspension of trading of shares of United Commercial Bank Limited from the first trading day after receipt of this Directive.

By order of the Securities and Exchange Commission

Mansur Alam
Executive Director

Distributions:

Dhaka Stock Exchange Limited, Dhaka
Chief Executive Officer, Dhaka Stock Exchange Limited, Dhaka

Copy to :

Managing Director, United Commercial Bank Limited
Executive Director (R&D), SEC
Executive Director (Surveillance), SEC
Executive Director (SRMID), SEC
Director (MIS), SEC
Chairman's Office, SEC