SEC/Enforcement/950/2011/ **April , 2012**

SEC/Enforcement/950/2011/ 233 **April 25 , 2012**

<u>Registered With AD</u>

<u>Fax: 88-02-8823985</u>

1. Fu-Wang Ceramic Industry Limited, 116,Bir Uttam Mir Shawkat Road, Gulshan-2, Dhaka-1212
2. Directors, Fu-Wang Ceramic Industry Limited, 116,Bir Uttam Mir Shawkat Road, Gulshan-2, Dhaka-1212
3. Managing Director, Fu-Wang Ceramic Industry Limited, 116,Bir Uttam Mir Shawkat Road, Gulshan-2, Dhaka-1212
4. Company Secretary, Fu-Wang Ceramic Industry Limited, 116,Bir Uttam Mir Shawkat Road, Gulshan-2, Dhaka-1212

Sub: Penal Order: Non-compliance of clause 1 of SEC's Notification No SEC/CMRRCD/2008-183/Admin/03-34 dated September 27, 2009.

Dear Sir,

Commission's penal order No. SEC/Enforcement/950/2011/ 232 dated April 25 , 2012 are enclosed herewith for your kind information and necessary action.

For Securities and Exchange Commission

Mustari Jahan
Deputy Director (Enforcement Dept.)

<u>Distribution:</u>
Chief Executive Officer, Dhaka Stock Exchange Limited
Chief Executive Officer, Chittagong Stock Exchange Limited

<u>Copy for information:</u>
P.O to Member (Enforcement), SEC
P .O to Executive Director (SRMIC), SEC
P.O to Executive Director (MIS), SEC
Chairman's office, SEC

SEC/Enforcement/950/2011/ **April , 2012**

Order

Whereas, as per section 2(g) of the Securities and Exchange Ordinance, 1969(ORDINANCE No. XVII of 1969) Fu-Wang Ceramic Industry Limited is an issuer (herein after referred to as an "issuer");

Whereas, as per the clause 1 of SEC's Notification No SEC/CMRRCD/2008-183/Admin/03-34 dated September 27,2009 issued under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969),

> 1."The Board of Directors of the issuer of a listed security shall hold the board meeting involving price sensitive decision either after the trading hour or on a holiday."

Whereas, SRMIC Department, SEC has observed that the issuer company conducted Board meeting involving price sensitive decision (to sign an import contract between Fu-Wang Ceramic Industry Limited and Foshan City Modena Machinery Co. Ltd, China) during the **trading hour** on March 07, 2011.

Whereas, the issuer's aforesaid activities tantamount to non-compliance of the securities related laws which appeared to be deliberate and clear contravention of the above mentioned Notification No. SEC/CMRRCD/2008-183/Admin/03-34 dated September 27,2009 attracting penal provision of section 22 of the Securities and Exchange Commission Ordinance, 1969;

Whereas, a show cause-cum-hearing notice No. SEC/Enforcement/950/2011/786 dated December 08, 2011 was issued to the issuer, it's managing director, company secretary, and all directors to appear at the hearing on the December 20, 2011. Hearing was conducted as per schedule. Mr.Khaled N.Kabir (Managing Director),Ms.Sanchita Karmaker (Company Secretary), Mr.Rafiquzzaman Bhuiyan (Deputy General Manager) has attended the hearing and submitted an explanation letter No. NIL dated December 20, 2011.In the letter they have confessed the allegation and begged apology.

Whereas, their written confession proves that the mentioned allegation against Fu-Wang Ceramic Industry Limited is correct. Their explanation is not acceptable to the Commission

Whereas, the aforesaid activities are tantamount to non-compliance of securities law, deliberate and clear contravention of the above mentioned Notification. The said non compliance attracts penal provision of section 22 of the Securities and Exchange Commission Ordinance, 1969.

Whereas, to protect the discipline and transparency of the capital market along with it's development the Commission deems it appropriate and necessary to impose penalty upon Fu-Wang Ceramic Industry Limited for the aforesaid noncompliance.

Now, therefore, Securities and Exchange Commission, in exercise of the power conferred by section 22 (amended by the Securities and Exchange (Amendment) Act, 2000) of the Securities and Exchange Ordinance, 1969 (XVII of 1969) hereby imposes penalty for Tk.1 (Tk.One) Lac upon Fu-Wang Ceramic Industry Limited which is to be deposited to the Commission in the form of Bank Draft/Payorder favouring 'Securities and Exchange Commission' within 15 days from the date of issuance of this order.

By order of the Securities and Exchange Commission

Professor Dr. M. Khairul Hossain
Chairman

Distribution:
Fu-Wang Ceramic Industry Limited, 116, Bir Uttam Mir Shawkat Road, Gulshan-2, Dhaka-1212.