SEC/Enforcement/941/2011/ **April , 2012**

SEC/Enforcement/941/2011/ 155 **April 12 , 2012**

Registered With AD

Fax: 88-02-8823985

Mr.Md.Sadeque
Chairman
Fu-Wang Foods Limited
House No-55, Road No-17
Banani C/A
Banani Bazar
Dhaka-1213.

Subject: PENAL ORDER: Non compliance of Notification No.SEC/CMRRCD/2009-193/49/Admin/03-48 dated July 14, 2010 in connection with non completion of sale as per declaration.

Dear Sir,

Commission's penal order No. SEC/Enforcement/941/2011/154 dated April 12, 2012 is enclosed herewith for your kind information and necessary action.

For Securities and Exchange Commission

Mustari Jahan
Deputy Director (Enforcement Dept.)

Distribution:
Chief Executive Officer, Dhaka Stock Exchange Limited
Chief Executive Officer, Chittagong Stock Exchange Limited

Copy for information:
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/941/2011/ **April , 2012**

Order

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

Whereas, on the basis of the observation report of Securities and Exchange Commission a show cause-cum-hearing notice No. SEC/Enforcement/941/2011/ 788 dated December 8, 2011 was issued to Mr.Md.Sadeque, Chairman of Fu-Wang Foods Limited to appear at the hearing on December 20, 2011. In the show cause-cum-hearing notice among others following were mentioned;-

"Whereas, as per Notification No. SEC/CMRRCD/2009-193/49/Admin/03-48 dated July 14,2010 sponsor share holder/director/placement holder's buy/sale order is treated as **irrevocable** .So they must have to execute the buy/sale or transfer as per declaration.

Whereas, SRMIC Department, SEC has observed that you declared to buy 10,000 numbers of shares of Fu-Wang Foods Limited on March 01,2011. But you have not completed the buy of shares as per declaration.

Contravention: You have violated SEC's Notification No.SEC/CMRRCD/2009-193/49/Admin/03-48 dated July 14, 2010 by not completing the buy of shares as per declaration."

Whereas, hearing was conducted as per schedule. On behalf of Mr.Md.Sadeque, Mr.Md.Abdul Halim Thakur (Company Secretary, Fuwang Foods Limited) has attended the hearing and submitted a reply letter No. NIL dated December 20, 2011. In the letter Md.Sadeque has confessed the allegation and begged apology. Md.Sadeque has stated that he has forgotten to buy the rest of the shares within stipulated time. Furthermore he has stated that he resigned from the Board of directors on October 19, 2011.

Whereas, Md.Sadeque's written confession proves that the allegation is correct. His written explanations are 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 No.SEC/CMRRCD/2009-193/49/Admin/03-48 dated July 14,2010. The said violation attracts penal provision of section 22 of the Securities and Exchange 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 Mr.Md.Sadeque for the stated violation.

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 Mr.Md.Sadeque, Chairman of Fu-Wang Foods 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:
Mr.Md.Sadeque,Chairman of Fu-Wang Foods Limited, House No-55, Road No-17, Banani C/A, Banani Bazar,Dhaka