

April 2, 2006

1. Eagle Star Textiles Mills Limited, North Kattali, Chittagong-4217.
2. Directors, Eagle Star Textiles Mills Limited, North Kattali, Chittagong-4217.
3. Managing Director, Eagle Star Textiles Mills Limited, North Kattali, Chittagong-4217.

**Subject: Non-compliance of securities laws: In connection with the non-submission of audio-visual recording of AGMs in the years 2001, 2002, 2003 and 2004–
WARNING**

In accordance with provision (c) of the Order No.SEC/CFD-71/2001/Admin/02/05 dated January 3, 2002 published in the Bangladesh Gazette on January 30, 2002, the issuer shall make continuous and uninterrupted audio-visual recording of the entire proceedings of its annual general meeting and shall furnish a copy of the same in unedited form within the shortest possible time but not later than three working days from the date of holding of the annual general meeting to the Commission and the Stock Exchange(s).

But the issuer has violated the abovementioned Order by not submitting the audio-visual recording of the AGMs for the years 2001, 2002, 2003 and 2004 held on August 30, 2005.

A show-cause cum hearing notice was issued on December 01, 2005 to explain and appear at hearing on December 14, 2005. Mr. Taher Sobhan, Director and Mr. Md. Shamsul Alam, Asst. Chief Accountant appeared at the hearing and submitted a written explanation through letter dated December 14, 2005 mentioning that they did not receive SEC Order No.SEC/CFD-71/2001/Admin/02/05 dated January 3, 2002 published in the Bangladesh Gazette on January 30, 2002. The issuer has assured that they will arrange audio-visual recording from the next annual general meeting and also requested to consider the matter leniently.

The issuer's aforesaid failures/activities tantamount to non-compliance of the securities laws, which appeared deliberate and clear contravention of the above order attracting penal provisions of the Securities and Exchange Ordinance, 1969.

However, the Commission, considering the submission's and assurance for future compliance with the securities laws, has decided to dispose of the proceedings against yourselves by placing on record the Commission's dissatisfaction on the defaults/contraventions made by you, with a warning to ensure compliance of all securities related laws in future.

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SEC/Enforcement/216/2004/356
April 2, 2006

By Courier Service

Please note that this disposal does not absolve you from your lawful responsibilities/obligations to any person, if affected as a result of your above said default.

For the Securities and Exchange Commission

Mansur Alam
Executive Director

Distribution:

Chief Executive Officer, Dhaka Stock Exchange Ltd.
Chief Executive Officer, Chittagong Stock Exchange Ltd.

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