

SEC/Enforcement/311/2005/358
April 3, 2006

Eastern Housing Limited (Issuer)
125/A, Motijheel C/A, Islam Chamber, Dhaka-1000

Directors
Eastern Housing Limited, 125/A, Motijheel C/A, Islam Chamber, Dhaka-1000

Managing Director
Eastern Housing Limited, 125/A, Motijheel C/A, Islam Chamber, Dhaka-1000

Company Secretary
Eastern Housing Limited, 125/A, Motijheel C/A, Islam Chamber, Dhaka-1000

Sub: Non-compliance of securities laws-WARNING

Eastern Housing Limited declared dividend for the shareholders in its 40th Annual General Meeting held on December 13, 2004 which was to be paid off within 60 days of declaration in terms of the erstwhile CCI's Notification No. SRO 385-LAW/91 dated December 15, 1991, being the order made under section 2G of the Securities and Exchange Ordinance, 1969.

It is revealed from the issuer's compliance report dated March 10, 2005 that it has failed to pay off the said declared dividend to the shareholders within the stipulated time.

The issuer's aforesaid non-compliance is clear contravention of the terms of the abovementioned Notification which attract penal section 22 of the said Ordinance.

A show cause notice No. SEC/Enforcement/311/2005/116 dated March 19, 2005 was issued to the issuer to submit written explanation within 10 days of service of the notice showing cause as to why appropriate action should not be taken by the Commission against the issuer, its directors, managing director and the company secretary as well under section 22 of the Securities and Exchange Ordinance, 1969 for the above stated contraventions/non-compliance.

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The issuer and others concerned furnished reply letters dated March 23, 2005, March 24, 2005 and March 27, 2005 mentioning that it commenced the payment within the required time, but due to unavoidable circumstances it failed to make full payment within the stipulated time. However, it completed all payments by March 10, 2005. The issuer also stated that since conversion into public limited company, it never failed to declare dividend or delayed in dividend payment in any year. The issuer admitted its failure and expressed sorrow for the delayed payment of dividend. The issuer has assured that it would take utmost care well in advance for payment of dividend. It further assured that in future it would neither default in paying dividend nor do anything in contravention of SEC Ordinance and Stock Exchange Rules.

The Commission, considering the all above 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.

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 defaults.

For Securities and Exchange Commission

Mansur Alam
Executive Director

Copy for information:

Chief Executive Officer, Dhaka Stock Exchange Ltd.
Chief Executive Officer, Chittagong Stock Exchange Ltd.
Executive Director (R&D), SEC
Executive Director (CFD), SEC
Director (LSD), SEC
Director (MIS), SEC
Chairman's Office, SEC