

No.SEC/Enforcement/324/2005/1133  
Dated: October 16, 2006

By Special Messenger

Al-Amin Chemical Industries Limited  
Kulsum (3<sup>rd</sup> Floor), 40-41, Siddheswari Circular Road  
Dhaka-1217

Directors  
Al-Amin Chemical Industries Limited  
Kulsum (3<sup>rd</sup> Floor), 40-41, Siddheswari Circular Road  
Dhaka-1217

Managing Director  
Al-Amin Chemical Industries Limited  
Kulsum (3<sup>rd</sup> Floor), 40-41, Siddheswari Circular Road  
Dhaka-1217

Company Secretary  
Al-Amin Chemical Industries Limited  
Kulsum (3<sup>rd</sup> Floor), 40-41, Siddheswari Circular Road  
Dhaka-1217

**Sub: Non-compliance with securities related laws in connection with unreliable half yearly financial statement for the period ended on December 31, 2004: Warning**

This refers to the Commission's Show cause cum hearing notice No. SEC/Enforcement/324/2005/63 dated January 22, 2006 and the hearing conducted on February 07, 2006.

According to rule 13 and 13A of the Securities and Exchange Rules, 1987, every issuer shall, within one month of close of the first half-year, transmit to the stock exchange in which its securities are listed, to the security holders and to the Commission half-yearly financial statements which shall be prepared in the same manner and form as the annual financial statements and the forms prescribed for the purpose of preparing the financial statements and the audit report may be adapted or amended, if deemed necessary, for compliance with the International Accounting Standards (IAS) and International Standards of Auditing (ISA).

It appeared from the half yearly financial statements for the period ended on December 31, 2004 of the issuer that its financial statements are materially misstated with regard to the valuation of closing inventory. As a result the balance sheet as at December 31, 2004 does not give true and fair view of the company's affairs at that date and the profit and loss account does not give true and fair view of the results of the operation for the half year then ended.

It also appeared that the issuer has failed to comply with the aforesaid requirement of the securities law despite the fact that the report concerned indicates that the requirements of the above Rules have been complied with in respect of preparation of the accounts of the issuer.

Making any statement or giving any information, which has reasonable cause to believe to be

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false or incorrect in any material particular also attract section 18 of the Securities and Exchange Ordinance, 1969.

Your aforesaid activities appeared to be deliberate and clear contravention of the provisions of the aforesaid securities related laws attracting provision of section 22 of the Securities and Exchange Ordinance, 1969.

A show cause cum hearing notice No.SEC/Enforcement/324/2005/63 dated January 22, 2006 was issued for the alleged contravention, and the hearing was conducted on February 07, 2006.

Mr. Syed Ashiq, Managing Director of Al-Amin Chemical Industries Limited appeared at the hearing and apologized for the abovementioned contravention. He also assured the Commission about strict compliance of the securities related laws in future.

The Commission, considering the above submission of the issuer, has decided to dispose off the proceedings against Al-Amin Chemical Industries Limited for the stated contravention, by placing on record the Commission's dissatisfaction on the defaults made by the company and its official concerned, with a warning to ensure compliance of all securities related laws in future.

Please note that this disposal does not absolve the issuer or any of its directors or officers concerned from their lawful responsibilities/obligations to the persons, if any, affected as a result of the issuer's above said defaults.

For the Securities and Exchange Commission

Mansur Alam  
Executive Director

CC:  
CEO, Dhaka Stock Exchange Limited  
CEO, Chittagong Stock Exchange Limited  
Executive Director (R&D), SEC  
Executive Director (CFD), SEC  
Director (MIS), SEC  
Chairman's Office, SEC