

June 22, 2006

By Special Messenger

1. Excelsior Shoes Limited
345, Sugunbagicha, Dhaka-1000.
2. Directors
Excelsior Shoes Limited, 345, Sugunbagicha, Dhaka-1000.
3. Managing Director
Excelsior Shoes Limited, 345, Sugunbagicha, Dhaka-1000.
4. Company Secretary
Excelsior Shoes Limited, 345, Sugunbagicha, Dhaka-1000.

Sub: Non-compliance of securities laws: In connection with furnishing of the audited financial statements for the year ended on September 30, 2005 within time: Warning.

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

As per rule 12, sub-rule (3A) of the Securities and Exchange Rules, 1987, issued under the said Ordinance, as amended through Notification No.SEC/LSD/SER-1987/149 dated 4th January 2000, gazzeted on 16th February 2000, the issuer company's financial statements shall be audited within one hundred and twenty days from the date on which the issuer's financial year ends and a copy of such audited financial statements should be submitted to the Commission and the Stock Exchanges within fourteen days thereof but the issuer has failed to comply with it by not submitting the audited financial statements for the year ended on September 30, 2005, by February 11, 2006.

Failure to furnish the said financial statements within the stipulated time is clear violation/contravention of the abovementioned rules.

A show-cause cum hearing notice was issued to the issuer and its directors on March 22, 2006 to appear at the hearing on April 5, 2006 to explain the said default. Mr. Ruhul Amin, Deputy Managing Director and Mr. K.H Reza, Company Secretary appeared at the hearing on April 4, 2006 and submitted a written explanation dated April 4, 2006 stating that due to medical leave of the head of accounts for a long time and his subsequent resignation the issuer could not prepare the audited financial statements for the year ended on September 30, 2005. The issuer also stated that they would submit the said statements by April 30, 2006 and subsequently, they have submitted the said statements on May 08, 2006.

The Commission, taking into consideration the issuer's submission and furnishing of the said financial statements on May 8, 2006, has decided to dispose of further proceedings against Excelsior Shoes Limited and others concerned for the stated violation, by placing on record the Commission's dissatisfaction on the default, violation/contravention made by the issuer with a warning to ensure compliance of the securities related laws in future.

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Please note that their 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 default.

For Securities and Exchange Commission

Mansur Alam
Executive Director

Distributions:

Chief Executive Officer, Dhaka Stock Exchange Limited

Chief Executive Officer, Chittagong Stock Exchange Limited

Copy for information:

Executive Director (R& D), SEC

Executive Director (CFD), SEC

Director (MIS), SEC

Chairman's Office