

No. SEC/Enforcement/630/2007/817
December 5, 2010

Sonali Paper & Board Mills Ltd. (Issuer)
51, Central Road, Dhanmondi, Dhaka-1205

Managing Director
Sonali Paper & Board Mills Ltd., 51, Central Road, Dhanmondi, Dhaka-1205

Directors
Sonali Paper & Board Mills Ltd., 51, Central Road, Dhanmondi, Dhaka-1205

Company Secretary
Sonali Paper & Board Mills Ltd., 51, Central Road, Dhanmondi, Dhaka-1205

Sub: Alleged non-compliance with securities related laws in connection with the audited financial statements for the year ended on June 30, 2009: Warning.

This refers to the Commission's show cause cum hearing notice No. SEC/SEC/Enforcement/630/2007/772 dated October 26, 2010 and your explanations submitted to the Commission vide letter no. nil dated November 07, 2010 in respect of the said notice.

The Commission, considering the issuer's explanations/submissions, has decided to dispose of the proceedings against Sonali Paper & Board Mills Ltd. by placing on record the Commission's dissatisfaction on the default/contravention made by the issuer and its directors as well, 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 director or officers concerned from their lawful responsibilities/obligations to the persons, if any, affected as a result of the issuer's above said default/contravention.

For the Securities and Exchange Commission

(Mohammad Abul Hasan)
Deputy Director (Enforcement)

CC:
CEO, Dhaka Stock Exchange Ltd.
CEO, Chittagong Stock Exchange Ltd.
Director (MIS) SEC
Director (CFD), SEC
Chairman's Office, SEC