

BEXIMCO SYNTHETICS LIMITED

17, Dhanmondi, Road No. 2, Dhaka-1205

Date : March 13, 2022

OFFER LETTER TO THE SHAREHOLDERS OF BEXIMCO SYNTHETICS LIMITED

**OFFER LETTER FOR EXIT PLAN
OPPORTUNITY ON DELISTING OF
ORDINARY SHARES OF BEXIMCO
SYNTHETICS LIMITED FROM DHAKA
STOCK EXCHANGE LIMITED AND
CHITTAGONG STOCK EXCHANGE
LIMITED.**

FROM

**SPONSORS AND ASSOCIATES OF
BEXIMCO SYNTHETICS LIMITED**

This offer is being made to the shareholders of Beximco Synthetics Limited, pursuant to Bangladesh Securities and Exchange Commission Directive No. BSEC/CMRRCD/2020-379/17/Admin/114- dated 28 December 2020 on Exit Plan of securities for delisting from the Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited, to provide an exit opportunity to the shareholders of Beximco Synthetics Limited.

REGISTRARS TO THE OFFER

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CHITTAGONG STOCK EXCHANGE LIMITED

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ALL FUTURE CORRESPONDENCE, IF ANY, SHOULD BE ADDRESSED TO THE REGISTRARS TO THE OFFER AT THEIR ABOVE MENTIONED ADDRESS.

THIS OFFER IS RESTRICTED/VALID TO THE SHAREHOLDERS OF BEXIMCO SYNTHETICS LIMITED, WHOSE NAMES APPEARED ON THE REGISTER OF MEMBERS OF BEXIMCO SYNTHETICS LIMITED AS ON THE RECORD DATE. IN CASE YOU REQUIRE ANY ASSISTANCE IN THIS MATTER, PLEASE CONTACT REGISTRARS TO THE OFFER.

RECORD DATE:

The Offerors hereby make an offer to acquire the ordinary shares at Face Value of BDT. 10/- (ten) each in cash from the shareholders of Beximco Synthetics Limited whose name(s) appeared in the Register of Members of the Company on September 08, 2020, being the Record Date i.e. trade suspension date by the BSEC Directive No. BSEC/SMRIC/174-2020/52 dated September 07, 2020 for the purpose of this Offer.

To

The Shareholders of Beximco Synthetics Limited of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

Dear Sir(s)/Madam,

1. BACKGROUND OF THE OFFER

Since 2013, the Company could not declare any dividend as the Company passed through extremely difficult times since smooth business operations were hampered again and again due to the reduction of duties on imported DUTY by the Government. This allowed cheap Chinese products to take over the market and making the production of this type of yarn in Bangladesh completely unviable.

Unfortunately, despite its best efforts, the company could not maintain targeted production and profitability during last 7 (seven) years which resulted in huge accumulated losses. This has resulted in the shares of the company being traded below face value for a number of years.

Finally, the company was forced to cease production and to close down the plant. It retrenched all the workers and most of the officers and staffs after paying all their dues as per law.

Also, the plant and machineries are twenty-six years old and have only scrap value. Presently, the company's liabilities consist of outstanding tax payable to the government and a loan with Sonali Bank Limited. The

assets of the company are mortgaged to Sonali Bank Limited against the loan. The only asset of value which the company has is the land on which the factory is located. However, it is unlikely that from sale of land alone, the liabilities of the company will be met and alternative measures may be required which the Board of Directors are considering.

However, The Management of the Company had requested the BSEC vide its letter dated August 27, 2020 seeking permission to delist Beximco Synthetics Ltd. from Dhaka and Chittagong Stock Exchange Ltd. In response, BSEC issued directive No. BSEC/SMRIC/174-2020/52 dated September 07, 2020 to the both Stock Exchanges for suspension of trade of Bexomco Synthetics Limited and accordingly the DSE vide their letter No. DSE-MOPS-LC-159/2020 dated September 08, 2020 informed us that they have suspended the trade of shares of Beximco Synthetics Limited with effect from September 08, 2020.

Meanwhile, BSEC issued a directive No. BSEC/CMRRCD/2020-379/17Admin/114- dated 28 December 2020 for making an application as per their format for the Commission's consent-in- principle for the exit plan. Accordingly, Beximco Synthetics Limited submitted an application along with the exit plan of 55,778,623 (five crore fifty-five lakhs seventy-eight thousands six hundred and twenty-three) number of ordinary shares of the Company to Bangladesh Securities and Exchange Commission (BSEC) for Commission's consent for delisting of the Company from Dhaka Stock Exchange Limited and Chittagong Stock exchange Limited.

The Commission has accorded its consent-in-principle to the proposed exit plan of the securities of Beximco Synthetics Limited under condition No. 4(5) of the Directive No. BSEC/CMRRCD/2020-379/17/Admin/114- dated 28 December 2020.

2. THE OFFERORS :

The Sponsors and Associates of Beximco Synthetics Limited has intended to purchase the following shares

mentioned against each from the Shareholders of the Company under the exit plan:

<i>Name of the Sponsors/Associates</i>	<i>No. of Shares</i>	<i>%</i>
Mr. A S F Rahman	26,179,190	46.93
Mr. Salman F Rahman	24,237,780	43.45
Beximco Holdings Limited	2,763,685	04.95
New Dacca Industries Ltd.	2,479,472	04.45
Shinepukur Ceramics Ltd.	118,496	00.21
Total :	55,778,623	100%

3. THE OFFER :

Pursuant to BSEC directive on Exit Plan for delisting of the ordinary shares of Beximco Synthetics Limited from Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited, the shareholder of the Company whose names appeared in the Register of Members as on September 08, 2020, being the Record Date fixed for this purpose, are entitled to participate in this offer.

4. OFFER PRICE :

Face Value of BDT. 10/- (ten) each in cash shall be paid through the escrow bank account maintained with the Stock Exchanges.

5. CONSIDERATION:

The purchase price of Face Value of BDT.10/- (ten) each for every fully paid-up ordinary shares of Beximco Synthetics Limited will be paid in cash in the manner laid down herein.

The Offer Price referred to above is firm and fixed for the duration of this Offer and shall not be varied, increased or reduced for any reasons.

6. PROCEDURE OF SETTLEMENT OF SECURITIES:

- (1) The stock exchange (s) shall maintain and operate a BO account for consolidation of securities bought or acquired under the exit plan as well as clearing and settlement of such securities.
- (2) If a securities holder accepts the offer under the exit plan and is willing to surrender or sell his securities at a price of the offer, the securities holder shall duly fill up and sign a transfer/sale request form (Form 14-1 as per CDBL bye laws 11.4.1), or any form as prescribed by the stock exchange(s);

Provided that in case of securities in paper form, the securities holder shall surrender or deposit his securities certificate(s) as well as submit a securities transfer form (Form-117) or any form as prescribed by the stock exchange(as) duly filled up and signed to the designated counter of the stock exchange(s) under the exit plan.

- (3) The form under clause (2) above shall be submitted to the stock exchange(s) for execution of transfer or sale of his securities from his BO account to the BO account as maintained by the stock exchange(s) under clause (1) above for consolidation of securities as transferred/brought under the exit plan.
- (4) All transactions made in the BO account maintained under clause (1) above shall be outside the trading system of the stock exchange(s) and considered outside the purview of the compliance of substantial acquisition process.
- (5) Upon receiving the acceptance of offer letter as well as duly filled up and signed transfer/sale request form under clause (2) above, all the securities as submitted for surrender or transfer by the securities holders in acceptance of the offer under the exit plan shall be deposited or transferred or transmitted in demat form to the BO Account as maintained by the stock exchange(s) under clause (1) above:

Provided that total fees for dematerialization/re-materialization of securities under the exit plan shall not be charged by CDBL exceeding BDT. 25,000 (twenty thousand).

- (6) The stock exchange(s) shall settle the consideration or amount payable to the respective securities holders in cash from the escrow bank account mentioned for making full and final payment of the securities surrendered or transferred under the exit plan as well as the compliance with the provisions of the clearing and settlement regulations.
- (7) The stock exchange(s) shall provide all relevant data and information to the CDBL for the purpose of clearing and settlement of such securities.
- (8) Upon completion of all process of clearing and settlement of related securities and money, all securities as surrendered or transferred or sold by the securities holders under the exit plan that are held in the BO account maintained with the stock exchange(s) shall be transferred or transmitted to the suspense BO account of the applicant outside the trading system of the stock exchange(s) for the purpose of distribution of securities among "Offeror" and "Concert Party" as per their consideration or contribution:

Provided that transfer/distribution of the securities from the suspense BO account of the applicant to the individual BO account of the Offeror and Concert Party shall be outside of the trading system of the stock exchange.

- (9) For the aforesaid purpose, the Issuer Company or the applicant shall open and maintain a suspense BO account with the CDBL.

Procedure of disposing off holding who did not accept the Offer:

- (1) The securities holders who have not accepted the offer under the exit plan shall have right to dispose off their securities held at their BO Account or paper securities at hand outside the trading system of the stock exchange(s) at

the offer price by surrendering their securities in dematerialized format or paper format to the stock exchange(s) within next 1 (one) year of final declaration of completion of the exit plan, with an intimation to the applicant or the Offeror and/Concert Party.

- (2) The Stock Exchange (s) shall make payment to the respective securities holder following compliance of the settlement.
- (3) After 2 (two) years of running of escrow bank account from the date of issuance of the offer letter, the escrow account shall be closed.
- (4) If any balance left in the escrow bank account, the balance shall be transferred to the Investors' Protection and Market Stabilization Fund at the time of closure of escrow bank account.

7. OFFER PERIOD:

This offer will remain open from March 14, 2022 to April 28, 2022 (both days inclusive).

8. POWER OF ATTORNEY :

The Board of Directors of the Company hereby authorizes Mr. O. K. Chowdhury, Director to execute the necessary papers/documents and do all other things on their behalf, incidental to or connected with this offer.

9. DECLARATION BY THE OFFEROR :

The Offeror accepts full responsibility of the information given in this Letter of Offer.

Sd/-

(O K CHOWDHURY)
DIRECTOR