This is for information of all concerned that Bangladesh Securities and Exchange Commission vide their letter No. BSEC/SRCMCD/174/2020-466 dated December 30, 2021, has accorded its consent-to-principle to the proposed Exit Plan of the ordinary securities of Beximco Synthetics Limited under condition (4.5) of the Direct No. BSEC/SRCMCD/2020-379/17 Admin/14, dated 28 December, 2020.

Detail of the Exit Plan is follows:

1. Name and registered/contact address of the issuer of securities:

Beximco Synthetics Limited, 17 Dhannondi, Road No.2, Dhaka-1205

2. Code of the Securities:

DSE: Trading Code - BXSYNTH, Scrip Code - 18470
CSE: Trading Code - BXSYNTH, Scrip Code - 12088

3. Total Paid up Capital:

BDT. 867,412,590.-

4. Date of Board of Directors’ meeting at which such exit plan has been passed:

November 24, 2021

5. Date of the Commission’s consent-to-principle:

December 30, 2021

6. Details of listing, such as date of listing and name of the exchange:

Dhaka Stock Exchange Limited: November 04, 1993
Chittagong Stock Exchange Limited: November 06, 1995

7. Details of delisting status (date of delisting, whether traded at GTC plat form or at ATR or not):

Trading of the shares of BXSYNTH has been suspended with effect from September 08, 2020 as per BSEC Directive No. BSEC/SRMCD/174/2020-52 dated September 07, 2020. It will be de-listed after accomplishing the procedure of exit plan.

8. Reasons for exit plan (explained all the reasons as mentioned at direction No. 1/2) with present status, non compliance/default for how many years, last dividend, outstanding coupon/interest/principal, etc.:

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. The allowed cheap Chinese products to take over the market and making the production of this type of yarn in Bangladesh completely unsustainable.

Unfortunately, despite its best efforts, the company could not maintain targeted production and profitability during the last 7 (seven) years which resulted in the company accumulating huge 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 staff after paying all their dues as per law. Also, the plant and machineries are 26 (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. The assets of the company are mortgaged to Sonali Bank against the loan. The only asset of value which the company has is the land on which the factory is located. However, it is unclear that from the above all alone the liabilities of the company will be met and alternate measures may be required which the Board of Directors are considering.

9. Date of agreement made with the stock exchange(s) for the delisting of the exit plan:

January 4, 2022

10. Summary of the exit plan:

(a) The purpose of the exit plan;

Delisting from Dhaka Stock Exchange Limited & Chittagong Stock Exchange Limited;

(b) Type & No. of securities to be bought under the exit plan:

Total 55,778,623 (five crore fifty-seven lakhs sixty-two thousand and three-hundred) number of ordinary shares of BDT. 10/- (ten) each;

(c) Securities outstanding under the exit plan:

No. of shares/securities and face value and one price; Total 55,778,623 (five crore fifty-seven lakhs sixty-two thousand and three-hundred) number of ordinary shares of BDT. 10/- (ten) each issued at par in cash;

(d) Total holdings of the securities by the Offeror and their percentage:

BDT. 10/- (ten) each amounting to BDT. 10.00 (ten) each

(e) Total holdings of general/public securities holders other than the Offeree and the Concert Party:

50,933,736 (fifty three crores nine lakhs thirty-three thousand seven hundred and thirty-six) number of ordinary shares of BDT. 10/- (ten) each amounting to BDT. 309,337,360/- (thirty nine crores thirty-three lakhs thirty-six thousand and sixty) being 95.67% of total paid up capital;

(f) The offer price;

Face Value of BDT. 10/- (ten) in cash shall be paid through escrow bank account maintained with stock exchanges;

(g) Justification of the offer price as per direction No. 7;

I. Face Value BDT. 10/- (ten) or
II. Issue price at the time of initial public offer (IPO) BDT. 10/- (ten) or
III. Last trade price on the day of suspension of trade: BDT. 8.50/- (BDT. eight & fifty paisa) or
IV. Net Asset Value (NAV) per share as per the last audited financial statements: BDT. 2.78/- (BDT. two & seventy-eight paisa) or
V. The weighted average price average (WAP) for one week immediately preceding the date of suspension of trade: BDT. 4.80/- (BDT. four & eighty paisa) or

Out of the above (5) values, BDT. 10.00 (ten) is the highest and is being offered.

(b) Stock price data:

(i) Yearly, high and low and average market prices of the securities of the issuer for one year immediately preceding the day of suspension of trade (trade suspended from September 8, 2020);

(ii) The volume of securities traded in each month and year and the average price and the average price and the cut-off date for determining the names of shareholders to whom the offer letter shall be sent (sent on September 08, 2020)

(i) A draft offer letter for buying the securities under the exit plan is presented herewith:

OFFER LETTER TO THE SHAREHOLDERS OF BEXIMCO SYNTHETICS LIMITED

OFFER LETTER TO 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’s Directive No. BSEC/SRCMCD/2020-379/17 Admin/14 dated 28 December 2020 on Exit Plan for 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

Dhaka Stock Exchange Limited
Address: 56/1, Hatirpur, Malibagh, Dhaka-1212
Phone: 01717273541/2, 01717273651
Fax: 01717273047/8
E-mail: info@dse.com.bd

Chittagong Stock Exchange Limited
Address: 136, Road, Ahsan Akti, Chittagong
Phone: 01717273541/2, 01717273651
Fax: 01717273047/8
E-mail: info@csexchange.com.bd
Website: www.cse.com.bd

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 Offerees 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 vide its Directive No. BSEC/SRCMCD/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 Sirs/Madams,

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. The 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 the last 7 (seven) years which resulted in huge accumulated losses. This has resulted in the share price 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. The assets of the company are mortgaged to Sonali Bank against the loan. The only asset of value which the company has is the land on which the factory is located. However, it is unclear that from the above all alone the liabilities of the company will be met and alternate 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/SRCMCD/174/2020-52 dated September 07, 2020 to the both Stock Exchanges for suspension of trade of Beximco Synthetics Limited and accordingly the DSE vide their letter No. DSE-
The Sponsors and Associates of Beximco Synthetics Limited have invited to purchase the shares mentioned against each from the Shareholders of the Company under the exit plan.

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 the offer.

PROCEDURE OF DISPOSAL 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 a price of the offer under the exit plan as well as clearing and settlement of such securities.

Procedure of disposing off holding who did not accept 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) 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 surrendered or transferred or sold 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-five thousand).

(7) 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.

(3) After 2 (two) years of running of escrow bank account from the date of issuance of the offer letter, the escrow bank account shall be closed.

(6) The stock exchange(s) shall settle the consideration or amount payable to the respective securities holders in cash from the escrow bank account for making full and final payment of the securities surrendered or transferred under the exit plan as well as in 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 by 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 completion of the settlement:

(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 surrendered or transferred or sold 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-five thousand).

(7) The stock exchange(s) shall settle the consideration or amount payable to the respective securities holders in cash from the escrow bank account for making full and final payment of the securities surrendered or transferred under the exit plan as well as in compliance with the provisions of the clearing and settlement regulations.

The shares held by the Beximco Synthetics Ltd are as follows:

Name of the Sponsors/Associates Shares %
Mr. A S F Rahman 26,179,190 46.93
Sponsors/Associates 10(n)(5) 46.93

(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 a price of the offer under the exit plan as well as clearing and settlement of such securities.

(2) The securities holders accept the offer under the exit plan and 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-A) as per capital market laws 11.41, or as prescribed by the stock exchange(s):

(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) 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 surrendered or transferred from the suspense BO account of the applicant outside the trading system of the stock exchange(s) shall be transferred to the BO Account as maintained by the stock exchange(s) as transferred/bought under the exit plan.

(3) After 2 (two) years of running of escrow bank account from the date of issuance of the offer letter, the escrow bank account shall be closed.

(6) The stock exchange(s) shall settle the consideration or amount payable to the respective securities holders in cash from the escrow bank account for making full and final payment of the securities surrendered or transferred under the exit plan as well as in compliance with the provisions of the clearing and settlement regulations.

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