"পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ । জেনে ও বুঝে বিনিয়োগ করুন"

"Investment in capital market involves certain degree of risks. The investors are required to read the prospectus and risk factors carefully, assess their own financial conditions and risk taking ability before making their investment decisions."

"পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। বিনিয়োগকারীগণ প্রোসপেক্টাস পড়ে এবং ঝুঁকির বিষয়গুলি সতর্কতার সাথে অনুধাবন করে নিজ নিজ আর্থিক ও ঝুঁকি গ্রহন করার সক্ষমতা বিবেচনা করে বিনিয়োগ সিদ্ধান্ত গ্রহণ করবেন।"

Qualified Investor Offer of 5,000,000 Ordinary Shares

Issue date of the Prospectus: .....

OFFER PRICE: TK. 10.00 each at par
TOTAL SIZE OF FUND: TK. 50,000,000.00

Opening Date of Subscription	:	[*]
Closing Date of Subscription	:	[*]

Draft Prospectus of

Star Adhesives Limited

Shanta Western Tower, Level-13,
Bir Uttam Mir ShawkatRoad, 186 Tejgaon I/A, Dhaka-1208

Manager to The Issue

AAA FINANCE & INVESTMENT LTD.
PARTNERSHIP OF TRUST

Amin Court, 4th Floor (Suite # 403-405),
31, Bir Uttam Shahid Ashfaqus Samad
Road (Previous 62-63, Motijheel C/A),
Dhaka-1000

27 SEP 2021

Mohammad Chayder Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

(B)(2)(a) PRELIMINARY INFORMATION AND DECLARATIONS

(i) Name(s), address(s), telephone number(s), web address(s), e-mail(s), fax number(s) and contact persons of the issuer, issue managers, underwriter(s), auditors, credit rating company and valuer, where applicable;

Name & Address	Contact Person	Telephone, Fax Number, E-mail & Web Address
Issuer:		
Star Adhesives Ltd. Shanta Western Tower, Level-13, Bir Uttam Mir Shawkat Road, 186 Tejgaon I/A, Dhaka-1208	**Aslam Mia** Company Secretary	Tel: +88-02-8878800-12, IP Ph: +8809612727839 Email: aslam.mia@psgbd.com, Web site: www.staradhesives.com.bd
Issue Managers:		
AAA Finance & Investment Ltd. Amin Court, 4th Floor (Suite # 403-405), 31, Bir Uttam Shahid Ashfaqus Samad Road (Previous 62-63, Motijheel C/A), Dhaka-1000	**Mohammad Obaydur Rahman, FCS, FCGA** Managing Director & CEO	Tel: +88-02-223389602 Fax: +88-02-9558330 Email: info@aaafinancebd.com Web: www.aaafinancebd.com
Underwriter:		
AAA Finance & Investment Ltd. Amin Court, 4th Floor (Suite # 403-405), 31, Bir Uttam Shahid Ashfaqus Samad Road (Previous 62-63, Motijheel C/A), Dhaka-1000	**Mohammad Obaydur Rahman, FCS, FCGA** Managing Director & CEO	Tel: +88-02-223389602 Fax: +88-02-9558330 Email: info@aaafinancebd.com Web: www.aaafinancebd.com
City Bank Capital Resources Limited City Centre, 13th Floor, Level-14,Unit ID: 13D, 90/1,Motijheel C/A, Dhaka-1000, Bangladesh	**Md. Ershad Hussain** Managing Director & CEO	Tel: +88-01955-111555 Fax: +88-02-55110945 Email:ershad.hossain@cbcrl.com Web:cbcrl,com
Auditor:		
ISLAM QUAZI SHAFIQUE & CO. Chartered Accountants Al-Haj Shamuddin Mansion, (4th Floor), Room # C, 17 New Eskaton Road Moghbazar, Dhaka-1000.	**Quazi Shafiqul Islam, FCA**	Tel: +880 1717 322693 Fax: +8802- 9560922 Website: www.qsibd.com E-mail: qsi.esk@gmail.com

27 SEP 2021

Mohammed Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd.

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

(ii) "A person interested to get a prospectus may obtain from the issuer and the issue managers."

(iii) "If you have any query about this document, you may consult the issuer, issue managers and underwriters"

(iv)"CONSENT OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE OR OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION (QUALIFIED INVESTOR OFFER BY SMALL CAPITAL COMPANIES) RULES, 2018. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER, MANAGING DIRECTOR, CHIEF FINANCIAL OFFICER, COMPANY SECRETARY, ISSUE MANAGER, ISSUE MANAGER'S CHIEF EXECUTIVE OFFICER, UNDERWRITERS, AUDITOR(S), VALUER (IF ANY)."

(v) 'Risks in relation to the First Issue'

"This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the securities is Tk. 10.00 (Ten) and the issue price is Tk. 10.00 (Ten) i.e. the face value. The issue price has been determined and justified at par value/upon bidding by the qualified investors as stated under the paragraph on "Justification of Issue Price" should not be taken to be indicative of the market price of the securities after listing. No assurance can be given regarding an active or sustained trading of the securities or the price after listing."

(vi) 'General Risk'

"Investment in securities involves a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before making an investment decision in this offer. For making an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. Given the emerging nature of small capital companies, there may be a higher investment risk attached to the securities being offered. The securities to be traded on the Small Capital Platform may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be an active market for trading of such securities. The securities have not been recommended by the Bangladesh Securities and Exchange Commission (BSEC) nor does BSEC guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'risk factors' given on page number(s) 113-124"

27 SEP 2021

Mohammad Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

(vii) Star Adhesives Ltd. 's Absolute Responsibility'

"The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this prospectus contains all material information with regard to the issuer and the issue, that the information contained in the prospectus are true, fair and correct in all material aspects and are not misleading in any respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."

27 SEP 2021

Mohammad Obaydur Rahman, PCS
Managing Director & CEO
AAA Finance & Investment Ltd.

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

(B)(2)(b) AVAILABILITY OF PROSPETUS

(i) Website addresses and e-mail addresses and names of contact persons of the institutions where the prospectus are available in soft form;

The prospectus and abridged version of prospectus in hard and soft forms of Star Adhesives Ltd... shall be obtained from the following addresses:

Name & Address	Contact Person	Telephone, Fax Number, E-mail & Web Address
Issuer:		
Star Adhesives Ltd... Shanta Western Tower, Level-13, Bir Uttam Mir Shawkat Road, 186 Tejgaon I/A, Dhaka-1208	**Aslam Mia** Company Secretary	Tel: +88-02-8878800-12, IP Ph: +8809612727839 Email: aslam.mia@psgbd.com, Web site: www.staradhesives.com.bd
Issue Managers:		
AAA Finance & Investment Limited Amin Court, 4th Floor (Suite # 403-405), 31, Bir Uttam Shahid Ashfaqus Samad Road (Previous 62-63, Motijheel C/A), Dhaka-1000	**Mohammad Obaydur Rahman**, FCS, FCGA Managing Director & CEO	Tel: +8802223389602 Fax: +8802-9558330 Email: info@aaafinancebd.com Web: www.aaafinancebd.com
Stock Exchanges:		
Dhaka Stock Exchange Ltd... DSE Tower, House No. 46 (level 3), Road No. 21, Nikunja, Dhaka- 1229	**Syed Foysal Abdullah** Manager Head of SME, ATB, OTC Market	Phone: 02-9564601, 9576210-18 Fax: 02-41040096, 41040097 Email: reasearch@dsebd.org Web: www.dsebd.org
Chittagong Stock Exchange Limited (CSE) CSE Building, 1080, Sk. Mujib Road Agrabad C/A Chittagong-4000 **Dhaka Liaison Office:** Eunoos Trade Center (Level-15) 52-53 Dilkusha C/A, Dhaka-1000.	**Mohammad Habibur Rahman** Deputy Manager	Tel: +880 31-714632-3 Tel: 02-720871-3 Fax: 31-714101 Fax: 02-726970 Web: www.cse.com.bd E-mail: habib.ullah@cse.com.bd

Prospectus would also be available on the web sites of BSEC (www.sec.gov.bd) at the Public Reference Room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and studying.

27 SEP 2021

Mohammad Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd.

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

(ii) Definitions and Acronyms or Elaborations:

A	
"Articles" or "Articles of Association" or "AoA"	The Articles of Association of Star Adhesives Ltd., as amended
AGM	Annual General Meeting
Allotment	Letter of Allotment of Shares
B	
BAS	Bangladesh Accounting Standards
BB	Bangladesh Bank
BDT	Bangladeshi Taka
BFRS	Bangladesh Financial Reporting Standards
BO A/C	Beneficiary Owner's Account
BSEC	Bangladesh Securities and Exchange Commission
BIDA	Bangladesh Investment Development Authority
C	
CDBL	Central Depository Bangladesh Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Certificate	Share Certificate
CIB	Credit Information Bureau
Companies Act	Companies Act, 1994 (Act. No. XVIII of 1994)
Commission	Bangladesh Securities and Exchange Commission
CSE	Chittagong Stock Exchange Limited
CWIP	Capital Work in Progress
D	
DSE	Dhaka Stock Exchange Limited
E	
EI	Eligible Investor
EPS	Earnings Per Share
Exchanges	Stock Exchanges
F	
FC Account	Foreign Currency Account
FI	Financial Institution
G	
GOB	Government of People's Republic of Bangladesh
I	
ICAB	The Institute of Chartered Accountants of Bangladesh
Issue	Qualified Investor Offer (QIO) of Shares
Issue Manager	AAA Finance and Investment Ltd.
Issuer	Star Adhesives Ltd.

27 SEP 2021

Mohammad Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

L	
LC	Letter of Credit
M	
MD	Managing Director
"Memorandum"or "Memorandum of Association" or "MoA"	The Memorandum of Association of Star Adhesives Ltd. , as amended
SAL	Star Adhesives Ltd.
N	
NAV	Net Asset Value
NBR	National Board of Revenue
NRB	Non-Resident Bangladeshi
NBFI	Non-Banking Financial Institution
NOCFPS	Net Operating Cash Flow Per Share
O	
Offering Price	Price of the Securities of SAL
Our Company	Star Adhesives Ltd.
P	
PE	Price to Earnings
Q	
QI	Qualified Investor
QIO	Qualified Investors' Offer
R	
Registered Office	Registered Office of SAL
RJSC	Registrar of Joint Stock Companies and Firms
S	
SC	Share Certificate
Securities	Share of Star Adhesives Ltd.
Sponsors	The Sponsor Shareholders of SAL
AAAFIL	AAA Finance and Investment Ltd.
Stockholders	Shareholders
Subscription	Application Money
T	
The Company	Star Adhesives Ltd.
TIN	Tax Identification Number
Tk.	Bangladeshi Taka
U	
USD	United States Dollar
V	
VAT	Value Added Tax
W	
WDV	Written Down Value
WPPF	Workers' Profit Participation Fund

27 SEP 2021

Mohammad Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

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Mohammad Obaydur Rahman, FCS
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AAA Finance & Investment Ltd

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Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

		significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries or holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus	84
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27 SEP 2021

Mohammad Obaydur Rahman, FCS
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AAA Finance & Investment Ltd

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Star Adhesives Ltd.

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27 SEP 2021

Mohammad Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

SECTION - I
(B)(2)(d)

Executive Summary

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27 SEP 2021

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Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

(i) About the industry:

Adhesives is a unique commodity that links grassroots levels with high societies and traditional practices with emerging technologies. In Bangladesh, Adhesives are using as backward linkage materials for Board, Door, Leather, Footwear, Plastic, Household and Paint Industries. Adhesives is one of the most prospective industries in Bangladesh. It has enough scope for both vertical and horizontal expansion in terms of economic return and social benefits. Adhesives is small capital-intensive with minimum labor costs in the country. This sector occupies an important position in relation to the manufacturing sector in terms of gross output, value addition, employment generation, poverty alleviation, income generation and a socio-economic benefactor for the country. However, till now Adhesives industry occupies only a modest position in Bangladesh economy way below its true potential. The average growth of the Adhesive Industries in Bangladesh is 30%. The most common manufacturing items are Rubber Adhesive, Resin Adhesive, PUR Adhesives, Distemper Adhesive, Solvent Cement, Hot Melt Glue, Super Glue, Silicone, Wood Preservative, NC Thinner, Spray Paint.

The leader of these Industries are Pidilite Industries Ltd., Star Adhesives Ltd., RFL, Berger Paint Industries Ltd. Fast Group, Bengal Group.The most common name of the product of these industries are FEVICOL, Mr. FIXIT, FEVIKWIK and STAR BOND, GUM KING.

Star Adhesives Ltd. Is most modern Adhesives Manufacturer in Bangladesh, Star Adhesives Ltd. is intending to explore its market not only in Bangladesh but also throughout the world. As there are versatile opportunities to export adhesive to the seven sisters of Indian Territory. Meeting up the domestic demand is one of the main missions of the company, so as Bangladesh can become self-sufficient in the manufacturing of Adhesives. The company is continuously increasing market to achieve revenue remarkable growth above the industrial average to become one of the top 3 adhesives company in Bangladesh. Such capital elevation might accelerate the company's operation largely in future.

(ii) About the Issuer:

Star Adhesives Ltd. is one of the growing and sustainable Chemical & Petrochemical product manufacturing company started its journey on 11 September 2013 at Madanpur, Narayanganj, Bangladesh on the bank of the river Sitalakhya. The company was incorporated in January 01, 2013 as a Private Limited Company registered in Bangladesh vide-registration no. C-106486/13 under Companies Act, 1994 and subsequently converted into Public Limited Company on April 25, 2021. The registered office is situated at 186, Shanta Western Tower, Level-13, Tejgaon I/A, Dhaka-1208 and subsequently converted into Public Limited Company on April 25, 2021.Star Adhesives Ltd. started its journey under one of the largest Conglomerates in the country Partex Star Group as a diversified business unit and being manufacturing different types of adhesives, lubricants, Lacquer, Spray Paint, Silicon in the name of "STAR BOND" & "GUM KING". The factory adopted EHS (Environment, Health & Social) systems in its operations, and earned certificate from the department of NARCOTICS License No. 06/2013-2014 vide Addendum No-44.04.0000.051.00.008.13-1156. The Company is producing different types of adhesives and lacquer for backward linkage support of Leather & Furniture Industry as import substitute product of Fevicol, India and in near future the company have a plan to export it to the global market. As a Group, The Partex Star Group has been successfully running the business in Bangladesh more than Five decades with the highest level of quality,

27 SEP 2021

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Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

commitment with a vision to "Make the group a diversifies sustainable world class company to ensure superiors customer satisfaction and stakeholders' value".

As a concern under Partex Star Group, Star Adhesives Ltd. introducing modern and innovative technology to produce quality Chemicals to gain immense appreciation from its clients. As a result, to that, the company could establish its products as leading manufacturer of Adhesives in the industry. GUM KING Rubber Adhesives and Star Bond Spray Paint are the name of its two products, which are competing with two multinational Brand FEVICOL & BERGER. Star Adhesives Ltd... is also the sole Distributor of LPC- SA, Greece for marketing the lubricants in the name of "Cyclone" in the local market. This is manifested in the enviable reputation of its brand in the Adhesives markets.

Incorporation:

Star Adhesives Ltd is incorporated as a Private Limited Company registered in Bangladesh January 01, 2013 vide-registration no. C-106486/13 under Companies Act, 1994 and subsequently converted into Public Limited Company on April 25, 2021.

Location:

The Factory of the Company is situated at Modonpur, Narayanganj, Bangladesh on the bank of the river Sitalakhya and Registered Office is situated at 186, Shanta Western Tower, Level-13, Tejgaon I/A, Dhaka-1208, Bangladesh.

Nature of Business:

Star Adhesives Limited is manufacturing different types of adhesives, lubricants, Lacquer, Spray Paint, Silicon and the Brand Name of the product is "STAR BOND".

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Mohammad Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd.

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

(iii) Financial Information:

Major financial information of Star Adhesives Ltd. is as follows.

(As Per Audited Financial Statements)

Particulars	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17
Total Revenue	412,414,138	253,282,498	369,801,852	234,898,956	177,536,144
Gross Profit/(Loss)	85,365,269	51,833,938	71,246,903	43,100,491	32,174,797
Net Profit before tax	38,315,282	13,032,247	23,319,350	13,105,776	2,215,860
Net Profit after tax	26,929,541	8,821,444	16,500,023	9,626,554	1,657,947
Total Assets	435,825,238	315,321,716	371,331,481	293,287,473	217,096,936
Share Capital	150,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Retained Earnings	31,663,094	34,733,553	25,912,110	9,412,087	(214,467)
No. of Shares	15,000,000	20,000	20,000	20,000	20,000
Face Value	10	100	100	100	100
NAV per Share	12.56	2,172.73	1,731.66	3,718.46	168.86
Earnings per Share	6.05	2.76	825.00	481.33	82.90

Note: Face value of company's share was Tk. 100/- each and was converted into Tk. 10/- each dated 25 April, 2021.

(iv) Features of the issue and its objects:

The features of the issue and its objects are as follows:

Offer Price	BDT 10.00
Number of Shares	5,000,000 Ordinary Shares
Offer Size	Tk. 50,000,000.00
Purpose of Raising Fund	Net proceeds from Qualified Investor Offer (QIO) will be used for Factory Renovation and meet up Working Capital requirement & Loan Repayment.
Date of Implementation	Within 12 months after receiving QIO, fund.

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Mohammad Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd.

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Star Adhesives Ltd.

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Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

(v) Legal and other Information:

Particulars	License Issuer/Issuing Authority	Certificate/ License No.	Issue Date	Renewal Date	Expiry Date
Trade License	Dhaka North City Corporation	03-087163	05.02.2013	14.07.2021	30.06.2022
Certificate of Incorporarion	Register of Joint Stock Companies & Firms(RJSC)	C-106486	January 01,2013	N/A	N/A
Factory License	Factory and Establishment Inspector	17308/ NaryanGhong	25.09.2014	15.06.2021	30.06.2022
VAT Certificate	Customs, Excise & VAT Commissionerate, Dhaka.	BIN:000073974-0302	03.05.2017	N/A	N/A
TIN Certificate	National Board of Revenue	279428284690	N/A	N/A	N/A
Import Registration Certificate	Controller of Import & Export, Government of Bangladesh	260326120356420	20.08.2013	13.07.2021	30.06.2022
License for storage & Distribution of Engine oil	Bangladesh Energy Regulatory Commision	LPP:539	15.03.2021	30.12.2019	29.12.2021
Fire License	Bangladesh Fire Services and Civil Defense	AD Dhaka 25769/13	03.06.2018	15.06.2021	30.06.2022
BIDA Registration	Bangladesh Investment Development Authority (BIDA)	L-242913023692-H	07.12.2021	N/A	N/A
Environment Clearance Certificate	Department of Environment	20-49248	30.11.2020	-	21.12.2021
Explosive License	Explosive Directorate	102-3(ঢ)-0050/2989	03.03.2021	-	31.12.2021
Membership	Bangladesh Chamber of Industries	S-61	10.02.2021	-	31.12.2021
Membership	Bangladesh Adhesives Manufacturer's Association	C-107	20.09.2021		31.12.2021

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Mohammad Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

(vi) Promoters' background:

When the company was incorporated, the following persons were the subscribers to the memorandum and their background is stated below:

Promoter

Mr. Aziz Al Kaiser:

The Managing Director, Aziz Al Kaiser is a successful industrialist with an appreciable acumen and a vision of great proportion. A caring parentage and an enterprising family upbringing helped him hone his leadership skills and qualities from childhood. Beyond business, he takes profound interest in art, culture and sports. Having completed graduation from UK in Business Management, Kaiser joined his family business.within a brief span of time; he helped lead the Group to a major spell of diversity that contributed to the Group's surge forward with strong corporate governance. He also contributed towards the implementation of Group's major investment from grassroots until completion of the projects and made Partex as a household name in the country. Currently Mr. Kaiser is leading 21 different companies and added more value to the group's surge with more corporate stakes in banking, insurance, shipping and capital market.

Mr. Kaiser is the Chairman of the City Bank Ltd. He has contributed tremendously in transforming the management structure and outlook of City Bank from traditional banking system to modern day banking. Under his astute stewardship, the first time of its kind in the country, The City Bank Ltd. introduced American Express Corporate Credit Card under his leadership. Having a passion for cricket the private sector investment wizard held posts of advisor, Vice President and Director of Bangladesh Cricket Board. He is very well known socially and holds membership of many social clubs in Dhaka city. Having a passion of Sports, he introduced Partex Sporting Club. He is also the president of Noakhali Diabetic Association (M.A. Hashem Diabetic Hospital) and President of the Governing body of M.A. Hashem College. Mr. Kaiser is also the founder life member of NSU Trust and the Member of the Board of trustees of the North South University.

Aziz Al Mahmood

Aziz Al Mahmood completed his graduation from the US International University, based in London. Mr. Mahmood joined Partex Star Group at an early age. With his inherent quality of leadership and pragmatic outlook, he became one of the Group's board of directors within a very short time. He played a vital role in incorporating the information technology that made the group's activities prompt and easier. It entirely changed the traditional mode of production, trading, export and internal communication system.

He also involved himself in the Group's functional, productive and financial streams. Mr. Aziz Al Mahmood's diverse leadership qualities as Managing Director of Partex Star Group's Key units have made all the limited companies profitable. Aziz Al-Mahmood is a businessperson who has been the head of 16 different companies. He received an undergraduate degree from Alliant International University and an undergraduate degree from Richmond, The American International University in London.

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Mohammad Obaydur Rahman, PCS
Managing Director & CEO
AAA Finance & Investment Ltd.

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

(vii) Capital structure and history of capital raising:

The Company intends to issue 5,000,000 ordinary shares of Tk. 10.00 each at par through Qualified Investor Offer (QIO) totaling to Tk. 50,000,000.00 subject to regulatory approvals.

Particulars	No. of Shares	Face Value (Tk.)	Amount in BDT
Authorized Capital	50,000,000	10.00	500,000,000
Before QIO:			
Paid-up Capital (A)	15,000,000	10.00	150,000,000
After QIO:			
To be issued through QIO (B)	5,000,000	10.00	50,000,000
Paid up capital (Post QIO) (A+B)	**20,000,000**	10.00	**200,000,000**

The Company has raised its paid-up capital in following phases:

Allotment Date	Basis on Shares			Total paid-up capital (Tk.)
	In cash (Tk.)	Other than in cash (Tk.)	Bonus Share	
Subscription to the Memorandum & Articles of Association at the time of Incorporation on 01-01-2013	2,000,000	-	-	2,000,000
Issued as on 31-03-2021	-	-	30,000,000	32,000,000
Issued as on 12-04-2021	15,000,000	-	-	47,000,000
Issued as on 15-04-2021	100,000	-	-	47,100,000
Issued as on 09-05-2021	52,900,000	-	-	100,000,000
Issued as on 20-06-2021	50,000,000	-	-	**150,000,000**

NB: A special resolution is passed dated April 25, 2021 to adopt a new Articles of Association. By the said special resolution, the Company's face value of share reduced from Tk. 100 to Tk. 10 each.

(viii) Summary of Valuation Report of securities:

Sl. No.	Valuation Methods	Fair Value (BDT)
Method-1	Net Asset Value per share	12.56
Method-2	Earning-based value per share	30.64
Method-3	Average market price per share of similar stocks	262.97

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Mohammad Obaydur Rahman, PCS
Managing Director & CEO
AAA Finance & Investment Ltd

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

(i) Others;

a. **Declarations regarding no way connection between the issuer and the issue manager;**

Rule: 3(2)(b)

DECLARATION ABOUT NOT HOLDING SECURITIES OF THE ISSUER BY THE MANAGER TO THE ISSUE

This is to declare that AAA Finance & Investment Limited, Manager to the Issue for upcoming QIO of Star Adhesives Limited; is in no way connected with the issuer and does not hold any of its securities.

Sd/-
Aziz Al Kaiser
Managing Director
Star Adhesives Limited

Date: September 22, 2021

DECLARATION ABOUT NOT HOLDING SECURITIES OF THE ISSUER BY THE MANAGER TO THE ISSUE

This is to declare that AAA Finance & Investment Limited, Manager to the Issue for upcoming QIO of Star Adhesives Limited; is in no way connected with the issuer and does not hold any of its securities.

Sd/-
Mohammad Obaydur Rahman FCS, FCGA
Managing Director & CEO
AAA Finance & Investment Ltd.

Date: September 14, 2021

b. **Declaration regarding material change;**

Rule: 3(2)(c)

DECLARATION REGARDING MATERIAL CHANGE

This is to declare that Star Adhesives Limited has not made any material change including raising of paid-up capital after the date of audited financial statements as included in the prospectus.

Sd/-
Aziz Al Kaiser
Managing Director
Star Adhesives Limited

Date: September 22, 2021

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Mohammad Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

c. **Declaration regarding Cost Audit by the Issuer as required by Rule 3 (2) (e) of the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018.**

Rule 3 (2) (e)

Statement regarding Cost Audit

This is to certify that, as per provision of the Companies Act 1994, Cost Audit by the Professional Accountant is not applicable for **"Star Adhesives Ltd."**.

Sd/-
Aziz Al Kaiser
Managing Director

Date: September 22, 2021

d. **Declaration regarding holding regular AGM by the Issuer as required by Rule 3 (2) (j) of the Bangladesh Securities & Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018.**

Rule 3 (2) (j)

MANAGEMENT DECLARATION

We the management of **"Star Adhesives Ltd."** declared that our company is regular in holding of Annual general meeting (AGM).

Sd/-
Aziz Al Kaiser
Managing Director

Date: September 22, 2021

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Mohammad Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

e. **Declaration by the issuer as required by Rule 3 (2) (g) of the Bangladesh Securities & Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018.**

Rule 3 (2) (g)

MANAGEMENT DECLARATION

We the management of **"Star Adhesives Ltd."** declared that our company has complied with the Bangladesh Securities & Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018. while preparing prospectus

Sd/-
Aziz Al Kaiser
Managing Director

Date: September 22, 2021

f. **Declaration by the issuer as required by Rule 3 (2) (d) of the Bangladesh Securities & Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018.**

Rule 3 (2) (d)

MANAGEMENT DECLARATION

We the management of **"Star Adhesives Ltd."** declared that our company has complied with the provisions of IFRS or IAS (as applicable for small and medium sized entities) and audited the same as per International Standards on Auditing (ISA) as well as the Companies Act, 1994 and other applicable legal requirements

Aziz Al Kaiser
Managing Director

Date: September 22, 2021

27 SEP 2021

Mohammad Obaydur Rahman, PCS
Managing Director & CEO
AAA Finance & Investment Ltd

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

SECTION - II
(B)(2)(e)

Condition imposed by the Commission in the Consent Letter

This part will be given after getting the consent letter from BSEC according to the condition imposed by the commission on consent letter.

27 SEP 2021

Mohammad Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd.

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

SECTION - III
(B)(2)(f)

Declaration and Due Diligence Certificates

Section Contents
Annexure-A
Annexure-B
Annexure-C

27 SEP 2021

Mohammad Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd.

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

Annexure- A

Declaration about the responsibility of the directors, including the CEO of the issuer in respect of the red-herring prospectus or prospectus or Information Memorandum

[Rule 4 (1)(d)]

This prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this qualified investor offer and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit. We also confirm that full and fair disclosures have been made in this prospectus or to enable the qualified investors to make a well informed decision for investment.

Sd/-
Tabassum Kaiser
Chairman

Sd/-
Aziz Al Kaiser
Managing Director

Sd/-
A.B.M. Sumon Shahed Patowary
Nominated Director of Star Particle Board Mills Limited

Sd/-
A K M Ahasanul Haque
Nominated Director of Partex Cables Ltd.

Sd/-
Dr. Md. Nizamul Hoque Bhuiyan
Independent Director

Place: Dhaka
Date: September 22, 2021

27 SEP 2021

Mohammad Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

Annexure-B

DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER

(AAA Finance & Investment Limited)

[Rule 4 (1)(d)]

To
The Bangladesh Securities and Exchange Commission

Sub: Qualified investor offer of 5,000,000 ordinary shares of BDT 10.00 at par totaling BDT 50,000,000.00 of Star Adhesives Ltd.

Dear Sir,

We, the issue manager(s) to the above-mentioned forthcoming issue, state and confirm as follows:

(1) We have examined all the documents submitted with the application for the above-mentioned public offer, visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the prospectus pertaining to the said issue;

(2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

(a) The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;

(b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;

(c) The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well-informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Qualified investor offer by Small Capital Companies) Rules, 2018 and other applicable laws;

(d) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;

(e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;

(f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid inters of the object clause of its Memorandum of Association;

(g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;

27 SEP 2021

Mohammad Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

(h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Qualified investor offer by Small Capital Companies) Rules, 2018 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well informed decision;

(i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the QIO for any further inspection by the Commission;

(j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Qualified investor offer by Small Capital Companies) Rules, 2018 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the rules has been complied with and our comments, if any;

(k) We also declare that we have not managed any issue under the qualified investor offer for last five years.

Place: Dhaka
Date: September 21,2021

Sd/-
Mohammad Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Limited

27 SEP 2021

Mohammad Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

Due diligence certificate by the underwriter(s)

Annexure-C

[See rule 4 (1)(d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Qualified Investor Offer of 5,000,000 Ordinary Shares of BDT. 50,000,000/- of Star Adhesives Ltd.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

(1) We, while underwriting the above-mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and

(2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

(a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and qualified to carry out the underwriting activities. Our present paid-up capital stands at Tk 250,000,000.00 (Twenty-five crore) and we have the capacity to underwrite a total amount of Tk. 1,250,000,000.00 (One hundred twenty-five crores) as per relevant legal requirements. We have committed to underwrite for up to Tk. 12,500,000.00 (one crores twenty five lac) for the upcoming issue.

(b) At present, the following underwriting obligations are pending for us:

Sl.	Name of the Company	Amount Underwritten (in Tk.)
1	AB Bank Limited	250,000,000.00
2	Sena Kalyan Insurance Company Ltd.	14,000,000.00
	Total	**264,000,000.00**

(c) information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;

(d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and

(e) This underwriting commitment is unequivocal and irrevocable.

For AAA Finance & Investment Ltd...

Sd/-

Mohammad Obaydur Rahman FCS
Managing Director & CEO
Place: Dhaka
Date: September 21, 2021

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Mohammad Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

Annexure-C

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER

(City Bank Capital Resources Ltd.)

[Rule 4 (1)(d)]

To
The Bangladesh Securities and Exchange Commission

Sub: Qualified investor offer of 5,000,000 Ordinary Shares of Tk. 50,000,000 of Star Adhesives Ltd.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

(1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and

(2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

(a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and qualified to carry out the underwriting activities. Our present paid-up capital stands at Tk. 2,550,000,000 and we have the capacity to underwrite a total amount of Tk. 16,154,971,503 as per relevant legal requirements. We have committed to underwrite for up to Tk. 12,500,000 (Taka One Crore twenty-five Lac only) for the upcoming issue.

(b) At present, the following underwriting obligations are pending for us:

Sl. No.	Name of the Company	Underwritten amount in BDT
01	Pubali Bank	50,000,000.00
02		
Toal		50,000,000.00

(c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;

(d) We shall subscribe and take up the un-subscribed securities against the above-mentioned issue within 15 (fifteen) days of calling up thereof by the issuer; and

(e) This underwriting commitment is unequivocal and irrevocable.

27 SEP 2021

Mohammad Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

For the Underwriter:

Sd/-
Mr. Ershad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.
Date: September 20, 2021

27 SEP 2021

Mohammad Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

SECTION - IV
(B)(3)

About the Issuer

	Section Contents
(a)	Name of the issuer, dates of incorporation and commencement of its commercial operations, its logo, addresses of its registered office, other offices and plants, telephone number, FAX number, contact person, website address and e-mail address
(b)	The names of the sponsors and directors of the issuer
(c)	The name, logo and address of the auditors, along with their telephone numbers, FAX numbers, contact persons, website and e-mail addresses
(d)	The name(s) of the stock exchange(s) where the specified securities are proposed to be listed

27 SEP 2021

Mohammad Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

(a) Name of the issuer, dates of incorporation and commencement of its commercial operations, its logo, addresses of its registered office, other offices and plants, telephone number, fax number, contact person, website address and e-mail address;

Particulars		Description
Name of the Issuer	:	Star Adhesives Ltd...
Date of incorporation	:	January 01,2013
Commencement of commercial operation		September 11, 2013
Company Logo	:	STAR BOND
Registered Office	:	Shanta Western Tower, Level-13, Bir Uttam Mir Shawkat Road, 186 Tejgaon I/A, Dhaka-1208
Factory Office	:	125, Horipur, Madanpur, Bandar, Narayangonj.
Telephone Number	:	Tel: +88-02-8878800-12
Fax Number	:	+88-02-8126410,
Contact Person	:	Aslam Mia, Company Secretary
Website Address	:	www.staradhesives.com.bd
E-mail Address	:	aslam.mia@psgbd.com

(b) The names of the sponsors and directors of the issuer;

Sl. No.	Name of the Sponsors
1	Tabassum Kaiser
2	Aziz Al Kaiser

Sl. No.	Name of the Directors	Position
1	Tabassum Kaiser	Chairman
2	Aziz Al Kaiser	Managing Director
3	A.B. M Sumon Shahed Patowary	Nominee Director
4	A.K.M. Ahasanul Haque	Nominee Director
5	Dr. Md. Nizamul Hoque Bhuiyan	Independent Director

27 SEP 2021

Mohammad Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

(c) The name, logo and address of the auditors along with their telephone numbers, fax numbers, contact persons, website and e-mail addresses;

About the auditors:

Particulars		Description
Name	:	Islam Quazi Shafique & Co., Chartered Accountants
Logo	:	ISLAM QUAZI SHAFIQUE & CO. Chartered Accountants
Address	:	Al-Haj Shamsuddin Mansion (4th Floor)) Room # C, 17, New Eskaton Road, Maghbazar, Dhaka-1000
Telephone	:	Tel: +880 1717 322693
Fax Number	:	Fax: +8802- 9560922
Contact Person	:	Quazi Shafiqul Islam, FCA
Website address	:	Web: www.qsibd.com
E-mail Address	:	qsi.esk@gmail.com

(d) The name(s) of the stock exchange where the specified securities is proposed to be listed.

DHAKA STOCK EXCHANGE	**Dhaka Stock Exchange Ltd...** DSE Tower, House No. 46 (level 3), Road No. 21, Nikunja, Dhaka- 1229 Phone: 02-9564601, 9576210-18 Fax: Fax: +88-02-41040096, 41040097 Email: dse@bol-online.com Web: www.dsebd.org
CHITAGONG STOCK EXCHANGE	**Chittagong Stock Exchange Ltd...** CSE Building, Sk. Mujib Road, Agrabad C/A, Chittagong. Phone: +88-031-714632-3, 9513911-15 Fax: +88-031-714101 Email: habib.ullah@cse.com.bd Web: www.cse.com.bd.

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Mohammad Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

SECTION - V

(B)(4)

Corporate directory the Issuer

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Mohammad Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd.

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

Particulars		Description
Name of the Issuer	:	Star Adhesives Ltd.
Company Logo	:	STAR BOND
Commencement of commercial Operation	:	September 11, 2013
Legal Position	:	Star Adhesives Limited is incorporated as a Private Limited Company registered in Bangladesh January 01, 2013 vide-registration no. C-106486/13 under Companies Act,1994 then converted into public limited company on 25.04.2021.
Date of Incorporation		January 01, 2013
Registration No.		C-106486/13
Authorized Capital	:	Tk. 500,000,000 divided into 50,000,000 Ordinary Shares of Tk. 10.00 each
Paid-up Capital	:	Tk. 150,000,000 divided into 15,000,000 Ordinary Shares of Tk. 10.00 each
Registered Office	:	Shanta Western Tower, Level-13, Bir Uttam Mir Shawkat Road, 186 Tejgaon, I/A, Dhaka-1208
Factory	:	125, Bangashahon, Horipur, Modanpur, Bandor, Narayanganj
Board of Directors	:	5 Directors
Auditor	:	Islam Quazi Shafique & Co., Chartered Accountants
Managers to the Issue	:	AAA Finance & Investment Limited Amin Court, 4th Floor (Suite # 403-405), 31, Bir Uttam Shahid Ashfaqus Samad Road (Previous 62-63, Motijheel C/A), Dhaka-1000
Compliance Officer	:	Aslam Mia, Company Secretary
Banker for QIO	:	The Premier Bank Limited, Gulshan-Tejgaon Link Road Branch, A/C No: 017813100000093 (BDT)

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Mohammad Obaydur Rahman, PCS
Managing Director & CEO
AAA Finance & Investment Ltd

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

SECTION – VI
(B)(5)

Description of the issuer

Section Contents	
(a)	Summary
(b)	General Information
(c)	Capital Structure
(d)	Description of Business
(e)	Description of Property
(f)	Plan of Operation and Discussion of Financial Condition

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Mohammad Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd.

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Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

(a) Summary:

(i)The summary of the industry and business environment of the Issuer:

Adhesives is a unique commodity that links grassroots levels with high societies and traditional practices with emerging technologies. In Bangladesh, Adhesivesare usingas backward linkage materials for Board, Door, Leather, Footwear, Plastic, Household and Paint Industries. Adhesives is one of the prospective industries in Bangladesh. It has enough scope for both vertical and horizontal expansion in terms of economic return and social benefits. Adhesives is small capital-intensive, with labor costs in the region of 5% to 7%.

This sector occupies an important position in relation to the manufacturing sector in terms of gross output, value addition, employment generation, poverty alleviation, income generation and a socio-economic benefactor for the country. However, till now Adhesives industry occupies only a modest position in Bangladesh economy way below its true potential. The average growth of the Adhesive Industries in Bangladesh is 30%. The most common manufacturing items are Rubber Adhesive, Resin Adhesive, PUR Adhesives, Distemper Adhesive, Solvent Cement, Hot Melt Glue, Super Glue, Silicone, Wood Preservative, NC Thinner, Spray Paint.

The leader of these Industries are Pidilite Industries Ltd., Star Adhesives Ltd., RFL, Berger Paint Industries Ltd., Fast Group, Bengal Group.The most common name of the product of these industries are FEVICOL, Mr. FIXIT, FEVIKWIK and STAR BOND, GUM KING. Star Adhesives Ltd. is most modern Adhesives Manufacturer in Bangladesh, Star Adhesives Ltd... is intending to explore its market not only in Bangladesh but also throughout the world. As there are versatile opportunities to export adhesive to the seven sisters of Indian Territory. Meeting up the domestic demand is one of the main missions of the company, so as Bangladesh can become self-sufficient in the manufacturing of Adhesives. The company is continuously increasing market to achieve revenue remarkable growth above the industrial average to become one of the top 3 adhesives company in Bangladesh. Such capital elevation might accelerate the company's operation to a greater extent in future.

(ii) Summary of consolidated financial, operating and other information.

This information is not applicable for Star Adhesives Ltd. since it has no subsidiary and associates company.

(b) General Information:

(i) The Board of Directors of the issuer:

Sl. No.	Name of the Directors	Position
1	Tabassum Kaiser	Chairman
2	Aziz Al Kaiser	Managing Director
3	A.B.M. Sumon Shahed Patowary	Nominee Director
4	A.K.M. Ahasanul Haque	Nominee Director
5	Dr. Md. Nizamul Hoque Bhuiyan	Independent Director

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Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
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Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

(ii) Names, addresses, telephone numbers, fax numbers and e-mail addresses of the chairman, managing director, whole time directors, etc. of the issuer:

Sl. No.	Name	Designation	Address	Telephone, fax numbers & E-mail address
1	Tabassum Kaiser	Chairman	Blooming Dale, 24 Dutabash Road, Baridhara,Dhaka.	Phone: 8878800 Email:tabassum@psgbd.com
2	Aziz Al Kaiser	Managing Director	Blooming Dale, 24 Dutabash Road, Baridhara,Dhaka.	Phone:8878800 Email:kaiser@ psgbd.com
3	A. B.M. Sumon Shahed Patowary	Nominee Director	Shanta Western Tower, 186 Tejgoan I/A, Dhaka-1208	Phone : 01973 046963 sumon.patowary@psgbd.com
4	A.K.M. Ahasanul Haque	Nominee Director	Shanta Western Tower, 186 Tejgoan I/A, Dhaka-1208	Phone : 01777795430 Email:ahasanul@partexcables.com
5	Dr. Md. Nizamul Hoque Bhuiyan	Independent Director	Provost Banglow, Hazi Mohammad Mohshin Hall, Dhaka University	Phone :01925807847 Email:bhuiyan.nazmulhoque@du.ca.bd

(iii) Names, addresses, telephone numbers, fax numbers and e-mail addresses of the CFO, company secretary, legal advisor, auditors and compliance officer;

Sl. No.	Name	Position	Address	Telephone, fax numbers & E-mail address
1.	Md. Zulfikar Ali	Chief Financial Officer	Shanta Western Tower, Level-13, Bir Uttam Mir Shawkat Road, 186 Tejgaon I/A, Dhaka-1208	Tel:+88 02 8878800-12 E-mail: zulfikar@psgbd.com
2.	Aslam Mia	Company Secretary	Shanta Western Tower, Level-13, Bir Uttam Mir Shawkat Road, 186 Tejgaon I/A, Dhaka-1208	Tel:+88 02 8878800-12 E-mail: aslam.mia@psgbd.com
3.	Aslam Mia	Compliance Officer	Shanta Western Tower, Level-13, Bir Uttam Mir Shawkat Road, 186 Tejgaon I/A, Dhaka-1208	Tel:+88 02 8878800-12 E-mail: aslam.mia@psgbd.com
4.	Md. Niamul Kabir	Legal Advisor	House-357/13/C, 2nd Floor (3C) Monsur Tower, Modhubag, Mogbazar,	Mob: +8801717406688 E-mail: niamul.kabir@psgbd.com

27 SEP 2021

Mohammad Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

5.	Islam Quazi Shafique & Co.	Auditor	Al-Haj Shamsuddin Mansion (4th Floor), Room # C, 17 New Eskaton Road Moghbazar, Dhaka-1000.	Phone: 02-48312349 Mobile: 01707-870798 Website: www.qsibd.com E-mail: qsi.esk@gmail.com

(iv) The names, addresses, telephone numbers, fax numbers, contact persons and e-mail addresses of the Issue Manager;

Name & Address	Contact Person	Telephone & Fax Numbers, Website & E-mail Addresses
AAA Finance & Investment Ltd. Amin Court, 4th Floor (Suite # 403-405), 31, Bir Uttam Shahid Ashfaqus Samad Road (Previous 62-63, Motijheel C/A), Dhaka-1000	**Mohammad Obaydur Rahman**, FCS, FCGA Managing Director & CEO	Tel: +8802223389602 Fax: +8802-9558330 Email: info@aaafinancebd.com Web: www.aaafinancebd.com

27 SEP 2021

Mohammad Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd.

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

(v) Following details of underwriting:

a) The names, addresses, telephone numbers, fax numbers, contact persons and e-mail addresses of the underwriters and the amount underwritten by them;

Name & Address	Contact Person	Telephone & Fax Numbers, Website & E-mail Addresses	Underwritten Amount in BDT
AAA Finance & Investment Ltd. Amin Court, 4th Floor (Suite # 403-405), 31, Bir Uttam Shahid Ashfaqus Samad Road (Previous 62-63, Motijheel C/A), Dhaka-1000	**Mohammad Obaydur Rahman,** FCS, FCGA Managing Director & CEO	Tel: +8802223389602 Fax: +8802-9558330 Email: info@aaafinancebd.com Web: www.aaafinancebd.com	**12,500,000**
City Bank Capital Resources Limited City Centre, 13th Floor, Level-14,Unit ID: 13D, 90/1,Motijheel C/A, Dhaka-1000, Bangladesh	**Md. Ershad Hussain** Managing Director & CEO	Tel: +88-01955-111555 Fax: +88-02-55110945 Email:ershad.hossain@cbcrl.com Web:www.cbcrl.com	**12,500,000**
Total			**25,000,000**

b) Declaration by the underwriters that they have sufficient resources as per the regulatory requirements to discharge their respective obligations;

DECLARATION BY THE UNDERWRITER THAT WE HAVE SUFFICIENT RESOURCES AS PER THE REGULATORY REQUIREMENTS TO DISCHARGE OUR RESPECTIVE OBLIGATIONS

We are one of the underwriters of the Qualified Investor Offer (QIO) of STAR ADHESIVES LIMITED. We will underwrite BDT. 12,500,000.00 of total public offer of BDT 50,000,000.00 for the upcoming issue on a firm commitment basis. In this connection, we hereby declare that:

We have sufficient resources as per the regulatory requirements to discharge our respective obligation.

For AAA Finance & Investment Limited

Sd/-
Mohammad Obaydur Rahman FCS, FCGA
Managing Director & CEO

Place :Dhaka
Date : September 21, 2021

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Mohammad Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives L

DECLARATION BY THE UNDERWRITER THAT WE HAVE SUFFICIENT RESOURCES AS PER THE REGULATORY REQUIREMENTS TO DISCHARGE OUR RESPECTIVE OBLIGATIONS

We are one of the underwriters of the Qualified Investor Offer (QIO) of STAR ADHESIVES LIMITED. We will underwrite BDT. 12,500,000.00 of total public offer of BDT 50,000,000.00 for the upcoming issue on a firm commitment basis. In this connection, we hereby declare that:

We have sufficient resources as per the regulatory requirements to discharge our respective obligation.

For underwriters

Sd/-
Mr. Ershad Hossain
Managing Director & CEO
City Bank Capital Resources Ltd.

Place :Dhaka
Date : September 21, 2021

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Mohammad Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

(c) Capital Structure:

(i) Authorized, issued, subscribed and paid-up capital (number and class of securities, allotment dates, nominal price, issue price and form of consideration);

Particulars	No. of shares	Class of securities	Nominal price	Issue price	Amount in BDT
Authorized Capital	50,000,000	Ordinary Shares	10.00	10.00	500,000,000
Issued, Subscribed and Paid-Up Capital	15,000,000	Ordinary Shares	10.00	10.00	150,000,000

The Company has raised its paid-up capital in following phases:

Allotment Date	Basis on Shares			Total paid-up capital (Tk.)
	In cash (Tk.)	Other than in cash (Tk.)	Bonus Share	
Subscription to the Memorandum & Articles of Association at the time of Incorporation on 01-01-2013	2,000,000	-	-	2,000,000
Issued as on 31-03-2021	-	-	30,000,000	32,000,000
Issued as on 12-04-2021	15,000,000	-	-	47,000,000
Issued as on 15-04-2021	100,000	-	-	47,100,000
Issued as on 09-05-2021	52,900,000	-	-	100,000,000
Issued as on 20-06-2021	50,000,000	-	-	150,000,000

NB: A special resolution is passed on dated April 25, 2021 to adopt a new Articles of Association. By the said special resolution, the Company's face value of share is reduced from Tk. 100 to Tk. 10.

(ii) Size of the present issue, with break-up (number of securities, description, nominal value and issue amount);

Description	Number of Securities to be Offered	Percentage	Break-up of Securities	Nominal value	Issue Amount in BDT
Offer price BDT 10.00 each at par, total size of fund to be raised BDT 50,000,000	Qualified Investor (QI)	100%	5,000,000	10.00	50,000,000
Total		100%	5,000,000	10.00	50,000,000

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Mohammad Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

(iii) Paid-up capital before and after the present issue, after conversion of convertible instruments (if any) and share premium account (before and after the issue);

Particulars	No. of Securities	Issue Price	Amount in BDT
Paid-up capital before the present issue	15,000,000	10.00	150,000,000
Paid-up capital after the present issue	20,000,000	10.00	200,000,000
Paid-up capital after conversion of convertible instruments (if any)	N/A		
Share premium account before the present issue	N/A		
Share premium account after the present issue	N/A		

(iv) Category wise shareholding structure with percentage before and after the present issue and after conversion of convertible instruments (if any);

Sl. No.	Category of Shareholders	No. of Ordinary Shares Hold		Percentage of Holding		After conversion	
		Pre-QIO	Post-QIO	Pre-QIO	Post-QIO	Pre-QIO	Post-QIO
1	Directors & Sponsors	10,000,000	5,000,000	66.67%	50%	N/A	N/A
2	Qualified Investor (QI)	-	5,000,000	-	25%		
Total							

The Company has no convertible instrument.

(v) Where shares have been issued for consideration in other than cash at any point of time, details in a separate table, indicating the date of issue, persons to whom those are issued, relationship with the issuer, issue price, consideration and valuation thereof, reasons for the issue and whether any benefits have been accrued to the issuer out of the issue;

The Company did not issue any of its ordinary shares for consideration in other than cash at any point of time, except bonus share to existing shareholders considering at par in the year 2021.

(vi) Where shares have been allotted in terms of any merger, amalgamation or acquisition scheme, details of such scheme and shares allotted;

The Company has not allotted any shares in terms of merger, amalgamation or acquisition scheme.

(vii) Where the issuer has issued equity shares under one or more employee stock option schemes, date-wise details of equity shares issued under the schemes, including the price at which such equity shares were issued;

The Company has not issued any equity shares under one or more employee stock option schemes.

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Mohammad Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

(viii) If the issuer has made any issue of specified securities at a price lower than the issue price during the preceding two years, specific details of the names of the persons to whom such specified securities have been issued, relation with the issuer, reasons for such issue and the price thereof;

The Company has not made any issue of specified securities at a price lower than the issue price during the preceding two years.

(ix) The decision or intention, negotiation and consideration of the issuer to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue;

The Company has no such decision or intention, negotiation and consideration to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue.

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Mohammad Obaydur Rahman, FCS
Managing Director & CBO
AAA Finance & Investment Ltd

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd

(x) The total shareholding of the sponsors and directors in a tabular form, clearly stating the names, nature of issue, date of allotment, number of shares, face value, issue price, consideration, date when the shares were made fully paid up, percentage of the total pre and post issue capital, the lock in period and the number and percentage of pledged shares, if any, held by each of them;

Sl.	Name of Sponsors & Directors	Position	Nature of Issue	Date of allotment	No. of shares	Face value	Issue price	Consideration	Date when the shares were made fully paid up	Total	Percentage (%)		Lock-in Period
											Pre-QIO	*Post-QIO*	
1	Tabassum Kaiser	Chairman	Ordinary Share	Transfer (12.12.2017)	20,000	10	10	Cash	12.12.2017	500,000	3.33%	2.5%	1 Year
				ROA (31.03.2021)	300,000			Bonus	31.03.2021				
				ROA (12.04.2021)	150,000			Cash	06.06.2021				
				ROA (09.05.2021)	30,000			Cash	15.06.2021				
2	Aziz Al Kaiser	Managing Director	Ordinary Share	MOA (01.01.2013)	170,000	10	10	Cash	01.01.2013	4,500,000	30%	22.5%	1 Year
				Transfer (12.12.2017)	(20,000)			Cash	12.12.2017				
				Transfer (25.12.2017)	30,000			Cash	25.12.2017				
				ROA (31.03.2021)	2,700,000			Bonus	31.03.2021				
				ROA (12.04.2021)	1,350,000			Cash	06.06.2021				
				ROA (09.05.2021)	270,000			Cash	14.06.2021				
3	A.B.M. Sumon Shahed Patowary	Nominee Director	Ordinary Share	ROA (15.04.2021)	2,000	10	10	Cash	06.06.2021	2,000,000	13.33%	10%	1 Year
				ROA (09.05.2021)	1,998,000			Cash	21.06.2021				
4	A K M Ahasanul Hoque	Nominee Director	Ordinary Share	ROA (15.04.2021)	2,000	10	10	Cash	06.06.2021	1,000,000	6.67%	5%	1 Year
				ROA (09.05.2021)	998,000			Cash	21.06.2021				

27 SEP 2021

Mohammad Obaydur Rahman, FCS
Managing Director & CEO
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Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

5	Dr. Md. Nizamul Haque Bhuiyan	Independent Director		-	-	-	-	-	-	-	-	-	-
				-	-			-	-				
Total										15,000,000	53.33%	40%	

27 SEP 2021

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Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

(xi) The details of the aggregate shareholding of the sponsors and directors, the aggregate number of specified securities purchased or sold or otherwise transferred by the sponsor and/or by the directors of the issuer and their related parties within six months immediate preceding the date of filing the prospectus;

Name	Position	No. of Shares	Shareholding %	Amount (Tk.)
Aziz Al Kaiser	Director	4,500,000	30%	45,000,000
Tabassum Kaiser	Director	500,000	3.33%	5,000,000
Star Particle Board Mills Limited	Sponsor	2,000,000	13.33%	20,000,000
Partex Furniture Industries Ltd.	Sponsor	1,000,000	6.67%	10,000,000
Partex Cables Ltd.	Sponsor	1,000,000	6.67%	10,000,000
Partex Laminates Limited	Sponsor	500,000	3.33%	5,000,000
Star Gypsum Board Mills Ltd.	Sponsor	500,000	3.33%	5,000,000
Sub-total for Directors and Sponsors		**10,000,000**	**66.67%**	**100,000,000**

Purchase or sale or otherwise transfer by the sponsor and/or by the directors of the Star Adhesives Ltd. and their related parties within six months immediate preceding the date of filing the prospectus has been mentioned in SECTION – VI (B)(5) (x)

(xii) The name and address of any person who owns, beneficially or of record, 5% or more of the securities of the issuer, indicating the amount of securities owned, whether they are owned beneficially or of record, and the percentage of theecurities represented by such ownership including number of equity shares which they would be entitled to upon exercise of warrant, option or right to convert any convertible instrument;

Name of the Shareholder	Address	Type of Ownership	Amount of Securities Owned	Shareholding by beneficially or of record ownership (%)
Aziz Al Kaiser	Blooming Dale, 24 Dutabash Road, Baridhara, Dhaka	Managing Director	4,500,000	30.00%
A.B.M. Sumon Shahed Patowary (Nominated Director of Star Particle Board Mills Limited)	House No. 143, Road No. 8, Section-12, Block-B, Mirpur, Dhaka-1216	Director	2,000,000	13.33%
A K M Ahasanul Haque (Nominated Director of Partex Cables Ltd.)	House-216, Road-2, Flat-2A, DOHS, Baridhara, Dhaka	Director	1,000,000	6.67%
Partex Furniture Industries Ltd.	222, Bir Uttam Mir Shawkat Road	Shareholder	1,000,000	6.67%

27 SEP 2021

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Managing Director & CEO
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Md. Zulfikar Ali
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Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

	Gulshan, Bir Uttam Mir Shawkat Sarak, Dhaka 1208			
Gulam Mustafa	Flat # A4, House # 25, Road # 9/A, Dhanmondi, Dhaka	Shareholder	1,000,000	6.67%

**There is no event or intent of exercising warrant, option or right to convert any convertible instrument.*

(xiii) The number of securities of the issuer owned by each of the top ten salaried officers, and all other officers or employees as group, indicating the percentage of outstanding shares represented by the securities owned.

There is no officer holding any securities of the Company except the following:

Name of the Shareholder	Position	Amount of Securities Owned	Percentage of Ownership (%)
Aziz Al Kaiser	Managing Director	4,500,000	30.00%

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Mohammad Obaydur Rahman, FCS
Managing Director & CEO
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Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

(d) Description of Business:

(i) The date on which the issuer company was incorporated and the date on which it commenced operations and the nature of the business which the company and its subsidiaries are engaged in or propose to engage in;

Particulars	Description
Date of Incorporation	January 01,2013
Commercial Operation	September 11,2013
Nature of Business	Star Adhesives Limited is manufacturing different types of adhesives, lubricants, Lacquer, Spray Paint, Silicon and the Brand Name of the product is "STAR BOND"
Subsidiary Company	The Company has no subsidiary company.

(ii)Location of the project;

The Factory of the Company is situated at Modonpur, Narayanganj, Bangladesh on the bank of the river Sitalakhya and Registered Office is situated at 186, Shanta Western Tower, Level-13, Tejgaon I/A, Dhaka-1208, Bangladesh.

(iii) Plant, machinery, technology, process, etc.

Star Adhesives Ltd. has been using sophisticated machineries and technologies in order to produce high quality adhesives. The Company to be competitive over the competitors in the market because of using the latest machineries and technologies.

(iv) Details of the major events in the history of the issuer, including details of capacity or facility creation, launching of plant, products, marketing, change in ownership and/or key management personnel etc.;

Particulars	Description
Date of Incorporation	January 01, 2013
Commercial Operation	September 11, 2013
Conversion of Private to Public Limited Company	April 25, 2021
Capacity	4100 MT
Products	Adhesives
Launching of Plant	September 26, 2013
Launching of Products	September 26, 2013.
Launching of Distribution Channel	September 26, 2013

There has been no major change in ownership and/or key management personnel etc.

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Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Mohammad Obaydur Rahman, PCS
Managing Director & CEO
AAA Finance & Investment Ltd

Existing Capacity Utilization:

Particulars	Capacity	Actual Production	Percentage
Adhesives	4,100 MT	3,350 MT	82%

Projected Capacity Utilization:

Products	Unit	Installed Capacity			Capacity Utilization for this Products		
		30.06.2019	30.06.2020	30.06.2021	30.06.2019	30.06.2020	30.06.2021
Adhesives	MT	3,000	3,100	4,100	2,417	2,517	3,350

(v) Principal products or services of the issuer and markets for such products or services. Past trends and future prospects regarding exports (if applicable) and local market, demand and supply forecasts for the sector in which the product is included with source of data;

The principal activities of the company are to establish a fully automated adhesives manufacturing factory. The company is walking ahead of their long-term plan. In addition, in near future it will be the top manufacturer of adhesives product in Bangladesh.

product	Name of the Products	Market
Adhesives	▪ Star Bond Resin Adhesive ▪ Star Bond Rubber Adhesives ▪ GUM King Rubber ▪ Super Glue ▪ Hot Melt Adhesives ▪ Star Bond Thinner ▪ Star Bond Solvent Cement ▪ Star Bond Wood Preservative ▪ Tiles Putty ▪ Star Bond Lubricants	Bangladesh

Distribution of the Products:

Star Adhesives Ltd.'s primary product is Rubber & Resin Adhesives; among them GUM KING is major product. The company distributes the adhesives products in the following manner:

At the very first stage of distribution the company import Acetone, Toluene and SBP from abroad. The collected raw materials then taken into the factory. At the factory the raw materials are processed. Once the goods are processed into different offered products of the company, the adhesives are packaged. Then the packaged adhesives are stored in the central ware house, ready to be distribute. The packaged adhesives are then sending to the local market though distributor and depot.

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Managing Director & CEO
AAA Finance & Investment Ltd

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

The complete distribution flowchart of Star Adhesives Ltd. is given below-

Past trends:
Last 5 years' sales of Star Adhesives Ltd.

Particulars	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Turnover	412,414,138	253,282,498	369,801,852	234,898,956	177,536,144

Company's Future Business Plan:

Star Adhesives Ltd. is most modern Adhesives Manufacturer in Bangladesh, Star Adhesives Ltd. is intending to explore those market as its future plan. Meeting up the domestic demand is one of the main missions of the company, so as Bangladesh can become self-sufficient in the manufacturing of Adhesives. The company is continuously increasing market to achieve revenue remarkable growth above the industrial average to become one of the top 3 adhesives company in Bangladesh. Now the company is accelerating their sale growth and going to export its product to different countries to enter into the global market. Such capital elevation might accelerate the company's operation to a greater extent in future.

Existing Capacity Utilization:

Particulars	Capacity	Actual Production	Percentage
Raw Materials & Chemical (In MT)	4,100	3,350	81.70%

Rationale to Achieve:
The company has projected that the capacity utilization will increase due to installation of new machineries as well as increase in the market demand for adhesives. The company will utilize its remaining capacity to meet the additional market demand for products.

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Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

(e) Description of Property:

The written down value of property, plant and equipment's owned by the company as per audited accounts as on June 30, 2021 are stated below:

Particulars	Written Down Value as at June 30, 2021
Land and Land Development	7,020,640
Building Re-construction	97,995,888
Plant & Machinery	41,533,049
Laboratory Equipment	1,665,536
Water Tank	558,725
Tools & Equipment	1,253,494
Motor Vehicle	698,337
Furniture & Fixture	1,198,481
Computer & IT Equipments	786,781
Cargo Lift	2,098,325
Balance as at June 30, 2021	**154,809,257**

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Aziz Al Kaiser
Managing Director
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(i) Location and area of the land, building, principal plants and other property of the company and the condition thereof;

The entire above-mentioned assets are located at the Company's factory premises, which is situated at Modonpur, Narayanganj, Bangladesh on the bank of the river Sitalakhya. Details are as under:

Sl. No.	Particulars	Condition of the Property
01	Land & Land Development	Position hold by the company
02	Building & Civil Works	Factory Building is in good condition
03	Plant & Machinery	Working in good condition
04	Vehicle	Running in good condition
05	Electric Equipment's	Working in good condition
06	Furniture & Fixture	Good Condition
07	Office Equipment	Good Condition
08	Generator	Working in good condition
09	Fire Equipment	Working in good condition
10	Computer & Accessories	Good Condition
11	Spares & Accessories	Good Condition
12	Sundry Assets	Good Condition

(ii) Whether the property is owned by the company or taken on lease;

All the assets of the Company are in its own name. The Registered Office is situated at 186, Shanta Western Tower, Level-13, Tejgaon I/A, Dhaka-1208, Bangladesh.

(iii) Dates of purchase, last payment date of current rent and mutation date of lands, deed value and other costs including details of land development cost, if any and current use thereof;

Details of Land Property						
SL. No.	Location	Deed No.	Date of Purchase	Decimal	last payment date of current rent	Deed Value
1	Bongosason , Ward 27, Bondor, Narayangong	1341	19.02.2018	14.5	14/03/2021	11,55,000

(iv) If the property is owned by the issuer, whether there is a mortgage or other type of charge on the property, with name of the mortgagee;

No mortgage or other type of charge on the property of the Company.

(v) If the property is taken on lease, the expiration dates of the lease with name of the lessor, principal terms and conditions of the lease agreements and details of payment.

No property is taken by the company under lease agreement.

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Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

(vi) A physical verification report by the issue manager regarding the properties as submitted to the Commission;

PHYSICAL VERIFICATION REPORT BY THE ISSUE MANAGERS
OF
STAR ADHESIVES LTD.

This is to certify that we have visited the Factory and Registered office of **Star Adhesives Ltd.** on August 24, 2021.

Process of the Verification:

AAA Finance & Investment Limited (AAA) has been working with Star Adhesives Ltd.(SAL) for about two years. During the period, different teams of AAA have visited the Company and its factory on several times. The process comprises of five different teams in the verification process for the QIO for small capital companies of SAL as under:

Particular	Members of the Team
Strategic Management Team	**Mohammad Obaydur Rahman FCS, FCGA** Managing Director
	Mohammad Ferdous Mazid Chief Operating Officer
Corporate Compliance Review Team	**Md. Oliur Rahman ACS** Company Secretary
Prospectus Preparation and Design Team	**Md. Samsul Haque ACMA** Manager
	Md. Al-Mamun Azad Officer

The teams examined all the necessary documents provided by Star Adhesives Ltd. This verification is done as per the regulations of Qualified Investor Rules, 2018. Such compliance with Qualified Investor Rules, 2018 is the responsibility of the Company. AAA's examination was limited to the procedures and implementation thereof, as adopted by the Management in ensuring compliance with the conditions of the BSEC Qualified Investor Rules, 2018.

In the process of the verification of compliance of Qualified Investor Rules, 2018, AAA Finance & Investment Ltd... has visited the factory and registered office of Star Adhesives Limited as the issue manager on August 24, 2021. The sole purpose of the visit was to see the production plants of SAL for preparing this verification report.

Visiting Team:

Particulars		Representative
Visited by	**AAA Finance & Investment Ltd.**	**Mohammad Obaydur Rahman FCS,FCGA** Managing Director
		Mohammad Ferdous Mazid Chief Operating Officer
Accompanied by	**Star Adhesives Ltd**	**Aziz Al Kaiser** Managing Director
		Md. Zulfikar Ali Chief Financial Officer

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Mohammad Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

Nature of Business:

Star Adhesives Limited is one of the growing and sustainable Chemical & Petrochemical product manufacturing company, started its journey on 11 September 2013 at Madanpur, Narayanganj, Bangladesh on the bank of the river Sitalakhya. The company was incorporated in January 01, 2013 as a Private Limited Company registered in Bangladesh vide-registration no. C-106486/13 under Company Act, 1994 and converted into Public Limited Company on April 25, 2021.The registered office is situated at 186, Shanta Western Tower, Level-13, Tejgaon I/A, Dhaka-1208. Star Adhesives Limited started its journey under Partex Star Group, one of the largest Conglomerates in the country, as a diversified business unit for manufacturing different types of adhesives, lubricants, Lacquer, Spray Paint, Silicon in the name of "STAR BOND" & "GUM KING". The factory adopted EHS (Environment, Health & Social) systems in its operations, and earned certificate from the department of NARCOTICS License No. 06/2013-2014 vide Addendum No-44.04.0000.051.00.008.13-1156. The Company is producing different types of adhesives and lacquer for backward linkage support of Leather & Furniture Industry as import substitute product of Fevicol, India and in near future the company have a plan to export it to the global market. As a Group, The Partex Star Group has been successfully running the business in Bangladesh more than Five decades with the highest level of quality, commitment with a vision to "Make the group a diversifies sustainable world class company to ensure superiors customer satisfaction and stakeholders' value".

Star Adhesives Limited has introduced modern and innovative technology to produce quality Chemicals to gain immense appreciation from its clients. As a result, the company has itself as a leading manufacturer of Adhesives in the country. GUM KING Rubber Adhesives and Star Bond Spray Paint are the name of its two products, which are competing with two multinational Brand FEVICOL & BERGER. Star Adhesives Limited is also the sole Distributor of LPC- SA, Greece for marketing the lubricants in the name of "Cyclone" in the local market. This is manifested in the enviable reputation of its brand in the Adhesives segment.

Incorporation:

Star Adhesives Limited is incorporated as a Private Limited Company registered in Bangladesh January 01, 2013 vide-registration no. C-106486/13 under Companies Act, 1994

Location:

The Factory of the Company is situated at Modonpur, Narayanganj, Bangladesh on the bank of the river Sitalakhya and Registered Office is situated at 186, Shanta Western Tower, Level-13, Tejgaon I/A, Dhaka-1208, Bangladesh.

Description of Property:

1. **Buildings:**

SL	Summary of Building Property	Location of Buildings	Area in Square	Current Use
1	Three Storied Building	125, Horipur, Madanpur, Bandar, , Ward No. 27 Narayangonj.	30,000	30,000
2	Godown Shade	125, Horipur, Madanpur, Bandar, , Ward No. 27 Narayangonj.	7,000	7,000
3	Godown Shade	Holding 174/2, Muradpur, Madanpur, Bandar, Narayagonj.	8,000	8,000

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2. Lands:

SL	Summary	Location of Land	Area (Decimal)	Current Use
1	Land	Bongosason,Ward 27, Bondor, Narayangong	14.50	14.50

Major Plant and Machinery:

It was found that Star Adhesives Limited has numerous numbers of machineries in the different areas of its production plants. In the property's details of the company a list of major machineries is included. AAA team has physically verified the machineries as disclosed in the prospectus.

Details of the Machinery of SAL is given in the "Details of Property" section of the prospectus. In short, SAL has got the following production plants-

Sl. No	Name of the Machine	No. of Unit	Current Use
1	3000 L Jackted Tank with fixed type agitator	1 Set	1 Set
2	5000L Tank with fixed type agitator	1 Set	1 Set
3	5000L Jacketed Tank with Top enter agitator	1 Set	1 Set
4	1/2 Hp Mixture	1Set	1Set
5	Steam control valve	1 Set	1 Set
6	Solvent transfer pump	2 Unit	2 Unit
7	Water based glue transfer pump	2 Unit	2 Unit
8	High pressure water jet pump	2 Unit	2 Unit
9	Flow Meter	2 Unit	2 Unit
10	Battery operated Fork Lift Truck-3 MT	1 Set	1 Set
11	Product Filing Machine	1 Set	1 Set
12	Reactor with Diaphram Pump (Capacity-3000 L)	2 Set	2 Set
13	Vam Tank (Capacity-1000 L)	3 Set	3 Set
14	uPVC Solvent Cement Reactor (Capacity-1500 L)	4 Set	4 Set
15	Reactor with Diaphram Pump (Capacity-2200 L)	5 Set	5 Set
16	Reactor with Diaphram Pump (Capacity-2200 L)	6 Set	6 Set
17	Reactor for Rubber Adhesive (Capacity-3500 L)	7 Set	7 Set

Conclusion:

The team of AAA Finance & Investment Ltd., upon thorough verification has concluded a satisfactory opinion after visiting Star Adhesives Limited It is clear from our physical verification that SAL is engaged in value adding activity in its factory and registered office. AAA's examination however, was limited to the procedures and implementation thereof, as adopted by the Management in ensuring compliance with the conditions of the BSEC Qualified Investor Rules, 2018.

Sd/-

Place: Dhaka
Date: August 24, 2021

Mohammad Obaydur Rahman FCS, FCGA
Managing Director & CEO
AAA Finance & Investment Ltd.

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Mohammad Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd

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Md. Zulfikar Ali
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Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

(f) Plan of Operation and Discussion of Financial Condition:

(i) If the issuer has not started its commercial operation, the company's plan of operations for the period which would be required to start commercial operation which shall, among others, include:
This is not applicable for this Issue

(ii) If the issuer had been in operation, the issuer's revenue and results from operation, financial position and changes in financial position and cash flows for the last five years or from commercial operation, which is shorter, shall be furnished in tabular form, which shall, among others, include the following information:

The Company's Revenues and Results from Operations, Statement of Financial position, Statement of changes in Financial Position and Cash Flows for the last five years are mentioned below:

REVENUE AND RESULTS FROM OPERATIONS

Particulars	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17
Gross Profit	**85,365,269**	**51,833,938**	**71,246,903**	**43,100,491**	**32,174,797**
Revenue	412,414,138	253,282,498	369,801,852	234,898,956	177,536,144
Cost of goods sold	(327,048,869)	(201,448,560)	(298,554,950)	(191,798,465)	(145,361,347)
Operating Expenses	**(27,878,286)**	**(15,847,769)**	**(22,579,780)**	**(16,664,881)**	**(13,788,185)**
General and Administrative Expenses	(13,745,870)	(9,514,288)	(10,444,428)	(8,227,682)	(6,941,893)
Selling and Distribution Expenses	(14,132,416)	(6,333,481)	(12,135,352)	(8,437,199)	(6,846,292)
Operating Profit	**57,486,983**	35,986,170	**48,667,123**	**26,435,610**	**18,386,612**
Financial Expenses	**(17,396,255)**	**(22,936,272)**	**(25,873,174)**	**(13,710,657)**	**(16,491,251)**
Non - Operating Income	**140,319**	**633,961**	**525,401**	**380,823**	**320,499**
Other Income	140,319	633,961	525,401	380,823	320,499
Profi before WPPF & Tax	**40,231,047**	**13,683,859**	**23,319,350**	**13,105,776**	**2,215,860**
Contribution to WPPF	(1,915,764)	(651,612)	-	-	-
Profit before Tax	**38,315,282**	**13,032,247**	**23,319,350**	**13,105,776**	**2,215,860**
Tax Expense	**11,385,742**	**4,210,803**	**6,819,327**	**(3,479,222)**	**(557,913)**
Current income Tax	11,414,716	3,889,903	7,477,354	(3,687,173)	(592,808)
Deferred Tax	(28,975)	320,900	(658,027)	207,951	34,895
Net profit after tax	**26,929,541**	**8,821,444**	**16,500,023**	**9,626,554**	**1,657,947**
Earning Per Share (EPS)	**6.05**	**2.76**	**825.00**	**481.33**	**82.90**

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Managing Director & CEO
AAA Finance & Investment Ltd

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Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

STATEMENT OF FINANCIAL POSITION:

Assets & Properties	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17
Assets					
Non- Current Assets	**193,532,729**	**140,310,759**	**137,340,559**	**65,669,334**	**56,088,855**
Property, Plant & Equipment	154,809,257	126,606,633	73,596,206	64,431,071	56,088,855
Capital Work in Progress	38,723,471	13,704,126	63,744,353	1,238,263	-
Current Assets	**242,292,509**	**175,010,957**	**233,990,922**	**227,618,139**	**161,008,081**
Inventories	111,367,344	112,255,233	196,024,630	190,766,022	145,647,156
Accounts Receivable	26,056,795	5,704,735	2,521,451	4,691,302	224,370
Advances, Deposits & Pre-Payments	58,580,191	54,980,134	33,190,907	19,091,214	10,573,163
VAT Current Account	-	-	-	4,060,024	643,844
Cash & Cash Equivalents	46,288,178	2,070,855	2,253,934	9,009,577	3,919,548
Total	**435,825,238**	**315,321,716**	**371,331,481**	**293,287,473**	**217,096,936**
Shareholders Equity & Liabilities					
Shareholders Equity	**188,384,094**	**43,454,553**	**34,633,110**	**74,369,287**	**3,377,110**
Share Capital	150,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Retained Earnings	31,663,094	34,733,553	25,912,110	9,412,087	(214,467)
Share Money Deposit	-	-	-	57,515,000	-
Reserve & Surplus	6,721,000	6,721,000	6,721,000	5,442,200	1,591,577
Non- Current Liabilities	**9,096,287**	**1,414,961**	**1,094,061**	**4,566,440**	**8,326,999**
Long Term Bank Loan	7,710,300	-	-	4,598,632	8,151,240
Deferred Tax Liabilities	1,385,986	1,414,961	1,094,061	(32,192)	175,759
Liabilities and Provisions	**238,344,857**	**270,452,202**	**335,604,310**	**214,351,746**	**205,392,827**
Accounts payable	21,168,956	16,589,453	26,579,309	49,588,842	42,805,860
Current Portion of Long Term Liability	3,469,448	-	-	-	-
Liabilities for WPPF	2,567,376	651,612	-	-	-
Short Term Bank Loan	177,302,480	212,349,888	253,922,792	102,777,575	108,089,658
Liability for Expenses	4,278,406	4,927,561	8,030,673	6,284,828	5,172,083
Others payable	2,289,279	20,079,491	35,107,241	51,213,561	48,525,459
Provision for Income Tax	27,268,913	15,854,197	11,964,294	4,486,940	799,767
Total	**435,825,238**	**315,321,716**	**371,331,481**	**293,287,473**	**217,096,936**

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Aziz Al Kaiser
Managing Director
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STATEMENT OF CHANGES IN EQUITY:

Particulars	Share Capital	Share Money Deposit	Retained Earnings	General Reserve	Tax Holiday Reserve	Total
For 2016-2017						
Balance at July 01, 2016	2,000,000		(1,872,414)		928399	1,055,985
Net Profit for the year			1,657,947			1,657,947
Addition During the year					663,178	663178
Balance at June 30, 2017	2,000,000		(214,467)		1,591,577	3,377,110
For 2017-2018						
Balance at July 01, 2017	2,000,000		(214,467)		1,591,577	3,377,110
Net Profit for the year			9,626,554			9,626,554
Addition During the year		57,515,000			3850623	5,442,200
Balance at June 30, 2018	2,000,000	57,515,000	9412087		5,442,200	74,369,287
For 2018-2019						
Balance at July 01, 2018	2,000,000	57,515,000	9412087		5,442,200	74,369,287
Net Profit for the year			16,500,023			16,500,023
Share Money Deposit		(57,515,000)				(57,515,000)
Addition/Refund during the year					1278,800	1,278,800
Balance at June 30, 2019	2,000,000		25,912,110		6,721,000	34,633,110
For 2019-2020						
Balance at July 01, 2019	2,000,000		25,912,110	6,721,000		34,633,110
Net Profit for the year			8,821,443			8,821,443
Addition/Adjust during the year						
Balance at June 30, 2020	**2,000,000**		34,733,553	6,721,000		43,454,553

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For 2020-2021						
Balance at July 01, 2020	2,000,000		34,733,553	6,721,000		43,454,553
Net Profit for the year			26,929,541			26,929,541
Adition of Bonus Share	30,000,000		(30,000,000)			
Addition of Right Share	15,000,000					15,000,000
Issue of Ordinary Share	103,000,000					103,000,000
Addition During the year						
Balance at June 30, 2021	**150,000,000**		**31,663,094**	**6,721,000**		**188,384,094**

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STATEMENT OF CASH FLOWS:

Particulars	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17
Net cash from operating Activity	13,499,676	52,143,577	(17,897,800)	(32,293,386)	1,769,397
Net Cash used in investing activities	(63,414,692)	(10,753,752)	(77,889,429)	(11,266,896)	(9,900,763)
Net Cash provided by financing Activities	94,132,339	(41,572,904)	89,031,586	48,650,309	7,910,144
Net Operating Cash Flows per share	3.03	16.29	(895)	(1,615)	88

a) Internal and external sources of cash:

The internal sources of cash of the company are the share capital and Retained Earnings. Th external sources of cash are Bank loans.

Particulars	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17
Share Capital	150,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Retained Earnings	31,663,094	34,733,553	25,912,110	9,412,087	(214,467)
Share Money Deposit	-	-	-	57,515,000	-
Sub Total	**181,663,094**	**36,733,553**	**27,912,110**	**68,927,087**	**1,785,533**
Long Term Loan	7,710,300	-	-	4,598,632	8,151,240
Short Term Loan	177,302,480	212,349,888	253,922,792	102,777,575	108,089,658
Sub Total	**185,012,780**	**212,349,888**	**253,922,792**	**107,376,207**	**116,240,898**
Grand Total	**366,675,874**	**249,083,441**	**281,834,902**	**176,303,294**	**118,026,431**

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Managing Director
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b) Any material commitments for capital expenditure and expected sources of funds for such expenditure;

The Company has not yet made any material commitment for capital expenditure other than as specified in **"Utilization of QIO Proceeds"** under the head Use of Proceeds & Implementation Schedule of this Prospectus.

c) Causes for any material changes from period to period in revenues, cost of goods sold, other operating expenses and net income;

The Company's revenue and other income as well as operating expenses and net income have continued to change due to increasing business volume.

(As per Audited Financial Statements)

Particulars	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Revenues	412,414,138	253,282,498	369,801,852	234,898,956	177,536,144
Cost of goods sold	(327,048,869)	(201,448,560)	(298,554,950)	(191,798,465)	(145,361,347)
Operating expenses*	(45,274,542)	**(38,784,041)**	**(48,452,954)**	(30,375,538)	(30,279,436)
Net income	**26,929,541**	**8,821,443**	**16,500,023**	**9,626,554**	1,657,947

*Includng Finacial Expesne

Causes for any changes from period to period-in revenues, cost of goods sold, other operating expenses and net income are as under:

Year	Revenues	Cost of goods sold	Operating expenses	Net income
2021	Sales of the company increased from 2021 to 2020 comparatively for increase in busiess operation.	Costs of goods sold changed due to increase in sales revenue comparatively for year.	The company's administrative expenses mainly increased due to increase in salary and allowances comparatively for half year.	Net profit mainly increased due to increase in sales comparatively in half year.
2020	Sales of the company decreased from 2019 to 2020 due to pandemic.	Costs of goods sold changed accordingly with change in sales revenue.	The company's administrative expenses changed accordingly with change in sales revenue.	Net profit also change aaccorodingly.
2019	Sales of the company increased from 2018 to 2019 due increased marketing effort.	Costs of goods sold changed accordingly with change in sales revenue.	The company's administrative expenses mainly increased due to increase in salary and allowances.	Net profit mainly increased due to increase in sales.

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Mohammad Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

2018	Sales of the company increased from 2018 to 2019 due increased marketing effort.	Costs of goods sold changed accordingly with change in sales revenue.	The company's administrative expenses mainly increased due to increase in salary and allowances.	Net profit mainly increased due to increase in sales
2017	Sales of the company increased from 2018 to 2019 due increased marketing effort.	Costs of goods sold changed accordingly with change in sales revenue.	The company's administrative expenses mainly increased due to increase in salary and allowances.	Net profit mainly increased due to increase in sales

d) Any seasonal aspects of the issuer's business;

SAL supplies its products to its regional Distributors, who provide sufficient purchase orders to work throughout the year. As a result, no seasonal aspects adversely affect the business of SAL.

e) Any known trends, events or uncertainties that may have material effect on the issuer's future business;

Increased price of raw materials in international market, scarcity of funds (liquidity crisis), economic recession, and entrance of new technology, changes in government monetary & industrial policy, increasing competition, power supply disruption and political unrest are known events that may affect the productivity as well as growth of the company.

f) Any assets of the company used to pay off any liabilities;

The Company has not used any of its assets to pay off any liabilities.

g) Any loan taken from or given to any related party or connected person of the issuer with details of the same;

The Company has not taken any loan from or given to any related party or connected person of the issuer.

h) Any future contractual liabilities the issuer may enter into within next one year, and the impact, if any, on the financial fundamentals of the issuer;

The Company has no plan to enter into any future contractual liabilities other than normal course of business within next one year other than as specified in Use of Proceeds of this Prospectus.

i) The estimated amount, where applicable, of future capital expenditure;

The Company has not any plan to make any capital expenditure except for those mentioned in the 'Use of Proceeds' Section in this prospectus.

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j) Break down of all expenses related to the qualified investor offer;
The following amount paid to the Issue Managers, Underwriters and other costs are as follows:

Sl. No.	Particulars	Nature of Expenditure	Amount
A	**ISSUE MANAGEMENT FEES**		
	Manager to the Issue fees	Maximum TK. 300,000	300,000
	VAT	15% on Issue management fee	45,000
B	**BANGLADESH SECURITIES AND EXCHANGE COMMISSION**		
	Application Fees	At Actual	5,000
	BSEC Consent Fees	At Actual	10,000
C	**UNDERWRITING FEES**		
	Underwriting Commission	0.25% on underwriting	62,500
D	**EXCHANGE LISTING FEES**		
	Application fees	At Actual(25,000*2)	50,000
	Listing Fees	Up to Taka 10 crore of paid-up capital @ 0.125%, Above Taka 10 crore of paid-up capital @ 0.075%	200,000
E	**AUDITOR'S FEES**		
	Audit Report		**150,000**
	Auditors Certificate		30,000
	VAT	**15% on Audit Expenses**	27,000
			207,000
	TOTAL		**879,500**

Note: Actual cost will vary if above mention estimate differed and will be adjust accordingly.

k) If the issuer has revalued any of its assets, the name, qualification and experiences of the valuer and the reason for the revaluation, showing the value of the assets prior to the revaluation separately for each asset revalued in a manner which shall facilitate comparison between the historical value and the amount after revaluation and giving a summary of the valuation report along with basis of pricing and certificates required under the revaluation guideline of the Commission;

The company has not revalued any of its assets.

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l) Where the issuer is a holding or subsidiary company, full disclosure about the transactions, including its nature and amount, between the issuer and its subsidiary or holding company, including transactions which had taken place within the last five years of the issuance of the prospectus or since the date of incorporation of the issuer, whichever is later, clearly indicating whether the issuer is a debtor or a creditor;

The Company has neither any subsidiary nor it has operated under any holding company.

m) Financial Information of Group Companies and Companies under common ownership by more than 50%: following information for the last three years based on the audited financial statements, in respect of all the group companies of the issuer, wherever applicable, along with significant notes of auditors:

As there are no companies under common ownership more than 50%, this section is not applicable for Star Adhesives Ltd...

n) Defaults or rescheduling of borrowings with financial institutions or banks, conversion of loans into equity along with reasons thereof, lock out, strikes and reasons for the same etc. during the history of operation of the company;

There is no history of conversion of loan into equity, lock out and strikes.

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Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

SECTION - VII
(B)(6)

Management's discussion and analysis of financial condition and results of operation

	Section Contents
(a)	Overview of business and strategies
(b)	Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis
(c)	Analysis of the financial statements of last five years
(d)	Known trends demands, commitments, events or uncertainties that are likely to have an effect on the company's business
(e)	Trends or expected fluctuations in liquidity
(f)	Off-balance sheet arrangements those have or likely to have a current or future effect on financial condition

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(a) Overview of Business and Strategies:

Star Adhesives Limited is one of the growing and sustainable Chemical & Petrochemical product manufacturing company started its journey on 11 September 2013 at Madanpur, Narayanganj, Bangladesh on the bank of the river Sitalakhya. The company was incorporated in January 01, 2013 as a Private Limited Company registered in Bangladesh vide-registration no. C-106486/13 under Companies Act, 1994 and subsequently converted into Public Limited Company on April 25, 2021. The registered office is situated at 186, Shanta Western Tower, Level-13, Tejgaon I/A, Dhaka-1208. Star Adhesives Ltd... started its journey under one of the largest conglomerates in the country Partex Star Group as a diversified business unit and being manufacturing different types of adhesives, lubricants, Lacquer, Spray Paint, Silicon in the name of "STAR BOND" & "GUM KING". The factory adopted EHS (Environment, Health & Social) systems in its operations, and earned certificate from the department of NARCOTICS License No. 06/2013-2014 vide Addendum No-44.04.0000.051.00.008.13-1156. The Company is producing different types of adhesives and lacquer for backward linkage support of Leather & Furniture Industry as import substitute product of Fevicol, India and in near future the company have a plan to export it to the global market. As a Group, The Partex Star Group has been successfully running the business in Bangladesh more than Five decades with the highest level of quality, commitment with a vision to "Make the group a diversifies sustainable world class company to ensure superiors customer satisfaction and stakeholders' value".

As a concern under legendary corporate group Star Adhesives Ltd.introducing modern and innovative technology to produce quality Chemicals to gain immense appreciation from its clients. As a result, to that, the company could establish its products as leading manufacturer of Adhesives in the industry. GUM KING Rubber Adhesives and Star Bond Spray Paint are the name of its two products, which are competing with two multinational Brand FEVICOL & BERGER. Star Adhesives Ltd... is also the sole Distributor of LPC- SA, Greece for marketing the lubricants in the name of "Cyclone" in the local market. This is manifested in the enviable reputation of its brand in the Adhesives markets.

Nature of Business:

Star Adhesives Limited is manufacturing different types of adhesives, lubricants, Lacquer, Spray Paint, Silicon and the Brand Name of the product is "STAR BOND".

(b) SWOT Analysis

A SWOT analysis is a structured planning method that helps to evaluate the strengths, weaknesses, opportunities and threats involved in a business environment. It identifies the internal and external factors that affect business venture. Strength and Weakness are evaluated with internal factors whereas Opportunity and Threat are evaluated by external factors. The SWOT analysis of the company is as follows:

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	Strength		Weakness
1	Strong Brand presence in home and abroad	1	Comparatively lower familiar in rural area
2	Experience Management	2	Fund unavailability for BMRE
3	High quality Products		
4	Strong Marketing & Sales Force		
5	Strong distribution network		
	Opportunities		**Threats**
1	Scope of contract manufacturing	1	Pandemic situation
2	Touch huge chemical market	2	Materials price increase
3	Growing market segment	3	High duty structure
4	Opening of international market due to quality of PARTEX product	4	Changes in government policies
		5	Political instability
5	Huge product capacity of plant	6	Growing competition in market
6	High market demand	7	High price sensitivity of consumers
7	Touch huge chemical market		

(c)Analysis of the financial statements of last five years with reason(s) of fluctuating revenue or sales, other income, total income, cost of material, finance cost, depreciation and amortization expense, other expense; changes of inventories, net profit before & after tax, EPS etc.

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Particulars	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17
Gross Profit	**85,365,269**	**51,833,938**	**71,246,903**	**43,100,491**	**32,174,797**
Revenue	412,414,138	253,282,498	369,801,852	234,898,956	177,536,144
Cost of goods sold	(327,048,869)	(201,448,560)	(298,554,950)	(191,798,465)	(145,361,347)
Operating Expenses	**(27,878,286)**	**(15,847,769)**	**(22,579,780)**	**(16,664,881)**	**(13,788,185)**
General and Administrative Expenses	(13,745,870)	(9,514,288)	(10,444,428)	(8,227,682)	(6,941,893)
Selling and Distribution Expenses	(14,132,416)	(6,333,481)	(12,135,352)	(8,437,199)	(6,846,292)
Operating Profit	**57,486,983**	**35,986,170**	**48,667,123**	**26,435,610**	**18,386,612**
Financial Expenses	**(17,396,255)**	**(22,936,272)**	**(25,873,174)**	**(13,710,657)**	**(16,491,251)**
Non - Operating Income	**140,319**	**633,961**	**525,401**	**380,823**	**320,499**
Other Income	140,319	633,961	525,401	380,823	320,499
Profi before WPPF & Tax	**40,231,047**	**13,683,859**	**23,319,350**	**13,105,776**	**2,215,860**
Contribution to WPPF	(1,915,764)	(651,612)	-	-	-
Profit before Tax	**38,315,282**	**13,032,247**	**23,319,350**	**13,105,776**	**2,215,860**
Tax Expense	**11,385,742**	**4,210,803**	**6,819,327**	**(3,479,222)**	**(557,913)**
Current income Tax	11,414,716	3,889,903	7,477,354	(3,687,173)	(592,808)
Deferred Tax	(28,975)	320,900	(658,027)	207,951	34,895
Net profit after tax	**26,929,541**	**8,821,444**	**16,500,023**	**9,626,554**	**1,657,947**
Earning Per Share (EPS)	**6.05**	**2.76**	**825.00**	**481.33**	**82.90**

Reason of fluctuation:

Revenue:
It is observed from the above table, the overall sales increased over the years as the Company's productivity increased.

Other Income:
Other income has increased in line with the regular sales.

Total Income:
Since Revenue is increased, so naturally total income is increased.

Cost of Materials:
The costs of materials to revenue are consistent over the years.

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Managing Director & CEO
AAA Finance & Investment Ltd

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Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd

Finance Cost:
The company has taken short term and long-term loan from bank in last five years for importing raw materials, constructing factory building and procuring new machineries. So the finance cost and bank charge increased and the trend is relevant to the production and also consistent with the revenue.

Depreciation and Amortization:
The increase of depreciation is relevant with the procurement and installation of machineries. No significant changes have been occurred. The company amortized its capital expenditure during the last five years.

Other Expenses:
The company did not incur any other expenses other than regular expenses during the last five years.

Changes of inventory:
There has been increasing of installed capacity and sales volume over the year. The demand for products is also increasing. Therefore, SAL has to maintain sufficient amount of inventory in order to meet the sales order. Thus, inventory is increasing year to year.

Net profit before and after Tax:
The growth of net profit before and after tax is consistent with the growth of the revenue. No unusual changes have been occurred during the last three years on the above matters.

Earnings per Share:
Earnings per Share are properly calculated through using weighted average number of ordinary shares for each year.

(d) Known trends demands, commitments, events or uncertainties that are likely to have an effect on the company's business;
However, there are no known trends, events and/or uncertainties that shall have a material impact on the company's future business, the business operation of the Company may be affected by the following events:

- Decrease in the demand of building material;
- Increased production cost;
- Decrease in product selling price;
- Increased Competition;
- Scarcity of Electricity and raw materials;
- Govt. Policy Changes towards the industry;
- Political unrest;
- Natural disaster.

(e) Trends or expected fluctuations in liquidity;

There are no trends of expected fluctuations in liquidity.

(f) Off-balance sheet arrangements those have or likely to have a current or future effect on financial condition.

There are no off-balance sheet arrangements those have or likely to have a current or future effect on financial condition.

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Managing Director & CEO
AAA Finance & Investment Ltd

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

SECTION – VIII
(B)(7)

Directors and officers

Section Contents	
(a)	Name, father's name, age, residential address, educational qualification, experience and position of each of the directors of the company and any person nominated or represented to be a director
(b)	The date on which he first became a director and the date on which his current term of office shall expire
(c)	Directors having any type of interest in other businesses, names and types of business of such organizations
(d)	Statement of the directors of the issuer if any of them are associated with the securities market in any manner.
(e)	Family relationship (father, mother, spouse, brother, sister, son, daughter, spouse's father, spouse's mother, spouse's brother, spouse' sister) among the directors and top five officers
(f)	A very brief description of other businesses of the directors
(g)	Loan status of the issuer, its directors and shareholders who hold 5% or more shares in the paid-up capital of the issuer in terms of the CIB Report of Bangladesh Bank
(h)	The Chairman or any director or any shareholder who receives any monthly salary
(i)	A profile of the sponsors including their names, father's names, age, personal addresses, educational qualifications, and experiences in the business, positions or posts held in the past, directorship held, other ventures of each sponsor and present position
(j)	If the present directors are not the sponsors and control of the issuer was acquired within five years immediately preceding the date of filing prospectus details regarding the acquisition of control, date of acquisition, terms of acquisition, consideration paid for such acquisition etc.
(k)	If the sponsors or directors do not have experience in the proposed line of business, the fact explaining how the proposed activities would be carried out or managed
(l)	Interest of the key management persons
(m)	All interests and facilities enjoyed by a director, whether pecuniary or non-pecuniary
(n)	Number of shares held and percentage of shareholding (pre issue)
(o)	Change in board of directors during last three years
(p)	Director's engagement with similar business

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Mohammad Obaydur Rahman, FCS
Managing Director & CBO
AAA Finance & Investment Ltd

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

(a) Name, Father's name, age, residential address, educational qualification, experience and position of each of the directors of the company and any person nominated or represented to be a director, showing the period for which the nomination has been made and the name of the organization which has nominated him;

Sl. No.	Name of Directors	Father's Name	Age (Years)	Residential Address	Educational Qualification	Experience	Position	Period of Nomination	Name of Nominated Organization
01	Tabassum Kaiser	Al-Haj Asrafuddin Ahmed	47 Years	Blooming Dale, 24 Dutabash Road, Baridhara, Dhaka	MBA	15 Years	Chairman	N/A	N/A
02	Aziz Al Kaiser	M A Hashem	55 Years	Blooming Dale, 24 Dutabash Road, Baridhara, Dhaka	Graduation from UK	30 Years	Managing Director	N/A	N/A
03	A.B.M. Sumon Shahed Patowary	Abul Kalam Azad	50 Years	House No. 143, Road No. 8, Section-12, Block-B, Mirpur, Dhaka-1216	MBA (Marketing)	25 Years	Nominee Director	N/A	Star Particle Board Mills Limited
04	A K M Ahasanul Haque	A.B.M. Mozammel Haque	50 Years	House-216, Road-2, Flat-2A, DOHS, Baridhara, Dhaka	MBA (Marketing) DU, M.Com (Marketing) DU	25 Years	Nominee Director	N/A	Partex Cables Ltd.
05	Md. Nizamul Hoque Bhuiyan	Mofiz Uddin Bhuiyan	60 Years	Provost Banglow, Hazi Mohammad Mohshin Hall, Dhaka University, Dhaka.	PhD.	35 Years	Independent Director	3 Years (From 09-AUG-21 to 08-AUG-24)	N/A

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Mohammad Obaydur Rahman, PCS
Managing Director & CEO
KAA Finance & Investment Ltd.

Aslam Mia
Company Secretary
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Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

(b) The date on which he first became a director and the date on which his current term of office shall expire;

Sl. No.	Name of Directors	Position	Date of Becoming Director for the First Time	Date of Expiration of current term
01	Tabassum Kaiser	Chairman	12-DEC-17	Continuing
02	Aziz Al Kaiser	Managing Director	01-JAN-13	Continuing
03	A.B.M. Sumon Shahed Patowary	Nominee Director	15-APR-21	Continuing
04	A K M Ahasanul Haque	Nominee Director	15-APR-21	Continuing
05	Dr. Md. Nizamul Hoque Bhuiyan	Independent Director	09-MAY-21	08-AUG-24

(c) If any director has any type of interest in other businesses, names and types of business of such organizations. If any director is also a director of another company or owner or partner of any other concern, the names of such organizations;

Sl.	Name of Directors	Designation in SAL	Directorship/Ownership with Other Companies	
			Companies	Position
1	Tabassum Kaiser	Chairman	Partex Agro Limited	Chairman
			Star Gypsum Board Mills Ltd.	Director
			Triple Apparels Ltd.	Managing Director
			Partex Cables Ltd.	Director
			The City Bank Ltd.	Director
2	Aziz Al Kaiser	Managing Director	Star Particle Board Mills Limited	Managing Director
			Partex Furniture Industries Ltd.	Managing Director
			Partex Laminates Limited	Managing Director
			Partex PVC Industries Limited	Managing Director
			Star Gypsum Board Mills Ltd.	Managing Director
			Corvee Maritime Company Ltd.	Managing Director
			Partex Cables Ltd.	Managing Director
			Partex Builders Limited	Managing Director
			Triple Apparels Ltd.	Chairman
			Partex Aeromarine Logistics Ltd.	Managing Director

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			The City Bank Ltd.	Chairman
			Janata Insurance Ltd.	Shareholder
3	A.B.M. Sumon Shahed Patowary	Nominee Director	Not involved in other organization	-
4	A K M Ahasanul Haque	Nominee Director	Not involved in other organization	-
5	Dr. Md. Nizamul Hoque Bhuiyan	Independent Director	Global Islam Bank Ltd.	Independent Director

(d) Statement of if any of the directors of the issuer are associated with the securities market in any manner. If any director of the Issuer Company is also a director of any issuer of other listed securities during last three years then dividend payment history and market performance of that issuer;

There is no involvement of any Director of Star Adhesives Ltd. with securities market. No Director of Star Adhesives Ltd. is a Director of any issuer of the listed securities.

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Aziz Al Kaiser
Managing Director
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(e) Any family relationship (father, mother, spouse, brother, sister, son, daughter, spouse's father, spouse's mother, spouse's brother, spouse's sister) among the directors and top five officers;

Family relationship among directors:

SL	Name	Designation	Relationships
1	Tabassum Kaiser	Chairman	Mrs. Tabassum Kaiser and Mr. Aziz Al Kaiser are spouse
2	Aziz Al Kaiser	Managing Director	Mrs. Tabassum Kaiser and Mr. Aziz Al Kaiser are spouse
3	A.B.M. Sumon Shahed Patowary	Nominee Director	No family relationship
4	A K M Ahasanul Haque	Nominee Director	No family relationship
5	Dr. Md. Nizamul Hoque Bhuiyan	Independent Director	No family relationship

Family relationship among directors and top five officers of the Company:

There is no family relationship among any of the directors and any of the top five employees of the company except mentioned above.

(f) A very brief description of other businesses of the directors;

Mrs. Tabassum Kaiser, Chairman

Sl. No.	Name of Companies	Date of Incorporation	Nature of Business	Legal Status
1	Partex Agro Limited	13-NOV-08	Hybrid Rice/Vegetable Seed, Fertilizer and pesticide processing plant	Private Limited Company
2	Star Gypsum Board Mills Ltd.	09-MAY-16	Manufacturer, producer and seller of all kinds of Gypsum Board, Gypsum panel, Card Board, MDF Board, Plain Board, Veneered Board, Flash Doors	Private Limited Company
3	Triple Apparels Ltd.	18-JAN-17	Fashion & Apparel Industry	Private Limited Company
4	Partex Cables Ltd.	18-SEP-13	Cable Manufacturing	Private Limited Company

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Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

Mr. Aziz Al Kaiser, Managing Director & Director

Sl. No.	Name of Companies	Date of Incorporation	Nature of Business	Legal Status
1	Star Particle Board Mills Limited	13-JAN-83	Board & Door Manufacturing	Private Limited Company
2	Partex Furniture Industries Ltd.	31-MAY-00	Furniture Manufacturing	Private Limited Company
3	Partex Laminates Limited	23-JUN-03	Lamination Board & Door Manufacturer	Private Limited Company
4	Partex PVC Industries Limited	19-MAY-10	PVC Door Manufacturer	Private Limited Company
5	Star Gypsum Board Mills Ltd..	09-MAY-16	Manufacturer, producer and seller of all kinds of Gypsum Board, Gypsum panel, Card Board, MDF Board, Plain Board, Veneered Board, Flash Doors	Private Limited Company
6	Corvee Maritime Company Ltd.	21-JAN-86	Oil Tanker Career	Private Limited Company
7	Partex Cables Ltd.	18-SEP-13	Cable Manufacturing	Private Limited Company
8	Partex Builders Limited	09-JAN-05	Real Estate Developers	Private Limited Company
9	Triple Apparels Ltd....	18-JAN-17	Fashion & Apparel Industry	Private Limited Company
10	Partex Aeromarine Logistics Ltd.	25-FEB-14	Freight Forwarding & Logistics	Private Limited Company
11	The City Bank Ltd.	28-Mar-1983	Banking Company	Public Limited Company
12	Janata Insurance Ltd.	23-SEP-1986	Insurance Company	Public Limited Company

Mr. A.B.M. Sumon Shahed Patowary, Nominee Director by Star Particle Board Mills Limited
Not involved in other organization

Mr. A K M Ahasanul Haque, Nominee Director by Partex Cables Ltd.
Not involved in other organization

Dr. Md. Nizamul Hoque Bhuiyan, Independent Director

Sl. No.	Name of Companies	Date of Incorporation	Nature of Business	Legal Status	Equity capital (Total) in Taka
1	Global Islam Bank Ltd.	5 August 2013	Banking Service	Public Limited Company	6,699,999,247

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Managing Director
Star Adhesives Ltd.

(g) Loan status of the issuer, its directors and shareholders who hold 05% or more shares in the paid-up capital of the issuer in terms of the CIB Report of Bangladesh Bank;

Neither the Company nor any of its directors and shareholders who holds 5% or more shares in the paid-up capital of the Issuer is loan defaulter as per the CIB report of the Bangladesh Bank.

(h) If the Chairman or any director or any shareholder receives any monthly salary then this information should also be included.

Name	Type of Transaction	Amount in BDT				
		June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Aziz Al Kaiser	Remuneration and Benefits	600,000	-	-	-	-
Total		600,000	-	-	-	-

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Mohammad Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

(i) A profile of the sponsors including their names, father's names, age, personal addresses, educational qualifications, and experiences in the business, positions or posts held in the past, directorship held, other ventures of each sponsor and present position;

Name, Father's Name, Age & Personal Address		Educational Qualification	Experience (Years)	Position/Post		Holding in other Venture
				Past	Present	
Name: Father's Name: Age: Personal Address:	Tabassum Kaiser Al-Haj Asrafuddin Ahmed 47 Years Blooming Dale, 24 Dutabash Road, Baridhara, Dhaka	MBA from NSU	15 Years	Sponsor & Director	Sponsor & Chairman	Mentioned in SECTION - VIII (B)(7) (c)
Name: Father's Name: Age: Personal Address:	Aziz Al Kaiser M A Hashem 55 Years Blooming Dale, 24 Dutabash Road, Baridhara, Dhaka	Graduation form UK	30 Years	Sponsor & Managing Director	Sponsor & Managing Director	Mentioned in SECTION - VIII (B)(7) (c)
Name: Father's Name: Age: Personal Address:	A.B.M. Sumon Shahed Patowary Abul Kalam Azad 50 Years Shanta Western Tower, Level-13, 186 Tejgoan I/A, Dhaka-1208	MBA (Marketing)	30Years	-	Nominee Director	Not involved in other organization
Name: Father's Name: Age: Personal Address:	A K M Ahasanul Haque A.B.M. Mozammel Haque 50 Years Shanta Western Tower, Level-13, 186 Tejgoan I/A, Dhaka-1208	MBA (Marketing) DU, M.Com (Marketing) DU	35 Years	-	Nominee Director	Not involved in other organization

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(j) If the present directors are not the sponsors and control of the issuer was acquired within five years immediately preceding the date of filing prospectus details regarding the acquisition of control, date of acquisition, terms of acquisition, consideration paid for such acquisition etc.

Name	Acquisition of Control	Date of Acquisition	Terms of Acquisition	Consideration paid for such Acquisition
Aziz Al Mahmood	01-JAN-13	01-JAN-13	N/A	Cash
Dr. Md. Nizamul Hoque Bhuiyan	09-MAY-21	09-MAY-21	-	-

(k) If the sponsors or directors do not have experience in the proposed line of business, the fact explaining how the proposed activities would be carried out or managed;

The directors of the Company have experienced in the proposed line of business.

(l) Interest of the key management persons;

There is no other interest of the key management except that remuneration/salary and allowances paid to them as stated in serial (i) of this section.

(m) All interests and facilities enjoyed by a director, whether pecuniary or non-pecuniary;

The directors do not enjoy any pecuniary or non-pecuniary facilities

(n) Number of shares held and percentage of share-holding (pre issue);

Sl. No.	Name of Shareholders	Position	No. of shares	Pre-IPO (%)
1	Tabassum Kaiser	Chairman	500,000	3.33%
2	Aziz Al Kaiser	Managing Director	4,500,000	30.00%
3	Star Particle Board Mills Ltd.	Director	2,000,000	13.33%
4	Partex Cables Ltd....	Director	1,000,000	6.67%
5	Partex Furniture Industries Ltd.	Shareholder	1,000,000	6.67%
6	Partex Laminates Ltd.	Shareholder	500,000	3.33%
7	Star Gypsum Board Mills Ltd.	Shareholder	500,000	3.33%
8	Aziz Al Mahmood	Shareholder	500,000	3.33%
9	Sultana Hashem	Shareholder	500,000	3.33%
10	Meghna Cement Mills Ltd. Staff Provident Fund	Shareholder	500,000	3.33%
11	Bashundhara Industrial Complex Ltd. Employees Provident Fund	Shareholder	500,000	3.33%
12	A.N.M Yeahea	Shareholder	300,000	2.00%
13	Badiur Rahman	Shareholder	300,000	2.00%
14	Khandaker Reza-E-Raquib	Shareholder	200,000	1.33%
15	Gulam Mustafa	Shareholder	1,000,000	6.67%
16	Saquib Muntasir Ahmed	Shareholder	200,000	1.33%
17	BD Finance Capital Holdings Limited	Shareholder	1,000,000	6.67%

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	Client A/C			
	TOTAL		15,000,000	100%

(o) Change in board of directors during last three years:

Sl. No.	Name of the Directors	Date of Joining	Date of retirement	Present Status
1	Tabassum Kaiser	12-DEC-17	Continuing	Chairman
2	Aziz Al Kaiser	01-JAN-13		Managing Director
3	A.B.M. Sumon Shahed Patowary	15-APR-21		Nominee Director
4	A K M Ahasanul Haque	15-APR-21		Nominee Director
5	Dr. Md. Nizamul Hoque Bhuiyan	09-MAY-21	08-AUG-24	Independent Director

(p) Director's engagement with similar business.

None of the Directors is involve with similar business.

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Aziz Al Kaiser
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Star Adhesives Ltd.

Certain Relationships and Related Transactions

	Section Contents
(a)	The prospectus shall contain a description of any transaction during the last five years, or any proposed transactions certified by the auditors, between the issuer and any of the following persons, giving the name of the persons involved in the transaction, their relationship with the issuer, the nature of their interest in the transaction and the amount of such interest, namely:
(b)	Any transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries or holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus
(c)	Any loans either taken or given from or to any director or any person connected with the director, clearly specifying details of such loan in the prospectus, and if any loan has been taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns prior to such loan, rate of interest applicable, date of loan taken, date of maturity of loan, and present outstanding of such loan.

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Aziz Al Kaiser
Managing Director
Star Adhesives Ltd

(a) The prospectus shall contain a description of any transaction during the last five years, or any proposed transactions certified by the auditors, between the issuer and any of the following persons, giving the name of the persons involved in the transaction, their relationship with the issuer, the nature of their interest in the transaction and the amount of such interest, namely: -

(i) Any director or sponsor or executive officer of the issuer;
(ii) Any person holding 5% or more of the outstanding shares of the issuer;
(iii) Any related party or connected person of any of the above persons;

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Aziz Al Kaiser
Managing Director
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Auditors' Certificate

To whom it may concern

This is to certify that the financial statements of the **Star Adhesives Ltd.** has transactions during the last five years, or any proposed transactions, between the issuer and any of the following persons :

i) Any directors or sponsor or excutive officer of the issuer

ii) Any person holding 5% or more of the outstanding shares of issuer

iii) Any related party or connected person of any of the above person

Except the transactions described in the following table.

SL. No	Name of person/party	Nature of transections	Amount in Taka				
			30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17
1	Mr. Aziz Al Kaiser	Board Meeting Fees	15,000	-	-	-	-
2	Mrs. Tabassum Kaiser	Board Meeting Fees	15,000	-	-	-	-
3	Mr. A.B.M Sumon Shahed Patowary	Board Meeting Fees	15,000	-	-	-	-
4	Mr. A.K.M Ahasanul Haque	Board Meeting Fees	15,000	-	-	-	-
5	Dr. Md. Nizamul Haque Bhuiyan	Board Meeting Fees	10,000	-	-	-	-
6	Aziz Al Kaiser	Remuneration	600,000	-	-	-	-
7	Danish Foods Ltd	Trade Receivable	10,152	49,680	-	-	-
8	Partex Agro Ltd	Trade Receivable	154,380	9,540	-	-	-
9	Partex Furniture Industries Ltd.	Trade Receivable	169,491	74,240	-	-	-
10	Partex PVC Industries Ltd.	Trade Receivable	77,235	45,360	-	-	-
11	Star Gypsum Board Mills Ltd	Trade Receivable	339,933	89,200	-	-	-
12	Star Particle Boad Mills Ltd.	Trade Receivable	371,723	101,494	-	-	-

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13	Triple Apparels Limted	Trade Receivable	10,240	5,920	-	-	-	
14	Partex Cables Ltd.	Trade Payable	253,090	202,109	-	-	-	

Place: Dhaka
Date: September 22, 2021

Sd/-
Islam Quazi Shafique & Co.
Chartered Accountants

27 SEP 2021

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Managing Director & CEO
AAA Finance & Investment Ltd.

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Company Secretary
Star Adhesives Ltd.

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Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

(b) Any transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries or holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus;

There is no transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries or holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus except the transaction mentioned in SECTION (IX) (a).

(c) Any loans either taken or given from or to any director or any person connected with the director, clearly specifying details of such loan in the prospectus, and if any loan has been taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns prior to such loan, rate of interest applicable, date of loan taken, date of maturity of loan, and present outstanding of such loan.

There were no loans either taken or given from or to any director or any person connected with the director.

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Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

SECTION – X
(B)(9)

Transaction with the Directors and Subscribes to the Memorandum

Section Contents	
(a)	The names of the directors and subscribers to the memorandum, the nature and amount of anything of value received or to be received by the issuer from the above persons, or by the said persons, directly or indirectly, from the issuer during the last five years along with the description of assets, services or other consideration received or to be received;
(b)	If any assets were acquired or to be acquired from the aforesaid persons, the amount paid for such assets and the method used to determine the price shall be mentioned in the prospectus, and if the assets were acquired by the said persons within five years prior to transfer those to the issuer, the acquisition cost thereof paid by them.

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Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

(a) The names of the directors and subscribers to the memorandum, the nature and amount of anything of value received or to be received by the issuer from the above persons, or by the said persons, directly or indirectly, from the issuer during the last five years along with the description of assets, services or other consideration received or to be received:

The Directors and Subscribers to the Memorandum have not received any benefit except remuneration received by the directors, directly or indirectly during the last five years, details of which is given below. The issuer has not received or to be received any assets, services or other consideration from its Directors and Subscribers to the Memorandum except allotment of share against cash and other than cash as stated in the prospectus

Name of the Party	Relationship with the Company	Nature of Transaction	June 30,2021	June 30, 2020
Mr. Aziz Al Kaiser	Sponsor	Board Meeting Fees	15,000	-
Mrs. Tabassum Kaiser	Sponsor	Board Meeting Fees	15,000	-
Mr. A.B.M Sumon Shahed Patowary	Nominee Director	Board Meeting Fees	15,000	-
Mr. A.K.M Ahasanul Haque	Nominee Director	Board Meeting Fees	15,000	-
Dr. Md. Nizamul Haque Bhuiyan	Independent Director	Board Meeting Fees	10,000	-
Danish Food Ltd	Sister Concern	Trade Receivable	10,152	49,680
Partex Agro Ltd	Sister Concern	Trade Receivable	154,380	9,540
Partex Furniture Industries Ltd	Sister Concern	Trade Receivable	169,491	74,240
Partex PVC Industries Ltd	Sister Concern	Trade Receivable	77,235	45,360
Star Gypsham Board Mills Ltd	Sister Concern	Trade Receivable	339,933	89,200
Star Particle Board Mills Ltd	Sister Concern	Trade Receivable	371,723	101,494
Triple Apparels Limted	Sister Concern	Trade Receivable	10,240	5,920
Partex Cables Ltd.	Investor	Trade Payable	253,090	202,109

(b) If any assets were acquired or to be acquired within next two financial years from the aforesaid persons, the amount paid for such assets and the method used to determine the price shall be mentioned in the prospectus, and if the assets were acquired by the said persons within five years prior to transfer those to the issuer, the acquisition cost thereof paid by them.

Directors and subscribers to the memorandum have not transferred any asset to the Company. Besides, the issuer Company has not received any assets or other considerations from its directors and subscribers to the memorandum except fund against allottement of shares.

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AAA Finance & Investment Ltd.

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Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

SECTION – XI
(B)(10)

Ownership of the Company's Securities

Section Contents	
(a)	The names, addresses, BO ID Number of all shareholders of the company before QIO, indicating the amount of securities owned and the percentage of the securities represented by such ownership, in tabular form;
(b)	There shall also be a table showing the name and address, age, experience, BO ID Number, TIN number, numbers of shares held including percentage, position held in other companies of all the directors before the public issue;
(c)	The average cost of acquisition of equity shares by the directors certified by the auditors.

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Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

(a) The names, addresses, BO ID Number of all shareholders of the company before QIO, indicating the amount of securities owned and the percentage of the securities represented by such ownership, in tabular form:

Sl. No.	Name of Shareholders	Address	BO ID Number	Type of Ownership	Amount of Securities Owned	Shareholding by beneficially or of record ownership (%)
1	Tabassum Kaiser	Blooming Dale, House No. 24, Dutabash Road, Baridhara, Dhaka.	1204500021478785	Chairman	500,000	3.33%
2	Aziz Al Kaiser	Blooming Dale, House No. 24, Dutabash Road, Baridhara, Dhaka.	1204500021478769	Managing Director	4,500,000	30.00%
3	Star Particle Board Mills Limited	Shanta Western Tower, Level-13, 186 Tejgoan I/A, Dhaka-1208	1201500003929823	Director	2,000,000	13.33%
4	Partex Cables Ltd.	Shanta Western Tower, Level-13, 186 Tejgoan I/A, Dhaka-1208	1204500073756475	Director	1,000,000	6.67%
5	Partex Furniture Industries Ltd.	Shanta Western Tower, Level-13, 186 Tejgoan I/A, Dhaka-1208	1204500073756507	Shareholder	1,000,000	6.67%
6	Partex Laminates Limited	Shanta Western Tower, Level-13, 186 Tejgoan I/A, Dhaka-1208	1204500073756531	Shareholder	500,000	3.33%
7	Star Gypsum Board Mills Ltd.	Shanta Western Tower, Level-13, 186 Tejgoan I/A, Dhaka-1208	1204500073756558	Shareholder	500,000	3.33%
8	Aziz Al Mahmood	ShantaWestern Tower, Level-13, 186 Tejgoan I/A, Dhaka-1208	1203110015010602	Shareholder	500,000	3.33%

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9	Sultana Hashem	Shanta Western Tower, Level-13, 186 Tejgoan I/A, Dhaka-1208	1201500016952474	Shareholder	500,000	3.33%
10	Meghna Cement Mills Ltd.Staff Provident Fund	Plot No. 03, Block No. G, Bashundhara R/A, Dhaka	1201510014775878	Shareholder	500,000	3.33%
11	Bashundhara Industrial Complex Ltd. Employees Provident Fund	BIHQ No. 01, Plot No. 03, Block-G, Bashundhara R/A, Dhaka-1229	1201510064296766	Shareholder	500,000	3.33%
12	A.N.M Yeahea	House No. 14 (NWK), Road No. 50, Gulshan-2, Dhaka-1212	1204290000039715	Shareholder	300,000	2.00%
13	Badiur Rahman	Block-D, Road 9A, House 382A, Bashundhara R/A, Dhaka-1229	1204290045193105	Shareholder	300,000	2.00%
14	Khandaker Reza-E-Raquib	1/901 Eastern Tower, 20 New Eskaton Road, Dhaka	1204240023833441	Shareholder	200,000	1.33%
15	Gulam Mustafa	Flat # A4, House # 25, Road # 9/A, Dhanmondi, Dhaka	1203520039802787	Shareholder	1,000,000	6.67%
16	Saquib Muntasir Ahmed	House No. 78, Road No. 18, Block-A, Banani, Dhaka-1213	1202980071891008	Shareholder	200,000	1.33%
17	BD Finance Capital Holdings Limited-Client A/C	64, Motijheel C/A (2nd Floor), Dhaka-1000	1605580074209805	Shareholder	1,000,000	6.67%
TOTAL					15,000,000	100%

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Aziz Al Kaiser
Managing Director
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(b) There shall also be a table showing the name and address, age, experience, BO ID Number, TIN number, numbers of shares held including percentage, position held in other companies of all the directors before the Qualified investor offer;

Sl. No.	Name of Directors	Address	Age (Years)	Experience	BO ID Number	E-TIN No.	No. of Shares	Pre-Issue [%]	Position held in other companies	
									Other companies	Position
1	Mrs.Tabassum Kaiser	Blooming Dale, 24 Dutabash Road, Baridhara, Dhaka	47 Years	15 Years	1204500021478785	178958612577	500,000	3.33%	Mentioned in SECTION - VIII (B)(7) (c)	Chairman
2	Mr. Aziz Al Kaiser	Blooming Dale, 24 Dutabash Road, Baridhara, Dhaka	55 Years	30 Years	1204500021478769	567082760757	4,500,000	30%	Mentioned in SECTION - VIII (B)(7) (c)	MD
3	Mr. A.B.M. Sumon Shahed Patowary	Shanta Western Tower, Level-13, 186 Tejgoan I/A, Dhaka-1208	50 Years	30 Years	1201500003929823	683680327075	2,000,000	13%	Mentioned in SECTION - VIII (B)(7) (c)	Director
4	Mr. A K M Ahasanul Haque	Shanta Western Tower, Level-13, 186 Tejgoan I/A, Dhaka-1208	50 Years	35 Years	1204500073756475	215903633845	1,000,000	7%	Mentioned in SECTION - VIII (B)(7) (c)	Director

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Aziz Al Kaiser
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(c) The average cost of acquisition of equity shares by the directors certified by the auditors;

Auditor's certificate regarding average cost of acquisition of equity shares by the directors

This is to certify that the equity shares of **Star Adhesives Ltd.** have been allotted at face value of Tk. 10.00 each and the average cost of acquisition of equity by the directors is Tk. 10.00 each. Name wise shareholding position, allotment date and consideration are given below:

Sl. No.	Name	Position	Allotment			Transfer/Acquire			Total shares	Face Value	Total Amount in Tk.	Consideration	Average cost of acquisition per share
			Date	No. of shares		Date	No. of shares						
1	Tabassum Kaiser	Chairman	-	-	-	12.12.2017	2,000	-	-	100	-	Cash	100
			31.03.2021	30,000	-	-	-	-	-	100	-	Bonus Share	100
			12.04.2021	15,000	-	-	-	-	-	100	-	Cash	100
			Converted Share	45,000	450,000	Converted Share	2,000	20,000	470,000	10	4,700,000		10
			09.05.2021	-	30,000	-	-	-	30,000	10	300,000	Cash	10
Total					480,000			20,000	500,000		5,000,000		
2	Aziz Al Kaiser	Managing Director	01.01.2013	17,000	-	-	-	-	-	100	-	Cash	100
			-	-	-	25.12.2017	1,000	-	-	100	-	Cash	100
			31.03.2021	270,000	-	-	-	-	-	100	-	Bonus Share	100
			12.04.2021	135,000	-	-	-	-		100		Cash	100

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Aziz Al Kaiser
Managing Director
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									-		-		
			Converted Share	422,000	4,220,000	Converted Share	1,000	10,000	4,230,000	10	42,300,000		
			09.05.2021	-	270,000	-	-	-	270,000	10	2,700,000	Cash	10
Total					**4,490,000**	-	-	**10,000**	**4,500,000**		**45,000,000**		
3	A.B.M. Sumon Shahed Patowary	Nominee Director (Star Particle Board Mills Limited)	15.04.2021	200		-	-	-	-	100	-	Cash	100
			Converted Share	200	2,000	-	-	-	2,000	10	20,000		
			09.05.2021	-	1,998,000	-	-	-	1,998,000	10	19,980,000	Cash	10
Total					**2,000,000**			-	**2,000,000**		**20,000,000**		
4	A K M Ahasanul Haque	Nomine Director (Partex Cables Ltd.)	15.04.2021	200	-	-	-	-	-	100	-	Cash	100
			Converted Share	200	2,000	-	-	-	2,000	10	20,000		
			09.05.2021	-	998,000	-	-	-	998,000	10	9,980,000	Cash	10
Total					**1,000,000**	-	-	-	**1,000,000**		**10,000,000**		

Place: Dhaka
Date: September 22, 2021

Sd/-
Islam Quazi Shafique & Co.
Chartered Accountants

27 SEP 2021

Mohammad Obaydur Rahman, PCS
Managing Director & CEO
AAA Finance & Investment Ltd

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Aziz Al Kaiser
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SECTION – XII
(B)(11)

Valuation Report of Securities Prepared by the Issue Manager

Section Contents	
(a)	The valuation report of securities to be offered shall be prepared and justified by the issue manager on the basis of the financial and all other information pertinent to the issue
(b)	To prepare the valuation report, the issue manager may consider all qualitative and quantitative factors which shall be explained in details with rationale to consider such factors, the valuation methods used, sources of information and authenticity of such information;
(c)	While preparing the valuation report, the issue manager shall avoid exaggeration and biasness and shall exercise independence and due diligence;
(d)	(d) The issue manager(s) shall, among others, consider the following methods for valuation of the securities: (i) net asset value at historical or current costs; (ii) earning-based-value calculated on the basis of weighted average of net profit after tax for immediate preceding five years or such shorter period during which the issuer was in commercial operation; (iii) projected earnings for the next three accounting year with rationales of the projection, if not in commercial operation; (iv) Average market price per share of similar stocks for the last one year immediately prior to the offer for common stocks with reference and explanation of the similarities or in case of repeat qualified investor offer, market price per share of common stock of the issuer for the aforesaid period.

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Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

(a) The valuation report of securities offered is prepared and justified by the issue manger on the basis of the financial and all other information pertinent to the issue

The valuation report of securities offered of Star Adhesives Ltd. prepared by Issue managers based on financial and all other pertinent to the issue.

(b) To prepare the valuation report, the issue manager may consider all qualitative and quantitative factors which shall be explained in details with rationale to consider such factors, the valuation methods used, sources of information and authenticity of such information;

Qualitative and Quantitative factors for valuation:

Qualitative Justification:

1. Quality Products: The Company has to maintain producing quality products that increase sales volume over the years.
2. Modern Machineries: SAL has been using modern machineries that increase productivity.
3. Market Share: SAL market share has been increasing rapidly.
4. Management: Management is highly experience and they are leading persons in their arena.

Quantitative Justification:

Primary Valuation method for the Company is considered on the basis of Net Assets Value based valuation and Earnings based valuation per share.

(c) While preparing the valuation report, the issue manager shall avoid exaggeration and biasness and shall exercise independence and due diligence;

The Issue Managers while preparing the valuation report avoid exaggeration, biasness and independence and due diligence.

(d) The issue manager shall, among others, consider the following methods for valuation of the securities:

The fair value is determined under different valuation methods referred in Bangladesh Securities and Exchange Commission (Qualified investor offer by Small Capital Companies) Rules, 2018. The following table illustrates the calculation of fair value of Star Adhesives Ltd. under different methods:

Sl. No.	Valuation Methods	Fair Value (BDT)
Method-1	Net Asset Value per share	12.56
Method-2	Earning-based value per share	30.64
Method-3	Average market price per share of similar stocks	262.97

The detailed valuation workings under the above-mentioned methods are furnished under the head of "**Valuation under different methods as prescribed in Bangladesh Securities**

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and Exchange Commission (Qualified investor offer by Small Capital Companies) Rules, 2018" described in this section.

VALUATION UNDER DIFFERENT METHODS AS PRESCRIBED IN CLAUSE NO. ANNEXURE-E (B) (11) OF BANGLADESH SECURITIES AND EXCHANGE COMMISSION (QUALIFIED INVESTOR OFFER BY SMALL CAPITAL COMPANIES) RULES, 2018

Method 1: Net Asset value (NAV) at historical or current cost per share

Sl.	Particulars	Amount in BDT (As per June 30, 2021)
a)	Share Capital	150,000,000
b)	Retained Earnings	31,663,094
c)	Reserve & Surplus	6,721,000
Total Shareholders' Equity		**188,384,094**
Number of Shares		**15,000,000**
Net Asset Value per share		**12.56**

Method 2: Earning-based-value calculated on the basis of weighted average of net profit after tax for immediate preceding five years or such shorter period during which the issuer was in commercial operation;

Method 2: Earning-Based-Value Per Share (Considering Overall Market P/E)				
Year	No. of Shares	Net Profit after tax	Weight (%)	Weighted Net Profit After Tax
30-Jun-17	200,000	1,657,947	0.01	20,987
30-Jun-18	200,000	9,626,554	0.01	121,855
30-Jun-19	200,000	16,500,023	0.01	208,861
30-Jun-20	200,000	8,821,443	0.01	111,664
30-Jun-21	15,000,000	26,929,541	0.95	25,566,020
Total	**15,800,000**	**63,535,508**	**1.00**	**26,029,386**
Weighted Average Net Profit after Tax[C]				**26,029,386**
Number of shares before QIO as on June 30, 2021 [D]				15,000,000
Diluted EPS based on weighted average Earnings per share(EPS)[E=C/D]				**1.74**
Overall Market P/E (Considering Lesser P/E of 17.66 & 20.44 is 17.66) (F)				**17.66**
Earning Based Value per share (BDT) [G =E × F]				30.64

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Calculation of Market P/E:							
Particulars	June, 2021	May, 2021	April, 2021	March, 2021	February, 2021	January, 2021	Average
Overall Market P/E	18.5	18.31	16.91	16.81	17.41	18	17.66
Pharmaceauticals and Chemicals sector P/E	21.14	20.44	20.58	19.67	20.21	20.61	20.44

Source : DSE monthly review

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Method 3: Average market price per share of similar stocks for the last one year immediately prior to the offer for common stocks with reference and explanation of the similarities or in case of repeat public offering, market price per share of common stock of the issuer for the aforesaid period.

Last One Year (Month ended) Closing Share Price of Similar Stocks:

Method 3: Average market price of similar stock based valuation			
Date	Kohinoor Chemicals Company (Bangladesh) Ltd...	Wata Chemicals Limited	Active Fine Chemicals Limited
July,2021	410.3	292.2	25.7
June, 2021	401.4	277.1	18.3
May , 2021	472.8	306.8	16.4
Apr , 2021	472.8	306.8	15.4
Mar , 2021	472.8	306.8	15.4
Feb , 2021	472.8	306.8	17.7
Jan , 2021	472.8	306.8	18.4
Dec , 2020	472.8	314	16.9
Nov, 2020	472.8	306.8	13.7
Oct, 2020	472.8	307.2	13.9
Sep, 2020	472.8	339.6	16.5
Aug, 2020	472.9	349.7	18.3
Avg	461.65	310.05	17.22
Average Price of these 3 (Three) Stocks			262.97
Source : DSE website			

Average market price of similar stock based valuation (Assumption) 1. The average month end close price of the peer Company from June 2020 to August 2021 is considered.

Rationale for choosing these 3 Companies:

There are thirty-one Pharmaceuticals & Chemicals companies listed in the capital market. Among the thirty-one, SAL has taken three companies because SAL's product mix matches to these three companies.

The management of the Company in consultation with the Issue Managers have set the issue price at Tk. 10.00 each at par value.

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SECTION – Xiii
(B)(12)

Debt Securities

Section Contents	
(a)	The terms and conditions of any debt securities that the issuer company may have issued or is planning to issue within next six months, including their date of redemption or conversion, conversion or redemption features and sinking fund requirements, rate of interest payable, Yield to Maturity, encumbrance of any assets of the issuer against such securities and any other rights the holders of such securities may have
(b)	All other material provisions giving or limiting the rights of holders of each class of debt securities outstanding or being offered, for example: subordination provisions, limitations on the declaration of dividends, restrictions on the issuance of additional debt or maintenance of asset ratios
(c)	Name of the trustee(s) designated by the indenture for each class of debt securities outstanding or being offered and describe the circumstances under which the trustee must act on behalf of the debt holders
(d)	Name of the trustee(s) designated by the indenture for each class of debt securities outstanding

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(a) The terms and conditions of any debt securities that the issuer company may have issued or is planning to issue within next six months, including their date of redemption or conversion, conversion or redemption features and sinking fund requirements, rate of interest payable, Yield to Maturity, encumbrance of any assets of the issuer against such securities and any other rights the holders of such securities may have;

The Company has not issued or is planning to issue any debt security within six months.

(b) All other material provisions giving or limiting the rights of holders of each class of debt securities outstanding or being offered, for example subordination provisions, limitations on the declaration of dividends, restrictions on the issuance of additional debt or maintenance of asset ratios;

The Company has not issue any debt security.

(c) Name of the trustee(s) designated by the indenture for each class of debt securities outstanding or being offered and describe the circumstances under which the trustee must act on behalf of the debt holders;

The Company has not issue any debt security. Therefore, there is no trustee for this issue.

(d) Repayment or redemption or conversion status of such securities.

The Company has not issue any debt security. Therefore, there is no repayment or redemption or conversion status of such securities.

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SECTION – Xiv
(B)(13)

Parties Involved and Their Responsibilities, as Applicable

Section Contents	
(a)	Issue manager(s)
(b)	Underwriter(s)
(c)	Auditors
(d)	Cost and Management Accountants
(c)	Valuer

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(a) Issue managers;

Sl. No.	Name of the Issue Managers	Responsibilities of the Issue Managers
1	AAA Finance and Investment Limited	The Issue Manager will act as the manager to the issue for the Qualified investor offer as described in the Bangladesh Securities and Exchange Commission (Qualified investor offer by Small Capital Companies) Rules, 2018.

(b) Underwriters;

Sl. No.	Name of the Underwriters	Responsibilities of the Underwriters
1	**AAA Finance and Investment Ltd.**	The Underwriter(s) is responsible to underwrite the public offering on a firm- commitment basis as per requirement of Bangladesh Securities and Exchange Commission (Qualified investor offer by Small Capital Companies) Rules, 2018. In case of under-subscription in any category by up to 50% in an initial public offer, the unsubscribed portion of securities shall be taken up by the underwriter(s).
2	**City Bank Capital Resources Limited**	The Underwriter(s) is responsible to underwrite the public offering on a firm- commitment basis as per requirement of Bangladesh Securities and Exchange Commission (Qualified investor offer by Small Capital Companies) Rules, 2018. In case of under-subscription in any category by up to 50% in an initial public offer, the unsubscribed portion of securities shall be taken up by the underwriter(s).

(c) Statutory Auditor;

Sl. No.	Name of the Auditor	Responsibilities of the Auditor
1	**Islam Quazi Shafique & Co. Chartered Accountants**	Auditor's responsibility is to express an opinion on the financial statements based on their audit. An Auditor will conduct the audit in accordance with International Standards on Auditing (ISA) is responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud and error. Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements

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		may not be detected, even though the audit is properly planned and performed in accordance with the ISAs.

(d) Cost Auditor;

The cost and management accountants is not applicable for this issue.

(e) Valuer;

Information regarding valuer is not applicable for this issue.

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SECTION - XV
(B)(14)

Material Contracts

Section Contents	
(a)	Major agreements entered into by the issuer
(b)	Material parts of the agreements
(c)	Fees payable to different parties

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(a) Major agreements entered into by the issuer;

i) Underwriting Agreement between the Company and the Underwriters.

ii) Issue Management Agreement between the Company and the Managers to the Issue.

(b) Material parts of the agreements;

(a)	Major agreements entered into by the issuer		i. **Issue Management Agreement:** Star Adhesives Limited is desirous of raising fund through QIO under Fixed Price Method amounting Tk. 50,000,000 (Five crores) by issuing shares to the Qualified Investors through the market mechanism of Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018 and appointed AAA Finance and Investment Limited as the manager to the issue. ii. **Underwriting Agreement:** Star Adhesives Limited is desirous of raising fund through QIO under Fixed Price Method amounting Tk. 50,000,000 (Five crores) by issuing shares to the Qualified Investors through the market mechanism of Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018 and AAA Finance and Investment Limited has committed to underwrite 50% of the total QIO amount as per regulatory requirement.
(b)	Material parts of the agreements	Issue Management Agreement	1. **MANAGER TO ISSUE** 1.1. That the COMPANY shall raise capital by issuing shares through the Capital Market in accordance with the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018 under Fixed Price Method and shall provide the MANAGER in due course. 1.2. That the MANAGER shall act as the Manager to the Issue and render financial advisory services to the QUALIFIED INVESTOR OFFER UNDER FIXED-PRICE METHOD as described hereunder in Clause-2. 2. **SCOPE OF SERVICES** The scope of services to be rendered by the MANAGER to the COMPANY of the QUALIFIED INVESTOR OFFER UNDER FIXED-PRICE METHOD shall be as follows (including and not limited to the compilation and preparation of the documents, papers, studies hereunder).

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			2.1. PRE-ISSUE MANAGEMENT SERVICES **2.1.1. Issue analysis** a. Fixing QIO strategy under Fixed-Price method. b. Profitability and ratio analyses. **2.1.2. Regulatory guidance** a. Documentation and preparation of related papers. b. Dealings with regulatory authorities and the stock exchanges. c. Ensure compliance of the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018, Corporate Governance Code, Listing of Small Capital Companies) Regulations, 2019 of the Stock Exchanges, Companies Act 1994, Securities and Exchange Ordinance, 1969 and other relevant rules, regulations, practices, directives, guidelines etc. or any, which may time to time introduce by Bangladesh Securities and Exchange Commission. **2.2. ISSUE MANAGEMENT SERVICES** **2.2.1. Regulatory compliance (All formalities to be done under the Fixed-Price Method for QIO)** a. Filling of application of the QIO Issue to BSEC. b. Preparation of Draft Prospectus. c. Filing of Draft Prospectus to BSEC. d. Incorporation of modification suggested by BSEC. e. Preparation of all necessary papers and deeds, agreements, declarations, certificates for submission to BSEC for making the QIO effective. **2.2.2. Underwriting Arrangement** a. Preparation of papers for underwriting arrangement. b. Documentation/preparation of underwriting agreement etc.

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			c. Placing of underwriting proposals. **2.2.3 Issue arrangements** a. Filing of application including Draft Prospectus with all required documents to the Commission and the Exchanges with prior information to the COMPANY. b. Documentation for listing & submission. **2.2.4. Issue Co-ordination** a. Fund collection and deposit. b. Allotment of shares for Pre-Issue of the fund. c. Guidance on RJSC formalities. d. Guidance and coordination in Tax related issues **2.3. <u>POST ISSUE SUPERVISION</u>** **2.3.1. Arrangement of-** a. Advise and assist for Printing of Prospectus. b. Advise and assist for Publication of Prospectus in a national daily as prescribed by Bangladesh Securities and Exchange Commission. c. Distribution of prospectus to DSE, CSE and BSEC. d. Monitoring for distribution mechanism of securities. e. Monitoring of post issue and subscription procedure. f. Compliances after subscription.
		Underwriting Agreement	**ARTICLE -I** **UNDERWRITING** 1.01 The Company shall raise fund around Tk. 50,000,000 (Five Crore) through Qualified Investor Offer (QIO) as provided in this Agreement. 1.02 The Underwriter shall underwrite Tk. 2500, 00,000 (Two crore fifty lacs) out of the total amount raised on a firm commitment basis. This commitment is irrevocable and unequivocal. 1.03 In case of under-subscription by up to 50% in an Qualified Investor Offer, the undersubscribed portion of

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securities shall be taken up by the underwriter.

ARTICLE-II
THE QUALIFIED INVESTOR OFFER

2.01 The Company shall raise around Tk. 50,000,000 (Five crore) through Qualified Investor Offer (QIO) over publishing a prospectus in accordance with the consent of the Bangladesh Securities and Exchange Commission (BSEC) and the provision of this Agreement.

2.02 Prior to the publication of the Prospectus, the Company shall obtain a consent from the Bangladesh Securities and Exchange Commission permitting the issue as described in Article 2.01 and provide for payment of Initial underwriting commission not exceeding 0.25% (Zero point two five percent) on the amount underwritten.

2.03 The Company shall make media campaign and publicity of the offer for subscription to the extent as may be reasonably requested by the Issue Manager prior to opening and during offer period of subscription list with publicity material as approved by the BSEC.

2.04 The Company shall comply with any other formalities required under law of the land, for

2.05 If and to the extent that the shares offered to the Qualified Investor by a prospectus authorized hereunder have not been subscribed and paid for in cash in full by the closing Date of subscription, the Company shall within 10 (ten) days of the closure of subscription call upon the Underwriter in writing with a copy of the said writing to the Bangladesh Securities and Exchange Commission, to subscribe the shares not subscribed by the closing date and to pay for in cash in full, inclusive of any premium if applicable, for such unsubscribed shares within 15 (fifteen) days after being called upon to do so. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled its obligation towards its underwriting commitment under this Agreement, until the Cheque/Bank Draft has been encashed and the Company's account credited. In any case, within 7 (Seven) days after the expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and payment by the underwriter to the Commission.

In case of failure by the underwriter to pay for the shares under the terms mentioned above, the said underwriter

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will not be eligible to underwrite any issue, until such time as he fulfils his underwriting commitment under this Agreement and also other penalties as may be determined by the Commission may be imposed.

In case of failure by the underwriter to pay for the shares within the stipulated time, the Company/issuer will be under no obligation to pay any underwriting commission under this Agreement.

In the case of failure by the Company to call upon the underwriter for the aforementioned purpose within the stipulated time, the Company and its Directors shall individually and collectively be held responsible for the consequences and/or penalties as determined by the Bangladesh Securities and Exchange Commission under the law.

2.06That the signatories to this Agreement have duly been authorized by the Board of Directors of both the Company and the underwriter to execute and give effect to this Agreement from the date written herein above.
2.07 The liability of the underwriter under this clause shall be in proportion to but not exceeding the shares agreed to be underwritten by it; provided that the aforementioned request of the Company shall be supported by official certificates and other documents of subscription obtained from the Bankers to the Issue and a declaration of the Company as to the final result of the QIO subscription.

2.08 The Company shall pay to the Underwriter as underwriting commission at the rate of 0.25% (Zero point two five percent) of the amount underwritten hereby agreed to be underwritten by it.

ARTICLE-III
DISCLOSURE

3.01. The Company shall furnish to the underwriter such data as the underwriter may reasonably request.

3.02. The Company shall: (a) not change its financial plan or take steps to increase or decrease its paid up capital to the disadvantage of the Underwriter.

(b) Promptly advise the Underwriter of all amendments and changes required to be made in the Prospectus by the Bangladesh Securities and Exchange Commission and/or the Stock Exchanges and furnish amended copies of prospectus to the Underwriter and

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			continue to inform of all materials facts relating to QIO; **ARTICLE-IV** **MISCELLANEOUS** 4.01. Any notice or request required or permitted to be given or made under this agreement to the Underwriter or to the Company shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand or sent by registered post in a prepaid letter to the party to which it is required or permitted to be given or made at such party's registered address or at such other address as such notice or making such request are to be made. Such notice shall be deemed to have been delivered in the ordinary course of post. 4.02. This Agreement shall bind and inure to the benefit of the respective successors of the parties hereto. 4.03 This Agreement shall be valid until completion of subscription of shares in accordance with section 2.05. 4.04 All questions or differences whatsoever which may at any time hereinafter arise between the parties hereto or their respective representatives touching these presents or the subject matter hereof or arising out of or in connection thereto respectively and whether as to construction or otherwise shall be referred to a single arbitrator in case the parties agree upon one Arbitrator, otherwise to two umpires in accordance with and subject to the provisions of the Arbitration Act, 2001 or any statutory modification thereof. 4.05 The rights and responsibilities of either party shall terminate in the event of full subscription of QIO shares. 4.06 Notwithstanding anything contained in this Agreement, in case of any inconsistency between the provision of this Agreement and the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018, shall prevail. 4.07 The underwriter warrants and represents that it has certificate of registration from the Bangladesh Securities and Exchange Commission to fully underwrite or place primary securities in a firm commitment basis.
(c)	Fees payable to	Issue	The COMPANY shall pay for an Issue Management fee of

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	different parties	Manager - AAA Finance and Investment Limited	Tk. 2,00,000/- (Taka two lac) only, net of any charges excluding TAX and VAT to the MANAGER in 2 (two) phases: a. 50% of the total fee, i.e.- 1,00,000/- (one lac taka) is payable at the time of submission of the application to BSEC for QIO. b. 50% of the total fee, i.e.- 1,00,000/- (one lac taka) will be payable after getting approval from BSEC for QIO.
		Underwriters - AAA Finance and Investment Limited and City Bank Capital Resources Limited	The COMPANY shall provide for payment of Initial underwriting commission not exceeding 0.25% (Zero point two five percent) on the amount underwritten fee as perdeed .25% i.e. Tk.62,500 /- (one lac fifty thousand taka) only.

(c) Fees payable to different parties.

(i) Commission for Underwriters:
The Company shall pay to the underwriter an underwriting commission at the rate of **0.25%** of 50% of the total QIO amount (i.e. Tk. 62,500) of the issue value of shares underwritten by them.

(ii)Fees for the issue management services:

Sl. No.	Name of Issue Managers	Amount in BDT
1	AAA Finance and Investment Limited	200,000

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SECTION- XVI
(B)(15)

Outstanding Litigations, Fine or Penalty

Section Contents	
(a)	The following outstanding litigations against the issuer or any of its directors and fine or penalty imposed by any authority
(b)	Outstanding cases filed by the Company or any of its directors

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a) The following litigations including outstanding litigations against the issuer or any of its directors and fine or penalty imposed by any authority:

The Issuer or directors of Star Adhesives Ltd. were not involved in any of the following types of legal proceedings except the mentioned below:

Sl. No.	Particular	Decsription
(i)	Litigation involving Civil Laws	There is no conviction of the Issuer or director(s) in a civil proceeding
(ii)	Litigation involving Criminal Laws	There is no conviction of the Issuer or director(s) in a criminal proceeding
(iii)	Litigation involving Securities, Finance and Corporate Laws	There is no order, judgment or decree of any court of competent jurisdiction against the Issuer or director(s) permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director(s) or officer in any type of Securities, Finance and Economic Laws
(iv)	Litigation involving Labor Laws	There is no conviction of the Issuer or director(s) in connection to applicable Labor Laws
(v)	Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes or duties)	There is no conviction of the Issuer or director(s) in connection to taxation (Income tax, VAT, Customs Duty and any other taxes or duties)
(vi)	Litigation involving any other Laws	There is no litigation involving any other Laws.

b) Outstanding cases filed by the company or any of its directors:

There are no outstanding cases filed by the Issuer or any of its directors to any of the following types of legal proceedings except income tax. The details of which is as follows:

Sl. No.	Particular	Decsription
(i)	Litigation involving Civil Laws	There is no litigation involving Civil Laws
(ii)	Litigation involving Criminal Laws	There is no litigation involving Criminal Laws
(iii)	Litigation involving Securities, Finance and Corporate Laws	There is no litigation involving Securities, Finance and Economic Laws
(iv)	Litigation involving Labor Laws	There is no litigation involving Labor Laws
(v)	Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes or duties)	There are no litigation involving Taxation.
(vi)	Litigation involving any other Laws	There is no litigation involving any other Laws

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SECTION - XVII
(B)(16)

Risk Factors and Management's Perceptions about the Risks

	Section Contents
(I)	Internal risk factors
(II)	External risk factors may include among others

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The risk factors as predict by the management along with the proposals to addressthe risk,if any, unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section. Some of the risk factors that Star Adhesives Ltd. is discussed below along with the management perception about the related risks.

The disclosures of Risk factors shall include, where applicable, the following:

(i) Internal risk factors;

(ii) External risk factors.

(i) Internal risk factors may include, among others:

a) Credit Risk;

This is the risk of default on a debt that may arise because of default by the borrower to pay the loan. In operating, any business there is always credit risk lies in the business. As there is always lending and borrowing between parties in the form of money and goods.

Management Perception

Management has credit policy in place and exposure to credit risk is well monitored. In order to control the credit risk, the management ensure strong credit control and collection policies. SAL have highly dedicated team to maintain credit policy.

b) Liquidity Risk;

The risk that a company may be unable to meet short-term financial requirements. This usually occurs due to the inability to convert its current assets to cash without a loss of capital or income. Liquidity is a common phenomenon of the business.

Management Perception

Star Adhesives Ltd. is doing its level best to manage working capital management in efficient way to maintain liquidity risk. Management is in direct supervision to the issues relating to accounts payable, inventory and accounts receivable efficiently.

c) Risk associated with the issuer's interest in subsidiaries, joint ventures and associates;

If the subsidiaries make loss, it affects parent company's balance sheet. In case of associate, there is chance of decline value of investment in associate company. As for joint venture, a joint venture (JV) is a business arrangement in which two or more parties agree to pool their resources for the purpose of accomplishing a specific task. This task can be a new project or any other business activity. In a joint venture (JV), each of the participants is responsible for profits, losses and costs associated with it.

Management Perception

Since SAL has no subsidiaries, joint ventures and associates concern. Therefore, this risk is not applicable for this Company.

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d) Significant revenue generated from limited number of customers, losing any one or more of which would have a material adverse effect on the issuer;

There is risk involved in having limited number of customer and losing of that particular customer has negative impact on company's sales and cash flow as well.

Management Perception

At present SAL has wide spread distributed sales network across the country. Moreover, SAL management is always keen to find out new buyers to boost up the sales. Therefore, it does not dependent on any particular or limited number of customers to operate its business. Moreover, its reputation in the market always gives an extra cushion.

e) Dependency on a single or few suppliers of raw materials, failure of which may affect production adversely;

There is also risk involved in having limited number of suppliers as well. Single or few suppliers may exploit the company by price hike, untimely delivery and low quality of product.

Management Perception

SAL is not depended on a single or few suppliers of raw materials. SAL has a good number of vendors for each ingredient and services, the company has more than one approved vendors. It uses to conduct vendor audit and its concerned professionals are very conscious regarding the vendor issue. Further, SAL assumes that sourcing of raw material would be comparatively easier in times to come as due to globalization, the world economy opened much more than it was in older days and world is becoming like a global village. Hence, the risk is not applicable for it.

f) More than 20% revenue of the issuer comes from sister concern or associate or subsidiary;

Having 20% revenue generation from sister concern or associate or subsidiary makes issuer dependent on others companies. Hence, there is dependency risk.

Management Perception

Since SAL has no subsidiaries, joint ventures and associates concern. So, this risk is not applicable for this Company.

g) Negative earnings, negative cash flows from operating activities, declining turnover or profitability, during last five years, if any;

Negative earnings, negative cash flows from operating activities, declining turnover or profitability is the going concern risk for the entity.

Management Perception

The company doesn't have any negative earnings and declining turnover or profitability during last 3 years. The business SAL is in uptrend and expected to be in this line for a significacnt period of time due to Goverbment policy and increased demand of Tiles because of Urbanization and changes in peoples taste. So there is no threat for going concern.

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h) Loss making associate or subsidiary or group companies of the issuer;

When associate/subsidiary/group companies of the issuer are loss making, it affects the issuer and there is negative impact on cash flow of issuer and Balance Sheet as well.

Management Perception:

SAL do not have any investment in subsidiary, associates or group companies.

i) Financial weakness and poor performance of the issuer or any of its subsidiary or associates;

Financial weakness and poor performance of the issuer have negative impact on the company. As a result, it will be tough to pay loan interest, debt service and dividend. Future growth will be hampered.

Management Perception

Sales is one of the key indicators of success of a business, there is good margin of profit SAL has been experiencing with increasing sales growth which is boosting up the profitability for last five years. At present, none of the sister concern of SAL is in financial weakness or experiencing poor operational issues.

j) Decline in value of any investment;

If investment value decline, it will reduce the profit and assets as well.

Management Perception:

SAL does not have any investment.

k) Risk associated with useful economic life of plant and machinery, if purchased in second hand or reconditioned;

There is obsolescence risk relating to plant and machinery If the machinery is purchased in second hand or reconditioned, there high risk of repair and maintenance which has impact on profitability of the company.

Management Perception

SAL does not purchase or use any second hand or recondition plant and machinery. Therefore, it is not applicable for it.

l) Adverse effect on future cash flow if interest free loan given to related party or such loans taken from directors may recalled;

It is loan given and taken from related party and directors as well. If company gives such loan without interest to related party, there is interest burden for the company if the money was taken as loan. On the other hand, if such loan is taken from directors, it will have an impact on the cash flow to pay off the loan to the Directors.

Management Perception

This risk is not applicable for SAL.

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m) Potential conflict of interest, if the sponsors or directors of the issuer are involved with one or more ventures which are in the same line of activity or business as that of the issuer and if any supplier of raw materials or major customer is related to the same sponsors or directors;

In these cases, there is high chance of compromise among the related companies because of conflict of Interest.

Management Perception

No SAL 's sponsor or director is engaged in same line of business of the issuer Company. No supplier of raw materials or major customer is related to the same sponsors or directors. Therefore, such risk is not relevant to SAL.

n) Related party transactions entered into by the company those may adversely affect competitive edge;

Related party transaction of the issuer creates conflict of interest, which reduces the competitive advantage of the issuer.

Management Perception

SAL did not engage any such related party transaction, which may adversely affect competitive edge.

o) Any restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement for debt or preference shares or any restrictive covenants of banks in respect of the loan or credit limit and other banking facilities;

All information must be known to the potential investor so that investor's interest may not be hampered in future. So, any restrictive covenants, if it goes against potential investors, will make investors in threat.

Management Perception:

There are no restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement relating to debt or preference shares or any restrictive covenants of Banks in respect of loan or credit limit and other banking facilities.

p) Business operations may be adversely affected by strikes, work stoppages or increase in wage demands by employees;

In such case, company's business operation will be hampered.

Management Perception:

Employee unrest is part of business and it is important to deal with labor unrest efficiently. SAL has different incentive packages for their employees so that they can be beneficial to such package. Because they believe that employees are very important part of the business.

q) Seasonality of the business of the issuer;

It is the risk involving that company is not doing business round the year.

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Management Perception:

There is no seasonal risk for this kind of business as the products of the company is sold over the years.

r) Expiry of any revenue generating contract that may adversely affect the business;

This is the risk of losing customers affecting future sales.

Management Perception

SAL has no fixed-term revenue-generating contract with any parties the expiry of which may adversely affect the business of the company. The nature of the business of the company is that its production is a continuous process based on the orders from the distributors across the country. Hence, there is no question of affecting the business SAL due to expiry of revenue generating contract.

s) Excessive dependence on debt financing which may adversely affect the cash flow;

Excessive dependence on debt causes huge interest burden of the company and high risk of insolvency that may result in bankruptcy.

Management Perception:

The Company is more focused on equity financing and has been reducing debt dependency. The company raised its paid up capital recently and paying off amount of debt. For last five years we have been reducing its dependence on debt financing.

t) Excessive dependence on any key management personnel absence of whom may have adverse effect on the issuer's business performance;

Excessive dependence on key management affects the business if the management is changed in future, which will create vacuum. Besides, if the key management personnel is of bad intention, excessive dependence will also affect the business.

Management Perception:

Corporate Governance Guideline is well practiced in SAL. The company also has a well-placed structure. So any change in the key management can be replaced with capable professionals.

u) Enforcement of contingent liabilities which may adversely affect financial condition;

It is the future burden of liabilities that the investors will take on their shoulders. Contingent liabilities reduced the assets or create obligation to pay the liabilities.

Management Perception:

The Company does not have any contingent liabilities, which may adversely affect financial condition.

v) Insurance coverage not adequately protect against certain risks of damages;

Insurance ensures and protects to deal with uncertainty of future material loss/damage. Therefore, insurance coverage is important for the business.

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Management Perception:

SAL have different insurance coverage for all the relating issues that are risky to operating our business.

w) Absence of assurance that directors will continue its engagement with Company after expiry of lock in period;

Directors run the company with the accumulated finance from public and other financing source. If directors discontinue running the business, there will be negative impact on business and share price as well.

Management Perception

SAL directors are involved in the business and they will continue the business after expiry of lock in period as per the company act.

x) Ability to pay any dividends in future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure;

Dividend payment is highly dependent on company's ability to generate positive cash flow from operating profit of the business. If company cannot earn good amount of profit from operation, it is unlikely to pay dividend.

Management Perception:

SAL has been a profitable entity over a long time and the profit is on the uptrend. So it is well perceived that SAL will be able to pay dividend from our earning profit.

y) History of non-operation, if any and short operational history of the issuer and lack of adequate background and experience of the sponsors;

History of non-operation indicates weak operational management of the Company. Non-operation leads to negative cash flow, incurring of losses and bankruptcy in worst-case scenario.

Management Perception:

Such case did not happen in the history of SAL.

z) Risks related to engagement in new type of business, if any;

If it is new business, there is risk of viability of the new business.

Management Perception

Right now, SAL has no plan to engage in new type of business.

aa) Risk in investing the securities being offered with comparison to other available investment options;

If the issue price goes down after floating, there is investment risk for the potential investors.

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Management Perception:

SAL are profitable entity over long time and it has been operating its business efficiently. Therefore, it is not risky in investing securities in comparison with other available investment option.

bb) Any penalty or action taken by any regulatory authorities for non-compliance with provisions of any law;

It creates a negative impression on the issuer.

Management Perception

No penalty or action taken by any regulatory authorities for non-compliance with provisions of any law against the company;

cc) Litigations against the issuer for Tax and VAT related matters and other government claims, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case;

If any kind of Litigations against the issuer for Tax and VAT related matters and other government claims, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case.

Management Perception:

There are no litigation involving Taxation.

dd) Registered office or factory building or place of operation is not owned by the issuer;

The company should own factory building. Otherwise, there is risk of hike in factory rent in the years to come and threat of shifting the factory as well.

Management Perception:

The Company owns the registered & factory office building. Therefore, it is not a risk.

ee) Lack of renewal of existing regulatory permissions or licenses;

In this case, company is not following the law to renew its all licenses.

Management Perception

A dedicated team supervises renewal processes of all the regularity permission/licenses. Therefore, risk with regard to lack of renewal of existing regulatory permissions/licenses is very remote.

ff) Failure in holding AGM or declaring dividend or payment of interest by any listed securities of the issuer or any of its subsidiaries or associates;

Failure in holding AGM or declaring dividend indicates the lack of compliance to the regulatory rules. Failure of payment of interest indicate the poor cash generation to the company to pay interest and debt service. The overall impression will be negative for the company.

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Management Perception

SAL does not have any listed securities and it does not have any subsidiary or associates.

(ii) External risk factors may include among others:

a) Interest rate risks;

Interest rate risk is the risk that company faces due to unfavorable movement in the interest rates. Changes in the government's monetary policy along with increased demand for loans/investments tend to increase the interest rates. Such rises in interest rates mostly affect companies having floating rate loans or companies investing in debt securities.

Management perception

The Management of SAL always emphasizes on the management of its finance to an optimum capital structure of the company, so that the cost of capital remains minimum. The management prefers to procure long-term loan with minimum interest rate and the short-term fund with reasonable competitive rate. Moreover, the company has been repaying borrowed funds on a continuous basis. Additionally, the management of the Company emphasizes on equity base financing to reduce the dependency on borrowing, suggesting the management perception for interest rate risk to have a minimal impact on the company's profitability and viability.

b) Exchange rate risks;

Exchange rate risk occurs due to changes in foreign currency exchange rates. As the company imports equipment from abroad and earns revenue in local currency, unfavorable volatility or currency fluctuation may affect the profitability of the company. If exchange rate is decreased against local currency opportunity will be created for generating more profit.

Management perception

The company receives the entire sales proceeds in local currency and makes majority of the import payments in foreign currency. So, for a given depreciation of Taka against a particular foreign currency like US Dollar, the import payment may get affected. In that situation the product price will be higher to cover up the additional charges. This will not hamper the regular sales trend as the other local manufacturers as wll as the importers of finished goods will also be affected by the same.

c) Industry risks;

The Company is operating in an industry where there is a gap between demand and supply. Although ceramic tiles business has a huge demand in the local and international market, chances are there that excessive competition may hamper the company's business. Increasing competition may force Star Adhesives Ltd. to reduce prices of their products which may cause dropping of their revenue and margin, and/or decrease its market share, either of which could have an adverse effect on their business, financial condition and results of operation.

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Management Perception

Star Adhesives Ltd. is engaged in manufacturing different types of ceramic tiles maintaining optimum quality with growing customer satisfsction. The business has a huge demand and government policies are also in favor. Moreover, SAL is still concerned about the market competition and its highly competent research team always working for the development of products. In addition, there are only few recognized competitors of similar size in the country, which allows the benefit of economics of scale when competing with new entrants.

d) Economic and political risks;

Bangladesh is prone to serious unrest in the political condition, which produces Hartal, Road-Block and many other barriers to the business. This could also propel the cost of the product upwards.

Management Perception

Although the country has passed through political turmoil in the last decade, a sound political atmosphere is prevailing these days and expected to be continued in future.

e) Market and technology-related risks;

Market risks refer to the risk of the adverse market conditions affecting the sales and profitability of the company. Mostly, the risk arises from falling demand for the product or service, which would harm the performance of the company. On the other hand, strong marketing and brand management would help the company to increase their customer base. Technology always plays a vital role for any business for ensuring better product quality, for providing better services to the customers and for minimizing costs. SAL operates in a technology based industry and continuous technological improvement is an integral part of this business. Obsolete technology or machineries will make it difficult for any company to sustain in such a competitive industry.

Management Perception

Strong brand loyalty of the company's products to its customers has enabled the company to capture significant market share in the sector. In addition, the company is continuously penetrating into the market and upgrading the quality of the products to minimize the market risks. Star Adhesives Ltd. is always aware of technological advancement in the industry and adopt very timely to keep the operational efficiency at the highest achievable level. The management frequently visit the other foreign factories with similar line of business and technological fair in abroad for up-gradation of technological and/or software.

f) Potential or existing government regulations;

The company operates under Companies Act 1994, Customs Act 1969, and Labor Law 2006, Income Tax Ordinance 1984, Income Tax Rules 1984, Value Added Tax (VAT) Act 1991, Value Added Tax (VAT) Rules 1991 and other related regulations. Any abrupt changes of the policies made by the regulatory authorities may adversely affect the business of the company.

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Management Perception

Ceramic Tiles manufacturing is a vital sector for the growth of the economy of Bangladesh. Government policies are crucial to maintain the sustainability and growth of this sector. The Government is aware of this fact. Hence, it is rationally expected that any undue tax or duty will not be imposed that may adversely affect the sector's sustainability. Rather, the Government is keen to support the industry. Finally, any changes in VAT, tax, or duty structure will affect all the operators in the industry. However, SAL has the greater resistance ability due to its cost-efficient operation process.

g) Potential or existing changes in global or national policies;

Changes in the existing global or national policies can have either positive or negative impact on the Company's profitability. The performance of the Company may be affected due to unavoidable circumstances in Bangladesh, as such any structural change in Ceramic industry, war, terrorism, political unrest, natural and man-made disasters may adversely affect the industry and economy in general.

Management Perception

Bangladesh is gradually emerging as a global hub of ceramics industry due to the policy support of the incumbent government. Bangladesh's ceramics industry has experienced 200 percent growth in production in the last five years. This growth momentum is expected to sustain for a considerable period due to the robust development of the real estate sector and rising living standard of the people in the country. The industry is also positioned to expand rapidly in the global market with its high-quality products, low labor costs and creative entrepreneurs. In this prevainling environment the imposing of any rules/policies or withdrawal of any facility which may adverslely affect the growing business of SAL.

h) Statutory clearances and approvals those are yet to be received by the issuer;

If any kind of statutory clearances and approvals those are yet to be received by the issuer.

Management Perception:

The company has collected all the statutory clearance and approval to operate the business. The necessary update and renewal is a continuous process. Hence, there is a limited degree of such risk associated with the company.

i) Competitive condition of the business;

SAL is operating in a free market economy regime. The company might have to face stiff competition from its competitors. Easily availability of global products in the local markets adds to the competition, challenging the profitability of the business.

Management Perception:

Bangladesh is the prime source of cheapest labor in the world, gaining comparative advantages for its industries over their global competitors. Other overhead costs are also low in Bangladesh. As a result, the company has been able to maintain its cost of products most competitive. Moreover, over the last few years the company has built a trustworthy relationship with its customers, which helps the company avoid competition with others.

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j) Complementary and supplementary products or services which may have an impact on business of the issuer;

If any kind of complementary and supplementary products or services which may have an impact on business of the issuer.

Management perception

The Company has not faced any challenges relating to supplementary and complementary products and Management are concerned with the issue. In future, if necessary, management may diversify the product to be competitive over the competitors.

k) Revenue generated from limited number of customers, losing any one or more of which would have a material adverse effect on the issuer;

There is risk involved in having limited number of customer and losing of that particular customer has negative impact on company's sales and cash flow as well.

Management perception

Star Adhesives Ltd. has a widespread distributor network across the country. The management team of the company is highly qualified, trained & skilled professionals, well experienced and extremely devoted. The management team is in continuous effort to grab new customers, so this risk area is unlikely to pose any threat in SAL 's growing business trend.

l) Dependence on debt financing and highly leveraged which may adversely affect the cash flow;

Dependence on debt and highly leveraged causes huge interest burden of the company and high risk of insolvency that may result in bankruptcy.

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SECTION - XVIII
(B)(17)

Description of the Issue

Section Contents	
(a)	Issue Size
(b)	Number of securities to be issued
(c)	Authorized capital and Paid-Up capital
(d)	Face value, premium and offer price per unit of securities
(e)	Holding structure of different classes of securities before and after the issue
(f)	Objective of the issue including financing requirements and feasibility in respect of enhanced paid-up capital.

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a) Issue Size:

Total issue size of 5,000,000 Ordinary Shares of Tk. 10.00 each at par totaling Tk. 50,000,000.00

(b) Number of securities to be issued;

Sl. No.	No. of Shares	Face Value	Amount in BDT
1	5,000,000	10.00	50,000,000.00

Public Offering of 5,000,000 Ordinary Shares of Tk. 10.00 each at par totaling Tk. 50,000,000.00

(c) Authorized capital and paid-up capital;

Sl. No.	Particulars	Amount in BDT
1	Authorized Capital	500,000,000.00
2	Paid-up Capital	150,000,000.00

(d) Face value, premium and offer price per unit of securities;

Sl. No.	Particulars	Amount in BDT
1	Face Value of securities	10.00
2	Premium of securities	N/A
3	Offer Price per unit of securities	10.00

(e) Holding structure of different classes of securities before and after the issue;
The Company has issued only ordinary shares. Holding structure of different classes of securities before and after the issue are as follows:

Sl. No.	Category of Shareholders	No. of Ordinary Shares Hold		Percentage of Holding		After conversion	
		Pre-QIO	Post-QIO	Pre-QIO	Post-QIO	Pre-QIO	Post-QIO
1	Directors & Sponsors	10,000,000	5,000,000	66.67%	50%	N/A	N/A
2	Qualified Investor (QI)	-	5,000,000	-	25%		
	Total						

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(f) Objective of the issue including financing requirements and feasibility in respect of enhanced paid-up capital:

Net proceeds from Initial Public Offering (QIO) will be used for Factory Renovation, Working Capital, Loan Payment and for QIO expenses.

SL.	Particulars	Amount in BDT
1	Factory Renovation	15,133,000
2	Working Capital	17,987,500
3	Loan Repayment	16,000,000
4	QIO Expenses	879,500
	Grand Total	**50,000,000**

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Use of Proceeds

Section Contents	
(a)	Use of net proceeds of the offer indicating the amount to be used for each purpose with head-wise break-up;
(b)	Where the sponsors' contribution or privately placed fund has been brought prior to the qualified investor offer and has already been deployed by the issuer, indication of use of such funds in the cash flow statement
(c)	If one of the objects is an investment in a joint venture, a subsidiary, an associate or any acquisition, details of the form of investment, nature of benefit expected to accrue to the issuer as a result of the investment, brief description of business and financials of such venture;
(d)	If QIO proceeds are not sufficient to complete the project, then source of additional fund must be mentioned. In this connection, copies of contract to meet the additional funds are required to be submitted to the Commission. The means and source of financing, including details of bridge loan or other financial arrangement, which may be repaid from the proceeds of the issue along with utilization of such funds;
(e)	A schedule mentioning the stages of implementation and utilization of funds received through qualified investors' offer in a tabular form, progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Chief Executive Officer or Managing Director, Chief Financial Officer and Chairman on behalf of Board of Directors of the issuer;
(f)	If there are contracts covering any of the activities of the issuer for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the issuer shall disclose the terms of such contracts, and copies of the contracts shall be enclosed as annexure to the prospectus;
(g)	If one of the objects of the issue is utilization of the issue proceeds for working capital, basis of estimation of working capital requirement along with the relevant assumptions, reasons for raising additional working capital substantiating the same with relevant facts and figures and also the reasons for financing short with long term investments and an item wise break-up of last three years working capital and next two years projection
(h)	Where the issuer proposes to undertake one or more activities like diversification, modernization, expansion, etc., the total project cost activity wise or project wise, as the case may be
(i)	Where the issuer is implementing the project in a phased manner, the cost of each phase, including the phases, if any, which have already been implemented;
(j)	The details of all existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies;
(K)	Summary of the project appraisal or feasibility report by the relevant professional people with cost of the project and means of finance, weaknesses and threats, if any, as given in the appraisal or feasibility report.

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Managing Director & CEO
AAA Finance & Investment Ltd.

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

a) Use of net proceeds of the offer indicating the amount to be used for each purpose with head-wise break-up;

Sources of fund:

Sources of Fund: Issue Size (Number of share to be issued)	Amount in Taka
5,000,000 Shares (Issue price 10 each)	50,000,000
Less: QIO Expenses	879,500
Net QIO Proceeds	49,120,500

Use of Net proceeds from QIO

Net proceeds from QIO will be used for Land and land development and procurement of Plant & Machineries

Details of the amount to be used for each purpose are as under:

SL.	Particulars	Amount in BDT	Implementation Schedule of QIO Proceeds
01	Factory Renovation	15,133,000	Within 12 months of receiving QIO fund
02	Working Capital	17,987,500	Within 06 months of receiving QIO fund
03	Loan Repayment	16,000,000	Within 06 months of receiving QIO fund
	Total	49,120,500	

1. Factory Renovation

SL.	Particulars	Area (sft)	Amount
01	Shed Development	6,327	2,530,910
02	Pre- Fabricated Steel Structure	12,654	12,602,090
	Total	18,981	15,133,000

02. Working Capital (Import Raw Materials)

SL.	Name of the Materials	Description	Qty	Unit Price (Tk)	Total price (Tk)
1	Raw Materials	Toluene	32,142	113.932	3,662,042
2	Raw Materials	Vinyl Acetate Monomer (VAM)	11,238	191.235	2,149,144
3	Raw Materials	SBP Super, Density 0.76±-0.015, 58°C to 110°C	17,638	84.063	1,482,712
4	Raw Materials	Chloroprene Rubber, Denka M130H	2,450	470.157	1,151,769
5	Raw Materials	Phenolic Resin (CKA 1634) / Neolite 1001 (1bag=20kg	3,136	351.007	1,100,645
6	Raw Materials	Chloroprene Rubber, Denka A 70	2,205	472.826	1,042,476

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7	Raw Materials	SBP Padma, Density 0.66±0.015, 40°C to 58°C	11,024	75.92	836,933
8	Raw Materials	Chloroprene Rubber Bayprene 350 (1bag=25kg)	1,592	498.941	794,483
9	Raw Materials	Methanol	14,704	52.469	771,529
10	Raw Materials	Hexane	5,370	111.502	598,751
11	Raw Materials	Chloroprene Rubber (CR-2444)	1,837	324.162	595,587
12	Raw Materials	Terpene Phenolic Resin (CAPLOPYTY, CP100 / DRT-100T	2,450	241.846	592,462
13	Raw Materials	Methylene Chloride	7,680	74.716	573,820
14	Raw Materials	Denka Chloroprone Rubber, Denka A 90	1,225	468.31	573,621
15	Raw Materials	Cyanoacrylate Adhesive (Super Glue)	919	511.616	469,999
16	Raw Materials	White Cement (ELEPHANT BRAND)	14,037	25.5	357,946
17	Raw Materials	Chloroprene Rubber, Bayprene 320 (1 Bag=25kg)	551	638.445	351,907
18	Raw Materials	Di-Ethylene Glycol (DEG)	3,776	81.713	308,522
19	Raw Materials	Diesel	5,512	53.45	294,613
20	Raw Materials	Di-Polythene Glycol (BENZOFLEX 50 PLASTICIZER)	689	422.411	291,038
		Total	140,175		18,000,000

03. Loan Repayment

SL.	Particulars	Amount
1	Loan Repayment to Dhaka Bank	13,000,000
2	Loan Repayment to Midland Bank	3,000,000
	Total	16,000,000

Terms of contract:

As per Annexure-E (B)(18)(f) of the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules 2018 there is no contract covering any of the activities of the issuer company
for which the proceeds of sale of securities from QIO is to be used.

Sd/- **Aziz Al Kaiser** Managing Director	Sd/- **Md. Zulfiqur Ali** Chief Financial Officer	Sd/- **Tabassum Kaiser** Chairman

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b) Where the sponsors contribution or privately palced fund has been brought prior to the qualified investor offer and has already been deployed by the issuer, indication of use of such funds in the cash flow statement.

Utilization of the total amount of paid-up capital:

Year	Item	Amount in BDT	Reflected in cash flows
2013	Preliminary Expenses	2,000,000	Used as capital Expenditure
2021	Construction work	57,067,242	Paid for capital work in Progress, therefore, reflected Cash flow from Investing activities.
2021	Repayment of Loan	35,047,409	Cash flow from Financing activities as payment of Short Term Loan.
2021	Working Capital	10,476,629	It is reflected in cash flow from operating activities
2021	Closing Bank Balance	45,408,720	Maintaining as cash & cash equivalent in hand and bank in specific date.
	Total	**150,000,000**	

c) If one of the objects is an investment in a joint venture, a subsidiary, an associate or any acquisition, details of the form of investment, nature of benefit expected to accrue to the issuer as a result of the investment, brief description of business and financials of such venture;

The issuer has no objects to investment in a joint venture, a subsidiary, an associate or any acquisition.

d)If QIO proceeds are not sufficient to complete the project, then source of additional fund must be mentioned. In this connection, copies of contract to meet the additional funds are required to be submitted to the Commission. The means and source of financing, including details of bridge loan or other financial arrangement, which may be repaid from the proceeds of the issue along with utilization of such funds:

QIO proceeds are sufficient to complete the projects. Hence, the above-mentioned information is not required for SAL.

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e)A schedule mentioning the stages of implementation and utilization of funds received through public offer in a tabular form, progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Chief Executive Officer or Managing Director, Chief Financial Officer and Chairman on behalf of Board of Directors of the issuer;

Sl. No.	Particulars	Progress made so far	Implementation Schedule of QIO Proceeds	Projected Date of full Commercial Operation
1	Factory Renovation	Factory building renovation and equipment installation will be started after receiving of QIO fund	Within 12 months of receiving QIO fund	After Completion of the works.
2	Working Capital	The company will import raw materials after receiving of QIO fund	Within 06 months of receiving QIO fund	After Completion of the Machineries installation
3	Loan Repayment	Loan Shall be paid after receiving the QIO fund	Within 06 months of receiving QIO fund	N/A
4	QIO Expenses	On turnkey basis	N/A	N/A

Sd/-	Sd/-	Sd/-
Tabassum Kaiser	**Md. Zulfikar Ali**	**Aziz Al Kaiser**
Chairman	Chief Financial Officer	Managing Director

f) If there are contracts covering any of the activities of the issuer for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the issuer shall disclose the terms of such contracts, and copies of the contracts shall be enclosed as annexure to the prospectus:

There is no such contract yet to be engaged by the Company.

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g) If one of the objects of the issue is utilization of the issue proceeds for working capital, basis of estimation of working capital requirement along with the relevant assumptions, reasons for raising additional working capital substantiating the same with relevant facts and figures and also the reasons for financing short with long term investments and an item wise break-up of last three years working capital and next two years projection:

Working Capital Forecast:

	Historical			Forecast	
Particulars	**30-Jun-19**	**30-Jun-20**	**30-Jun-21**	**30-Jun-22**	**30-Jun-23**
Inventories	196,024,630	112,255,233	111,367,344	103,692,698	114,061,967
Accounts Receivable	2,521,451	5,704,735	26,056,795	15,065,068	16,571,575
Advances, Deposits and Pre-payments	33,190,907	54,980,134	58,580,191	58,580,191	58,580,191
Cash & Cash Equivalents	2,253,934	2,070,855	46,259,428	-	-
Current Assets	**233,990,922**	**175,010,957**	**242,263,759**		
Operating Current Asset	**231,736,988**	**172,940,102**	**196,004,331**	**177,337,957**	**189,213,734**
Current Portion of Long Term Liability			3,469,448	-	-
Short Term Loan	253,922,792	212,349,888	177,302,480	-	-
Trade Payable	26,579,309	16,589,453	21,168,956	32,565,851	35,822,436
Other Liabilities	35,107,241	20,079,491	2,289,279	19,158,670	13,842,480
Liabilities for WPPF		651,612	2,567,376	-	-
Liabilities for Expenses	8,030,673	4,927,561	4,249,656	5,735,963	5,735,963
Provision for Income Tax		15,854,197	27,268,913	-	-
Current Liability	**323,640,015**	**270,452,202**	**238,316,107**		
Operating Current Liability	**69,717,223**	**41,596,505**	**27,707,891**	**57,460,485**	**55,400,880**
Operating Working Capital	**162,019,765**	**131,343,597**	**168,296,440**	**119,877,473**	**133,812,854**

SAL will require more than BDT 11 crore as operating working capital for the next two years. Operating working capital in excess of IPO

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portion will be financed through line of credit and other borrowing.

Assumption:

Particulars	30-Jun-19	30-Jun-20	30-Jun-21	30-Jun-22	30-Jun-23	Remarks
COGS	298,554,950	201,448,560	327,048,869	362,924,442	399,216,886	Ratio
Purchase	279,979,571	100,548,423	298,329,052	328,161,957	360,978,153	10% Growth
Sales	369,801,852	253,282,498	412,414,138	453,655,552	499,021,107	10% Growth
Accounts Receivable	2,521,451	5,704,735	26,056,795	15,065,068	16,571,575	Ratio
Inventory	196,024,630	112,255,233	111,367,344	103,692,698	114,061,967	Ratio
Trade Payable	26,579,309	16,589,453	21,168,956	32,565,851	35,822,436	Ratio

Ratio	Formula	30-Jun-19	30-Jun-20	30-Jun-21	30-Jun-22	30-Jun-23
Inventory Turnover	COGS/Inventory	1.52	1.79	2.94	3.50	3.50
Receivable Turnover	Sales/Accounts Receivable	146.66	44.40	15.83	30.11	30.11
Accounts Payable	Purchase/Accounts Payable	10.53	6.06	14.09	10.08	10.08
COGS (%)	COGS/Net Sales	0.81	0.80	0.79	0.80	0.80

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h) Where the issuer proposes to undertake one or more activities like diversification, modernization, expansion, etc., the total project cost activity-wise or project wise, as the case may be:

The Company has a plan to implement the expansion by using QIO proceeds, which have been mentioned in use of QIO Proceeds and project implementation schedule.

i) Where the issuer is implementing the project in a phased manner, the cost of each phase, including the phases, if any, which have already been implemented:

The Company has a plan to implement the expansion by using QIO proceeds, which have been mentioned in use of QIO Proceeds and project implementation schedule.

j) The details of all existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies:

There is no existing or anticipated material transaction in relation to utilization of the issue proceeds or project
cost with sponsors, directors, key management personnel, associates and group companies.

(k) Summary of the project appraisal or feasibility report by the relevant professionals not connected with the issuer, issue manager and registrar to the issue with cost of the project and means of finance, weaknesses and threats, if any, as given in the appraisal or feasibility report.

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SECTION - XXII
(B)(19)

Lock-In

Section Contents	
(a)	Provisions for lock-in as per these Rules
(b)	Statement of securities to be locked in for each shareholder along with BO account number, lock-in period and number of securities to be locked-in

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a) Provisions for lock in as per these Rules;

All ordinary shares of the issuer at the time of according consent shall be subject to lock-in for 1 (one) year:
Provided that ordinary shares converted from any other type of securities shall also be subject to lock-in for 1 (one) year.

(b) Statement of securities to be locked in for each shareholder along with BO account number, lock-in period and number of securities to be locked-in.

The following table indicates the Lock-In status of the shareholders of Star Adhesives Ltd.:

Sl. No.	Name of Shareholders	Position	No. of shares	Pre-IPO (%)	Lock-in Period
1	Tabassum Kaiser	Chairman	500,000	3.33%	1 Year
2	Aziz Al Kaiser	Managing Director	4,500,000	30.00%	1 Year
3	Star Particle Board Mills Ltd.	Director	2,000,000	13.33%	1 Year
4	Partex Cables Ltd....	Director	1,000,000	6.67%	1 Year
5	Partex Furniture Industries Ltd....	Shareholder	1,000,000	6.67%	1 Year
6	Partex Laminates Ltd.	Shareholder	500,000	3.33%	1 Year
7	Star Gypsum Board Mills Ltd.	Shareholder	500,000	3.33%	1 Year
8	Aziz Al Mahmood	Shareholder	500,000	3.33%	1 Year
9	Sultana Hashem	Shareholder	500,000	3.33%	1 Year
10	Meghna Cement Mills Ltd. Staff Provident Fund	Shareholder	500,000	3.33%	1 Year
11	Bashundhara Industrial Complex Ltd. Employees Provident Fund	Shareholder	500,000	3.33%	1 Year
12	A.N.M Yeahea	Shareholder	300,000	2.00%	1 Year
13	Badiur Rahman	Shareholder	300,000	2.00%	1 Year
14	Khandaker Reza-E-Raquib	Shareholder	200,000	1.33%	1 Year
15	Gulam Mustafa	Shareholder	1,000,000	6.67%	1 Year
16	Saquib Muntasir Ahmed	Shareholder	200,000	1.33%	1 Year
17	BD Finance Capital Holdings Limited Client A/C	Shareholder	1,000,000	6.67%	1 Year
TOTAL			15,000,000	100%	

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SECTION - XXIV
(B)(20)

Description of Securities Outstanding or being offered

Section Contents	
(a)	Dividend, voting and pre-emption rights
(b)	Conversion and liquidation rights
(c)	Dividend policy
(d)	Other rights of the securities holders

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(a) **Dividend, Voting, and Preemption Rights;**

The Share Capital of the company is divided into Ordinary Shares, carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act 1994 and the Articles of Association of the company. All Shareholders shall have the usual voting right in person or by proxy in connection with, among others, election of Directors & Auditors and other usual agenda of General Meeting - Ordinary or Extra-ordinary. On a show of hand, every shareholder presents in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present or by proxy shall have one vote for every share held by him or her.

In case of any additional issue of shares for raising further capital the existing shareholders shall be entitled to Right Issue of shares in terms of the guidelines issued by the BSEC from time to time.

(b) **Conversion and Liquidation Rights;**

If the Company at any time issues convertible preference shares or debenture with the consent of BSEC, such holders of Securities shall be entitled to convert such securities into ordinary shares if it is so determined by the Company.

Subject to the provisions of the Companies Act, 1994, Articles of Association of the Company and other relevant rules in force, the shares, if any, of the Company are freely transferable, the Company shall not change any fee for registering transfer of shares. No transfer shall be made to firms, minors or persons of unsound mental health

(c) **Dividend Policy;**

i. The profit of the company, subject to any special right relating thereto created or authorized to be created by the Memorandum of Association subject to the provision of the Articles of Association, shall be divisible among the members in proportion to the capital paid up on the Shares held by them respectively.
ii. No larger dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of net Profit of the Company shall be conclusive.
iii. No dividend shall be payable except out of profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
iv. The Directors may, from time to time, pay the members such interim dividend as in their judgment the financial position of the Company may justify.
v. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.

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vi. No limitation in payment of dividend is stipulated in any debt instrument or otherwise.

(d) **Other Rights of the securities holders.**

In terms of the provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering transfer of shares. No transfer shall be made to a minor or person of unsound mind.

The Directors shall present the financial statements as required under the law & International Accounting Standard. Financial statements will be prepared in accordance with the International Accounting Standards consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as par law and International Accounting Standard to the shareholders regarding the financial and operational position of the company. The shareholders shall have the right to receive all periodical statement and reports, audited as well as unaudited, published by the company from time to time.

The shareholder holding minimum of 10% shares of paid-up capital of the company shall have the right to requisition extra ordinary General Meeting of the company as provided for the section 84 of the Companies Act 1994.

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SECTION - XXV
(B)(21)

Financial Statements

Section Contents	
(a)	The latest financial statements prepared and audited by the Commission's panel auditors in adherence to the provisions of the Companies Act,1994, International Financial Reporting Standards (IFRS) for small and medium sized entities
(b)	Information as is required under section 186 of the Companies Act, 1994 relating to holding company
(c)	Selected ratios as specified in Annexure-D
(d)	Auditors report under section 135(1), Paragraph 24(1) of Part II of Schedule III of the Companies Act, 1994. The report shall include comparative income statements and balance sheet and aforementioned ratios for immediate preceding five accounting years of the issuer. If the issuer has been in commercial operation for less than five years, the abovementioned inclusion and submission shall have to be made for the period since commercial operation
(e)	Financial spread sheet analysis for the latest audited financial statements
(f)	Earnings per Share (EPS) on fully diluted basis (with the total existing number of shares) in addition to the weighted average number of shares basis. Future projected Net Income should not be considered while calculating the weighted average EPS
(g)	All extra-ordinary income or non-recurring income coming from other than core operations should be shown separately while showing the Net Profit as well as the Earnings Per Share;
(h)	Quarterly or half-yearly EPS should not be annualized while calculating the EPS
(i)	Net asset value (with and without considering revaluation surplus or reserve) per unit of the securities being offered at the date of the latest audited statement of financial position
(j)	The Commission may require the issuer to re-audit the audited financial statements, if any deficiency or anomaly is found in the financial statements

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(a)The latest financial statements prepared and audited by the Commission's panel auditors in adherence to the provisions of the Companies Act,1994, International Financial Reporting Standards (IFRS) for small and medium sized entitiy.

Independent Auditor's Report
To the Shareholders of
STAR ADHESIVES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Star Adhesives Limited** which comprise the Statement of Financial Position as at 30 June 2021 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended 30 June 2021, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 30 June 2021, and of its financial performance and its cash flows for the year then ended 30 June 2021 in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

S.L.	Key Audit Report	How our audit addressed the key audit matter
1.	**Valuation of Inventories** Refer to note 06 to the financial statements. Inventories represent BDT 111,367,344 of the Company; inventories are thus a material item to the Financial statements. As described in the accounting policy note 2.13 to the financial statements, inventors are valued at the lower of cost or net realizable values. As such, management is	• Tested the operating effectiveness of key controls over Inventories; including observing the process of management's Year-end inventory count. • Verified a sample basis the net realizable value by comparing costs to recent selling prices and assessing the

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	required to make judgments in determining whether inventories are being appropriately valued. Volume of inventories being held by the company at the reporting date and the complexities involved in the accounting and presentation thereof, Inventories has been considered as a key audit matter.	reasonableness of any resulting write down of inventory items. • Performed cut-off tests to determine that the purchases and sales of the inventories have been captured in the correct accounting period. • Reviewed the historical accuracy of inventory provisions and the level of write-downs.
2.	**Appropriateness of revenue recognition and disclosures on the impact of the initial application of IFRS 15.** Refer to note 22 to the financial statements. As described in accounting policy note 2.10 to the financial statements, the Company recognizes revenue upon transfer of control as per the newly adopted IFRS 15: Revenue from Contracts with Customers. The Company has reported total revenue of BDT 412,414,138 after VAT. The Company's primary customers are industrial Adsehives and glue user for manufacturing of Door, Board & Furniture and selling through Distributors & Retailers who are also entitled to get wholesale rate of goods invoiced. Given the significance and complexities involved in the accounting of Revenue, appropriate recognition of revenue has been considered as a key audit matter.	• Assessed the environment of the measurement as well as other relevant systems supporting the accounting or revenue. • Assessed manual as well as application controls supporting revenue recognition. • Assessed the invoicing and measurement systems up to entries in the general ledger. • Examined customer invoices and receipts of payment on a test basis. • Assessed the design of the processes set up to account for the transactions in accordance with the new standard. • Assessed whether the sufficiency of disclosures as required by the new standard have been met. • Assessed whether the sufficiency of disclosures as required to be made to opening balances due to the adoption of the new standard.

Reporting on other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

27 SEP 2021

Mohammad Obaydur Rahman, PCS
Managing Director & CEO
AAA Finance & Investment Ltd.

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in financial statements or, if such disclosures are inadequate, to

2 7 SEP 2021

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modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, we also report that:

(i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;

(iii) the statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns;

(iv) the expenditures incurred were for the purpose of the Company's business;

Place: Dhaka
Dated: 21 September, 2021
DVC: 2109210165AS926241

Sd/-
Quazi Shafiqul Islam, FCA
Enrolement No. 0165
Islam Quazi Shafique & Co.
Chartered Accountants

27 SEP 2021

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Star Adhesives Limited

Statement of Financial Position

As at June 30, 2021

Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020
Assets			
Non-Current Assets		**193,532,729**	**140,310,759**
Property, Plant & Equipment	4.00	154,809,257	126,606,633
Capital Work in Progress	5.00	38,723,471	13,704,126
Current Assets		**242,292,509**	**175,010,957**
Inventories	6.00	111,367,344	112,255,233
Accounts Receivable	7.00	26,056,795	5,704,735
Advances, Deposits & Pre-Payments	8.00	58,580,191	54,980,134
Cash & Cash Equivalents	9.00	46,288,178	2,070,855
Total Assets		**435,825,238**	**315,321,716**
Shareholders Equity & Liabilities			
Shareholders Equity		**188,384,094**	**43,454,553**
Share Capital	10.00	150,000,000	2,000,000
Retained Earnings	11.00	31,663,094	34,733,553
Reserve & Surplus		6,721,000	6,721,000
Non-Current Liabilities		**9,096,287**	**1,414,961**
Term Loan	12.00	7,710,300	-
Deferred Tax liabilities	13.00	1,385,986	1,414,961
Current Liabilities		**238,344,857**	**270,452,202**
Current Portion of Long Term Liability	14.00	3,469,448	-
Short Term Loan	15.00	177,302,480	212,349,888
Trade Payable	16.00	21,168,956	16,589,453
Other Liabilities	17.00	2,289,279	20,079,491
Liabilities for WPPF	18.00	2,567,376	651,612
Liabilities for Expenses and Services	19.00	4,278,406	4,927,561
Provision for Income Tax	20.00	27,268,913	15,854,197
Total Equity & Liabilities		**435,825,238**	**315,321,716**
Net Asset Value (NAV) per share	21.00	**12.56**	**2,172.73**

The accompanying notes form an integral part of this financial statements are to be read in conjunction therewith.

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Chairman	**Managing Director**	**Director**	**Chief Financial Officer**	**Company Secretary**

Signed in terms of our separate report on the same date

Sd/-
Quazi Shafiqul Islam, FCA
Enrolement No. 0165
Islam Quazi Shafique & Co.
Chartered Accountants

Place: Dhaka
Dated: 21 September, 2021
DVC:2109210165AS926241

27 SEP 2021

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Star Adhesives Limited

Statement of Profit or Loss and other Comprehensive Income

For the year ended June 30, 2021

Particulars	Notes	Amount in Taka	
		2020-2021	2019-2020
Revenue	22.00	412,414,138	253,282,498
Cost of goods sold	23.00	(327,048,869)	(201,448,560)
Gross Profit		**85,365,269**	**51,833,938**
Operating Expenses		**(27,878,286)**	**(15,847,769)**
General and Administrative Expenses	24.00	(13,745,870)	(9,514,288)
Selling and Distribution Expenses	25.00	(14,132,416)	(6,333,481)
Operating Profit / (Loss) after Financial Expense		**57,486,983**	**35,986,170**
Less : Financial Expenses	26.00	17,396,255	22,936,272
Add: Non Operating Income	27.00	140,319	633,961
Profi before WPPF & Tax		**40,231,047**	**13,683,859**
Contribution to WPPF		(1,915,764)	(651,612)
Profit before Tax		**38,315,282**	**13,032,247**
Tax Expense		**11,385,742**	**4,210,803**
Current Income Tax	28.00	11,414,716	3,889,903
Deferred Tax	29.00	(28,975)	320,900
Net profit after tax		**26,929,541**	**8,821,444**
Basic Earning Per Share (EPS)	30.00	**6.05**	**2.76**
Diluted Earning Per Share	30.02	**1.80**	**2.76**

The accompanying notes form an integral part of this financial statements are to be read in conjunction therewith.

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Chairman	**Managing Director**	**Director**	**Chief Financial Officer**	**Company Secretary**

Signed in terms of our separate report on the same date

Sd/-
Quazi Shafiqul Islam, FCA
Enrolement No. 0165
Islam Quazi Shafique & Co.
Chartered Accountants

Place: Dhaka
Dated: 21 September, 2021
DVC:2109210165AS926241

27 SEP 2021

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Star Adhesives Limited

Statement of Changes in Equity

For the year ended June 30, 2021

Particulars	Amount in Taka			
	Share Capital	Retained Earnings	Reserve	Total Amount
Balance as at July 01, 2020	2,000,000	34,733,553	6,721,000	43,454,553
Addition of Bonus Share	30,000,000	(30,000,000)	-	-
Addition of Right Share	15,000,000	-	-	15,000,000
Issue of Ordinary Share	103,000,000	-	-	103,000,000
Net profit after tax for the year	-	26,929,541	-	26,929,541
Balance as at June 30, 2021	**150,000,000**	**31,663,094**	**6,721,000**	**188,384,094**

Statement of Changes in Equity

For the year ended June 30, 2020

Particulars	Amount in Taka			
	Share Capital	Retained Earnings	Tax Holiday Reserve	Total Amount
Balance as at July 01, 2019	2,000,000	25,912,110	6,721,000	34,633,110
Net profit after tax for the year	-	8,821,443		8,821,443
Balance as at June 30, 2020	**2,000,000**	**34,733,553**	**6,721,000**	**43,454,553**

Sd/- Sd/- Sd/- Sd/- Sd/-

Chairman Managing Director Director Chief Financial Officer Company Secretary

Signed in terms of our separate report on the same date

Sd/-

Quazi Shafiqul Islam, FCA

Enrolement No. 0165

Islam Quazi Shafique & Co.

Chartered Accountants

Place: Dhaka

Dated: 21 September, 2021

DVC:2109210165AS926241

27 SEP 2021

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Star Adhesives Limited

Statement of Cash Flows

For the year ended 30th June, 2021

Particulars	Note	Amount in Taka	
		July 2020 To June 2021	July 2019 To June 2020
A. Cash Flows from Operating Activities:			
Received from Customers		392,062,078	250,099,214
Received from Others		140,319	633,961
Paid to Suppliers		(305,833,771)	(131,784,266)
Paid to Employees		(18,122,941)	(12,213,753)
Paid to Others		(54,746,009)	(54,591,579)
Cash generated from operation		**13,499,676**	**52,143,577**
Income Tax Paid		-	-
Net Cash generated from Operating Activities		**13,499,676**	**52,143,577**
B. Cash Flows from Investing Activities:			
Purchase of Fixed Assets		(6,347,450)	(9,798,497)
Payment for Capital Work In Progress		(57,067,242)	(955,255)
Net Cash used in Investing Activities		**(63,414,692)**	**(10,753,752)**
C. Cash Flows from Financing Activities:			
Share Capital		118,000,000	-
Term Loan Current portion		3,469,448	-
Term Loan		7,710,300	-
Short Term Loan		(35,047,409)	(41,572,904)
Net Cash Generated/(Used) from Financing Activities		**94,132,339**	**(41,572,904)**
Net Cash Inflow/(Outflow) from Total Activities (A+B+C)		**44,217,323**	**(183,079)**
Opening Cash & Cash Equivalents		**2,070,855**	**2,253,934**
Cash and Cash Equivalents at the End		**46,288,178**	**2,070,855**
Net Operating Cash Flows Per Share (NOCFPS)	**31**	**3.03**	**16.29**

The accompanying notes form an integral part of this financial statements are to be read in conjunction therewith.

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Chairman	**Managing Director**	**Director**	**Chief Financial Officer**	**Company Secretary**

27 SEP 2021

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Star Adhesives Limited
Notes to the Financial Statements
As at and for the year ended June 30, 2021

1.0 Status and Legal Form of the Company

Star Adhesives Limited was registered as a private limited company with the Registrar of Joint Stock Companies and Firms (RJSC) vide registration no. C-106486/13 dated January 01, 2013 under the Companies Act-1994. Subsequently the company was converted into public limited vide EGM dated 25th April 2021.

Registered Office

The registered office of the company is located Shanta Western Tower, Level-13, 186, Tejgaon Industrial Area, Dhaka.

1.01 Nature and Place of Business Activities

The Company was incorporated with the main object to produce different type of petrochemical products like adhesive and other objectives as have been mentioned into the Memorandum and Articles of Association of the company. We are informed by the management of the company that the company has started its commercial production effective from September 11, 2013 and engaged in sales thereof.

2.00 Basis of preparation and significant accounting policies

The financial statements of the company are prepared on going concern basis under historical cost convention and in accordance with the International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other laws & regulations applicable for the company.

2.01 Accounting Standards

The financial statements of the company have been prepared in accordance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

The following International Accounting Standards were applied for the preparation of the financial statements for the year ended June 30, 2021.

The Company as per Para-12 of Securities & Exchange Rule-1987, with the following International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) in preparing the financial statements.

Sl. No.	IAS No.	IAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied
2	2	Inventories	Complied
3	7	Statement of Cash Flows	Complied
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Reporting Period	Complied
6	12	Income Taxes	Complied
7	16	Property, Plant & Equipment	Complied

27 SEP 2021

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Sl. No.	IAS No.	IAS Title	Compliance Status
8	17	Leases	Not Applicable
9	19	Employee Benefits	Complied
10	20	Accounting for Government Grants and Disclosure of Government Assistance	Not Applicable
11	21	The Effects of Changes in Foreign Exchange Rates	Complied
12	23	Borrowing Cost	Complied
13	24	Related Party Disclosures	Complied
14	26	Accounting and Reporting by Retirement Benefit Plans	Complied
15	27	Separate Financial Statements	Not Applicable
16	28	Investments in Associates and joint ventures	Not Applicable
17	29	Financial Reporting in Hyper Inflationary Economics	Not Applicable
18	31	Interest in Joint Ventures	Not Applicable
19	32	Financial Instruments: Presentation	Complied
20	33	Earnings per Share	Complied
21	34	Interim Financial Reporting	Not Applicable
22	36	Impairment of Assets	Complied
23	37	Provisions, Contingent Liabilities and Contingent Assets	Complied
24	38	Intangible Assets	Not Applicable
25	39	Financial Instruments: Recognition and Measurement	Not Applicable
26	41	Agriculture	Not Applicable

Sl. No.	IFRS No.	IFRS Title	Compliance Status
1	1	First-time adoption of International Financial Reporting Standards	Complied
2	2	Share-based Payment	Not Applicable
3	3	Business Combinations	Not Applicable
4	4	Insurance Contracts	Not Applicable
5	5	Non-current Assets Held for Sale and Discontinued Operations	Not Applicable
6	6	Exploration for and Evaluation of Mineral Resources	Not Applicable
7	7	Financial Instruments: Disclosures	Complied
8	9	Financial Instruments	Complied
9	8	Operating Segments	Not Applicable
10	10	Consolidated Financial Statements	Not Applicable
11	11	Joint Arrangements	Not Applicable
12	12	Disclosure of Interests in other Entities	Not Applicable
13	13	Fair Value Measurement	Complied
14	14	Regulatory Deferral Accounts	Not Applicable
15	15	Revenue from Contracts with Customers	Complied
16	16	Leases	Not Applicable
17	17	Insurance Contracts	Not Applicable

2.02 Legal Compliance

The financial statements have been prepared on a going concern basis following accrual basis of accounting except for the statement of cash flows. The disclosures of information made in accordance with the requirements of the Companies Act 1994, the Securities and Exchange

27 SEP 2021

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Rules of 1987, and IASs and IFRSs adopted by the ICAB. On the basis of these regulations, International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs) were applied with the applicable standards at the financial position date. As required, **Star Adhesives Limited** complies with the following major legal provisions and other applicable laws and regulations:

2.02.01 Other Regulatory Compliances

The Company is also required to comply with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations in Bangladesh:

- The Income Tax Ordinance,1984
- The Income Tax Rules, 1984
- The Value Added Tax Act, 1991
- The Value Added Tax Rules, 1991
- The Value Added Tax (Amendment) Act, 2012
- The Value Added Tax (Amendment) Rules, 2012
- The Customs Act, 1969
- The Stamp Act, 1899
- The Bangladesh Securities and Exchange Commission Act, 1993
- The Bangladesh Securities and Exchange Commission Rules, 1987
- DSE/CSE Rules
- DSE Listing Regulations,2015
- Bangladesh Labor Act, 2006(as amended to 2013)
- Bangladesh Labor Rules, 2015.

2.03 Going Concern Basis

The company has adequate resources to continue its operation for the foreseeable future. As such, the directors intended to adopt the going concern basis in preparing the financial statements. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business.

2.04 Accrual Basis

The financial statements have been prepared except statement of cash flows information using the accrual basis of accounting.

2.05 Structure, Content and Presentation of Financial Statements

Being the general purpose of financial statements, the presentation of these financial statements is in accordance with the guidelines provided by IAS-1: "Presentation of Financial Statements". A complete set of financial statements comprises:

(a) Statement of Financial Position as at 30 June, 2021;

(b) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June, 2021;

(c) Statement of Changes in Equity for the year ended 30 June, 2021;

(d) Statement of Cash Flows for the year ended 30 June, 2021;

(e) Notes, comprising summary of significant accounting policies and other explanatory information.

2.06 Accounting Convention and basis

The Company's Accounts have been prepared under the historical cost convention in accordance with the International Accounting Standards.

27 SEP 2021

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2.07 Comparative Information

Comparative information has been disclosed in respect of 2019-2020 in accordance with **IAS 1: Presentation of Financial Statements** for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current periods of financial statements. Previous year's figure has been re-arranged whenever considered necessary to ensure comparability with the current year presentation as per IAS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

2.08 Reporting Currency

The Financial Statements are prepared and presented in Bangladeshi currency (Taka), which is the functional currency of the company. All financial information presented has been rounded off to the nearest Taka except where indicated otherwise.

2.09 Reporting Period

The Financial year of the company under audit covers for a period of 1(One) year effective from July 01, 2020 to June 30, 2021.

2.10 Revenue from contracts with customers

The Company recognizes as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services when (or as) it transfers control to the customer. To achieve that core principle, this standard establishes a five-step model as follows:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognize revenue when (or as) the entity satisfies a performance obligation.

Considering the five steps model, the Company recognizes revenue when (or as) the Company satisfies a performance obligation by transferring a promised goods to a customer. Goods are considered as transferred when (or as) the customer obtains control of those goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer when the buyer's provide assurance by giving acceptance on the delivery of goods. Revenue represents the invoice value of goods supplied to the customers measured at the fair value of the consideration received or receivable.

2.11 Property, Plant and Equipment

2.11.01 Initial Recognition and measurement

Property, plant and equipment are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation in compliance with the requirements of IAS-16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its

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intended use inclusive of inward freight, duties, non-refundable taxes and un-allocated expenditures etc.

2.11.02 Depreciation on Fixed Assets

In accordance with the provisions of IAS-16: Property, Plant and Equipment of depreciation on all fixed assets is computed consistently using the reducing balance method on monthly basis so as to written off the assets over their expected useful life from the date when the corresponding assets are ready for use as per management intention. And total depreciation Charge has been estimated for General & Administrative Expenses 15% and Factory Overhead 85% respectively by the management. The Rate of depreciation for this period as below:

SL No.	Particulars	Rate of Depreciation
01	Land and Land Development	0%
02	Building Re-construction	5%
03	Plant & Machinery	10%
04	Laboratory Equipment	10%
05	Water Tank	10%
06	Tools & Equipment	20%
07	Motor Vehicle	20%
08	Furniture & Fixture	10%
09	Computer & IT Equipment's	10%
10	Cargo Lift	10%

2.12 Cash and Cash equivalents

Cash and cash equivalents comprise cash in hand, demand deposits and short-term deposit, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.13 Inventories

Inventories comprise Raw Materials, Packaging Material, and Finished Goods. Inventories are carried at the lower of cost and net realizable value as prescribed by IAS 2: Inventories. Cost is determined on weighted average cost basis. The cost of inventories comprises of expenditure incurred in the normal course of business in bringing the inventories to their present location and condition. Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale.

2.14 Events after the Reporting Period

In compliance with the requirements of IAS-10: Events after the reporting period, post balance sheet events that provide additional information about the Company's position at the reporting date are reflected in the financial statements and events after the balance sheet date that are not adjusting events.

2.15 Statement of Cash Flows

The Statement of Cash Flows is prepared in accordance with International Accounting Standards IAS-7 Statement of Cash Flows and cash flows from the operating activities have been presented under direct method considering the provision of paragraph 19 of IAS-7 which provides that "Entities are encouraged to report cash flows from operating activities using the direct method".

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2.16 Related Party Disclosures

Related party considered if the party is related to the company and exerts significant influence over the day-to-day transactions of the subject gain as per IAS-24.

2.17 Authorization Date Issuing Financial statements:

The Financial Statements were authorized by the Board of Directors on 21 September, 2021.

2.18 Borrowing Cost

Borrowing costs are not directly attributable to the acquisition, construction or production of qualifying assets is recognized in profit or loss using effective interest method. Borrowing cost incurred against bank loan has been capitalized under effective interest rate method.

2.19 Impairment of Assets

I) Financial Assets

Accounts receivable and others receivables are assessed at each reporting date to determine whether there is any objective evidence of impairment. Financial assets are impaired if objective indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired can include default of delinquency by a debtor, indicates that a debtor of issuer will enter bankruptcy etc. No Financial assets are impaired during the period.

II) Non-Financial assets

An asset is impaired when it carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exits, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. Carrying amount of the assets is reduced to its recoverable amount by recognizing an impaired loss is recognized immediately in statement of comprehensive income unless the asset is carried at revalued amount. Any impaired loss of a revalued asset treated as a revaluation decrease. No non-financial assets are impaired during the period.

2.20 Financial Instruments

A financial instrument is in any contract that gives rise to a financial asset of one equity and financial liability or equity instrument of another entity.

2.21 Financial Assets

Financial assets of the company include cash and cash equivalents, equity instrument of another equity, trade receivable and other receivables. The company initially recognizes receivable on the date they are originated. All other financial assets are recognized initially on the date which the company becomes a part to the contractual obligation of the transaction. The company derecognizes a financial asset when and only when contractual rights or probabilities of receiving the cash flows from the assets expire or it transfer the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and reward of ownership of the financial assets are transferred.

2.22 Initial Recognition

An entity recognizes a financial assets or liabilities in its statement of financial position when, and only when, the entity becomes a party to the contractual provision of the instrument and subsequently recognizes at their amortized cost.

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Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

2.23 Trade Receivables

These are carried at original invoice amount. Trade receivables are accrued in the ordinary course of business. All receivable has been considered as good and realizable and therefore, no amount was written off as bad debt was considered doubtful of recovery.

2.24 Financial Liabilities

The company initially recognizes financial liabilities on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. Financial liabilities include loan and borrowing trade creditors, Liabilities for expenses and liabilities for other finance.

2.24 Provisions

In accordance with the guidelines as prescribed by IAS-37 Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized in the following situations:

a) when the company has an obligation (legal or constructive) as a result of past events;

b) when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

c) When reliable estimates can be made of the amount of the obligation.

2.25 Income Tax

Current Tax

Current tax has been made at the rate of **30 % on operating income** as prescribed in the Income Tax Ordinance-1984 on the accounting profit made by the company in compliance with IAS-12 "Income Taxes".

Deferred Tax

Deferred Tax arises due to temporary/deductible difference between accounting and Tax base depreciation, Deferred Assets/Liabilities is recognized as per International Accounting Standard (IAS-12)

2.26 VAT

The company is registered with VAT authority vide registration (BIN) number 000073974-0302 is subject to 15% VAT. The company submits VAT return continuously.

2.27 Foreign Currency Transaction:

Foreign currency transactions are recorded, on initial recognition in the functional currency at the spot exchange rate ruling at the transaction date. At the end of each reporting period, in compliance with the provision of IAS 21: The Effects of Changes in Foreign Exchange Rates, are determined as under:

(a) Foreign currency monetary items are translated using the closing rate.

(b) Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction.

(c) Non-monetary items that are measured at fair value in a foreign currency is translated using the exchange rate at the date when the fair value is determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rate different from those at which they were translated on initial recognition during the period or in previous financial statements is recognized in profit or loss in the period in which they arise.

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2.28 Creditors and Accrued Expenses

Liabilities are recognized for accounts to be paid in future for goods and services received from suppliers/ service providers.

2.29 Earnings Per Share (EPS)

This has been calculated in compliance with the requirement of IAS-33: Earnings per share by dividing the net earnings after tax by the weighted average number of ordinary shares outstanding during the period.

Basic Earnings per share (Numerator /Denominator)
Earnings (Numerator)

EPS represents weighted average number of ordinary share outstanding during the year.

2.30 Defined Contribution Plans

The company runs their business in local market and will provided Workers Profit Participation Fund (WPPF) as soon as the government form participation and welfare fund per section 232(3) of Labor Act-2006 (Amended 2013).

2.31 Responsibility for preparation and presentation of financial statements:

The company's management and board of directors are responsible for the preparation and presentation of financial statements as per section 183 of the companies Act 1994.

3.00 Risk Exposure

Interest rate risk

Interest rate risk is the risk that Company faces due to unfavorable movements in the interest rates. Changes in the government's monetary policy, along with increased demand for loans/ investments tend to increase the interest rates. Such rises in interest rates mostly affect companies having floating rate loans or companies investing in debt securities.

Management perception

The Company maintains low debt/ equity ratio and accordingly, adverse impact of interest rate fluctuation is insignificant. Considering the global economy and inflection of overseas financing, financial institutions in Bangladesh reducing lending rate creating an opportunity for saving in financial cost.

Exchange rate risk

Exchange rate risk occurs due to changes in exchange rates. As the Company imports materials and equipment from abroad and also earns revenue in foreign currency, unfavorable volatility or currency fluctuation may affect the profitability of the Company. If exchange rate increases against local currency, opportunity arises for generating more profit.

Management perception

The company purchase raw materials and sells finished product mostly in US$ currency and the transaction would settle within very short period. Therefore, volatility of exchange rate will have no impact on profitability of the Company.

Industry risks

Industry risk refers to the risk of increased competition from foreign and domestic sources leading to lower prices, revenues, profit margin, and market share which could have an adverse impact on the business, financial condition and results of operation.

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Management perception
Management is optimistic about growth opportunity in adhesives sector in Bangladesh. Furthermore, there is untapped international market.

Market risks
Market risk refers to the risk of adverse market conditions affecting the sales and profitability of the company. Mostly, the risk arises from falling demand for the product or service which would harm the performance of the company. Most of our product is used as Industrial backward linkage Adhesives & Glue for producing & linking of Furniture, Door & Board. So it has a little risk/chance to fall our business. On the other hand, strong marketing and brand management would help the company increase their customer base.

Management perception
Management is fully aware of the market risk and act accordingly. Market for adhesives products is decent. Moreover, the company has a strong marketing and brand management to increase the customer base and customer loyalty.

Operational risks
Non-availabilities of materials/equipment/services may affect the smooth operational activities of The Company. On the other hand, the equipment may face operational and mechanical failures due to natural disasters, unforeseen events, lack of supervision and negligence, leading to severe accidents and losses.

Management perception
The company perceives that allocation of its resources properly can reduce this risk factor to great extent. The Company hedges such risks and also takes preventive measures therefor.

Liquidity risk
Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price.

Management perception
The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

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Note No	Particulars	Amount in Taka	
		June 30, 2021	June 30, 2020

4.00 Property, Plant & Equipment

A. Cost		
Opening balance	161,497,519	100,703,541
Add: Addition during the year	38,395,347	60,793,978
Closing balance	**199,892,866**	**161,497,519**
B. Depreciation		
Opening balance	34,890,886	27,107,335
Charge during the year	10,192,723	7,783,551
Closing balance	**45,083,609**	**34,890,886**
Written Down Value (A-B)	**154,809,257**	**126,606,633**

* The details have been shown in **Annexure: A**

5.00 Capital Work in Progress

Opening balance	13,704,126	63,744,353
Add: Addition during the year	57,067,242	955,255
	70,771,368	**64,699,608**
Less: Transfer to Land Development & Building	32,047,897	50,995,482
Closing Balance	**38,723,471**	**13,704,126**

6.00 Inventories

Raw Materials	Note	23.01	73,937,765	57,333,270
Packing Materials	Note	23.02	2,268,543	2,994,321
Spare Parts	Note	23.03	398,547	432,110
Work in Process	Note	23.00	4,767,891	6,870,193
Finished Goods	Note	23.00	29,994,598	44,625,339
Total			**111,367,344**	**112,255,233**

Details are shown in **Annexure-B**

7.00 Accounts Receivable

Opening Balance	5,704,735	2,521,451
Add: Addition during the year	412,414,138	250,776,263
	418,118,873	**253,297,714**
Less: Receipt during the year	392,062,078	247,592,979
Total	**26,056,795**	**5,704,735**

Aging of Accounts Receivable

More than six months	5,452,385	1,371,432
Less than six months	20,604,410	4,333,303
Total	**26,056,795**	**5,704,735**

* The details have been shown in **Annexure: C**

Ageing and Classification of trade receivable as per Schedule XI, Part I, Para 4 of the Companies Act, 1994

Ageing of Accounts Receivable	June 30, 2021	June 30, 2020
More than Six months	5,452,385	1,371,432
Less than Six months	20,604,410	4,333,303
Total	**26,056,795**	**5,704,735**

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Note No	Particulars	Amount in Taka	
		June 30, 2021	June 30, 2020
	Particulars	June 30, 2021	June 30, 2020
	Receivables considered good and in respect of which the company is fully secured.	-	-
	Receivables considered good for which the company holds no security other than the debtor's personal security.	24,933,793	5,378,981
	Receivables considered doubtful or bad.	-	-
	Receivable due by directors or other officers of the company or any of them either severally or jointly with any other person or receivables due by firms or private companies respectively in which any director is a partner or a director or a member.	-	-
	Receivables due by companies under the same management.	1,123,002	325,754
	The maximum amount due by directors or other officers of the company at any time during the period/year.	-	-
	Total	26,056,795	5,704,735

8.00 Advances, Deposits and Pre-payments

Advances			
Advance income tax	Note - 8.01	47,871,060	38,251,845
Advance VAT	Note - 8.02	1,514,913	12,736,866
Advance to supplier		2,016,542	1,781,172
Advance against rent		93,372	103,372
Sub-Total		**51,495,887**	**52,873,255**
Pre-Payments			
Goods in Transit		7,084,304	2,106,879
Total		**58,580,191**	**54,980,134**

8.01 Advance Income Tax

Opening balance	38,251,845	27,166,586
Add: Deducted during the year from various sources	9,619,215	11,085,259
	47,871,060	**38,251,845**
Less: Adjustment during the year	-	-
Closing Balance	**47,871,060**	**38,251,845**

8.02 Advance VAT

Opening Balance	12,736,866	2,631,925
Add: Paid during the year	50,640,168	48,097,315
	63,377,034	**50,729,240**
Less: Adjustment during the year	61,862,121	37,992,374
Total	**1,514,913**	**12,736,866**

8.03 Disclosure as per Schedule XI, Part I, Para 6 of the Companies Act, 1994

Particulars	June 30, 2021	June 30, 2020
Advances, deposits & prepayments considered good and in respect of which the company is fully secured.	56,563,649	53,198,962
Advances, deposits & prepayments considered good for which the company holds no security other than the debtor's personal security.	2,016,542	1,781,172
Advances, deposits & prepayments considered doubtful or bad.	-	-
Advances, deposits & prepayments due by directors or other officers of the company or any of them either severally or jointly with any other person or Advance, deposits & prepayment due by firms or private companies respectively in which any director is a partner or a director or a member.	-	-
Advances, deposits & prepayments due by companies under the same management.	-	-
The maximum amount due by directors or other officers of the company at any time during the period/year.	-	-
Total	58,580,191	54,980,134

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Note No	Particulars	Amount in Taka	
		June 30, 2021	June 30, 2020

9.00 Cash & Cash Equivalents

Cash in hand		879,458	872,528
Cash at banks	Note - 9.01	45,408,720	1,198,327
Total		**46,288,178**	**2,070,855**

9.01 Cash at Bank

Name of the Bank	A/C Type	Branch Name	Account Number	Taka	Taka
Merchentile Bank Ltd	Special Notice	Tejgaon Br.	132713134089968	39,200,611	-
Sonali Bank Ltd.	Current Account	BB Avenue	0102433023684	47,460	47,460
Dhaka Bank Ltd.	Current Account	Local Office	2011000024401	70,347	114,451
Islami Bank BD Ltd.	Current Account	Dilkusha	20502130100223101	1,955,803	742,239
Dutch Bangla Bank Ltd.	Current Account	Matijheel	1051100032345	4,130,994	246,387
Midland Bank Ltd.	Current Account	Gulshan-2	0011-1050003884	3,505	47,790
Total:				**45,408,720**	**1,198,327**

All the Bank balances were confirmed by the respective Bank and its reconciliation statement.

10.00 Share Capital

Authorized Capital		
50,000,000 ordinary shares of tk. 10/- each	**500,000,000**	**50,000,000**
Issued, Subscribed and Paid-up Capital		
2,00,000 ordinary shares of tk. 10/- each	2,000,000	2,000,000
3,000,000 Bonus shares of tk. 10/- each	30,000,000	-
1,500,000 ordinary shares of tk. 10/- each	15,000,000	-
10,000 ordinary shares of tk. 10/- each	100,000	-
52,90,000 ordinary shares of tk. 10/- each	52,900,000	-
50,00,000 ordinary shares of tk. 10/- each	50,000,000	-
Total	**150,000,000**	**2,000,000**

The aforesaid share capital is subscribed as under

Name	Position	No. of Shares	Shareholding %	Amount (Tk.)	Amount (Tk.)
Mr. Aziz Al Kaiser	Director	4,500,000	30%	45,000,000	1,800,000
Mrs. Tabassum Kaiser	Director	500,000	3%	5,000,000	200,000
Star Particle Board Mills Limited	Sponsor	2,000,000	13%	20,000,000	-
Partex Furniture Industries Ltd.	Sponsor	1,000,000	7%	10,000,000	-
Partex Cables Ltd.	Sponsor	1,000,000	7%	10,000,000	
Partex Laminates Limited	Sponsor	500,000	3%	5,000,000	
Star Gypsum Board Mills Ltd.	Sponsor	500,000	3%	5,000,000	-
Sub-total for Directors and Sponsors		**10,000,000**	**67%**	**100,000,000**	**2,000,000**
Mr. Aziz Al Mahmood	Shareholder	500,000	3%	5,000,000	-
Mrs. Sultana Hashem	Shareholder	500,000	3%	5,000,000	-
Meghna Cement Mills Ltd. Staff Provident Fund	Shareholder	500,000	3%	5,000,000	-

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Note No	Particulars				Amount in Taka	
					June 30, 2021	June 30, 2020
	Bashundhara Industrial Complex Ltd. Employees Provident Fund	Shareholder	500,000	3%	5,000,000	-
	Mr. A.N.M Yeahea	Shareholder	300,000	2%	3,000,000	-
	Mr. Badiur Rahman	Shareholder	300,000	2%	3,000,000	-
	Mr. Khandaker Reza-E-Raquib	Shareholder	200,000	1%	2,000,000	-
	Mr. Gulam Mustafa	Shareholder	1,000,000	7%	10,000,000	-
	Mr. Saquib Muntasir Ahmed	Shareholder	200,000	1%	2,000,000	-
	BD Finance Capital Holdings Limited- Client Account	Shareholder	1,000,000	7%	10,000,000	-
	Sub-total for Shareholders		**5,000,000**	**33%**	**50,000,000**	-
	Grand Total		**15,000,000**	**100%**	**150,000,000**	**2,000,000**
	In Million		**15**		**150**	**2**

11.00 Retained Earnings

Opening balance	34,733,553	25,912,110
Less : Stock Dividend	30,000,000	-
Add: Net Profit/(Loss) after tax for the year	26,929,541	8,821,443
Closing Balance	**31,663,094**	**34,733,553**

12.00 Term Loan

DBL Term Loan	7,710,300	-
	7,710,300	-

Nature of Security of Loans:

Particulars	Details
Name of Bank & Financial Institute	Dhaka Bank Ltd
Type of Facility	Term Loan
Limit	BDT 12,960,196
Repayment	Quarterly
Interest Rate	9.00%
Period of Loan	20 months
Expiry Date	Saturday, December 31, 2022
Renewal Status	N/A
Securities	N/A
Purpose	Working capital

13.00 Deferred Tax liabilities

Book Value of Depreciable Asset	154,809,257	126,606,633
Less: Tax base value of depreciable assets	150,189,303	122,252,907
Taxable Temporary Difference	**4,619,954**	**4,353,726**
Effective Tax Rate	30%	32.50%
Deffered Tax Liability on original cost of assets	**1,385,986**	**1,414,961**

Details are shown in **Annexure-D**

14.00 Current Portion of Long Term Liability

Loan Term Liability	11,179,748	-
Less : Outstanding Liability after 12 month	7,710,300	-
	3,469,448	-

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Note No	Particulars	Amount in Taka	
		June 30, 2021	June 30, 2020

15.00 Short Term Loan

Bank Name	A/C Type	Br. Name	Account Number	Amount (Tk.)	Amount (Tk.)
Dhaka Bank Ltd.	Overdraft Account	Local Office	2011750001767	69,027,235	71,786,967
Midland Bank Ltd.	Short Term Loan	Gulshan	0011-2510003681	60,987,860	70,889,565
Dhaka Bank Ltd.	Margin Loan		Customer ID 442619	47,287,385	69,673,356
Total				**177,302,480**	**212,349,888**

16.00	**Trade Payable**	21,168,956	16,589,453
	Total	**21,168,956**	**16,589,453**
	* The details have been shown in **Annexure: E**		
17.00	**Other Liabilities**	2,289,279	20,079,491
	Total	**2,289,279**	**20,079,491**
	* The details have been shown in **Annexure: F**		
18.00	**Liabilities for WPPF**		
	This is made up as follows:		
	Contribution to WPPF	2,567,376	651,612
	Total	**2,567,376**	**651,612**
18.01	**Contribution to WPPF**		
	The break up as follows:		
	Opening Balance	651,612	
	Add. Addition during the year	1,915,764	651,612
		2,567,376	**651,612**
	Less. Payment during the year	-	-
	Total	**2,567,376**	**651,612**
19.00	**Liabilities for Expenses and Services**		
	Salary & Wages	2,876,878	1,954,830
	Utility/Electricity Bill	320,000	338,966
	Audit Fees	150,000	200,000
	Factory Rent	214,000	1,788,000
	Board Meeting Fees	70,000	-
	TDS & VDS Payable	557,182	-
	Other Expenses	90,346	645,765
	Total	**4,278,406**	**4,927,561**
20.00	**Provision for Income Tax**		
	Opening Balance	15,854,197	11,964,294
	Addtion during the year	11,414,716	3,889,903
	Total	**27,268,913**	**15,854,197**
	Less: Adjustment during the year	-	-
	Closing Balance	**27,268,913**	**15,854,197**
21.00	**Net Asset Value (NAV) Per Share**		
	Net Asset value		
	Total Assets	435,825,238	315,321,716
	Less:Total Liabilities	247,441,144	271,867,163
	Net Asset Value	**188,384,094**	**43,454,553**
	Number of Ordinary Share outstanding during the year	15,000,000	20,000
	Net Asset value (NAV) Per Share	**12.56**	**2,172.73**

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Note No	Particulars		Amount in Taka	
			2020-2021	2019-2020
22.00	**Revenue**			
	Sales including VAT		474,276,259	291,274,873
	VAT 15%		61,862,121	37,992,375
	Revenue (Net off VAT)		**412,414,138**	**253,282,498**
23.00	**Cost of Goods Sold**			
	Opening WIP		6,870,193	4,876,568
	Raw material consumed	Note - 23.01	251,502,801	188,607,450
	Packing material consumed	Note - 23.02	28,813,321	21,786,330
	Spare Parts Consumed	Note - 23.03	2,167,776	2,056,322
	Closing WIP		4,767,891	6,870,193
	Total Consumed		**284,586,200**	**210,456,477**
	Manufacturing expenses	Note - 23.04	27,831,928	17,130,740
	Cost of Production		**312,418,128**	**227,587,217**
	Add: Opening stock of finished goods		44,625,339	18,486,682
	Cost of Goods available for Sale		**357,043,467**	**246,073,899**
	Less: Closing stock of finished Goods		29,994,598	44,625,339
	Cost of Goods Sold		**327,048,869**	**201,448,560**
23.01	**Raw Material Consumed**			
	Opening Stock		57,333,270	167,265,618
	Add: Purchase during the year		268,107,296	78,675,102
	Less: Closing stock		73,937,765	57,333,270
	Total		**251,502,801**	**188,607,450**
23.02	**Packing Material Consumed**			
	Opening Stock		2,994,321	4,901,440
	Add: Purchase during the year		28,087,543	19,879,211
	Less: Closing stock		2,268,543	2,994,321
	Total		**28,813,321**	**21,786,330**
23.03	**Spare Parts Consumed**			
	Opening Stock		432,110	494,322
	Add: Purchase during the year		2,134,213	1,994,110
	Less: Closing stock		398,547	432,110
	Total		**2,167,776**	**2,056,322**
23.04	**Factory Overhead**			
	Salary & Wages		7,083,892	4,296,485
	Ware House Rent		1,284,000	963,000
	Carrying Expenses		1,698,654	643,689
	Entertainment Expenses		1,167,832	583,899
	Fuel, Petrol & Lubricant		1,358,583	518,692
	Insurance Premium		504,873	536,941
	Other Expenses		206,376	120,345
	Property Tax		14,400	22,500
	Printing & Stationery		414,731	248,307
	Repair & Maintainance		899,796	418,429
	Telephone & Postage		545,412	218,296
	Traveling & Conveyance		852,189	443,427
	Utility Bill		3,137,376	1,500,712
	Depreciation		8,663,814	6,616,018
	Total		**27,831,928**	**17,130,740**

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Note No	Particulars		Amount in Taka 2020-2021	2019-2020
24.00	**General and Administrative Expenses**			
	Salary & Allowance		6,471,154	5,342,345
	Audit Fees		172,500	150,000
	Professional Fees		27,500	-
	Bank Charges		1,490,844	1,368,599
	Car Maintainance		227,603	67,004
	Traveling & Conveyance Expenses		1,729,568	327,169
	Entertainment Expenses		222,560	14,560
	Telephone & Postage Expenses		336,040	215,974
	Fuel, Petrol & lubricant		208,600	3,435
	Printing & Stationery		108,747	67,777
	Registration & Renewal		511,768	157,360
	Repair & Maintenance Expenses		112,320	65,656
	Other Utilities		517,258	566,876
	Board Meeting Fees		80,500	-
	Depreciation		1,528,908	1,167,533
	Total		**13,745,870**	**9,514,288**
25.00	**Selling & Distribution Expenses**			
	Salary & Allowance		4,567,895	2,574,923
	Carrying Charge		2,223,452	928,924
	Entertainment Expenses		269,820	11,748
	Fuel, Petrol & lubricant		537,169	92,177
	Marketing & Promotional Expenses		2,723,543	1,046,629
	Printing & Stationery Expenses		1,094,583	487,260
	Telephone & Postage Expenses		1,248,240	478,930
	Traveling & Conveyance Expenses		1,467,714	712,890
	Total		**14,132,416**	**6,333,481**
26.00	**Financial Expenses**			
	Interest on LTR		5,064,379	10,154,598
	Interest on LTR- MBL		3,998,036	5,949,962
	Interest on OD A/C		7,685,527	6,268,707
	Interest on Term Loan		648,313	563,005
	Total		**17,396,255**	**22,936,272**
27.00	**Other Income**			
	Sale of Scrap		101,191	633,961
	Interest Income		39,128	-
			140,319	**633,961**
28.00	**Current Tax**			
	Current Income Tax Expenses	28.01	11,414,716	3,889,903
	Total		**11,414,716**	**3,889,903**
28.01	**Minimum Tax**			
	Minimum Tax on Gross Revenue	28.01.01	2,845,658	1,747,649
	Current Tax	28.01.02	11,414,716	3,889,903
	Higher one		**11,414,716**	**3,889,903**
28.01.01	**Minimum Tax on Gross Revenue**			
	Revenue		474,276,259	291,274,873
	Tax Rate		0.60%	0.60%
			2,845,658	**1,747,649**

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Star Adhesives Ltd.

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Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

Note No	Particulars	Amount in Taka	
		2020-2021	2019-2020

28.01.02 Current Tax

Net profit before tax	38,315,282	13,032,246
Add: Accounting Depreciation	10,192,723	7,783,551
	48,508,005	**20,815,797**
Less: Tax Depreciation	10,458,951	8,846,865
	38,049,055	**11,968,932**
Effective tax rate	30%	32.50%
Total Tax	**11,414,716**	**3,889,903**

29.00 Deferred Tax (Income)/Expenses

Closing deferred tax liability	1,385,986	1,414,961
Less: Opening deferred tax liability	1,414,961	1,094,061
Deferred Tax (Income)/Expenses	(28,975)	320,900

30.00 Basic Earnings Per Share :

Earning attributable to the ordinary shareholders (Net profit after tax)	26,929,541	8,821,443
Weighted Average Number of Ordinary Shares	4,449,699	3,200,000
Basic Earning Per Share	**6.05**	**2.76**

Current year Basic Earning Per Share is calculated by weighted average number of ordinary share and comparative Basic Earnig Per Share is converted from Tk. 441.07 to Tk. 2.76 which is impacted by declaring bonus share of 2019-2020 according to IAS-33 " Earning Per Share".

30.01 Calculation of Weighted Average Number of Ordinary Shares

Particular	No.of Share	Weight	For the year ended June 30 ,2021	For the year ended June 30 ,2020
Opening Number of shares	200,000	365/365	200,000	20,000
Bonus Share Issused	3,000,000	365/365	3,000,000	
Right Share Issused	1,500,000	80/365	328,767	
Ordinary Share Issused	10,000	77/365	2,110	
Ordinary Share Issused	5,290,000	53/365	768,137	
Ordinary Share Issused	5,000,000	11/365	150,685	
	15,000,000		4,449,699	20,000

30.02 Diluted Earnings Per Share :

Earning attributable to the ordinary shareholders (Net profit after tax)	26,929,541	8,821,443
Total existing number of share	15,000,000	3,200,000
Diluted Earning Per Share	**1.80**	**2.76**

31.00 Net Operating Cash Flows Per Share (NOCFPS):

Cash Flow Operating Activities per share

Net Cash Generated from Operating Activities		13,499,676	52,143,577
Weighted Average Number of Ordinary Shares	Note: 30.01	4,449,699	3,200,000
Net Operating Cash Flows Per Share (NOCFPS)		**3.03**	**16.29**

Current year Net Operating Cash Flows Per Share (NOCFPS) is calculated by weighted average number of ordinary share and comparative Net Operating Cash Flows Per Share(NOCFPS) is converted from Tk. 2607.18 to Tk. 16.29 which is impacted by declaring bonus share of 2019-2020.

32.00 Statement of Cash Flows:

Statement of Cash Flows have been prepared in accordance with IAS 7 " Statement of Cash Flows" and the cash flow from the operating activities are shown under direct method as prescribed. Reconciliation of net profit with cash flows from operating activities is as follows:

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Aziz Al Kaiser
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Note No	Particulars	Amount in Taka	
		2020-2021	2019-2020
	Net Profit/ (Loss) during the year	26,929,541	8,821,443
	Add: Adjustment of Tax Holiday Reserve	-	-
	Add. Adjustment for Depreciation	10,192,723	7,783,551
		37,122,264	16,604,994
	Increase / (Decrease) in		
	Inventories	887,889	83,769,397
	Trade Receivable	(20,352,060)	(5,689,520)
	Advance Deposit and Pre-Payments	(3,600,057)	(19,282,991)
	VAT Current Account	-	-
	Liabilities for Expenses	(649,155)	(2,451,500)
	Trade Payable	4,579,503	(9,199,644)
	Other Liabilities	(17,790,212)	(15,817,962)
	Income tax Provision	11,414,716	3,889,903
	Deffered Tax Provision	(28,975)	320,900
	Liability for WPPF	1,915,764	-
		(23,622,587)	35,538,583
	Net Cash Provided by/(used in) Operating Activities	13,499,676	52,143,577

33.00 Related Party Disclosure:

The party is related to the company if the party cast significant influence over the subject matters and also holding the controlling power of the management affairs of the company and any tranaction made during the year with the party related therewith each term as related party transaction as per IAS: 24 "Related Party Disclosure". During the year under audit related party transactions were made that which has influenced the company's business. The details of related party transactions during the year along with the relationship is illustrated below in accordance of IAS 24:

Name of the Party	Relationship with the Company	Nature of Transaction	June 30,2021	June 30, 2020
Mr. Aziz Al Kaiser	Sponsor	Board Meeting Fees	15,000	-
Mrs. Tabassum Kaiser	Sponsor	Board Meeting Fees	15,000	-
Mr. A.B.M Sumon Shahed Patowary	Nominee Director	Board Meeting Fees	15,000	-
Mr. A.K.M Ahasanul Haque	Nominee Director	Board Meeting Fees	15,000	-
Dr. Md. Nizamul Haque Bhuiyan	Independent Director	Board Meeting Fees	10,000	-
Danish Food Ltd	Sister Concern	Trade Receivable	10,152	49,680
Partex Agro Ltd	Sister Concern	Trade Receivable	154,380	9,540
Partex Furniture Industries Ltd	Sister Concern	Trade Receivable	169,491	74,240
Partex PVC Industries Ltd	Sister Concern	Trade Receivable	77,235	45,360
Star Gypsham Board Mills Ltd	Sister Concern	Trade Receivable	339,933	89,200
Star Particle Board Mills Ltd	Sister Concern	Trade Receivable	371,723	101,494
Triple Apparels Limted	Sister Concern	Trade Receivable	10,240	5,920
Partex Cables Ltd.	Investor	Trade Payable	253,090	202,109

34.00 Disclouser of Managerial Remuneration

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Note No	Particulars	Amount in Taka	
		2020-2021	2019-2020

34.01 **Total amount of remuneration paid to directors during the year is as follows:**

Particulars			June 30,2021	June 30, 2020
Name	Designation	Nature of Transaction		
Mrs.Tabassum kaiser	Chairman	Bank	-	-
Mr. Aziz Al Kaiser	Managing Director		600,000	-
Total			600,000	-

34.02 **Total amount of remuneration paid to the top five salaried officers of the compnay in the accounting year is as follows:**

Name	Designation	June 30,2021	June 30, 2020
Mr. Miran Khan	Head of Business	1,404,770	925,620
Md.Zulfikar Ali	Chief Financial Officer	1,020,000	960,000
Aslam Mia	Company Secretary	926,400	881,400
Md.Shakir Ahmed	Head of Plant	847,200	787,200
Md. Faysal Faruk	Lead Sales	655,600	615,600

34.03 **Aggregate amount of remuneration paid to all directors and officers during the financial year is as follows:**

Particulars	Nature of payment	June 30,2021	June 30, 2020
Directors	Board Meeting Fees	45,000	-
Directors	Remuneration	600,000	-
Officer's & Executives	Salary, Bonus & Others Allowances	15,597,721	8,043,933

35.00 **Employee long term benefit:**

The company has no Gratuity Fund and PF scheme as yet as such no provision has been made in the financial statement. However the company is maintaining WPPF and incurred Provision thereon.

36.00 **Events After the Reporting Period:**

According to IAS-10, Events after the reporting period are those events, favourable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorised for issues. There is no such

37.00 **Disclosure as per requirement of Schedule XI, Part II para 8 of the Companies Act, 1994:**

Disclosure as per requirement of Schedule XI, Part II, para 8 of company Act 1994:

Particulars	Local purchase	Import	Total	Consumed	% of Comsumed
Raw Materials	38,331,146	229,776,150	268,107,296	251,502,801	61%
Packing Materials	28,087,543	-	28,087,543	28,813,321	7%
Spare Parts	2,134,213	-	2,134,213	2,167,776	1%
Capital Machinery	3,700,991	-	3,700,991	-	-

38.00 **Employee position of the company as at 30 June, 2020:**

Salary (Monthly)	Factory	Head Office	Sales & Marketing	Total Employees
Below BDT 6,000	3	1	1	5
Above BDT 6,000	80	5	25	110

39.00 **Production Capacity and Utilization**

Major Products		Production Capacity	Actual Production	Capacity Utilization(%)
Raw Materials & Chemical (In MT)		4,100	3,350	82%

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Star Adhesives Limited
Schedule of Property, Plant & Equipment
For the year ended June 30, 2021

Annexure: A

Particulars	Cost			Dep. Rate	Depreciation			Written Down Value as at June 30, 2021
	Balance as at July 01, 2020	Addition during the year	Balance as at June 30, 2021		Balance as at July 01, 2020	Charged during the year	Balance as at June 30, 2021	
Land and Land Development	7,020,640	-	7,020,640	0%	-	-	-	7,020,640
Building Re-construction	76,445,514	32,047,897	108,493,411	5%	5,761,528	4,735,995	10,497,523	97,995,888
Plant & Machinery	67,053,856	3,700,991	70,754,847	10%	24,744,088	4,477,710	29,221,798	41,533,049
Laboratory Equipment	1,674,445	745,680	2,420,125	10%	610,956	143,633	754,589	1,665,536
Water Tank	525,000	345,672	870,672	10%	269,070	42,877	311,947	558,725
Tools & Equipment	2,644,992	128,200	2,773,192	20%	1,222,349	297,349	1,519,698	1,253,494
Motor Vehicle	-	775,930	775,930	20%	-	77,593	77,593	698,337
Furniture & Fixture	1,349,817	446,410	1,796,227	10%	489,382	108,364	597,746	1,198,481
Computer & IT Equipments	983,255	134,567	1,117,822	10%	251,096	79,944	331,041	786,781
Cargo Lift	3,800,000	70,000	3,870,000	10%	1,542,417	229,258	1,771,675	2,098,325
Balance as at June 30, 2021	**161,497,519**	**38,395,347**	**199,892,866**		**34,890,886**	**10,192,723**	**45,083,609**	**154,809,257**

Depreciation Charged To-		30.06.2021
General & Administrative Expenses	15%	1,528,908
Factory Overhead	85%	8,663,814
Total:		**10,192,723**

i) Depreciation has been charged for full year except addition ,in case of addition of assets depreciation has been charged during the year when it is put in to available for use.

ii) Total depreciation Charge has been estimated for General & Administrative Expenses 15% and Factory Overhead 85% respectively.

27 SEP 2021

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Star Adhesives Limited
Schedule of Property, Plant & Equipment
For the year ended June 30,2020

Annexure: A

Particulars	Cost			Dep. Rate	Depreciation			Written Down Value as at June 30, 2020
	Balance as at July 01, 2019	Addition during the year	Balance as at June 30, 2020		Balance as at July 01, 2019	Charged during the year	Balance as at June 30, 2020	
Land and Land Development	-	7,020,640	7,020,640		-	-	-	7,020,640
Building Re-construction	25,450,032	50,995,482	76,445,514	5%	3,383,304	2,378,223	5,761,528	70,683,986
Plant & Machinery	65,753,856	1,300,000	67,053,856	10%	20,115,225	4,628,863	24,744,088	42,309,768
Laborotory Equipment	1,674,445	-	1,674,445	10%	492,791	118,165	610,956	1,063,489
Water Tank	525,000	-	525,000	10%	240,633	28,437	269,070	255,930
Tools & Equipment	1,615,492	1,029,500	2,644,992	20%	995,376	226,973	1,222,349	1,422,643
Furniture & Fixture	1,151,461	198,356	1,349,817	10%	404,798	84,584	489,382	860,435
Computer & IT Equipments	733,255	250,000	983,255	10%	183,634	67,462	251,096	732,159
Cargo Lift	3,800,000	-	3,800,000	10%	1,291,574	250,843	1,542,417	2,257,583
Balance as at June 30, 2020	**100,703,541**	**60,793,978**	**161,497,519**		**27,107,335**	**7,783,551**	**34,890,886**	**126,606,633**

Depreciation Charged To-		30.06.2019
General & Administrative Expenses	15%	1,167,533
Factory Overhead	85%	6,616,018
Total:		**7,783,551**

i) Depreciation has been charged on addition of assets during the year when it is put in to available for use.
ii) Total depreciation Charge has been estimated for General & Administrative Expenses 15% and Factory Overhead 85% respectively.

27 SEP 2021

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Star Adhesives Limited

Inventory Details

As on June 30, 2021

Annexure- B

SL	Particulars	June 30,2021			
		Qty	UOM	Rate	Value
1	Raw Materials	670,359	Kg	110	73,937,765
2	Packing Materials	220,678	kg	10	2,268,543
3	Spare Parts	520	Pcs	766	398,547
4	Work in Process	43,344	kg	110	4,767,891
5	Finished Goods	357,003	kg	84	29,994,598
Total		**1,291,905**			**111,367,344**

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Star Adhesives Limited
Accounts Receivable Schedule
As on June 30, 2021

Annexure-C

Particulars	Amount (TK)	
	2020-2021	2019-2020
Riaj International	199,175	197,564
Janata Glass House	169,370	300,000
Janoprio Glass House	130,000	100,000
Shafi Enterprise	236,100	296,921
Prime Builders	-	143,520
Mohammodia Glass House	48,924	134,093
Shadhin Particle Point	293,143	299,822
Mourani Enterprise	102,300	100,703
New S.R Enterprise	-	202,032
N S Corporation Badda 1	2,479,565	107,405
Noor Enterprise	47,700	69,980
Mannan Enterprise	-	59,950
Mahin Traders	-	100,000
N S Corporation Badda 2	2,550,096	197,214
Kader & Sons	-	111,900
Akther Furniture	-	810
Amber Board Mills Ltd	153,000	69,894
Anonto Energy Resource Ltd	47,956	48,395
A-one Polymer Ltd	56,371	77,526
Danish Food Ltd	10,152	49,680
Furniture Concept	-	139,500
Haque Wood & Furniture	110,880	107,968
Knit concern printing Unit	-	20,645
Neloy Enterprise	8,485,969	-
Mayer Doya Door & Furniture	39,584	15,000
Navana Furniture Ltd	19,380	25,000
OTOBI	1,391,221	1,448,721
Partex Agro Ltd	154,380	9,540
Partex Furniture Industries Ltd	169,491	74,240
Partex PVC Industries Ltd	77,235	45,360
PRAN-RFL Group	200,840	321,480
Rancon Ltd	9,950	33,858
Rangpur Metal Ind. (BBMM)	979,200	244,800
Rangpur Wooden Ind. (BBMF)	-	306,000
Star Gypsham Board Mills Ltd	339,933	89,200
Star Particle Board Mills Ltd	371,723	101,494
Triple Apparels Limted	10,240	5,920

27 SEP 2021

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Star Adhesives Ltd.

Particulars	Amount (TK)	
	2020-2021	2019-2020
Wooden Touch	67,250	48,600
M.R Traders	117,771	-
Maarij Enterprise	6,013,982	-
Neenty International	45,450	-
Rahima Enterprise	199,785	-
Rangpur Wooden Ind. (BBMF)	459,000	-
Sanjida Traders	269,679	-
Total	**26,056,795**	**5,704,735**

27 SEP 2021

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Star Adhesives Limited

Calculation of Deferred Tax

For the year ended 30 June 2021

Annexure-D

Particulars	Amount in Taka	
	30-Jun-2021	30-Jun-2020
Deferred Tax (income)/expenses recognized in profit and loss:		
Cost:		
Carrying amount except land		
Property Plant and Equipment	154,809,257	126,606,633
	154,809,257	**126,606,633**
Tax base except land		
Property Plant and Equipment	150,189,303	122,252,907
*** The details have been shown in Annexure: G**	**150,189,303**	**122,252,907**
Taxable/(Deductable) temporary difference	**4,619,954**	**4,353,726**
Income tax rate	30.00%	32.50%
Deferred tax liability at the end of the period	**1,385,986**	**1,414,961**
Closing Deferred Tax Liabilities/(Assets)	1,385,986	1,414,961
Opening Deferred Tax Liabilities/(Assets)	1,414,961	1,094,061
Deferred Tax (income)/expenses recognized in profit and loss	**(28,975)**	**320,900**

27 SEP 2021

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Star Adhesives Limited
Trade Payable Schedule
As on June 30, 2021

Annexure-E

Particulars	Amount in Taka	
	2020-2021	2019-2020
Afsar Trading Corporation	24,940	49,540
A. Haque Traders	-	252,960
Alfa Chemicals	-	769,590
Antenna Communication	3,583,973	2,820,938
Al Aksha Trading	-	46,304
Alam & Company	16,000	72,000
Alamgir Bhuiyan Transport	28,753	49,993
Al Hossain Transport Agency	-	26,500
Badsha Riaz Enterprise	-	15,000
Bhai Bhai Engineering & Metal Works	-	120,000
Bilal Trading (Pvt) Ltd.	32,000	37,000
Bismillah Printing & Kowta Karkhana	1,460,464	1,526,128
Brothers Enterprise	-	46,216
Colocity Limited	37,800	85,200
Expo Freight Ltd.	-	272,997
Faysal Enterprise	106,335	127,222
Glassco Scientific & Analytical Co.	-	51,000
Images Ltd	-	125,000
Jamuna Scientific Co.	20,670	11,270
Jenson & Nicholson (Bangladesh) Ltd.	-	199,259
Kabir Mill Store	63,950	16,500
Manik Transport	17,400	254,820
Modern Tools & Machineries	-	13,280
Nasir Transport	-	234,083
Nazmul Hasan Enterprise	-	47,970
Ningbo Grand Step International	-	120,000
Nitol Insurance Company Ltd.	119,067	291,573
Octopass Scientific Co	65,751	85,681
Orpita	-	24,960
Padma Cans & Closures Ltd	566,951	35,191
Partex Cables	253,090	202,109
Pine Solutions Ltd.	-	36,728
Polycon Limited	492,567	151,125
Prantic Plus	-	10,158
Printo Pack Syndicate	65,000	50,000
Rajib Protim Sadhu	-	12,000
Rubel Steel Mills Ltd.	-	29,250
Sena Kalyan Insurance Comnpany Limited.	-	29,450
Shahabuddin Enterprise	-	14,200
Silver Syndicate	73,335	331,084
Talukder Filling Station & Service Center	-	58,175
Tilottama Trade Centre	144,580	265,100
Unimark	-	63,000

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Particulars	Amount in Taka	
	2020-2021	2019-2020
Upokul Transport Agency	325,929	176,900
Asia Plastic Container Ind.	-	38,000
Associate Industries (Pvt) Ltd	404,962	150,650
ATA Husain Khan Ltd	-	173,529
Babul Enterprise	187,785	479,550
Credible BD Lighting	-	26,000
Dexterous Engineering	22,125	45,248
Dhaka Foil Corporation	-	39,100
Global Brand Private Ltd.	84,000	80,000
Horizon Plastic Industries Ltd	513,825	86,825
Janata Mill Store	-	10,400
J. P. International	-	334,051
Khorshad & Brothers	45,030	102,260
Konica Enterprise	1,539,360	929,648
Mega S.S. System Ltd.	-	76,059
Miami Enterprise	-	36,310
M/S Capital Can	627,000	1,075,000
Other's Payable	442,786	251,115
Padma Can & Clousers Ltd. Unit2	100,414	93,684
Padma Oil Company Ltd	-	625,100
Quality Can Industries Ltd	101,501	222,180
Raiul Trading	22,370	25,580
Royal Trade International	39,635	230,225
Salman Plastic Ind.	302,987	185,050
Samuda Chemical Complex Ltd	385,000	105,000
Silvan Packaging Industries	1,278,239	875,792
Sovereign Technology Ltd	32,000	42,000
SR Trading	-	4,000
Swpnil Electric	47,252	32,230
The Commercial Printers	93,010	83,250
Zainab Enterprise	303,100	649,760
ZARA Printing & Packaging	484,574	224,403
Joha Emporium	561,280	-
Mollah Enterprise	75,420	-
HAKS Industries Ltd	641,702	-
Bhuiyan Metal Works	1,947,324	-
Delwar Paint & Hardware	45,428	-
Pretty Electric	137,500	-
T.R. Enterprise	4,000	-
Shah Cement Industries Ltd	84,000	-
Alumina (PVT) Ltd.	365,337	-
Emu Enterprise	50,024	-
M/S. Sajed Enterprise	465,000	-
Bengal Agencies	637,500	-
Q Pail Limited	636,800	-
Raiyan International	42,000	-
Tanha & Hafsa Trans. Agency	15,750	-
SM Trading	18,000	-

27 SEP 2021

Mohammad Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd.

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Office
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

Particulars	Amount in Taka	
	2020-2021	2019-2020
Alo Bitan	18,800	-
Memma Enterprise	20,360	-
Patuakhali Transport	22,686	-
Majibur Rahman Transport	24,600	-
Era Business	27,900	-
SAF1 Chemical	30,520	-
Newtex Fire Fighting Equipments.	42,920	-
Sun Yad Poly Vinyl Ind. Ltd	46,620	-
Prantic Transport Agency	49,000	-
National Life Insurance Co. Ltd	62,846	-
Sonar Bangla Insurance Ltd.	167,635	-
Sheak Seraj Uddin	22,686	-
Azmir Container & Cargo Carrier	177,500	-
Print Plus	172,309	-
Total	**21,168,956**	**16,589,453**

27 SEP 2021

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Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

Star Adhesives Limited
Other Liabilities Schedule
As on June 30, 2021

Annexure- F

SL	Particulars	Amount in Taka	
		2020-2021	2019-2020
1	MS . Madina Enterprise	628,932	7,536,491
2	MS. Faysal Enterprise	137,167	3,345,329
3	MS. Raihan Traders	1,523,180	4,956,409
4	MS. Nazmul Hasan Enterprise	-	3,451,050
5	Others	-	790,212
	Total	**2,289,279**	**20,079,491**

27 SEP 2021

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Star Adhesives Limited
Schedule of Property, Plant & Equipment (Tax base)
For the year ended June 30, 2021

Annexure: G

Particulars	Cost			Dep. Rate	Depreciation			Written Down Value as at June 30, 2021
	Balance as at July 01, 2020	Addition during the year	Balance as at June 30, 2021		Balance as at July 01, 2020	Charged during the year	Balance as at June 30, 2021	
Land and Land Development	7,020,640	-	7,020,640	0%	-	-	-	7,020,640
Building Re-construction	76,445,514	32,047,897	108,493,411	5%	7,586,059	5,045,368	12,631,426	95,861,985
Plant & Machinery	67,053,856	3,700,991	70,754,847	10%	27,105,496	4,364,935	31,470,431	39,284,416
Labrotory Equipment	1,674,445	745,680	2,420,125	10%	654,732	176,539	831,272	1,588,853
Water Tank	525,000	345,672	870,672	10%	275,987	59,468	335,456	535,216
Tools & Equipment	2,644,992	128,200	2,773,192	10%	904,841	186,835	1,091,676	1,681,516
Furniture & Fixture	1,349,817	446,410	1,796,227	10%	530,467	126,576	657,043	1,139,184
Motor Vehicle	-	775,930	775,930	20%	-	155,186	155,186	620,744
Computer & IT Equipments	983,255	134,567	1,117,822	20%	478,185	127,927	606,112	511,710
Cargo Lift	3,800,000	70,000	3,870,000	10%	1,708,846	216,115	1,924,961	1,945,039
Balance as at June 30, 2021	**161,497,519**	**38,395,347**	**199,892,866**		**39,244,612**	**10,458,951**	**49,703,563**	**150,189,303**

27 SEP 2021

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Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

(b) Information as is required under section 186 of the Company Act, 1994 relating to holding company;

The Company has no holding Company. So this is not applicable for the issuer.

(c) Selected ratios as specified in Annexure-D;

27 SEP 2021

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Star Adhesives Limited

Ratio Analysis

As at June 30, 2021

			30th June 2021	Result	30th June 2020	Result	30th June 2019	Result	30th June 2018	Result	30th June 2017	Result
A.	Liquidity Ratios											
1	Current Ratio (Times)	Current Assets	242,292,508	1.02	175,010,957	0.65	233,990,922	0.69	227,618,139	1.06	161,008,081	0.78
		Current Liability	238,344,859		270,452,201		336,698,371		214,319,554		205,568,584	
2	Quick Ratio (Times)	Current Assets-Inventory	72,344,973	0.30	7,775,590	0.03	4,775,383	0.01	13,700,879	0.06	4,143,918	0.02
		Current Liability	238,344,859		270,452,201		336,698,371		214,319,554		205,568,584	
B.	Operating Ratios											
1	Accounts Receivable Turnover Ratio (Times)	Sales	412,414,138	25.97	253,282,499	61.58	369,801,852	102.54	234,898,957	95.57	177,536,143	92.71
		Average Receivables	15,880,765		4,113,093		3,606,377		2,457,836		1,914,869	
2	Inventory Turnover Ratio (Times)	Cost of Sales	327,048,869	2.93	201,448,561	1.31	298,554,949	1.54	191,798,466	1.14	145,361,347	1.12
		Average Inventory	111,811,288		154,139,931		193,395,326		168,206,589		129,776,705	
3	Assets Turnover Ratio (Times)	Revenue	412,414,138	1.10	253,282,499	0.74	369,801,852	1.11	234,898,957	0.92	177,536,143	0.89
		Average Total Assets	375,573,476		343,326,598		332,309,477		255,192,205		199,415,578	
C.	Profitability Ratios											
1	Gross Margin Ratio (%)	Gross Profit	85,365,269	20.70%	51,833,938	20.46%	71,246,903	19.27%	43,100,490	18.35%	32,174,796	18.12%
		Sales	412,414,138		253,282,499		369,801,852		234,898,957		177,536,143	
2	Operating Income Ratio (%)	Operating Profit	57,686,983	13.94%	35,986,170	14.21%	48,667,123	13.16%	26,435,609	11.25%	18,386,613	10.36%
		Sales	412,414,138		253,282,499		369,801,852		234,898,957		177,536,143	
3	Net Profit Ratio (%)	Profit After Tax	26,929,541	6.53%	8,821,444	3.48%	16,500,023	4.46%	9,626,553	4.10%	1,657,947	0.93%
		Sales	412,414,138		253,282,499		369,801,852		234,898,957		177,536,143	
4	Return on Assets Ratio (%)	Profit After Tax	26,929,541	7.17%	8,821,444	2.57%	16,500,023	4.97%	9,626,553	3.77%	1,657,947	0.83%
		Average Total Assets	375,573,476		343,326,598		332,309,477		255,192,205		199,415,578	
5	Return on Equity Ratio (%)	Profit After Tax	26,929,541	14.30%	8,821,444	20.30%	16,500,023	47.64%	9,626,553	12.94%	1,657,947	49.09%
		Shareholders' Equity	188,384,096		43,454,554		34,633,111		74,369,288		3,377,113	

Mohammad Obaydur Rahman, FCS
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AAA Finance & Investment Ltd.

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Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

2 7 SEP 2021

6	Earnings Per Share (EPS)	Profit After Tax	26,929,541	6.05	8,821,444	2.76	16,500,023	825.00	9,626,553	481.33	1,657,947	82.90
		Number of Shares	4,449,699		3,200,000		20,000		20,000		20,000	
7	EBITDA Margin (%)	Profit before ITDA	65,904,260	15.98%	43,752,069	17.27%	55,410,729	14.98%	32,353,471	13.77%	23,861,345	13.44%
		Sales	412,414,138		253,282,499		369,801,852		234,898,957		177,536,143	
D	Solvency Ratio											
1	Debt to total Asset Ratio	Total Debt	247,441,145	0.57	271,867,162	0.86	336,698,371	0.91	218,918,186	0.75	213,719,824	0.98
		Total Assets	435,825,237		315,321,716		371,331,481		293,287,473		217,096,938	
2	Debt to Equity Ratio	Total Debt	247,441,145	1.31	271,867,162	6.26	336,698,371	9.72	218,918,186	2.94	213,719,824	63.28
		Total Equity	188,384,096		43,454,554		34,633,111		74,369,288		3,377,113	
3	Time Interest Earned Ratio	Operating Profit	57,486,983	3.30	35,986,170	1.57	48,667,123	1.88	26,435,609	1.93	18,386,613	1.11
		Net interest expenses	17,396,255		22,936,272		25,873,174		13,710,656		16,491,252	
4	Debt Service Coverage Ratio	EBITDA	65,904,260	0.27	43,752,069	0.16	55,410,729	0.16	32,353,471	0.15	23,861,345	0.11
		Total Debt Service	247,441,145		271,867,162		336,698,371		218,918,186		213,719,824	
E	Cash Flow											
1	Net operating Cash Flow Per Share (NOCFPS)	Net operating Cash Flow	13,499,677	3.03	52,143,578	16.29	(17,897,800)	(894.89)	(28,442,763)	(1,422.14)	2,432,572	121.63
		Number of Shares	4,449,699		3,200,000		20,000		20,000		20,000	
2	Net operating Cash Flow Per Share/EPS	NOCF Per share	3	0.50	16	5.91	(895)	(1.08)	(1,422)	(2.95)	121.63	1.47
		EPS	6		3		825		481		82.90	

Place: Dhaka
Date: September 22, 2021

Sd/-
Islam Quazi Shafique & Co.
Chartered Accountants

27 SEP 2021

Mohammad Obaydur Rahman, FCS
Managing Director & CEO
AAA Finance & Investment Ltd

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

(d) Auditors report under section 135(1), Paragraph 24(1) of Part II of Schedule III of the Company Act, 1994. The report shall include comparative income statements and balance sheet and aforementioned ratios for immediate preceding five accounting years of the issuer. If the issuer has been in commercial operation for less than five years, the abovementioned inclusion and submission shall have to be made for the period since commercial operation;

Auditors' report Under Section-135 (1) and Para-24(1) of Part-II of Schedule-III of the Companies Act 1994

We have examined the Financial Statements of Star Adhesives Ltd for the for the year ended June 30, 2020 and for the year ended June 30, 2021 were audited by Islam Quazi Shafique & Co. and 2019,2018, 2017,2016 were audited by M.A. Mallik & Co. In pursuance of Section-135 (1) and Para-24 (1) of Part-II of Schedule-III of the Companies Act 1994, our report is as under:

A) Statements of Assets and Liabilities of the Company is as under

Assets & Properties	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16
Assets						
Non- Current Assets	**193,532,729**	**140,310,759**	**137,340,559**	**65,669,334**	**56,088,855**	**51,509,595**
Property, Plant & Equipment	154,809,257	126,606,633	73,596,206	64,431,071	56,088,855	50,679,147
Capital Work in Progress	38,723,471	13,704,126	63,744,353	1,238,263		830,448
Current Assets	**242,292,509**	**175,010,957**	**233,990,922**	**227,618,139**	**161,008,081**	**130,224,623**
Inventories	111,367,344	112,255,233	196,024,630	190,766,022	145,647,156	113,906,254
Accounts Receivable	26,056,795	5,704,735	2,521,451	4,691,302	224,370	3,605,367
Advances, Deposits & Pre-Payments	58,580,191	54,980,134	33,190,907	19,091,214	10,573,163	6,267,852
VAT Current Account				4,060,024	643,844	2,304,377
Cash & Cash Equivalents	46,288,178	2,070,855	2,253,934	9,009,577	3,919,548	4,140,773
Total	**435,825,238**	**315,321,716**	**371,331,481**	**293,287,473**	**217,096,936**	**181,734,218**

27 SEP 2021

Mohammad Obaydur Rahman, FCS
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Company Secretary
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Md. Zulfikar Ali
Chief Financial Officer
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Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

Shareholders Equity & Liabilities						
Shareholders Equity	**188,384,094**	**43,454,553**	**34,633,110**	**74,369,287**	**3,377,110**	**1,055,985**
Share Capital	150,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Retained Earnings	31,663,094	34,733,553	25,912,110	9,412,087	(214,467)	(1,872,414)
Share Money Deposit				57,515,000		-
Reserve & Surplus	6,721,000	6,721,000	6,721,000	5,442,200	1,591,577	928,399
Non- Current Liabilities	**9,096,287**	**1,414,961**	**1,094,061**	**4,566,440**	**8,326,999**	**11,551,651**
Long Term Bank Loan	7,710,300			4,598,632	8,151,240	11,340,997
Deferred Tax Liabilities	1,385,986	1,414,961	1,094,061	(32,192)	175,759	210,654
Liabilities and Provisions	**238,344,857**	**270,452,202**	**335,604,310**	**214,351,746**	**205,392,827**	**169,126,582**
Accounts payable	21,168,956	16,589,453	26,579,309	49,588,842	42,805,860	33,777,541
Current Portion of Long Term Liability	3,469,448					
Liabilities for WPPF	2,567,376	651,612				
Short Term Bank Loan	177,302,480	212,349,888	253,922,792	102,777,575	108,089,658	96,989,757
Liability for Expenses	4,278,406	4,927,561	8,030,673	6,284,828	5,172,083	6,815,454
Others payable	2,289,279	20,079,491	35,107,241	51,213,561	48,525,459	31,336,871
Provision for Income Tax	27,268,913	15,854,197	11,964,294	4,486,940	799,767	206,959
Total	435,825,238	315,321,716	371,331,481	293,287,473	217,096,936	181,734,218
Net Assets Value per Share(NAV)	**12.56**	**2,172.73**	**1,731.66**	**3,718.46**	**168.86**	**52.80**

B) The statements of operating results of the Company is as follow:

27 SEP 2021

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Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

Particulars	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16
Gross Profit	**85,365,269**	**51,833,938**	**71,246,903**	**43,100,491**	**32,174,797**	**19,202,526**
Revenue	412,414,138	253,282,498	369,801,852	234,898,956	177,536,144	106,742,320
Cost of goods sold	(327,048,869)	(201,448,560)	(298,554,950)	(191,798,465)	(145,361,347)	(87,539,794)
Operating Expenses	**(27,878,286)**	**(15,847,769)**	**(22,579,780)**	**(16,664,881)**	**(13,788,185)**	**(6,889,242)**
General and Administrative Expenses	(13,745,870)	(9,514,288)	(10,444,428)	(8,227,682)	(6,941,893)	(4,178,727)
Selling and Distribution Expenses	(14,132,416)	(6,333,481)	(12,135,352)	(8,437,199)	(6,846,292)	(2,710,515)
Operating Profit	**57,486,983**	**35,986,170**	**48,667,123**	**26,435,610**	**18,386,612**	**12,313,284**
Financial Expenses	**(17,396,255)**	(22,936,272)	**(25,873,174)**	**(13,710,657)**	**(16,491,251)**	**(9,800,124)**
Non - Operating Income	**140,319**	**633,961**	**525,401**	**380,823**	**320,499**	**225,450**
Other Income	140,319	633,961	525,401	380,823	320,499	225,450
Profit before WPPF & Tax	**40,231,047**	**13,683,859**	**23,319,350**	**13,105,776**	**2,215,860**	**2,738,610**
Contribution to WPPF	(1,915,764)	(651,612)	-	-	-	-
Profit before Tax	**38,315,282**	**13,032,247**	**23,319,350**	**13,105,776**	**2,215,860**	**2,738,610**
Tax Expense	**11,385,742**	**4,210,803**	**6,819,327**	**(3,479,222)**	**(557,913)**	**(417,613)**
Current income Tax	11,414,716	3,889,903	7,477,354	(3,687,173)	(592,808)	(206,959)
Deferred Tax	(28,975)	320,900	(658,027)	207,951	34,895	(210,654)

27 SEP 2021

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Net profit after tax	26,929,541	8,821,444	16,500,023	9,626,554	1,657,947	2,320,997
Earnings Per Share (EPS)	6.05	2.76	825.00	481.33	82.90	116.05

C) Dividend declared:

Particulars	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16
Cash Dividend	-	-	-	-	-	-
Stock Dividend (Bonus Share)	-	3,000,000	-	-	-	-

D) Star Adhesives Ltd was registered as a private limited company with the Registrar of Joint Stock Companies and Firms (RJSC) vide registration no. C-106486/13, Dhaka. dated January 01, 2013 under the Companies Act-1994. Subsequently the company was converted into a public limited company effective from April 25,2021.

E) The Company has no subsidiary as on the balance sheet date.

F) No proceeds or part of the proceeds of the issue of shares would be applied directly by the company in the purchase of any business.

G) The Company did not prepare any statement of accounts for the period subsequent to June 30,2021.

H) Figures related to previous years have been re-arranged whenever considered necessary.

Sd/-
Islam Quazi Shafique & Co.
Chartered Accountants

Place: Dhaka

Date: September 21, 2021

Chartered Accountants

27 SEP 2021

Mohammad Obaydur Rahman, PCS
Managing Director & CEO
AAA Finance & Investment Ltd

Aslam Mia
Company Secretary
Star Adhesives Ltd.

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Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

(e) Financial spread sheet analysis for the latest audited financial statements:

Star Adhesive Ltd
Statement of Financial Position
As at June 30, 2021

Particulars	Amount as at June 30, 2021	% on Total Asset	Grand Total(%)
Non-Current Assets	**193,532,729**		**44.41%**
Property, Plant & Equipment	154,809,257	35.52%	
Capital Work in Progress	38,723,471	8.89%	
Current Assets	**242,263,759**		**55.59%**
Inventories	111,367,344	25.55%	
Accounts Receivable	26,056,795	5.98%	
Advances, Deposits & Pre-Payments	58,580,191	13.44%	
Cash & Cash Equivalents	46,259,428	10.61%	
TOTAL ASSETS	**435,796,488**		**100.00%**
SHAREHOLDER'S EQUITY AND LIABILITIES			
Shareholders' Equity	**188,384,094**		**43%**
Share Capital	150,000,000	34.42%	
Retained Earnings	31,663,094	7.27%	
Reserve & Surplus	6,721,000	1.54%	
Non-Current Liabilities	**9,096,287**		**2.09%**
Long Term Loan	7,710,300	1.77%	
Deferred Tax liabilities	1,385,986	0.32%	
Current Liabilities	**238,316,107**		**54.69%**
Current Portion of Long Term Liability	3,469,448	0.80%	
Short Term Loan	177,302,480	40.68%	
Trade Payable	21,168,956	4.86%	
Other Liabilities	2,289,279	0.53%	
Liabilities for WPPF	2,567,376	0.59%	
Liabilities for Expenses and Services	4,249,656	0.98%	
Provision for Income Tax	27,268,913	6.26%	
Total Equity & Liabilities	**435,796,488**		**100%**

27 SEP 2021

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Managing Director & CEO
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Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

Star Adhesive Ltd

Statement of profit or loss & other comprehensive income

For the period ended June 30, 2021

Particulars	Amount for the year ended June 30, 2021	% on Total Turnover	Grand Total(%)
Revenue	412,414,138		100.00%
Less: Cost of Goods Sold	(327,048,869)		79.30%
Gross Profit	85,365,269		20.70%
Less: Operating Expenses	(27,878,286)		6.76%
General and Administrative Expenses	(13,745,870)	3.33%	
Selling and Distribution Expenses	(14,132,416)	3.43%	
Operating Profit / (Loss) after Financial Expense	57,486,983		13.94%
Financial Expenses	17,396,255	4.22%	
Add: Non Operating Income	140,319	0.03%	
Profit before WPPF & Tax	40,231,047		9.76%
Contribution to WPPF	(1,915,764)		0.46%
Profit before Tax	38,315,282		9.29%
Tax Expense	(11,385,742)		2.76%
Current Income Tax	11,414,716	2.77%	
Deferred Tax	(28,975)	0.01%	
Net profit after tax	26,929,541		6.53%

Mohammad Obaydur Rahman, PCS
Managing Director & CEO
AAA Finance & Investment Ltd.

Aslam Mia
Company Secretary
Star Adhesives Ltd.

Md. Zulfikar Ali
Chief Financial Officer
Star Adhesives Ltd.

Aziz Al Kaiser
Managing Director
Star Adhesives Ltd.

27 SEP 2021

(f) Earnings Per Share (EPS) on fully diluted basis (with the total existing number of shares) in addition to the weighted average number of shares basis. Future projected Net Income should not be considered while calculating the weighted average EPS;

Particulars	Amount in BDT
Net Profit After Tax	26,929,541
No. of Shares Before QIO	15,000,000
Earnings Per Share (EPS)	**1.80**

(g) All extra-ordinary income or non-recurring income coming from other than core operations should be shown separately while showing the Net Profit as well as the Earnings Per Share;

SAL has no extra-ordinary income or non-recurring income coming from other than core operations.

(h) Quarterly or half-yearly EPS should not be annualized while calculating the EPS;

This information is not applicable for us.

(i) Net asset value (with and without considering revaluation surplus or reserve) per unit of the securities being offered at the date of the latest audited statement of financial position.

Particulars	Amount in BDT
Share Capital	150,000,000
Revaluation Surplus	6,721,000
Retained Earnings	31,663,094
Total Shareholders' Equity (with revaluation reserve)	**188,384,094**
Total Shareholders' Equity (without revaluation reserve)	**188,384,094**
Number of Shares	15,000,000
Net Asset Value Per Share (with revaluation reserve) as per Audited Report as on June 30, 2021	**12.56**
Net Asset Value Per Share (without revaluation reserve) as per Audited Report as on June 30, 2021	**12.56**

(j) The Commission may require the issuer to re-audit the audited financial statements, if any deficiency or anomaly is found in the financial statements. In such a case, cost of audit should be borne by the concerned issuer.

This information is not applicable for us.

27 SEP 2021

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SECTION – XXVI
(B)(22)

Qualified Investor Offer (QIO) Application Procedure

This part will be completed after getting consent letter.

27 SEP 2021

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"পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ । জেনে ও বুঝে বিনিয়োগ করুন"

STAR ADHESIVES LTD.
APPLICATION FOR QUALIFIED INVESTOR OFFER

Date	:	
Name of applicant	:	
Client Code	:	
BO ID No.	:	
Category of applicant	:	
Name of the Company	:	
Number of Shares	:	.....Shares of Tk. ..... each
Total amount in Tk.	:	
Amount in word	:	

Applicants

Authorized Officer

27 SEP 2021

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