

BERGER PAINTS BANGLADESH LIMITED

Corporate Office: Berger House

House # 8, Road # 2, Sector # 3, Uttara Model Town, Dhaka -1230



PRICE SENSITIVE INFORMATION

We are pleased to inform that the Board of Directors of the company in its 196th meeting held today January 24, 2024 at 4 pm passed the following decision in relation to the Third Factory Project, financing a portion of the project through issuance of Rights Shares, Amendment of Articles of Association and holding of Extraordinary General Meeting to approve the amendment of the Articles of Association and the proposed Rights Shares:

a) Third Factory Project: The revised project cost of the third factory at Bangabandhu Sheikh Mujib Shilpa Nagar is estimated at BDT 8.13 billion. The third factory is expected to commence production in April 2026.

b) Issuance of Rights Share: The Board of Directors has decided to increase paid-up capital of the Company through issuance of 1:17 Rights Share (1 Rights Share against 17 existing shares of the Company) to all the shareholders at an issue price of BDT 1,376 per share including premium of BDT 1,366 for each Right Share subject to the approval of the shareholders in the ensuing Extraordinary General Meeting (EGM) and subsequently by Bangladesh Securities and Exchange Commission (BSEC). In this process the Company intends to raise BDT 3.75 billion by issuing 2,728,111 ordinary shares (2,591,691 shares to be offered to J&N Investments (Asia) Limited which holds 95% shares of the Company, and 136,420 shares to be offered to the other shareholders). The proceeds of the Rights Issue will be utilized for financing a portion of the establishment of its third factory at Bangabandhu Sheikh Mujib Shilpa Nagar.

J & N Investments (Asia) Limited, the holder of 95% shares, intends to renounce the entire Rights Offer (2,591,691 shares) to employees of the Company (408,971 shares) and other shareholders (2,182,720 shares) for increasing dilution/free-float to at least 10% in line with BSEC's letter No. BSEC/SRMIC/2021/221 dated September 12, 2021 regarding the increase of free-float shares. The other shareholders will be offered the renounced shares in 16:17 ratio (16 shares against 17 existing shares held in the company) held on the Record Date. After the Renouncement and Rights Issuance, the dilution of Berger's share will be approximately 10.28%.

c) Amendment of the Articles of Association: To amend the Articles 86(a) [Notice for meetings], 145 [Power to appoint Managing Director], 153 [The Seal] and 178(3) [Audit Provisions] of the Articles of Association of the Company subject to the approval of the members at the Extraordinary General Meeting through Special Resolution. The changes are proposed for alignment of the Articles of Association with the present provisions of the Companies Act 1994 and other regulations.

d) Extraordinary General Meeting (EGM): An Extraordinary General Meeting will be held on Sunday, March 10, 2024, at 10:30 a.m. through the use of hybrid platform to accord approval to the Rights Issuance and renouncement plan and amendments of the Articles of Association. Members will have the option to participate either in person at the location of the EGM or virtually. The link for voting and virtually attending the EGM is [HTTPS://BERGER.BDVIRTUALAGM.COM](https://BERGER.BDVIRTUALAGM.COM). Place of the EGM will be notified later.

Record Date: February 14, 2024 will be the Record Date for the EGM and the shareholders whose names would appear in the Register of Members of the Company on the Record Date shall be entitled to attend and vote at the EGM. A separate Record Date for the entitlement of the Rights Share will be declared after Bangladesh Securities and Exchange Commission accords approval to the Rights Share offer.

We request the shareholders to update their mobile number, address, email through Depository Participant before the Record Date.

By Order of the Board of Directors
Sd/-
Khandker Abu Jafar Sadique, FCS
Company Secretary

January 24, 2024