Ofc

BNO
LUBRICANTS

Lub-rref (Bangladesh) PLC.

(An ISO 9001:2015, 14001:2015 & 45001:2018 Management System Certified Company)

**Head Office:** B-6 (Part) 9-10 & 23-24, BSCIC I/E, Block-A, P.O. Custom Academy, Sagarika Road, Chattogram-4219, Bangladesh.
Phone: +88-02-43151995, +88-02-43150035, +88-02-43150036 Fax: +88-02-43151091, E-mail: info@lub-rref.com

**Corporate Office:** Rupayan Trade Center, Space # 5 (7th Floor), 114 Kazi Nazrul Islam Avenue, Dhaka-1000, Bangladesh.
Phone: +88-02-55138710, Fax: +88 02 55138711, E-mail: infodhk@lub-rref.com

**Ref: LRBDPLC/BSEC/IPO/2025/ 373** **Date: September 08, 2025**

**The Chairman**
**Bangladesh Securities and Exchange Commission**
Securities Commission Bhaban Plot # E-6/C,
Agargaon Sher-E-Bangla Nagar, Dhaka-1207, Bangladesh

**The Managing Director**
**Dhaka Stock Exchange (DSE) PLC.**
DSE Tower, Plot-46, Road-21
Nikunja-2, Dhaka-1229, Bangladesh

**The Managing Director**
**Chittagong Stock Exchange (CSE) PLC.**
Dhaka Office, Rowshan, House#32, Road# 9B,
Nikunja-1, Dhaka-1229, Bangladesh

**Subject: Revised Submission of IPO Proceeds Utilization Report for the Period May 2024 – June 2025 of Lub-rref (Bangladesh) PLC.**

**(Ref: Lub-rref/IPO/BSEC/2023/659, dated: August 28, 2023)**

Dear Sir,

Please refer to your consent letter of **Initial Public Offer (IPO)** of **Lub-rref (Bangladesh) PLC** vide ref. no. BSEC/CI/BB-14/2018/299, dated December 24, 2020, and subsequent to our letter to BSEC vide the above reference as per the enclosed copy. We are submitting herewith the Monthly Utilization Report of the IPO Fund of the company for the months of May 2024 to June 2025 as per Clause No. 3 of Part C of said Consent Letter for your kind necessary action and information.

With Sincere thanks,

**(Kabir Hossain)**
**Company Secretary**
**(Current Charge)**

**Enclosed: As stated above**

CHITTAGONG STOCK EXCHANGE PLC
DHAKA OFFICE
RECEIVED
DATE: 09.09.25
TIME: SIGN:

Received By
09 SEP 2025
Time: 12.10 Sign.
Dhaka Stock Exchange PLC.

Bangladesh Securities and Exchange Commission
09 SEP 2025
SL. No
RECEIVED Signature

# Auditor's Certificate on Status Report

of

## Utilization of Public Offering proceeds

of

## Lub-rref (Bangladesh) PLC

**For the period from 01 May 2024 to 30 June 2025**

# Auditors' Certificate on Status Report of Utilization of Public Offering proceeds of Lub-rref (Bangladesh) PLC For the period from 01 May 2024 to 30 June 2025

This is to certify that **Lub-rref (Bangladesh) PLC (The Company)** has received **BDT 1,500,000,000 (Taka One Hundred Fifty Crore only)** as Initial Public Offering (IPO) proceeds through public subscription during the period from 26 January 2021 to 01 February 2021. The said amount was deposited in a separate bank account **(SND A/C No. 13100014867)** maintained with **Southeast Bank PLC**, Jubilee Road Branch, located at Plot # B-6 (Part), 9-10, 23-24, BSCIC I/A, Block-A, SAGA. This certification is issued in accordance with **Condition No. 4, Part C** of the Consent Letter No. **BSEC/CI/BB-14/2018/299**, dated **24 December 2020**, issued by the **Bangladesh Securities and Exchange Commission (BSEC)**.

It is also to be noted that the Company has **re-allocated the unspent IPO proceeds** in accordance with the provisions outlined in the Prospectus. The re-allocation was duly **approved by the shareholders** at the **Extraordinary General Meeting (EGM)** held on **20 October 2021**, and subsequently approved by the **Bangladesh Securities and Exchange Commission (BSEC)** through its letter No. **BSEC/CFD/2021/222/694** dated **19 July 2021**. The **status of IPO fund utilization** as of **30 June 2025** is as follows:

**Amount in BDT.**

| Sl. No. | Purpose of Utilization | Allocation as per Prospectus | Allocation as Approved in EGM and BSEC | Fund Utilized up to 30 April 2024 | Fund utilized from 01 May 2024 to 30 June 2025 | Total fund utilized up to 30 June 2025 | Unspent Balance |
|---|---|---|---|---|---|---|---|
| * | Expansion of Business (Acquisition & Installation of Machineries) | 980,000,000 | - | - | - | - | - |
| 1 | Basic Engineering Design | - | 152,160,625 | 62,899,185 | - | 62,899,185 | 89,261,440 |
| 2 | CEP Support during detailed design | - | | | | | |
| 3 | Technology License Fee | - | | | | | |
| 4 | Startup & Training | - | | | | | |
| 5 | ICP-OES with microwave sample preparation system | - | 10,927,772 | 10,927,772 | - | 10,927,772 | - |
| 6 | FTIR | - | 9,874,219 | 10,000,000 | - | 10,000,000 | (125,781) |
| 7 | Nanoer Technology Quotation | - | 302,812,500 | - | - | - | 302,812,500 |
| 8 | Hydrotreater | - | 171,087,367 | - | - | - | 171,087,367 |
| 9 | Hydrogen Plant | - | 42,500,000 | - | | - | 42,500,000 |
| 10 | Fractionator | - | 24,465,380 | - | - | - | 24,465,380 |
| 11 | Utilities | - | 16,448,690 | - | - | - | 16,448,690 |
| 12 | Land and Land Development | - | 78,813,000 | 359,128,215 | 137,000,000 | 496,128,215 | (417,315,215) |
| 13 | Civil Construction | - | 66,181,492 | 32,908,210 | 3,400,000 | 36,308,210 | 29,873,282 |
| 14 | EPC Mobilization Cost | - | 121,125,000 | - | | - | 121,125,000 |
| 15 | Bank Loan Repayment | 460,430,282 | - | 460,430,282 | - | 460,430,282 | - |
| 16 | IPO Related Expenses | 59,569,718 | - | 57,974,406 | - | 57,974,406 | 1,595,312 |
| 17 | Working Capital | - | - | - | 234,306,075 | 234,306,075 | (234,306,075) |
| * | Excess of Adjustments over Prospectus | - | (16,396,045) | - | - | - | (16,396,045) |
| | **Total IPO Proceeds** | **1,500,000,000** | **980,000,000** | **994,268,070** | **374,706,075** | **1,368,974,145** | **131,025,855** |
| 18 | Interest Income up to the month of June 30, 2025 | 64,565,345 | - | - | 15,504,362 | - | 80,069,707 |
| 19 | Tax on Interest Income up to the June 30, 2025 | (8,612,162) | - | - | (2,817,218) | - | (11,429,380) |
| 20 | Foreign Exchange Loss & Bank Charges | (883,033) | - | - | (88,543) | - | (971,576) |
| | **Total IPO Proceeds & Interest Income/(Bank Charges)** | **1,555,070,150** | **980,000,000** | **994,268,070** | **387,304,676** | **1,368,974,145** | **198,694,606** |

MABS & J Partners Chartered Accountants Dhaka



**Corporate Office:**
SMC Tower (Level 5 & 7) 33, Banani C/A
Road 17, Dhaka-1213, Bangladesh
Phone : +880-2-222275057-58
+880-2-222275365-66
E-mail : info@mabsj.com
Web : www.mabsj.com, www.nexia.com

**Chattogram Office :**
Jahan Building 5 (Level 3)
74 Agrabad C/A, Chattogram-4100, Bangladesh
Phone : +88-01722-156260
E-mail : info@mabsj.com
Web : www.mabsj.com, www.nexia.com

The total unutilized fund, excluding interest income and bank charges, stands at BDT 131,025,855 (Taka Thirteen Crore Ten Lakh Twenty-Five Thousand Eight Hundred Fifty-Five only). Including interest income, bank charges, TDS, etc., the unutilized fund amounts to BDT 198,694,606 (Taka Nineteen Crore Eighty-Six Lakh Ninety-Four Thousand Six Hundred Six only) as of 30 June 2025. The balance is currently lying with Social Islami Bank PLC, Agrabad Branch, Chattogram (MND A/C No. 0041360004122), Agrani Bank PLC, WASA Corporate Branch (SNTD A/C No. 0200018772117), and Southeast Bank PLC, Jubilee Road Branch (SND A/C No. 13100014867 and FC A/C No. 15100000114).

We have collected all relevant information and supporting documents related to the disbursements and have verified the corresponding records. Enclosed herewith is the Status Report (Annexure-A) on the utilization of IPO funds, as prepared by the management.

**During the course of our certification, we have found that:**

1.00 The management has spent to import services, a total amount of BDT. 62,899,185 for expansion of business (Technical Know how) from the Chemical Engineering Partners in the USA through banking channel from IPO proceeds account up to the month of June 30, 2025.

2.00 The management has imported the machineries for an amount of BDT. 10,927,772 from the ICP-OES with the microwave sample preparation system from PerkinElmer in the USA through banking channel from IPO proceeds account up to the month of 30 June 2025.

3.00 As reported in previous reports, the management has imported FTIR machines amounting to BDT 10,000,000 from PerkinElmer, USA, through the banking channel using IPO proceeds.

4.00 The management has incurred a total expenditure of BDT 496,128,215 for Land and Land Development purposes from the IPO proceeds up to 30 June 2025. Payments were made through the banking channel to the following parties: Bhai Bhai Metal Work-BDT 39,719,690; Chittagong Engineering Construction-BDT 157,164,275; Chowdhury Trade International-BDT 162,094,250; and Nuru Engineering Workshop-BDT 150,000.
For the period from 01 May 2024 to 30 June 2025, the company has reported an additional utilization of BDT 137,000,000 under the same category. However, supporting documentation has only been provided for BDT 57,956,536, leaving BDT 79,043,464 unsupported.
It is further noted that the Extraordinary General Meeting (EGM), convened for IPO-related matters, had approved a budget of BDT 78,813,000 for Land and Land Development. Despite this approval, the company has spent an excess amount of BDT 417,315,215, which constitutes a significant non-compliance with the approved IPO fund utilization plan.

5.00 The management has incurred a total expenditure of BDT 32,908,210 for civil construction works through the banking channel from the IPO proceeds up to 30 April 2024.
For the subsequent period from 01 May 2024 to 30 June 2025, an additional amount of BDT 3,400,000 was utilized under the same head, paid to Chittagong Engineering Construction for construction-related activities. However, the management has failed to provide the VAT challan copy for BDT 255,000 and the tax challan copy for BDT 170,000 in support of this transaction. Additionally, no work order or purchase order related to this procurement was provided.
We conducted a site visit to the company's factory located in Chattogram on 23 July 2025. During our inspection, we observed that a significant number of concrete blocks were stockpiled near the riverside. We also noted that some of these blocks had already been used in the construction of a river embankment. Furthermore, it was observed that the year "2023" was engraved on all visible blocks, indicating the year of their production or casting.
However, we did not find any outstanding payable balance to Chittagong Engineering Construction in the financial statements for the financial year 2023–2024.

6.00 The remaining balance of the IPO proceeds that can be utilized is BDT. 980,000,000. The amount approved by the EGM (held on 20th October, 2021) is BDT. 996,396,045. Here it is to be noted that according to the EGM's decision, the company may fund any excess expenditure from other sources that may include bank interests. However, BSEC is yet to formally acknowledge the decisions of the EGM which were taken as per the guidelines provided by BSEC through a letter # BSEC/CFD/2021/222/694 dated 19 July 2021.

7.00 The Management of the company has fully utilized BDT. 460,430,282 for repayment of corporate term loan with Social Islami Bank PLC (Account No- 0043020000482) during the month of 31 May 2021.

8.00 The management of the Company has spent a total amount of BDT. 57,974,406 for the purpose of "IPO Expenses" up to the month of 31 May 2022, in which the amount of BDT. 407,303 has been paid to Southeast Bank Capital Services PLC against underwriting commission expenses during the month of May, 2022.



MABS & J Partners Dhaka Chartered Accountants

9.00 The management of the Company has transferred the amount of BDT. 67,491,800 to the new IPO Proceed Accounts in Social Islami Bank PLC Agrabad Branch, Chattogram namely Lub-rref (Bangladesh) PLC (IPO Proceed Deposit) MND A/a No. 0041360004122 which has been paid from IPO proceeds account incorporated with Southeast Bank PLC for the purpose of repatriation of the "Technical Know-How Fees" as permitted by BIDA during the month of September 30, 2021. We have received a letter (Letter No-BSEC/CFD/2021/757 ) dated October 27, 2021 from BSEC regarding this issue.

10.00 The management of the Company transferred a portion of the IPO proceeds amounting to BDT 370,000,115 from Social Islami Bank PLC to a newly opened bank account with Agrani Bank PLC, during the month of August 2021. The details of the new account are: Agrani Bank PLC, WASA Corporate Branch, Chattogram, SNTD A/C No. 0200018772117. We have received a letter from the Bangladesh Securities and Exchange Commission (BSEC) regarding this matter, bearing Letter No. BSEC/CFD/2021/2022/Part-1/620, dated 23 June 2022. The balance remaining with Social Islami Bank PLC as of 30 June 2025 is BDT 197,988,865.

11.00 The management of the Company has utilized a total amount of BDT 234,306,075 from the IPO proceeds for working capital purposes during the period from 01 May 2024 to 30 June 2025, which was not in compliance with Condition No. 6 of Part-C of the Consent Letter issued by BSEC. Although a request was submitted to BSEC through Letter No. Lub-rref/BSEC/IPO/2024/242 dated 16 April 2024, the formal consent from BSEC is yet to be received.
BDT 30,136,151 was spent on items that do not fall within the definition of working capital, such as loan repayments, tax payments, license fees, newspaper expenses, office development, and other non-operational or non-qualifying expenditures.
The management has also failed to provide complete supporting documentation for BDT 156,601,289, including VAT and Tax Challan copies amounting to BDT 12,588,809.

12.00 According to the rules governing the utilization of IPO proceeds, the implementation period for the BMRE project ended on 28 February 2023, as stipulated in the Prospectus. We have found a letter from the Company, Reference No. Lub-rref/BSEC/IPO/BMRE/2023/0185, dated 05 February 2023, wherein the Company applied to the Bangladesh Securities and Exchange Commission (BSEC) for the first time, seeking a time extension of 18 months, up to August 2024. However, BSEC has not approved the extension request to date, and no further request for extension beyond August 2024 has been found. Furthermore, the Company has neither prepared nor submitted the required monthly status report on the utilization of public offering proceeds to the Commission, as stipulated under Condition No. 3 of Part-C of the Consent Letter No. BSEC/CI/BB-14/2018/299 dated 24 December 2020.

**In compliance with the Para-4 of Part-C of the Consent Letter, we also report that:**

i. The IPO proceeds have been utilized for the purposes/heads as specified in the Prospectus and as re-allocated through the EGM, except for the instances reported above.

ii. The expenses/utilization have been made in line with the provisions of the Consent Letter, except for the amount of BDT 417,315,215 (as specified in point 4 above), which was spent in excess of the approved amount.

iii. The utilization of IPO proceeds has not been completed within the time schedule/implementation timeline as specified in the published Prospectus. As of 30 June 2025, the total utilization of IPO proceeds amounts to BDT 1,368,974,145.

iv. The expenses/utilization made is accurate /for the purpose of the company as mentioned in Initial Public Offering (IPO) documents except for deviations noted above; and

v. We also confirm that: (i) the assets have been procured, imported, or constructed following the proper procedures and at reasonable prices; and (ii) the utilization of IPO proceeds has been made after verifying all necessary documents, papers, and vouchers, and reconciling the transactions with the respective bank statements, except for the exceptions reported above.

Signed for & on behalf of
**MABS & J Partners**
Chartered Accountants

**Md. Shahadat Hossain FCA**
Senior Partner
ICAB Enrolment No: 0672

Dated: **26 August 2025**
Place: Dhaka

# Report on Utilization of IPO Proceeds for the period of May 1, 2024 to June 30, 2025

| | |
|---|---|
| Name of the Company | : Lub-rref (Bangladesh) PLC |
| Amount (BDT) of Capital Raised Through IPO | : BDT. 1,500,000,000/- |
| Date of Close of Bidding | : 15 October, 2020 |
| Date of Close of Subscription | : 01 February, 2021 |
| Proceeds Receiving Date from bidding | : 25 October, 2020 |
| Proceeds Receiving Date from Subscription | : 25 March, 2021 |
| Last Date of Full Utilization of Fund as per Proceeds | : 31 August 2024 (not approved by BSEC) |

Annexure-A

| Sl. No. | Purpose Mentioned in the Prospectus | Time line as per prospectus | Amount in BDT. | | | | | | | | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Amount as per prospectus | Allocation as per IPO/Approved in 5th EGM (Taka) | Fund Utilized up to 30 April 2024 | Fund utilized from 01 May 2024 to 30 June 2025 | Total fund utilized up to 30 June 2025 | Utilized % | Total Un-utilized Amount | Un-utilized % | |
| * | Expansion of Business (Acquisition & Installation of Machineries | 24 Months | 980,000,000 | - | - | - | - | 0.00% | - | 0.0% | |
| 1 | Basic Engineering Design | | | 152,160,625 | 62,899,185 | - | 62,899,185 | 41.34% | 89,261,440 | 58.66% | |
| 2 | CEP Support during detailed design | | | | | | | | | | |
| 3 | Technology License Fee | | | | | | | | | | |
| 4 | Startup & Training | | | | | | | | | | |
| 5 | ICP-OES with microwave sample preparation system | | | 10,927,772 | 10,927,772 | - | 10,927,772 | 100.00% | - | 0.00% | |
| 6 | FTIR | | | 9,874,219 | 10,000,000 | - | 10,000,000 | 101.27% | (125,781) | -1.27% | |
| 7 | Nanoer Technology Quotation | | | 302,812,500 | - | - | - | 0.00% | 302,812,500 | 100.00% | |
| 8 | Hydrotreater | | | 171,087,367 | - | - | - | 0.00% | 171,087,367 | 100.00% | |
| 9 | Hydrogen Plant | | | 42,500,000 | - | - | - | 0.00% | 42,500,000 | 100.00% | |
| 10 | Fractionator | | | 24,465,380 | - | - | - | 0.00% | 24,465,380 | 100.00% | |
| 11 | Utilities | | | 16,448,690 | - | - | - | 0.00% | 16,448,690 | 100.00% | |
| 12 | Land and Land Development | | | 78,813,000 | 359,128,215 | 137,000,000 | 496,128,215 | 629.50% | (417,315,215) | -529.50% | |
| 13 | Civil Construction | | | 66,181,492 | 32,908,210 | 3,400,000 | 36,308,210 | 54.86% | 29,873,282 | 45.14% | |
| 14 | EPC Mobilization Cost | | | 121,125,000 | - | - | - | 0.00% | 121,125,000 | 100.00% | |
| 15 | Bank Loan Repayment | 06 Months | 460,430,282 | - | 460,430,282 | - | 460,430,282 | 100.00% | - | 0.00% | |
| 16 | IPO Related Expenses | 06 Months | 59,569,718 | - | 57,974,406 | - | 57,974,406 | 97.32% | 1,595,312 | 2.68% | |
| 17 | Working Capital | | - | - | - | 234,306,075 | 234,306,075 | 0.00% | (234,306,075) | 0.00% | |
| 18 | Excess of Adjustments over Prospectus | | | (16,396,045) | - | - | - | | (16,396,045) | | |
| | **Total IPO Proceeds** | | **1,500,000,000** | **980,000,000** | **994,268,070** | **374,706,075** | **1,368,974,145** | | **131,025,855** | | |

**Note:**

* BDT. 971,576 has been charged by the bank as Foreign Exchange loss & Bank Charges, BDT. 80,069,707 has been received as Interest Income and TDS has been deducted BDT. 11,429,380 on Interest income on IPO Proceeds accounts up to the month of June 30, 2025 and Lub-rref (Bangladesh) PLC have received an amount of BDT. 1,233,630 as forfeited amount which has subsequently deposited to BSEC.

* Balance as at Bank as on June 30, 2025 with Southeast Bank PLC, (Account number 13100014867) BDT. 161,049.41, (Account number 16200000001) GBP. 00.00, (Account number 16300000001) EUR. 00.00, (Account number15100000114) USD. 6,371.52, Social Islami Bank PLC (Account number 0041360004122) BDT. 19,79,88,865.10 Agrani Bank PLC ( (Account number 0200018772117) BDT. 9,956.07

* As of June 30, 2025, we have utilized a portion of the unutilized IPO fund as working capital, amounting to BDT. 234,306,075.00, as approved by the Board. This utilization is in line with the approach made to the Chairman of the Bangladesh Securities and Exchange Commission (BSEC) and as per the meeting minutes referenced in BSEC/ICA/SRIC/197/2023/301/97, dated April 09, 2024, and the meeting held on March 13, 2024. Furthermore, our management is committed to replenishing the utilized amount prior to initiating the BMRE project, specifically at the time of LC opening.

| Chairman | Managing Director | Company Secretary | Chief Financial Officer |
|---|---|---|---|