

**CERTIFICATE ON
STATUS REPORT ON UTILIZATION
OF
PROCEEDS FROM PUBLIC OFFERING
OF
ASSOCIATED OXYGEN LIMITED**

For the month of May 31, 2023



**AUDITOR'S CERTIFICATE REGARDING MONTHLY STATUS REPORT OF
UTILIZATION OF FUND AGAINST INITIAL PUBLIC OFFERING (IPO) OF
ASSOCIATED OXYGEN LIMITED
FOR THE MONTH OF MAY 31, 2023**

This is to certify that **ASSOCIATED OXYGEN LIMITED** has received Taka **150,000,000 (Taka: Fifteen Crore)** only as Initial Public Offering (IPO) proceeds through subscription from September 10, 2020 to September 16, 2020 in the separate Bank Account (Account number 1501204195399001) with Brac Bank Limited, Head Office, Gulshan-1, Dhaka. In line with the condition number 4, Part C of the consent letter number BSEC/CI/IPO-293/2019/161, dated on August 6, 2020 of Bangladesh Securities and Exchange Commission (BSEC), fund utilization status as on May 31, 2023 is as follows:

| Sl. No. | Purpose of Utilization | Allotment as per IPO (Tk.) | Fund utilized up to the month of April 30, 2023 | Fund utilized (Taka) for the month of May 31, 2023 | Total Utilization of Fund up to May 31, 2023 | Unspent Balance (Taka) |
|---------|---|----------------------------|---|--|--|------------------------|
| 1 | Construction of New Plant Shed & Store Shed | 68,156,250 | 68,172,041 | - | 68,172,041 | (15,791) |
| 2 | New Plant & Machinery | 42,400,250 | 8,133,138 | - | 8,133,138 | 34,267,112 |
| 3 | Bank Loan Repayment | 20,000,000 | 20,000,000 | - | 20,000,000 | - |
| 4 | IPO Related Expenses | 19,443,500 | 15,543,353 | - | 15,543,353 | 3,900,147 |
| | Total IPO Proceeds | 150,000,000 | 111,848,532 | - | 111,848,532 | 38,151,468 |
| 5 | Interest Income/ (Bank Charges & Foreign exchange loss) | 3,378,315 | 162,931 | - | 162,931 | 3,215,384 |
| | Total IPO Proceeds & Interest Income/ (Bank Charges) | 153,378,315 | 112,011,463 | - | 112,011,463 | 41,366,852 |

Total unutilized fund excluding Interest Income/(Bank Charges) Taka 38,151,468 (Taka: Three Crore Eighty One Lac Fifty One thousand Four Hundred and Sixty Eight) only and including Interest Income/ (Bank Charges & Foreign exchange loss) Taka 41,366,852 as on May 31, 2023 which is lying with Brac Bank Limited, Principal Branch, Gulshan-1, Dhaka (Account number 1501204195399001) of Taka 598,370.28 and an advance to "PROGRESSIVE ENGINEERING CORPORATION" of Tk. 34,267,112 on July 31, 2022 against New Plant & Machinery and rest of Tk. 6,501,415.54 on Companies own Bank account from which Un-utilized Fund will be paid off. We have collected relevant information and required documents and found in order according to the bank statements, there is no expenditure during the month of May 31, 2023. Enclosed herewith the Status Report as Annexure-A for utilization of fund which has been prepared by the management.

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

- The management of Associated Oxygen Limited has adjusted Taka 23,350,198 up to the month of June 30, 2021 which were previously paid for IPO proceeds from company's own bank account.
- The management of Associated Oxygen Limited has deposited Taka 97,000,000 (Taka: Nine Crore and Seventy Lac) only during the month of November 2020 as FDR with NRB Commercial Bank Limited in the form of 3 months separate FDR account with 9% interest rate per annum. Thereafter the management has encashed Taka 92,400,000 up to the month of March 31, 2022 including Taka 34,600,000 which has been encashed during the month of March 31, 2022 and rest of the FDR amount Tk. 2 Crore have encashed in April 30, 2022.
- The management of Associated Oxygen Limited has transferred Taka 150,000,000 through Issuance of Pay Order to Company's own Bank Account No. 011836000000081 of NRB Commercial Bank Limited during the period from October 28, 2020 to November 30, 2020.



- (d) The management of Associated Oxygen Limited has spent total amount of Taka 68,172,041 for Construction of New Plant Shed & Store Shed up to the month of April 30, 2022 including Taka 4,237,500 has been spent during the month of April 30, 2022. It is to be noted that total Taka 6,609,214 has been paid from company's own bank account up to December 31, 2021 and has been adjusted from FDR encashment on March 31, 2022.
- (e) The Management of Associated Oxygen Limited has paid Taka 20,000,000 for Repayment of Bank Loan up to the month of April 30, 2022 including Tk. 78,00,000 during the month of April 30, 2022. Noted that Tk. 3,000,000 was paid from company's own account during the month of December 31, 2020 which was adjusted on June 2021 and Taka 20,00,000 was paid during the month of March, 2022 from its own Bank Account from which Tk. 502,516 was adjusted in March 2022 from FDR Encashment, Tk. 7,800,000/- have paid of during the Month April 30, 2022 from FDR Encashment & Tk. 1,497,484 have adjusted during the month of April 30, 2022 from FDR Encashment which was paid off from Companies Own account previously.
- (f) The management of Associated Oxygen Limited has received Taka 3,378,315 as Interest Income on IPO BDT & FDR Account up to June 30, 2022
- (g) The management of Associated Oxygen Limited has paid an amount of Taka 15,543,353 for IPO Expenses including Tk.788,973 during the month of June 30, 2021. However, the Company adjusted Taka 1,800,000 as the Issue Management fee from FDR encashment during the month of June 30, 2021 which previously paid from its own bank account on January 2021.
- (h) The management of Associated Oxygen Limited has spent total amount of Taka 8,133,138 for New Plant & Machinery up to the month of May 31, 2022 excluding Tk. 34,267,112 as advance to "Progressive Engineering Corporation" against Plant & Machinery.
- (i) According to the fund utilization monthly report of IPO Proceeds, report submission time line has been ended on October 23, 2022 as per Prospectus. We have received a letter from the company, reference no.AOL/BEC/Utilization/Ext/2022/001 on dated October 20, 2022, where the company has applied to Bangladesh Securities and Exchange Commission (BSEC) for 1st time, time extension for 5 months up to March, 2023.

We also report that:

- i. the expenses/utilization has been made during the month of May 31, 2023 from the fund of Initial Public Offering (IPO);
- ii. the expenses/utilization made in line with the condition 4, part C of consent letter of Initial Public Offering (IPO);
- iii. the expenses/utilization of Taka 111,848,532 of IPO proceeds have been completed up to May 31, 2023 according to the mentioned time schedule/implementation schedule as specified Initial Public Offering (IPO) documents;
- iv. the expenses/utilization made is accurate /for the purpose of the company as mentioned in Initial Public Offering (IPO) documents; and
- v. we also confirmed that: (i) expenses have been procured/ incurred by maintaining proper procedure as well as at a reasonable price; and (ii) books and records including vouchers are found correct in support of utilization of Initial Public Offering (IPO) fund.

Dated: June 11, 2023
Place: Dhaka


FAMES & R
Chartered Accountants



Report on Utilization of IPO Proceeds for the month of May 31, 2023

Name of the Company : Associated Oxygen Limited
 Amount (BDT) of Capital Raised Through IPO : BDT. 150,000,000/-
 Date of Close of Subscription : September 16, 2020
 Proceeds Receiving Date : October 25, 2020
 Last Date of Full Utilization of Fund as per Proceeds : October 23, 2022 (within 6 Months of obtaining IPO proceeds)

| Sl. No. | Purpose Mentioned in the Prospectus | Time line as per prospectus | Amount as per prospectus | Fund utilized up to the month of April 30, 2023 | Fund utilized (Taka) for the month of May 31, 2023 | Total Utilized Amount | Utilized % | Total Un-utilized Amount | Un-utilized % | Remarks |
|---------------------------|---|-----------------------------|--------------------------|---|--|-----------------------|------------|--------------------------|---------------|---------|
| | | | | | | | | | | |
| 1 | Construction of New Plant Shed & Store Shed | 24 Months | 68,156,250 | 68,172,041 | - | 68,172,041 | 100.02% | (15,791) | -0.02% | |
| 2 | New Plant & Machinery | 24 Months | 42,400,250 | 8,133,138 | - | 8,133,138 | 19.18% | 34,267,112 | 80.82% | |
| 3 | Bank Loan Repayment | 3 Months | 20,000,000 | 20,000,000 | - | 20,000,000 | 100% | - | 0.00% | |
| 4 | IPO Related Expenses | As or when required | 19,443,500 | 15,543,353 | - | 15,543,353 | 79.94% | 3,900,147 | 20.06% | |
| Total IPO Proceeds | | | 150,000,000 | 111,848,532 | - | 111,848,532 | | 38,151,468 | | |

Note:

* BDT 162,931 has been charged by the bank as maintenance fee, Foreign exchange loss & adjustment for own fund utilization, Taka 3,377,638.95 has been received as Interest Income on IPO & FDR account (net off withholding tax) up to the month of May 31, 2023 is Tk. 3,215,898.29.

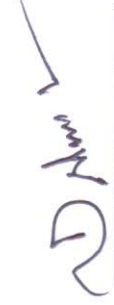
* Balance as at bank as on May 31, 2023 with Brac Bank Limited, Principal Branch, Gulshan-1, Dhaka (Account number 1501204195399001) BDT. 598,060. 1501204195399003 (GBP) BDT. 0.00, 1501204195399004 (EUR) EUR. 0.00, 150120419539902 (USD) \$0.00, an Advance against Plant & Machinery of Tk. 34,267,112 to "Progressive Engineering Corporation" which will be adjusted after finding final bill & complication of Machinery Installation and rest of Tk. 6,501,616 on Companies own Account from which rest of the un utilized fund will be utilize.


Chairman


Managing Director



Company Secretary



Chief Financial Officer



Dated: June 11, 2023
Place: Dhaka