



**Principles on Disclosure of Material
Information and Price Sensitive Information**
Simtex Industries Limited

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1. PRINCIPALS:

This policy is being adopted in compliance with the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2021-396/52/ADMIN/140 dated December 28, 2022, published on January 05, 2024. According to Clause No. 3 (2) of the aforesaid Notification, the Company (SIL) is required to prepare Principles on Disclosure of Material Information and Price Sensitive Information following the guidelines provided in Schedule A of the said notification and publish the principles in its website. Accordingly, the Board of Directors of the Company ('the Board') has approved these Principles on Disclosure of Material Information and Price Sensitive Information for the Company at its meeting held on December 14, 2023.

2. OBJECTIVES:

The main objective of these Principles is to ensure that all investors have equal access to important information that may affect their investment decisions and that such information is adequately disseminated in a fair and timely manner in pursuance with the Listing Regulations and to provide an overall governance framework for determination of materiality.

In addition to that objectives are also aimed the following:

- a) To ensure that the Company complies with the disclosure obligations to which it is subject as a publicly traded company as laid down by the Listing Regulations, various securities laws, and any other legislations.
- b) To ensure that the information disclosed by the Company is timely and transparent.
- c) To ensure that corporate documents and public statements are accurate and do not contain any misrepresentation.
- d) To protect the confidentiality of material/price-sensitive information within the context of the Company's disclosure obligations.
- e) To provide a framework that supports and fosters confidence in the quality and integrity of information released by the Company.
- f) To ensure uniformity in the Company's approach to disclosures, raise awareness, and reduce the risk of selective disclosures.

3. DEFINITION:

- i. "Board of Directors" or "Board" means the Board of Directors of Simtex Industries Limited (SIL), as constituted from time to time
- ii. "Policy" means this Policy titled The Principles on Disclosure of Material Information and Price Sensitive Information (PSI).
- iii. "Key Managerial Personnel" means Key Managerial Personnel (KMP) including the Managing Director & CEO, Chief Financial Officer (CFO), Company Secretary, and such other officer/s as may be prescribed by the Board of Directors.
- iv. Stock Exchange(s) means Dhaka Stock Exchange and the Chittagong Stock Exchange
- v. Listing Regulations means Dhaka Stock Exchange (Listing) Regulation 2015 and the Chittagong Stock Exchange (Listing) Regulation 2015
- vi. "BSEC" means Bangladesh Securities and Exchange Commission.
- vii. "DSE" means Dhaka Stock Exchange Limited
- viii. "CSE" means Chittagong Stock Exchange Limited.
- ix. "Chairman" means the Chairman of the Board of Directors of SIL.
- x. "Director" means the Board of Directors of SIL; so appointed time to time.
- xi. "MD and CEO" means the Managing Director and Chief Executive Officer of SIL
- xii. "Company Secretary" means the Company Secretary of the SIL.
- xiii. "CFO" means Chief Financial Officer of SIL.





Words or Expressions not defined in this policy shall have the same meaning as given under the Securities and Exchange Ordinance, 1969, Bangladesh Securities and Exchange Commission Act, 1993, the Companies Act, 1994, Depository Act, 1999, Exchanges Demutualization Act, 2013 and provisions made under the said laws. Further, in case of inconsistency between any provisions of this policy with any existing policy (ies) of the Company, provisions of Policy for determination and disclosure of Materiality of Events or Information and Price Sensitivity will prevail.

4. PRICE SENSITIVE INFORMATION (PSI):

The company will consider the following information as the price sensitive information in (PSI) of The Company:

- Information related to the financial report financial results and other basic information related to the financial performance;
- Information related to dividend and corporate declarations;
- Information related to the change of corporate structure (i.e. amalgamation, merger, de-merger, re-structuring, acquisition, winding up, transfer, and transformation, etc.)
- Information related to the change of capital structure;
- Information related to the business extension, change, etc.;
- Any other information as defined by the BSEC as PSI through various rules, regulations, circulars, and directives; and
- Any information published by the BSEC in the official gazette defining as PSI.

5. MATERIAL INFORMATION (MI)

A. Factors related to changes in financial conditions, such as: -

- (a) Changes in financial statements, such as significant decrease or increase in income, expenses, cash flows, receivables, liabilities or assets, etc., and revaluation of most or significant assets or any information or statement or comment regarding revaluation of significant assets or significant decrease-increase;
- (b) The following comparative information in the financial statements:
 - Earnings per share (EPS);
 - Net operating cash flow per share (NOCFPS);
 - Net asset value per share (NAV);
- (c) Material changes in the value or composition of assets of the company;
- (d) Any special instructions or any modification of any special instructions previously given by the regulatory authority of the company regarding the reservation of provisions, and
- (e) Any change in the accounting policies of the company, etc.

B. Information regarding corporate announcements, such as: -

- (a) Any decision relating to dividend;
- (b) The decision to declare or issue rights, bonus issues, or similar benefits to security holders.
- (c) Corporate declarations or other information relating to the receivables of the investors; and
- (d) Any change in dividend distribution policy, etc.

C. Information regarding changes in corporate structure, such as: -





- (a) Acquisition or disposal of any existing assets of the company at least 05% (five percent) or more;
- (b) Merger of the Company with another company.
- (c) Any acquisition or substantial acquisition of shares of any company, etc.
- (d) Demerger of any unit of the company;
- (e) Conversion or winding up of any unit of the Company;
- (f) Changes in corporate operations by way of capital reorganization or merger or demerger.
- (g) Takeover proposal or internal service acquisition proposal of any company
- (h) Change of ownership that may affect controlling of the Company; and
- (i) Change of name or address, etc.

D. Information regarding changes in capital structure, such as: -

- (a) Any decision regarding private or public or rights offer of securities or changes in its capital structure;
- (b) Systematic repurchase or redemption of securities of the Company;
- (c) Any decision regarding consolidation of shares, exchange of shares, conversion of any security into equity security, or conversion of debentures into shares; and
- (d) Significant changes in rights of security holders, etc.

E. Information regarding expansion, change, etc. of business activities, such as: -

- (a) Any significant development or change in the Company's technology, production or facilities;
- (b) Significant capital investment or significant change in the purpose of the organization;
- (c) Significant new contracts, product, patent, service, or business changes;
- (d) Significant realization of long-term Bad Debts;
- (e) Any change of the Board of Directors or any resignation or termination of the Chief Executive, CEO, CFO and Company Secretary;
- (f) Change of statutory auditor or corporate governance compliance auditor and Credit Rating Company or agency;
- (g) Initiation of legal proceedings or development of regulatory matters or any significant judgment or order by the court;
- (h) Change of category of listed security in the stock exchange(s) or company's de-listing from the exchange(s);
- (i) Any significant management contract, investor relations agreement, service agreement, or related party transaction that could materially affect the financial statements of the Company;
- (j) Information relating to the decision of sale or purchase of any fixed asset or renovation or development or expansion of plant or machinery (BMRE) or setting up of new units; and
- (k) Grant or acceptance of significant advances or loans between the inter-company, subsidiary, or associate companies.
- (l) Any kind of loan or related benefits received and provided or exchanged with any directors of the Company.

F. Information related to loan and debt management, such as:-

- (a) Borrowing and repayment of 25% or more of the paid-up capital or net asset value, whichever is higher;
- (b) Mortgage or unmortgaged of any significant assets;





- (c) Failure to repayment of debt to any bank or creditor or letter of credit for more than 06 (six) months.
- (d) Significant new loan agreements; and
- (e) Foreign loan and agreement or investment agreement, etc.

G. Others, such as:-

- (a) Signing of any material agreement or cancellation or substantial amendment of previously declared/signed agreement;
- (b) Loss of any substantial assets of the company or any event affecting its reputation;
- (c) Cancellation or substantial modification of any scheme previously declared; and
- (d) Submission of qualified reports of the company by the auditor, etc.

H. The commission may, by order published in the official gazette, determine any other information to be Material Information.

6. DISCLOSURES ON THE WEBSITE

The Policy will be available on the Company's website: <https://simtexgroup.com>. The Company shall upload on its website all Material Information and Price Sensitive Information and host for a minimum period of 03 (three) years according to requirements by Rule No. 3(4) of the BSEC Prohibition of Insider Trading Rules 2022.

7. TRADING PERIOD RESTRICTION

As per Rule-5(2) of the BSEC Prohibition of Insider Trading Rules 2022, individuals including Sponsors, Directors, Employees, Auditors, persons engaged in audit work, advisors, legal counsel, or beneficial owners of securities are prohibited from buying, selling, receiving, or disposing of any securities of the Company between May 1st of each fiscal year and the approval of annual financials by the Board of Directors.

8. MONITORING AND REPORTING

The 'Key Managerial personnel' (KMP) are jointly responsible to the Board for monitoring and reporting the implementation of this principle.

9. PRINCIPLES REVIEW

These Principles may be modified as may, in the opinion of the Board, be deemed necessary from time to time based on changing requirements as prescribed by the BSEC with the assistance of KMP and subsequently to be updated to the website.

9.1 REVIEW OF THE POLICY

The Policy may be modified as may, in the opinion of the Board, be deemed necessary.

