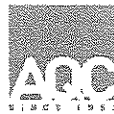


*"Building a Relationship of Trust and Transparency"*

Capital gains tax computation for the transfer of shares in  
~~XXXXXXXXXX~~ (USA) LLC and ~~XXXXXXXXXX~~ LLC.



**A. Qasem & Co., Chartered Accountants**

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22 September 2024

**Mr. Shiham Ghouse**  
VP Finance  
Jacob Industries (USA) LLP  
77 Rowe Street, Auburndale  
MA 01466, USA

**Subject: Report on the capital gains tax for the transfer of shares in [REDACTED] Industries (USA) LLC and [REDACTED] LLC.**

Dear Sir,

It is our pleasure to forward the comprehensive report on the capital gains tax for the transfer of shares in [REDACTED] Industries (USA) LLC and [REDACTED] LLC. In the report, we meticulously analyze different approaches of valuation. We have computed the capital gains tax on the basis of Bangladesh Bank share transfer approval. To provide you with the assurance and confidence you need from us, we believe that there are three compelling reasons why A. Qasem & Co. (AQC) is the right choice, which includes:

**Quality:** Quality is at the forefront of everything we do and with our industry expertise, we follow risk-based client approach and global enablers, you can be rest assured that we will deliver you a quality service.

**Experience:** You will be benefited from the experience we bring of proving non-audit services in diverse industry. The combination of our unique knowledge, strong local presence and our global and regional resources, represents a winning combination that will enable us to deliver world-class services to you.

**Approach:** Our aim is to exceed your expectations and deliver value beyond a great service. Our approach will be tailored to your needs, proactive, objective and challenging, whilst providing a fresh approach and insights during the service tenure.

At AQC we are distinguished by having a truly integrated global business, operating under a single common global governance structure and a single global strategy, which, when combined with our strong commitment to you, will demonstrate that working with us will be a seamless experience that cannot be matched.

We look forward to developing a solid and mutually beneficial relationship with you and we are confident in our ability to serve you.

Sincerely Yours,



**(A. Qasem & Co.)**  
Chartered Accountants

Net value of the firm including preference share	1,494,751,035
Less: Preference share	(240,000,000)
Net value of the firm after deducting preference share	1,254,751,035
Total number of ordinary shares	4,000,000
Value per share (1,254,751,035 / 4,000,000)	313.69
Exchange rate in USD	*USD 1 = TK 99.5

Market value per share:

Sl. No	Valuation method	Value of each approach	Weight	Weighted average
1.	Asset based approach	669,531,643	18%	122,211,329
2.	Market value approach	980,082,273	27%	261,875,168
3.	Discounted cash flow approach	2,018,398,093	55%	1,110,664,538
4.	Total value of the above approaches	3,668,012,009		
	Weighted average approach			1,494,751,035

As per Valuer:

Valuation summary:

However, in accordance with the Bangladesh Bank's approval, the remittance proceeds for the transfer of shares were fixed at **BDT 213.13** per share, resulting in a capital gain of **BDT 113.13** per share. The value per share was determined by considering the weighted average cost of ordinary shares (market value per share) and preference shares (cost value per share). Details are outlined below:

Since preference shares can be redeemed or converted into equity, shareholders are expected to choose the option that offers the greatest benefit. If converted, each preference share would yield 5 equity shares. Therefore, the valuer excluded preference shares from the equity valuation to reflect this potential conversion.

The capital gains tax for the transfer of shares in [redacted] Industries (USA) LLC and [redacted] LLC has been calculated based on the valuation report, the Bangladesh Bank's approval notice, and other relevant information. According to the valuation conducted by Anil Salam Idris & Co., the market value per share was **BDT 313.69**, with a face value of **BDT 100**, resulting in a capital gain of **BDT 213.69** per share. This valuation was derived using various approaches and assigning appropriate weightings to each, while excluding preference shares.

**Computation of capital gains tax for the transfer of shares in [redacted] Industries (USA) LLC and [redacted] LLC.**



Type of share	No. of share	Face value	Market value	Capital gain per share	Transfer Value	Capital gain	Tax rate	Tax on capital gain
Ordinary share	1	2	3	4	5 (4-3)	6 (2x4)	8	9 (7x8)
Preference share	2	119,760	213.13	113.13	25,524,449	13,548,449	15%	2,032,267
Ordinary share	199,600	100	213.13	113.13	42,540,748	22,580,748	15%	3,387,112
<b>Total</b>								
<b>Sub Total (A+B)</b>								
5,419,379								
39,814,520								

B. [Redacted] LLC:

Type of share	No. of share	Face value	Market value	Tax on capital gain	Transfer Value	Capital gain	Tax rate	Tax on capital gain
Ordinary share	1	2	3	4	5 (4-3)	6 (2x4)	8	9 (7x8)
Preference share	2	760,080	213.13	113.13	161,995,850	85,987,850	15%	12,898,178
Ordinary share	1,266,800	100	213.13	113.13	269,993,084	143,313,084	15%	21,496,963
<b>Total</b>								
34,395,141								

A. [Redacted] Industries (USA) LLC

1. Calculation of capital gains tax based on Bangladesh Bank's approval for the transfer of shares:

The difference in value per share between the share valuation date and the Bangladesh Bank approval date has been reflected in the calculation, due to significant fluctuations in the USD exchange rate during this period.

Note:

Type of shares	Value per share as per valuation report
Ordinary share	313.69
Preference share	100
Total	413.69
Average weighted cost per share $(313.69 + 100) / 2$	206.84
As per Bangladesh Bank	213.13
Difference per share	6.29
Exchange rate in USD	*USD 1 = Tk 108

Bangladesh Bank approved value per share:



Information regarding the methodology used by the Bangladesh Bank to determine the value per share is an internal record and is therefore not available. However, the value approved by the Bangladesh Bank is final for the transfer or sale of shares by the non-resident shareholder. According to the calculations, the total transfer value amounts to **BDT 500,054,131**, with a capital gain of BDT 265,430,131 and a capital gains tax of **BDT 39,814,520**. It is important to note that the transfer value, capital gains, and capital gains tax derived solely from the valuation report are not applicable, as the Bangladesh Bank has considered both ordinary and preference shares as well as the valuation report, and other relevant information in approving the final transfer value, gains, and applicable tax.

Additionally, we observed an insignificant difference of **BDT 283** between the proceeds value from our calculation and the value approved by the Bangladesh Bank.

**Conclusion:**