

Report of the Board of Directors For the year ended on 30th June 2019

“Bismillah Hir Rahmanir Rahim”

Distinguished Shareholders

Assalamualaikum!

Alhamdu Lillahe Rabbil Aalamin

On behalf of the Board of Directors I have the pleasure to welcome you to this 35th Annual General Meeting of your company and to place before you the Directors Report for the year ended 30th June 2019 for your consideration.

Business Operations

The highlights of the business operation compared with the previous appear as follows:

Particulars	Taka in million		
	2018-19	2017-18	Increase (decrease) %
Knit Fabrics Sale	1,328.93	951.29	39.70
Garments Sale	999.36	1,073.11	(6.87)
Export Incentive	29.88	22.09	35.26
Turnover	2,358.17	2,046.49	15.23
Cost of goods sold	(2,026.99)	(1,759.51)	15.20
Gross Profit	331.18	286.98	15.40
Administrative, Selling and General Expenses	(263.31)	(220.43)	19.45
Net profit before tax	65.55	64.89	1.02
Net profit after tax	48.34	43.09	12.18
Earnings per share	1.91	1.70	12.35

Performance of the company

Revenue earnings of the company in terms of fabric sale and garment sales during the year was Tk. 2,328.29 million against Tk. 2,024.39 million of the previous year. The cost of goods sold was Tk. 2,026.99 million against Tk. 1,759.51 million of the previous year. Net profit after tax was Tk. 48.34 million against Tk. 43.09 million, which is 12.18% increased than that of 2017-18. The management has been emphasizing extensively to promote its products and it is expected that the sales volume and profit will be enhanced in the years to come.

Compliance Issues

The compliance issues are a major component in the agenda of the management at present, specifically in the areas of sustainable production, human resources and eco-friendly measures. The company is working hard to maintain compliance in all these areas. However, the new compliance requirements warrant major change in the building structure and the company needs to invest a substantial amount to improve production facilities and to upgrade compliance standards in order to appease buyer requirements. The company has progressed significantly and still needs to continue investment to remain fully compliant as per the requirement of the buyers.

Risk and Concerns

H.R. Textile Limited as a manufacturing unit in the garments and Textiles industry is vulnerable to global and domestic adversities and threats. International trade tensions, concerns over BREXIT, working hazards of local textile industry indicate significant business risks. The country's exporters are accustomed to such risks and have learned how to cope

with the situation. The Board of Directors assures its shareholders that the company has a competent risk management process to ensure that the system of internal control is sound in design and has been effectively implemented and monitored. The audit committee supports the board in monitoring activities of management and deals with risk management issues also. As one of the pioneers of the sector, the company is confident in minimizing the risks and optimizing the benefits.

Product wise Performance

During the year under report, Product wise, production of knit fabrics increased by 65.19% and garments decreased by 14.70%. Accordingly the total sales volume has increased by 15.01%.

Extra-Ordinary Gain or Loss

As per IAS-1: Presentation of Financial Statement, no item of income and expenses are to be presented as extra-ordinary gain or loss in the financial statement. There was no extra-ordinary gain or loss in the financial statement under report, during the year ended June 30, 2019.

Related Party Transactions

H.R. Textile Mills Limited exports garments and also fabric as "Deemed Export" to one concern, namely, Fashion Knit Garments Limited. Fashion Knit Garments Limited is owned by three sponsor directors of the company. The transactions between H.R. Textile Mills Limited and Fashion Knit Garments Limited are being transacted on Arm's Length Basis and at market price.

Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer

The company has no Initial Public Offering (IPO) during the financial year 2018-19. There is no plan of Repeat Public Offering (RPO), Rights Share Offer in the near future.

Utilization of proceeds from public issues, rights issues

The company had no Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights issues during

the financial year 2018-19 and as such no money was taken from the shareholders during the year.

Directors Remuneration

The Managing Director is paid his monthly remuneration as shown in the Financial Statements. Other than the Managing Director, none of the non-executive directors are paid any remuneration except the meeting attendance fee of Tk. 5,000 per attendance. The non-executive directors, including the independent directors do not receive benefits of any other kind from the organization.

Accounting Policies

Appropriate accounting policies have been applied consistently in preparation of these financial statements and the accounting estimates are based on reasonable and prudent judgments.

Preparation of the financial statements

The Financial Statements were prepared in accordance with the applicable International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

Internal Control System

The Board has ultimate responsibility for establishing an effective system of internal control. It is designed to manage rather than eliminate the risk of failure to achieve the business objectives and to provide reasonable but not absolute assurance that assets are safeguarded against unauthorized use or material loss and those transactions are properly authorized and recorded. The ultimate responsibility of the internal control system is on the Board of Directors as it ensures that the importance of internal controls is understood across the Company.

Protection of Minority Shareholders

The board took necessary care to protect the rights of minority shareholders through dealing fairly and by not taking any decision or action benefitting only the controlling shareholders.

Significant doubt upon the ability to continue as a going concern

The company has adequate resources to continue its operation without interruptions, thus it has adopted going concern basis for preparation of financial statements.

Dividend

During the year under report, the company earned profit after tax of Tk. 48,341,049. Out of the above the Board recommended a cash dividend of Tk. 1.00 (i.e. 10%) per share of Tk. 10 for general shareholders other than sponsors/directors shareholders against 10% cash dividend per share of Tk. 10 to all shareholders in the last year. The above would require a cash outflow of Tk. 12.39 million. The balance amount of Tk. 35.95 million of un-appropriated profits will be used to meet the working capital requirement of the company as well to finance the developmental works.

Interim Dividend

No interim dividend was declared by the Board of Directors during the year 2018-19.

Board of Directors meeting held during the year

The total number of Board meetings held during the year and the attendance of the directors and the fees offered to the members were as follows:

Sl No	Name of the Directors	No of meetings held	No of meetings attended	Fee Paid Taka
1	Professor Dr. M. A Moyeen	7	6	30,000
2	Mr. M. A Moyeed	7	7	35,000
3	Professor M. A Momen	7	6	30,000
4	Ms. Ruhey Rawa	7	7	35,000
5	Ms. Sumbal Azwad Momen	7	7	35,000
6	Ms. Sana Kainat Moyeen	7	3	15,000
7	Professor Mushtaque Ahmed (Retired on 25/12/2018 as his tenure has been completed)	7	2	10,000
8	Professor Dr. A.H.M. Habibur Rahman (Joined the Board on 25/12/2018)	7	4	20,000
9	Mr. Md. Kabiruzzaman	7	6	30,000

In addition to the board members, Mr. Md. Abu Amur Naheel, Chief Financial Officer, Mr. Sumnoon Moheb, Head of Internal Audit & Compliance and Mr. Md. Wali Ullah, Company Secretary attended the Board Meetings on regular basis.

The Board deals with the policy issues, however in some important issues; the board members assist the operating management in resolving those issues for smooth operation. More specifically the Board members look after the business trend of the industry; policy issues, and suggests actions needed to be taken. The Board members maintain liaison with the buyers and reviews the business developments nationally and internationally. The members of the Board identify the needs for various equipment, and respond quickly to the buyers' requirement. It also deals with availing financial assistance from banks and leasing companies, reviews the cost reduction programs, expansion of facilities, review of compliance related issues etc. The Independent Directors are also contributing significantly by taking part in the policy issues and guiding the management in order to keep the company on track.

Retirement and Re-election of Directors

In pursuant to Article 102, 103 and 104 of the company, Professor Dr. Muhammad Abdul Moyeen and Ms. Ruhey Rawa, Directors of the company, will retire and being eligible, offer themselves for re-election.

Appointment of Auditors

The existing Auditors M/s. Ata Khan & Co, Chartered Accountants has been carrying out the audit of the company for the last two years. The audit company informed that, they like to retire and unable to not work as auditors. Therefore the shareholders are required to appoint new auditors for the year of 30th June 2020. The office has so far received few applications and some are expected and in pipe line. All will be placed for your consideration and appointment.

Appointment of Corporate Governance Auditors

As per condition No. 9 of the Corporate Governance Code dated 03 June 2018, M/s. N.M Tareque and Associates, a Firm Professional of Cost and Management Accountants was appointed in the 34th AGM as the Corporate Governance Auditors of the company for the year 2018-19 and to continue till conclusion of the upcoming AGM. The Firm has expressed intention to be re-appointed for the next term. The Board of Directors recommend for re-appointment of M/s. N.M Tareque and Associates as Corporate Governance Auditors for the financial year 2019-20. This may be approved by the shareholders in the upcoming AGM.

Resume of the Directors

Mr. Mohammad Abdul Moyeed, Managing Director

Mr. Mohammad Abdul Moyeed obtained B.Sc Engineering (Chemical) from BUET. He started his business career early. Mr. Moyeed has 43 years of experience in trade and is now considered an authority in the field of textile processing and finishing in Bangladesh, with proven and excellent entrepreneurial track record. Mr. Moyeed is the Managing Director of H.R. Textile Mills Limited and also Director of Dacca Textiles Limited, Fashion Knit Garments Limited, Pride Limited, Pride Spinning Limited and Pride Properties Limited and under his dynamic leadership all the industrial ventures of this group are marching towards progress and prosperity. He is involved in different social development works through a host of social organization.

Professor Dr. Muhammad Abdul Moyeen, Director

Professor Dr. Muhammad Abdul Moyeen is a B.Com (Hons), M.Com in Management and Ph.D from the University of Glasgow. Dr. Moyeen has 41 years of professional and entrepreneurial experience and now is regarded as an Industry Thought Leader on operations, organization & strategic management. He is involved with Pride Group as its director since inception. Dr. Moyeen is the Chairman of H.R. Textile Mills Limited and Director of Dacca Textiles Limited, Fashion Knit Garments Limited, Pride Limited and Pride Properties Limited. Dr. Moyeen is also the Chairman of Pride Spinning Limited. Dr. Moyeen additionally serves as a Professor at the University of Dhaka. He is the recipient of several international awards in his capacity as a professor & entrepreneur.

Professor Mohammad Abdul Momen, Director

Professor Mohammad Abdul Momen is a B.Com Hons M.Com in Finance and has obtained his MBA degree from Drake University, USA. He started his business career during his student life. Professor Momen has 39 years of experience in business and is also a renowned professor of the Institute of Business Administration (IBA) at the University of Dhaka for the last 3 decades and involved with Pride Group since its inception. Professor Momen is well known among the business community, the financial sector and amongst academicians. Professor Momen is also the Director of Dacca Textiles Limited, Pride Limited, Pride Spinning Limited and Pride Properties Limited. Additionally, he is the Chairman of Fashion Knit Garments Limited.

Ms. Ruhey Rawa, Director

Ms. Ruhey Rawa obtained her education from the United Kingdom. Ms. Ruhey Rawa is working with H.R. Textile Mills Limited since 2006. She is the daughter of Al-Hajj Mohammad Abdul Moyeed, the Managing Director of H.R. Textile Mills Limited.

Ms. Sumbal Azwad Momen, Director

Ms. Sumbal Azwad Momen obtained her BA (Hons) in Economics from Smith College, one of the highest ranking colleges in the USA. Ms. Sumbal joined H.R.

Textile Mills Limited in 2006. She is the daughter of Professor Mohammad Abdul Momen, Director, HRTML. She is involved in the day to day activities of the textile group.

Ms. Sana Kainat Moyeen, Director

Ms. Sana Kainat Moyeen obtained a BA (Hons) UK, M. Phil (Oxford), UK. Ms. Sana Kainat Moyeen also over views the business of H.R. Textile Mills Limited alongside her doctorate studies at the University of Oxford, one of the most prestigious institutions in the world. She is the daughter of Dr. Muhammad Abdul Moyeen, Chairman of the company.

Professor Dr. A.H.M. Habibur Rahman, Independent Director

Professor Dr. A.H.M. Habibur Rahman obtained B.Com (Hons) and M.Com from University of Dhaka. He did his Ph.D in Industrial Finance from Durham University, England in 1969. Dr. Rahman also did Post Graduate Diploma in Business Management from Brunel, England.

Professor Dr. Rahman served University of Dhaka for about 41 years in different capacities from 1970 to 2016. Dr. Rahman has an excellent record of achievement during his entire service career. His major research publications (National and International) are in industrial finance, entrepreneurship and small enterprise development, technology and Productivity, education and employment, labour market adjustment process. He is a pioneer in entrepreneurship education & research in Bangladesh. He took initiative to introduce entrepreneurship in different levels of education system in Bangladesh. He is the first author of almost all text books on entrepreneurship at different levels of education system in Bangladesh.

Professor Dr. A.H.M. Habibur Rahman is an eminent academician and former Dean, Faculty of Business Studies, founder Chairman, Department of Finance, founder Director, Bureau of Business Research and Supernumerary Professor. Honorary Professor, University of Dhaka. He was the Chairman, Board of Directors, Sonali Bank Ltd and B.S.R.S. He is involved in different social development works through a host of social organization.

Mr. Mohammad Kabiruzzaman, Independent Director

Mr. Mohammad Kabiruzzaman obtained is a B.S.S (Hons), M.S.S. in Public Administration from University of Dhaka. He has also attended various seminars/ workshops/ conferences both at home and abroad. He has over 30 years of business experiences in both local and International trade and worked in the top Management position for about 15 years in the one of the largest business conglomerate of Bangladesh. He is presently working as Chief Operating Officer (COO) of Beximco Ports Ltd - a sister concern of Beximco Group. Prior to this he was also COO of Beximco Systems Ltd., IT Company in collaboration with NIIT India and now Independent Director of the company. He is involved in different social development works through a host of social organization.

Shareholding Pattern

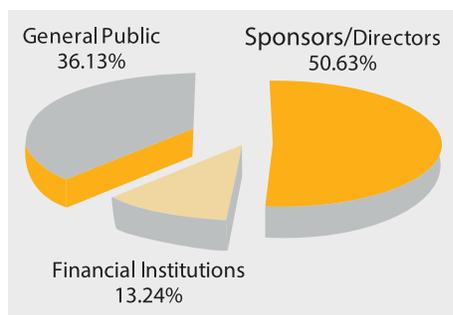
The shareholding of the sponsors/directors remained at 50.63% without any change during the year. Out of the balance shares, the institutions are holding 13.24%, which was 12.41% in the previous year. The shareholding of the general public has decreased to 36.13% compared to 36.55% in the previous year, on the date of year closing. The above change was mainly due to buy of shares by some institutions. The shareholding pattern of the company for the year closing on 30th June 2019 stands as follows:

Name of Shareholders	No. of Shares	Percentage
1.5) (xxiii) a) Parent Company/Subsidiary/Associated Companies/ Other Related Parties:	Nil	-
1.5) (xxiii) b) Directors, Chief Executive Officer, Chief Financial Officer, Head of Finance & Accounts, Company Secretary and their Spouse and Minor Children:		
Mr. Mohammad Abdul Moyeed, MD & CEO	3,762,256	14.87
Professor Dr. Muhammad Abdul Moyeen, Chairman	3,762,254	14.87
Professor Mohammad Abdul Momen, Director	3,762,254	14.87
Ms. Ruhey Rawa, Director	507,285	2.01
Ms. Sumbal Azwad Momen, Director	507,285	2.01
Ms. Sana Kainat Moyeen, Director	507,285	2.01
Professor Dr. A.H.M. Habibur Rahman, Independent Director	Nil	-
Mr. Mohammad Kabiruzzaman, Independent Director	Nil	-
Mrs. Umbirin Moyeed	15,812	Shares, included in the slot of general shareholders
Dr. Shaheen Afroze	15,812	
Ms. Salsabil Abreshmi Momen	8,000	
Mr. Sharaf Awad Rahman Momen	7,812	
Mr. Md. Abu Amur Naheel, CFO	Nil	-
Mr. Sumnoon Moheb, HF&A	Nil	-
Mr. Md. Wali Ullah, CS	Nil	-
Minor Children	Nil	-
Total Shares	12,808,619	50.63

c) Executives:

Name	Designation	Shares
Mr. S.M. Asadun Nabi	GM (Strategy Planning & Development)	Nil
Mr. Md. Aminur Rahman	Factory Manager	Nil
Mr. Mohammad Karim Hossain	Manager (MIS)	Nil
Mr. Nazmul Hossain Khan	Manager, Commercial	Nil
Mr. Monirul Islam	Manager, Admin & Compliance	Nil
Mr. Sherajul Islam Khan	Asstt. Manager, Accounts	Nil

Shareholding Pattern



d) Shareholders holding ten percent (10%) or more votes' interest in the company (name wise details):

Name	No. of shares
Mr. Mohammad A. Moyeed	3,762,256
Professor Dr. Muhammad A. Moyeen	3,762,254
Professor Mohammad A. Momen	3,762,254

Audit Committee

The Audit Committee held five meetings during the year. All the committee members attended the above meetings. The Audit Committee has been playing significant role in guiding the internal management. The Committee reviewed the draft financial statements, financial position of the company, and report of the Auditors and the operational results of the company from time to time. A separate report of the Audit Committee to the shareholders is enclosed at Annexure-2

Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee (NRC) has been formed with independent directors as a sub-committee of the board in order to assist the board in ensuring and fulfilling its responsibilities. Being non-executives and independent all members or the committee have no conflicts of interest. The committee is to provide recommendation of remuneration and other facilities of the Directors and top level executives. They also recommend their appointment and removal. The NRC held one meeting during the year. All the committee members attended the above meetings. A separate report of the NRC to the shareholders is enclosed at Annexure-3

Future Programs

Bangladesh is the second largest exporter of garments in the global market where knit garments is playing a vital and significant role. Your company, with long years of experience in the field, has created tremendous value in the global market as a quality exporter. The directors, with their experience and acumen, have worked hard to create this value. The Board has the program to expand both horizontally and vertically but cautiously, so that the history created by the company with the support of general shareholders can be continued with confidence.

Declaration by the CEO and CFO

Declaration of CEO and CFO has been provided in Annexure-A

Corporate Governance Compliance Report

In accordance with the requirement of the Bangladesh Securities and Exchange Commission, Notification No: BSEC/CMRRCD/2006-158/207/Admin/80 dated 3rd June 2018, the Certificate on Compliance of

Corporate Governance Code and Directors Report on Compliance of Corporate Governance Code are placed in Annexure-B and Annexure-C respectively.

Financial Reporting framework declaration

The Board of Directors being responsible for governance of the company, the preparation and presentation of financial statements, confirm to the best of their knowledge that:

- The entire business operation is being conducted in accordance with the laws, rules, regulations, agreements, guidelines and standards governed in the country;
- All the judgments and decision taken by management are reasonable and sensible;
- Accurate accounting policies have been systematically followed in formulating the financial statements and accounting estimates were reasonable;
- The financial statements present rationally the company's state of affairs, the result of its operations, cash flow and changes in equity with the Companies Act, 1994 and Securities and Exchange Rules, 1987;
- The system of internal Control is sound in design and has been effectively implemented and monitored;
- The CEO and CFO have certified to the Board that they have reviewed the financial statements and affirm that these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- There is no momentous suspicion about the ability or the company to continue as going concern;
- Proper books of accounts of the Company have been maintained according to the law;
- The Financial Statements were prepared in accordance with the applicable International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB);
- No transaction has been entered into by the company which are fraudulent, illegal, or in violation of the company's code of conduct.

Other Regulatory Disclosures

- The key operating and financial data for the last five years have been disclosed in Directors Reports;
- The Company is aware of its various risks and concerns, mainly from the policy and regulatory fronts, and is prepared to meet those by systematic control. Different type of risk management has been disclosed in page-9 (Risk and Concerns) of directors report;

- c) No significant mutation has occurred between quarterly and final results of the company during 2018-19;
- d) All significant detachment from the previous year in operating results of the company has been highlighted and reasons thereof have been explained;
- e) As per IAS 1 Presentation of Financial Statements, no items of income and expense are to be presented as extraordinary gain or losses in the financial statements. As such no extraordinary gain or loss has been recognized in the financial statements;
- f) All transactions with related parties have been made on a commercial basis and the basis was the principle of "Arm's Length Transaction". Details of related party and transactions have been disclosed in Note 40 of Notes to the Financial Statements;
- g) During the year, the Company has paid Board meeting attendance fees of directors has been mentioned in page-11 and the remuneration of Directors has been mentioned in Note 33 of Notes to the Financial Statements.

Financial Performance

The summarized financial results of the company are as follows:

Particulars	Amount in Taka (million) for the year ended 30th June	
	2019	2018
Net Profit before Tax	65.55	64.88
Income Tax Expenses	(17.21)	(21.79)
Net Profit after Tax	48.34	43.09
Retained earnings	96.37	78.58
Profit Available for Appropriation	144.71	121.67
Recommended for Appropriations:		
Proposed Dividend (Cash)	(25.30)	(25.30)
Un-appropriated Profit carried forward	119.41	96.37

Website of the Company

The company has an official website linked with the website of the stock exchange and it is functional from the date of listing. All detailed disclosures of the company are available on it. The web address is: www.pride-grp.com/hrt

Subsidiary Company

H.R. Textile Mills Limited does not have any subsidiary company.

Significant Variance between Quarterly and Period Ended Report

There were no significant difference between quarterly performance and overall period ended

performance of the Company. Throughout the period, the Company was able to maintain a judicious performance both in operational and financial perspective.

Significant Deviation in Operating Results Compared to Previous Period

There is no such deviation in operating results compared to the previous period.

Appointment of Independent Director

As per provision of Corporate Governance Guidelines notification No: BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 by Bangladesh Securities and Exchange Commission (BSEC), Professor Dr. A.H.M Habibur Rahman was appointed as Independent Director of the Company for a period of 3 (three) years in last Annual General Meeting. Short bio-data of the said director is enclosed herewith in the section of Director's Profile, page-12.

Directorship in other companies

Mr. Mohammad Abdul Moyeed:

- ◆Dacca Textiles Limited
- ◆Fashion Knit Garments Limited
- ◆Pride Limited
- ◆Pride Spinning Limited
- ◆Pride Properties Limited

Professor Dr. Muhammad Abdul Moyeen:

- ◆Pride Spinning Limited
- ◆Dacca Textiles Limited
- ◆Fashion Knit Garments Limited
- ◆Pride Limited
- ◆Pride Properties Limited

Professor Mohammad Abdul Momen:

- ◆Fashion Knit Garments Limited
- ◆Dacca Textiles Limited
- ◆Pride Limited
- ◆Pride Spinning Limited
- ◆Pride Properties Limited

Management Discussion and Analysis

The Board of Directors converse on the increase / decrease of revenue, cost of goods sold, gross and net profit margin. The Board also takes instant actions on the inquiry as required.

Credit Rating

National Credit Rating Limited (NCRL) assigned Long Term A+ ST-2 Short Term rating for your company as below: Above rating have been assigned on the basis of good fundamental such as good profitability, sound infrastructural arrangement with market leader in Textile and Garment industry, experienced management. Entities rated in this category are adjudged to be

of high quality, offer higher safety and have credit quality. Your Company in the evaluation of Credit Rating Company was also placed with "Stable".

Subsequent Events

There is no subsequent event after the date of balance sheet and till the date of this report which could affect the ability of the users of these financial statements to make an appropriate evaluation.

Contribution to National Exchequer

Being a responsible business entity, HRTML is paying and facilitating collection of Government's revenue. In the reporting period, we have paid collected and deposited a significant amount of tax, VAT and duties. During the period, HRTML contributed to Tk. 120,037,951 to the Government Exchequer along with utility bill which is presented below:

Titas Gas Tk. 73,819,617, Diesel Tk. 30,230,594, Electricity bills Tk. 3,613,759, Income Tax Tk. 10,869,821 and VAT Tk. 1,504,160.

Information Technology

We, at HRTML always strive for the innovation in business by adopting something different, smarter or better for bringing positive impact in terms of value, quality or productivity.

We believe that now accurate business planning, effective marketing, global sales, systematic management, real time monitoring, instant customer support and long-term business growth cannot be achieved at the optimum level without IT and we plan ahead of others to enable our operations process through IT.

Human Resources

Human Resources are a fundamental asset across the entire business model.

The development of the company builds its competitive advantage on the skills and commitment of its employees, promoting and rewarding pro-activity, goal orientation and teamwork.

The HR Department of your company operates with specific policy, manual and plan designed by the world class consulting firm and approved by the Board of Directors.

We provide on-the-job training and development opportunities to enhance our employees' carrier progression. Through different training, staff's professional knowledge in corporate operations, occupational and management skills are enhanced.

HRTML is an equal opportunity employer and does not discriminate on the basis of personal characteristics. Company has employee handbooks outlining terms

and conditions of employment, expectations for employees' conduct and behavior, employees right and benefits. We establish and implement policies that promote a harmony and respectful workplace.

Code of Conduct

The underlying philosophy of H.R. Textile Mills Limited's Code is to conduct the business in an ethical manner as well as create a work environment that is conducive for members and associates alike, based on the Company's values and beliefs.

Code of Conduct for Board of Directors was framed and followed accordingly in discharging their duties and responsibilities.

Report on the compliance of the conditions of BSEC's notification

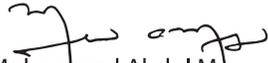
In accordance with the BSEC's Notification dated 3rd June 2018, the Board of Director's are required to report on the compliance of certain conditions. The notification was issued for the purpose of establishing a framework for ensuring good governance practices in the listed companies for the interest of the investors and the capital market. The overall shareholding pattern of the company is given on Annexure-1.

Conclusion

The Board of Directors of the company takes the opportunity to express its sincere thanks and appreciation to its valued shareholders, the Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange, Chittagong Stock Exchange, Government Agencies, Banks, Financial Institutions, Contractors, Suppliers and Auditors for their co-operation and support. We offer our heartfelt thanks to our valued international buyers and local buying houses who have contributed significantly as our strategic partners.

Finally, the Board offers its sincere thanks to the workers and professional administration, whom the management considers the most valuable asset of the company, and hopes that they will continue to keep the spirit of teamwork in the coming years for the smooth growth of the company.

For and on behalf of the Board of Directors


Mohammad Abdul Moyeed
Managing Director & CEO