

# DIRECTORS' REPORT

TO THE SHAREHOLDERS

## Dear valued Shareholders, Ladies and Gentlemen,

In terms of provisions of Section 184 of the Companies Act 1994, Rule 12 (and the schedule there under) of the Securities and Exchange Rules 1987, BSEC Notification dated 7th August, 2012 and BAS-1 (Bangladesh Accounting Standards-1) codes as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB), it is the pleasure of the Board of Directors to submit its Report to the Shareholders for the year ended 30 June, 2024.

### The Company at a glance:

Queen South Textile Mills Limited (hereinafter referred to as "The Company") was incorporated on 15 June 2003 vide Registration No. C-49529(1513)/2003 as a private limited company in Bangladesh under the Companies Act, 1994. The company was converted into a Public Limited Company on 25 January 2017. The company floated its shares to the public through IPO in February 2018 and the company listed in both Dhaka and Chittagong Stock Exchange on 07 January 2018 and started trading 13 March 2018. The registered office and principal place of business of the company is located at Plot No:85-88 Extension Area, Dhaka EPZ, Ganak bari, Savar, Dhaka-1349, Bangladesh and its factory located at Plot No:85-88 Extension Area, Dhaka EPZ, Ganak bari, Savar, Dhaka-1349, Bangladesh.

### Nature of Business:

Queen South Textile Mills Limited runs the business as a 100% export oriented backward linkage Textile Industry and producing & selling different types of knitted, dyed and finished cotton, Nylon, Polyester, Viscose, Carded, combed, Acrylic etc. yarn in a single business segment.

Industry outlook and possible future developments in the industry:

In the fiscal year 2023-2024, Queen South Textile Mills Ltd. faced a challenging economic landscape, resulting in a significant decrease in Net Profit and Earnings Per Share (EPS). While the company remains resilient, it is essential to acknowledge the adverse factors influencing the financial performance.

### Market Challenges:

The textile industry encountered headwinds during this period, marked by a complex interplay of factors. The substantial increase in utility tariffs, particularly for gas and electricity, added to operational costs. Simultaneously, the wars began to have its toll on the lives as peoples of almost all nations creating economic and financial disorders with shortage of food as well as all types of raw materials for the production of necessities as are required for survival, posed challenges to maintaining robust gross profits.

### Delayed Financial Setbacks:



The delayed settlement of export bills and the resultant increase in finance costs, including discounted export bills and Short-Term Loans (STL), impacted the company's financial stability. Adverse foreign currency movements further exacerbated the challenges, contributing to a notable reduction in Net Profit after tax.

### **Strategic Response:**

---

In response to these challenges, Queen South Textile Mills Ltd. is actively recalibrating its strategic approach. The management recognizes the need for a meticulous review of cost structures and operational efficiencies. Efforts are underway to streamline processes and enhance the adaptability of the business model to mitigate the impact of external factors.

### **Financial Resilience:**

---

While the reported decrease in Net Profit and EPS is a setback, the company remains committed to financial resilience. The management is exploring avenues for cost optimization, stringent financial planning, and diversification strategies to bolster the bottom line.

### **Future Outlook:**

---

Looking ahead, Queen South Textile Mills Ltd. acknowledges the dynamic nature of the industry and remains focused on adapting to changing market conditions. The management is poised to implement proactive measures to navigate uncertainties, foster sustainability, and restore shareholder confidence.

In conclusion, despite the recent challenges impacting financial performance, Queen South Textile Mills Ltd. is strategically positioned to weather the storm. The company's commitment to operational excellence, cost management, and strategic resilience will be instrumental in charting a course for sustained growth and profitability in the coming periods.



# INFORMATION ABOUT CORPORATE GOVERNANCE:

## Board of Directors, Chairman & CEO

The Board of Directors has been formed with 5 members including 1 Independent Director.

The Board structure is as follows:

Sl.	Particulars	Status
1	Mr. Wong Kwok Chuen	Chairman, Director
2	Mr. Wong Jammy Kwok Chan	Managing Director, Director
3	Mr. Tsang Wai Kwan	Director
4	Ms. Lee Hung Chun	Director
5	Mr. Mostaque Ahmmed Sarwar, ACA	Independent Director

## Audit Committee:

The Audit Committee, as a sub-committee of the Board has been constituted consisting with 2 (Two) Directors, 1 (One) of whom is an Independent Director, The Company Secretary acts as Secretary to the Audit Committee. The Committee assists the Board in ensuring that the Financial Statements reflect a true and fair view of the state of affairs of the Company. Audit Committee is responsible to the Board of Directors and its roles and responsibilities are clearly set forth.

### The Committee structure is as follows:

Name	Designation
Mr. Mostaque Ahmmed Sarwar, ACA	Chairman
Mr. Tsang Wai Kwan	Member
Ms. Lee Hung Chun	Member
Mr. Massum Rana	Secretary

## Audit Committee Meeting Held:

Name	Designation	Total Meeting Held	Attended	% of Attended
Mr. Mostaque Ahmmed Sarwar, ACA	Chairman	4	4	100%
Mr. Tsang Wai Kwan	Member	4	4	100%
Ms. Lee Hung Chun	Member	4	4	100%
Mr. Massum Rana	Secretary	4	4	100%



## Nomination and Remuneration Committee (NRC):

The Board of Directors has formed a Nomination and Remuneration Committee (NRC) of the Board, which is comprised of the following Non-Executive Directors:

Name	Designation
Mr. Mostaque Ahmmed Sarwar, ACA	Chairman
Mr. Tsang Wai Kwan	Member
Ms. Lee Hung Chun	Member
Mr. Massum Rana	Secretary

## NRC Meeting Held:

Name	Designation	Total Meeting Held	Attended	% of Attended
Mr. Mostaque Ahmmed Sarwar, ACA	Chairman	1	1	100%
Mr. Tsang Wai Kwan	Member	1	1	100%
Ms. Lee Hung Chun	Member	1	1	100%
Mr. Massum Rana	Secretary	1	1	100%

## Number of Board Meetings held during the year and attendance:

During the year ended 30 June 2024, there were 8 Board of Directors Meeting hold and the presence was as follows:

Name	Designation	Total Attendance
Mr. Wong Kwok Chuen	Chairman	8
Mr. Wong Jammy Kwok chan	Managing Director	8
Ms. Lee Hung Chun	Director	8
Mr. Tsang Wai Kwan	Director	1
Mr. Mostaque Ahmmed Sarwar, ACA	Independent Director	8
Mr. Goutam Chandra Roy	Chief Financial Officer	8
Mr. Massum Rana	Company Secretary	8
Mr. Narayan Roy, FCS, FCA	HIAC	4



## Pattern and Number of Shareholdings as on 30 June 2024:

Shareholding Range	Number of Shareholders	No. of shares	Percentages of Share
1-499	2,220.00	454,394.00	0.30
500-5000	5,031.00	9,311,088.00	6.10
5001-10000	1,030.00	7,266,394.00	4.76
10001-20000	622.00	8,512,486.00	5.58
20001-30000	230.00	5,624,084.00	3.69
30001-40000	125.00	4,296,047.00	2.82
40001-50000	73.00	3,340,331.00	2.19
50001-100000	117.00	7,875,534.00	5.16
100001-1000000	74.00	16,718,999.00	10.96
1000001-Above	8.00	89,202,082.00	58.45
<b>Total</b>	<b>9,530.00</b>	<b>152,601,439</b>	<b>100.00</b>

Sl.	Particulars	Designation	No. of Shares Holding	Holding %
1	Parent/Subsidiary/ Associated Companies and Other Related Companies	-	No such holding	-
2	Directors, CEO, CS, CFO, Head of Internal Audit & their spouse and minor children:	-	No such holding	-
2.1	Mr. Wong Kwok Chuen (Nominated by Gainplus Agents Limited)	Chairman, Director	45,962,515	30.12%
2.2	Mr. Wong Jammy Kwok Chan	Managing Director, Director	26,722,393	17.51%
2.3	Ms. Lee Hung Chun	Director	4,275,582	2.80%
2.4	Mr. Tsang Wai Kwan	Director	1,732,531	1.13%
2.5	Ms. Wong Elisa Dai Wah	Foreigner	4,275,582	2.80%
2.6	Mr. Massum Rana	Company Secretary	No such holding	-
2.7	Mr. Goutam Chandra Roy	CFO	No such holding	-
2.7	Head of Internal Audit & their spouse and minor children	-	No such holding	-
3	Executives:	-	No such holding	-



## Shareholders holding Ten percent (10%) or more voting interest in the company:

Sl.	Particulars	Designation	No. of Shares Holding	Holding %
1	Mr. Wong Kwok Chuen	Chairman	45,962,515	30.12%
2	Mr. Wong Jammy Kwok Chan	Managing Director	26,722,393	17.51%

## Share Holding by Directors:

Sl.	Particulars	Status	Holding %	No. of Shares Holding
1	Mr. Wong Kwok Chuen	Chairman, Director	30.12%	45,962,515
2	Mr. Wong Jammy Kwok Chan	Managing Director	17.51%	26,722,393
3	Ms. Lee Hung Chun	Director	2.80%	4,275,582
4	Mr. Tsang Wai Kwan	Director	1.13%	1,732,531

## Shareholding Pattern:

Sl.	Particulars	No. of Shares Holding	Holding %
1	Sponsors & Directors	81,236,072	53.23%
2	General Public	59,355,634	38.90%
3	Foreigners	1,663,355	1.09%
4	Institution	10,346,378	6.78%
	<b>Total</b>	<b>152,601,439</b>	<b>100%</b>

## Re-Appointment of Directors:

As per the Memorandum and Articles of Association of the Company, in accordance with paragraph 90, one-third of the Directors will retire and be re-appointed during every Annual General Meeting. The Board hereby recommends the retirement and re-appointment of Mr. Wong Kwok Chuen and Mr. Wong Jammy Kwok Chan as Directors of the Company.



## Directors Expertise in Specific functional area:

Name of Directors	Expertise
Mr. Wong Jammy Kwok Chan	All Business functional areas, especially Production and Operational activities
Mr. Wong Kwok Chuen	Oversee all activities
Mr. Tsang Wai Kwan	Commercial Function
Ms. Lee Hung Chun	Strategic Business function, internal control and analytical review

Holding of Directorship and membership of the committees of the board other than this company:

There is no holding of Directorship and membership of the committees of the board other than this company.

## Appointment of Auditors:

As per companies Act 1994 section 210 (1) and updated list of Panel Auditors of Bangladesh Securities and Exchange Commission dated 30/09/2024, the present Auditor of the Company, Pinaki & Co. Chartered Accountants is enlisted as panel auditor will retire for the first tenure and the board has decided to appoint MRH DEY & CO., Chartered accountants at 22<sup>nd</sup> Annual General Meeting.

## Financial Highlights

Particulars	Amount in Taka				
	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020
Property, Plant & Equipment	790,659,211	839,619,457	895,615,354	903,084,791	881,739,686
Current Assets	4,902,713,062	4,345,660,448	3,954,116,085	3,315,985,981	3,082,918,508
Total Assets	5,813,602,672	5,344,770,521	4,849,731,440	4,268,379,492	3,964,658,194
Equity attributable to the shareholders	2,397,751,641	2,393,169,948	2,309,702,841	2,135,130,716	2,016,305,364
Non-current Liabilities	762,676,421	508,809,279	529,561,113	677,518,772	683,866,360
Current Liabilities	2,652,793,412	2,442,791,295	2,010,467,486	1,455,730,006	1,264,486,470
Total liabilities and Equities	5,813,602,672	5,344,770,521	4,849,731,440	4,268,379,492	3,964,658,194
Revenue	4,309,024,566	5,094,716,340	4,807,094,345	3,586,046,413	3,072,519,860
Cost of Goods Sold	3,831,206,169	4,516,507,525	4,253,698,447	3,152,102,086	2,709,870,123
Gross Profit	477,818,397	578,208,815	553,395,898	433,944,327	362,649,737
Operating Profit	329,210,850	360,285,147	390,199,881	300,814,731	234,965,737
Net Profit after Tax	45,762,593	123,862,597	235,777,410	164,162,602	116,233,180



## Key Operating Performances:

Particulars	Amount in Taka				
	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020
Basic Earnings per Share (EPS)	0.30	0.81	1.64	1.25	0.89
Gross Profit Margin	11.09%	11.35%	11.51%	12.10%	11.80%
Operating Profit Margin	7.67%	7.07%	8.12%	8.39%	7.64%
Net Profit Margin	1.06%	2.43%	4.90%	4.58%	3.78%
Fixed Assets Turnover Ratio	4.73%	5.10	5.37	3.77	3.48
Total Assets Turnover Ratio	0.74	0.95	0.99	0.84	0.77
Inventory Turnover Ratio	1.48	1.83	2.08	1.89	1.94
Current Ratio	1.85	1.78	1.97	2.28	2.438
Quick Ratio	0.87	0.72	0.80	1.08	1.183
Return on Equity (ROE)	1.91%	5.18%	10.21%	7.69%	5.76%
Face value per share (Taka)	10	10	10	10	10
Number of Ordinary Shares	152,601,439	152,601,439	143,963,622	130,876,020	121,181,500
Net Assets value per Share	15.71	15.68	16.04	16.31	16.64

## Contribution to National Exchequer:

The Company contributed an amount of Taka 42.94 million in 2023-2024 to the National Exchequer consisting of the following:

Particulars	Amount in Taka		
	2023-2024 (Tk.)	2022-2023 (Tk.)	2021-2022 (Tk.)
AIT & Tax	41,111,239	65,832,266	32,513,136
VAT, Customs & Excise Duties, etc.	18,26,159	4,490,468	2,865,588
<b>Total Taka</b>	<b>42,937,398</b>	<b>70,322,734</b>	<b>35,378,724</b>

## Capital Expenditures:

During the financial year of 2023-2024, the company made investment Tk. 05.48 crore in the form of capital expenditure from its own generation of fund with the approval of the Board of Directors the company procured some Capital machineries for synchronizing the production flow and to get maximum output and some other modern high efficiency assets have also been procured for smooth functioning. These are as follows:



SL	Particulars	Amount Taka
1	Office equipment	250,291.00
2	Plant Machinery	39,837,370.26
3	Electrical Installation	14,805,856.00
	<b>Total</b>	<b>54,893,517.26</b>

## Revenue:

During this year, the company has reached to its revenue about Taka 4,309.02 million compared with the last year about Taka 5,094.71 million representing 18% decreasing of gross revenue. As the company 100% export oriented, the company's revenue growth fully depends on orders from buyers.

## Financial Results and Appropriation of Profit:

Particulars	2023-2024	2022-2023
Net Profit for the year (After Tax)	45,762,593	123,862,597
Add: Previous year's Surplus	778,353,652	697,310,275
Profit available for appropriation	824,116,245	821,172,872
Cash and stock -Dividend Declared in % on number of Shares	2% cash	6% cash
Cash and Stock Dividend Declared in Taka	14,273,073	42,819,220
Un-appropriation Profit	809,843,172	778,353,652

## Discussion on Cost of Goods Sold, Gross Profit Margin, Net Profit Margin

During this year, As the adverse economic condition, our export had been reduced by BDT 78.56 crore compare to previous year same quarter. Despite the unexpected decrease in revenue, the company focused on controlling costs and maintaining profit margins through a strong internal control system. The internal Audit Committee played a key role in supervising operational activities, providing timely reports and recommendations to the management for effective planning and action. The company also emphasized a robust inventory system and a strategic raw material purchase policy to ensure competitive production costs in the market. The comparative performance is shown on the next page:



## Financial Results and Appropriation of profit:

Particulars	2023-2024		2022-2023	
	Amount in Taka	In Percentage	Amount in Taka	In Percentage
Revenue	4,309,024,566		5,094,716,340	
Cost of Goods Sold	3,831,206,169	88.91%	4,516,507,525	88.65%
Gross Profit	477,818,397	11.09%	578,208,815	11.35%
Net Profit after Tax	45,762,593	1.06%	123,862,597	2.43%

## Gross Profit Margin

The firm's fiscal evaluation centers on key financial metrics, with emphasis on the gross profit margin—an indicator of the residual funds post-deducting costs of goods sold from total revenues. This metric functions as a financial reservoir for both additional expenditures and future savings.

Notably, in the reviewed fiscal year, the gross profit margin witnessed a substantial decrease, totaling Tk. 82.11 million compared to the prior year. This growth is attributed to heightened revenue, underscoring the company's enhanced profitability through effective management of production costs. This positive trajectory signifies improved financial resilience.

## Net Profit Margin

Net profit margin is one of the most closely followed numbers in finance. Shareholders look at net profit margin closely because it shows how good a company is at converting revenue into profits available for shareholders.

During the year 2023-2024 net profit was decreased from Tk. 123.86 million to Tk. 78.10 million representing 36.95% downward compared to the last year. The government has increased the utility tariff (Gas and Electricity) significantly in this quarter. On the other hand, salaries and wages have also increased in this period. But competitive sales price of dyed yarn has reduced. Thus, the Gross profit of the company in the period has not increased significantly. And due to adverse economic condition, the customer did not settle the export bills on maturity. As we discount the export bills, we could not settle the discount export bills on maturity. And we did not settle the some of STL also on maturity due to the delay settle the export bills. So, the finance cost of the company has been increased during the reporting period. Adverse foreign currency movement also reduced the profit of the company. As a result, Net Profit after tax of the company has reduced during the period. And EPS of the company has also reduced accordingly.

## Basic Earnings per Share (EPS)

The EPS for the reporting period is Tk. 0.81 per share. In the previous year the EPS was TK. 1.64 per share. EPS has decreased by 37.43% in reporting year. Considering the Financial Statement still the company taking constant dividend declaration decision.



## Investment in securities:

The Company does not have any investment in securities during reporting period.

The Company has entered into transactions with other entities that fall within the definition of related party as contained in IAS- 24 "Related Party Disclosures" The Company opines that terms of related transaction do not significantly differ from those that could have been obtained from third parties. Total transactions of the significant related parties as at 30.06.2024 are as follows:

Name of Related Party	Relationship	Nature of Transaction	Opening Balance	Transaction / Adjustment during the period Dr./ (Cr.)	Closing Balance Dr./ (Cr.)
Gain Plus Agents Limited	Common Management	Trade Payable	(467,489,343)	(225,702,436)	(693,191,779)
Gain Plus Agents Limited	Common Management	Loan from Shareholders	(395,166,703)	(66,513,207)	(461,679,910)
Ideal Fastenar BD Limited	Common Management	Trade Payable	(63,359,116)	17,075,876	(46,283,240)
Kingpro Manufacturing Co. Limited	Common Management	Trade Payable	(7,738,726)	(7,358,994)	(15,097,720)
Kingpro Trading Limited	Common Management	Trade Payable	(53,023,836)	(4,724,896)	(57,748,732)
Queensin Ltd	Common Management	Trade Payable	(47,084,097)	(4,195,613)	(51,279,710)
Master Knitwear Ltd	Common Management	Trade Payable	(3,765,333)	(800,000)	(4,565,333)
Winpro Textile Mills Ltd	Common Management	Trade Payable	(93,560,851)	147,018,985	53,458,134
BHK Textile Mills Ltd	Common Management	Trade Receivable	-	33,689,000	33,689,000

There was no extra-ordinary gain or loss in the Financial Year 2023-2024.

## Basis for related party transaction:

Related party transaction has been shown in notes to the Financial Statements Notes no. 35.1

There is no significant deviation from the operating result of the last year.

Remuneration to Directors including Independent Directors

No remuneration was paid to board of directors. The Company paid taka 120,000/- as remuneration to the Independent Directors in the financial year 2023-2024.



## **Maintenance of Proper Books of Accounts:**

The Directors endeavor to ensure that the company maintains sufficient records to be able to disclose, with reasonable accuracy, the financial position of the company and to be able to ensure that the financial statements of the company meet the requirements of the Companies Act, Bangladesh Accounting Standards, and the regulations of the Dhaka/Chittagong Stock Exchanges Ltd.

## **Adaptation of appropriate accounting policies and estimates:**

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

## **Followed IAS, BAS, IFRS and BFRS in preparation of Financial Statements:**

The financial statements have been prepared and presented in accordance with the International Financial Reporting Standards (IFRS) and BFRS as applicable in Bangladesh and provided as required by the Companies Act 1994, Securities and Exchange Ordinance 1969, Securities and Exchange Commission Rules 1987 and the regulations of the Dhaka/Chittagong Stock Exchanges Ltd.

## **Soundness of Internal Control Systems:**

The system of internal control is robust in design and has been effectively implemented and monitored by Internal Audit Team and also reviewed by Audit Committee.

## **Ability to Continue as going concern:**

As per BAS-1 paragraph 26 'In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The degree of consideration depends on the facts in each case. When an entity has a history of profitable operations and ready access to financial resources, the entity may reach a conclusion that the going concern basis of accounting is appropriate without detailed analysis. In other cases, management may need to consider a wide range of factors relating to current and expected profitability, debt repayment schedules and potential sources of replacement financing before it can satisfy itself that the going concern basis is appropriate.

On the above circumstances it can be said that there is no doubt that the company has the ability to continue as going concern.

## **Significant deviation from last years:**

During the reporting period, there is no significant deviation from last year.



## Dividend:

The Company has declared 2% Cash Dividend for the year ended 30 June 2024 whose names appear into the CDBL register as per record date 28<sup>th</sup> November 2024 subject to approval of 22<sup>nd</sup> AGM.

## Communication to Shareholders & Stakeholders:

The company always keeps proper communication with the Shareholders & stakeholders of the company. The Company response to the shareholders and stakeholders as per compliance with Company's Act 1994, Bangladesh Securities & Exchange Commission rules and regulations, Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange Rules along with other applicable laws.

## Risks and Governance:

Risk and uncertainty are the indispensable elements of business. The company is not exceptional. The Risk in investment within the national and international perception relating to invention, Govt. regulation, global warming, recession in world economy affects market demand and prices and by strong marketing policy, developing production with brand buyers, fiscal investment policy, product quality and due time supply would help the company to minimize the market risks.

## Environment Related Initiatives

Queen South Textile Mills Limited is always conscious about the environment as well as social welfare relating to environment pollution and green effect. The Company is always maintaining appropriate practice in discharging its waste to keep the nature free from any contamination. With this objective, the company Join CETP conducting by BEPZA under DEPZ an Effluent Treatment Plant (ETP), maintaining continuous tree plantation program in free areas in the factory premises and also testing from concern authority by government like as Indoor Air (Work Place Air), Stack Emission Quality Test Report for Boiler and Generator, Eminent Noise Quality Test, Temperature level quality, Environment Impact Assessment, Humidity test, Light level quality test report.

## Responsibilities towards staff:

The company frequently arrange training and awareness program among the workers' by engaging medical officer for keeping them abreast on maintaining sound health, about the food habit, other seasonal disease and first aid treatment. The company keeps the sound first aid team management in factory and also provide them medicine and other emergency treatment in case of need through our trained medical officer.

## Human Capital:

The quality of Human Resource is a vital factor for the success of an organization. The company believes that the excellence of employees can increase the value of the organization. The Company employed a total of 746 employees as of 30 June 2024. To get high performance from the employees the Company arrange



department wise training program like as lean manufacturing to implement KPI System for each Process, 57 and Kanban (Visual) management, Work Efficiency Evaluation and Re-layout, Training System and Fluent Logistics/Storage System when necessary.

### Workers Profit Participation Fund:

As per Bangladesh Labour Law 2006, amendment 2013, Chapter 15, Section 232 the company does not maintain Workers Profit Participation Fund (WPPF) for their workers as because now the company operating EPZ labor ACT 2019, February 28 and as per clause no.174, Section XV we don't need to maintain WPPF until government enforce and instruct to comply the rules. Once government instructs us to deduct @0.03% to maintain the fund the company shall follow accordingly.

### Employee's Provident Fund:

As per Bangladesh Labour Law 2006, amendment 2013, Chapter 17, Section 264 and now the company operating EPZ labour ACT 2019, February 28 and as per clause no.164, Section XIII the company established Provident Fund for their workers from December 2006 which certified by NBR ref. আ-৪/কঃ অঃ-৪/২০০৭-২০০৮ under income tax ordinance 1984 (XXXXVI of 1984) of the first schedule part B under section 2 under sub section 1.

### Group Insurance:

As per Bangladesh Labour Law 2006, amendment 2013, Chapter 8, Section 99, "Compulsory Group Insurance," and Bangladesh Textile Mills Association Order Ref. No. BTMA.593.992, Dated. November 09, 2014, the company introduced Group Insurance cont. No. 1899/2020 according to the prevalent Insurance Law with BTMA nominated Insurance Company of Pragati Life Insurance Ltd. for the workers of the company.

### Safety Committee:

As per Labour Law 2006, amendment 2013, Chapter 8, Section 90 (A), The Company established a strong, efficient and well-trained Safety Committee by the trainer of Bangladesh Fire Service and Civil Defense team, Dhaka. The safety committee comprising with 208 members from different departments workers and employees of Factory, and the safety committee divided into 3 teams likely Fire Protection Team 85 persons, Rescue Team 62 persons and First Aid Team 61 persons.

### Management Appreciation

On behalf of the Board of Directors, I take this opportunity to thank all our Shareholders heartiest cooperation and active support in assisting us to effectively discharge our duties despite various adverse factors prevailed in 2023-2024 both from nationally and internationally.

We would also like to express our gratitude and acknowledge for unflinching support and cooperation received from Bangladesh Securities Exchange commission, RJSC, National board of Revenue, Stock exchanges, Bank/Financial Institutions and other business associates. We would also like to thank our Auditor, Pinaki & Company, Chartered Accountants for their efforts for timely completion of the Audit.



Lastly, we would like to express our deepest appreciation for the services and the loyalty of all of our officers, staffs and workers whose continuous support at all levels, without whom it would have been impossible to have delivered such performance despite adverse market situation.

Now, I request the valued shareholders to kindly accept and approve the Auditors' Report, Annual Audited Financial Statements for the year 2023-2024 and Directors Report place before you and expect our shareholders unswerving trust to the management to run the business effectively.

Thank you all,

A handwritten signature in black ink, appearing to be 'Wong Kwok Chuen', with a horizontal line drawn underneath it.

**Wong Kwok Chuen**  
Chairman