DIRECTOR'S REPORT



REPORT FROM **DIRECTOR**

Dear Esteemed Shareholders,

I extend my heartfelt greetings to each one of you, brimming with enthusiasm and gratitude, as I, in the distinguished capacity of the representative of the Board of Directors and Management, present before you the meticulously crafted Directors' Report. This comprehensive document, scrupulously curated with the utmost care and dedication, stands testament to our unwavering commitment to transparency, integrity, and excellence. In the hallowed halls of our revered organization, a momentous event unfolded on June 30, 2025, a pivotal juncture where the Board of Directors, embodying wisdom and foresight, convened and endorsed the contents of this report. Within these pages lie not just words, but a narrative of our collective journey, a tapestry woven with dedication, perseverance, and relentless pursuit of excellence.

Bangladesh Economic Landscape

In the backdrop of an ever-evolving global economy, Bangladesh stands tall as a beacon of economic resilience and growth. Bangladesh, with its vibrant economy, has consistently showcased impressive growth rates, underpinned by a thriving industrial sector, robust export activities, and a burgeoning middle class. The country's GDP growth remains steadfast, bolstered by diverse sectors including textiles, manufacturing, and services. One of the key drivers of Bangladesh's economic success is its significant investment in infrastructure development. The nation has embarked on ambitious projects, including the expansion of transportation networks, modernization of ports, and the establishment of industrial zones. These initiatives not only enhance domestic connectivity but also amplify our global competitiveness.

Bangladesh is increasingly recognized as an emerging market with vast potential. Its large consumer base, coupled with a growing disposable income, presents a plethora of opportunities for businesses. Bangladesh's strategic geographical location and its active participation in global trade make it a hub for commerce. The country's export-oriented approach has resulted in the expansion of international trade relationships. The nation's economic landscape has undergone a remarkable transformation, positioning itself as a significant player in the international market.

A Glimpse of Fast Moving Consumer Goods Industry

In the ever-changing tapestry of consumer habits, the Fast Moving Consumer Goods (FMCG) industry, especially within the realm of packaged foods, is undergoing a profound transformation. This metamorphosis is intricately woven into the fabric of urban, semi-urban, and rural life. A paradigm shift in lifestyle choices has propelled a surge in the demand for packaged and processed foods, a trend that resonates across all segments of society. Bangladesh, with its vibrant and consumption-driven economy, mirrors this change remarkably. The FMCG industry, acting as a barometer of economic progress, stands as a testament to the nation's resilience and adaptability. The industrial landscape, once marred by a decline in manufacturing output, is now witnessing resurgence, indicating a robust revival.

Within this bustling economic milieu, the ice cream industry in Bangladesh emerges as a true standout. Unparalleled in its growth trajectory, this sector has defied norms and exceeded expectations. In 2025, the market for ice cream experienced an extraordinary upswing which marked a phenomenal 16 percent increase compared to the previous year.

The surge in demand for ice cream can be attributed to various factors. The gradual return to normalcy, following the uncertainties of the pandemic, played a pivotal role. People, reassured of ice cream's safety, embraced it with open arms. Beyond this, the market's expansion mirrors the evolving lifestyles of the populace, bolstered by increased spending capacity, urbanization, and improved access to essential amenities, including power grids, even in rural areas. In essence, the FMCG industry, with ice cream at its forefront, symbolizes Bangladesh's unstoppable spirit. It encapsulates not only economic growth but also the spirit of resilience, adaptability, and the unwavering determination of the Bangladeshi people. As we move forward, this dynamic landscape promises boundless opportunities, where innovation and consumer preferences converge to shape a future that is as promising as it is exciting.

Embracing change, driving progress, and savoring the sweet taste of success, Bangladesh's FMCG journey continues, illuminating the path toward a thriving future.

A Sweet Success Story of Lovello Ice-cream

In the heart of Taufika Foods and Lovello Ice-cream PLC. Blossomed the much-loved brand 'LOVELLO'. Swiftly captivating hearts, it soared to prominence, becoming a cherished ice cream choice nationwide. With battling fierce competition, LOVELLO's tenacity prevailed, propelling it to new heights. This was possible due to the company introducing a large product line consisting of premium and regular segment of stock, cone, cup, tub, and mini-series of ice cream, the latter of which has generated sales both from urban areas as well as rural areas. LOVELLO's journey is not more than just frozen delights; it's a tale of sweet triumph and

solid dedication.

Commitment to Quality and Responsibility

At Lovello Ice-cream, our dedication to our customers transcends beyond frozen treats; it embodies a promise of quality, convenience, and untiring commitment to your well-being. We understand the modern consumer's desire for products that align with their values, and Lovello stands tall, meeting these expectations with every delightful scoop.

Our stringent adherence to international standards and ISO certifications ensures that each Lovello creation embodies the essence of purity and safety. From the very essence of our ingredients to the innovative processes we employ, our pursuit of excellence is ceaseless.

This commitment is ingrained in the very fabric of our team, reflected in every aspect of our operations - from sourcing to manufacturing, marketing, and beyond. Behind the scenes, our Board of Directors diligently oversees the integrity of our internal control systems, ensuring robustness in design and implementation. With care and meticulousness, our internal audit department upholds the policies that guide us, providing a foundation of trust and reliability to our stakeholders.

Corporate responsibility, to us, means more than just business ethics; it embodies integrity, sustainability, and a deep respect for all stakeholders. Our shareholders are our partners in this journey, and we pledge to uphold their rights, delivering unparalleled performance and transparency. We, at the company, recognize that we have certain responsibilities to our clients, shareholders, employees and to the communities in general. But the biggest contribution of the Company has to make the long-term sustainability of its business. We value our shareholders and their rights. We are always committed towards our shareholders to preserve their rights and to enhance their return as much as possible. We are not just employers; we are nurturers of talent, advocates for diversity, and believers in a working environment grounded in equality, respect, and meritocracy.

Our journey wouldn't be complete without acknowledging our valued clients, shareholders, and supporters. Your confidence in us fuels our passion, driving us to continuously innovate and excel. To the regulatory bodies, auditors, and every member of our Lovello family, your dedication forms the cornerstone of our success. As we sign off on this report, we extend our deepest gratitude for your trust and support. Here's to a future filled with delectable moments, shared values, and enduring partnerships.

This is to certify that Taufika Foods and Lovello Ice-Cream PLC has received Taka. 300,000,000 (Taka Thirty Crore) only as Initial Public Offering (IPO) proceeds through subscription from January 03, 2021 to January 07, 2021 in the separate Bank Account with Trust Bank Ltd. Millennium Branch, Jahangir Gate, Dhaka Cantonment, Dhaka. Bank Account number is 0022-0320000775. In line with the condition number 4, Part C of the consent letter number BSEC/CI/IPO-301/2019/278 dated on November 30, 2020 of Bangladesh Securities and Exchange Commission (BSEC), fund utilization status as on October 16, 2024 is as follows:

Sl. No	Purpose of Utilization	Allotment as per IPO (Tk.)	Total Utilization of Fund up to Sept 30, 2024	Fund utilized for the month of Oct 16, 2024	Total Utilization of Fund up to Oct 16, 2024	Unspent Balance (Taka)
1	Acquisition of plant & machinery	90,365,003	75,471,992	10,902,504	86,374,496	3,990,507
2	Freezer purchase	57,849,847	59,451,427	4,344,802	63,796,230	(5,946,383)
3	Vehicles purchase	20,564,250	27,005,948	-	27,005,948	(6,441,698)
4	Investment in depot to increase	13,220,900	6,660,002	-	6,660,002	6,560,898
5	To meet up IPO expenses	28,000,000	27,764,472	-	27,764,472	235,528
6	Bank loan repayment	90,000,000	90,000,000	-	90,000,000	-
	Total IPO proceeds	**300,000,000**	**286,353,841**	**15,247,306**	**301,601,148**	**(1,601,148)**
7	Interest income	-	2,327,912	-	2,327,912	2,327,912
8	Source Tax	-	(543,943)	-	(543,943)	(543,943)
9	Foreign exchance loss & Bank charges	-	(192,242)	-	(192,242)	(192,242)
	Total IPO Proceeds & Interest Income/ (Bank Charges)	**300,000,000**	**287,945,569**	**15,247,306**	**303,192,875**	**(9,420)**

Total unutilized fund excluding Interest Income/(Bank Charges) Taka (1,601,148)/- only and including foreign exchange loss & Bank charges and Interest income Taka (9,420)/- as on October 16, 2024 is lying with Trust Bank Ltd. Millennium Branch, Jahangir Gate, Dhaka Cantonment, Dhaka (Account number 0022-0320000775). We have collected relevant information and required documents for all disbursements and we have also checked all the relevant document related with the mentioned disbursements. During the month of October 16 the total expenditure amount is TK 15,247,306. 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:

a. The management of Taufika Foods and Lovello Ice-Cream PLC has transferred total amount of Taka 65,134,138/- for Acquisition of Plant & Machinery in which Taka 53,294,735/- has transferred to Shimanto Bank Ltd. in Account No: 1001244000258 for opening L/C. All L/C has been settled the amount of taka 53,294,735/- and paid amount of taka 11,839,403/- to Naj Associates as Duty Expenses up to the period ended of October 16, 2024 from the allotment as per IPO.

   On the month of June 2024, the management of Taufika Foods and Lovello Ice-Cream PLC opened L/C (Ref. No.-236124010055) equivalent to Taka 10,337,854/- to import Brand New Capital Machinery: Packint Chocolate Refiner Machine from the allocated fund for the Acquisition of Plant & Machinery from the IPO Bank Account which does not fully match with the description of items, as stated in with prospectus for Acquisition of Plant & Machinery. During this month TK. 1,09,02,504/- was given to Naj Associates as duty and others for L/C No. 236124010054.

b. The management of Taufika Foods and Lovello Ice-Cream PLC has spent total amount of Taka 46,836,567 for Freezer purchase in which the amount of Taka 37,018,500 has been spent for Local purchase from different parties and the amount of Taka 4,020,200 has transferred for opening L/C to Shimanto Bank Ltd. in Account No: 1001244000258 for 470 Pcs Freezer purchase thereafter Duty, Shipping Charge, Port charge and Others has paid total amounting Taka 5,797,867 to NAJ Associates against the L/C upto the period ended October 16, 2024.

   On the month of June 2024, the management of Taufika Foods and Lovello Ice-Cream PLC has opened L/C (Ref. No.-236124010053) equivalent to Taka 12,614,859.00 (EURO 95,240.00) to import Brand New Capital Machinery for Ice Cream Industry: Continuous Ice-Cream Freezers (Model: TEKNOFREEZE 1800 EL LP) from an Italian company “Teknoice S.R.L” from the allocated fund for Freezers from IPO Accounts. However, the company can utilize Tk. 57,849,847 for freezer purchase according to prospectus. But actual expenses are Tk. 63,796,230 where the management need approval from BSEC for exceeding the expense by Taka 5,9463,83. But till now the management couldn’t provide any approval letter from BSEC for exceeded expenditure.

   On the month July 2024 the company has adjusted Tk. 162,836 against Freezer purchase (LC No. 236124010053) from IPO Bank Account. However, the company may utilize TK. 57,849,847 for freezer purchase according to the prospectus. But actual expenses are TK. 63,796,230 where the management needs approval from BSEC for excess expenses by Taka 5,946,383. During this month Tk. 43,44,802.43/- was given to M/s. International Cargo as duty and others for L/C No. 236124010053.

c. The management of Taufika Foods and Lovello Ice-Cream PLC has transferred Taka 9,146,752 for opening L/C to purchase Vehicles from Shimanto Bank Ltd. in Account No- 1001244000258 and Taka 3,895,000 has been spent for Local Vehicles. purchase from different parties and also paid Taka 13,964,196 to NAJ Associates against the L/C and Excise duty up to the month of September 30, 2024 but according to prospectus approved amount for Vehicles purchase was Taka 20,564,250 management couldn't provide any approval letter from BSEC for exceed expenditure of Taka 6,441,698.

d. The management of Taufika Foods and Lovello Ice-Cream PLC has transferred Taka 6,660,002 for opening L/C ((Ref. No.-236124010054) to import Brand New capital Machinery: Storage Box for Ice Cream and In process Ice Cream Materials from a Malaysian company namely, SAI cond Sales and Engineering SDN BHD from the fund allocated for Investment in Depot. But in the Prospectus the supplier’s name is mentioned as “Yantai High Link Imp. And Exp. Co.” from China.

e. The management of Taufika Foods and Lovello Ice-Cream PLC has spent total amount of Taka. 2,77,64,472 for the purpose of IPO Expenses up to September 30, 2024.

f. The management of Taufika Foods and Lovello Ice-Cream PLC has Paid Taka 70,000,000 for repayment of

Corporate Term Loan to Shimanto Bank Ltd. In Account No. : 1001741000187 and Taka 20,000,000 has been paid to Lanka Bangla Finance Ltd. as Lease loan up to the month of September 30, 2024.

g. The management of Taufika Foods and Lovello Ice-Cream PLC has been incurred Foreign currency loss of Taka 80,638 and Bank Charge of Taka 96,102; Tk.9,45,681/- has been received as Interest Income and TDS on Interest income Tk. 129,273- on IPO Proceeds accounts (A/C No. 0022-0320000775 maintaining with Trust Bank Limited) up to the period ended October 16, 2024.

h. According to the fund utilization monthly report of IPO Proceeds, report submition time line has been ended on January 31, 2023 as per Prospectus. We have received a letter from the company, reference no. PLC/SHARE/IUP/22 on dated December 26, 2022, where the company has applied to Bangladesh Securities and Exchange Commission (BSEC) for 1st time, time extension for 12 months up to January 31, 2024 and Company wants to utilize Tk. 65 (Sixty Five) lac in Vehicle purchase instead of Investment in depot but BSEC has not approved the rectification and extension of time till to date.

The company has applied to Bangladesh Securities and Exchange Commission (BSEC) for 2nd time, time extension for 12 months up to January 31, 2025 but BSEC has not approved the rectification and extension of time till to date

We also report that:

i. The expenses/utilization has been made in line with the provision of Initial Public Offering (IPO) documents except Tk. 10,337,854;

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 286,353,841/- of IPO proceeds have been completed as mentioned time schedule/ implementation schedule as specified in 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.

Sd/-

Islam Quazi Shafique & Co.

Chartered Accountants

Dated: October 20, 2024

Place: Dhaka

Related party transaction

Compliant steps have been taken by the Board to avoid any conflict of interests that may arise, in transacting with related parties as per the definition of IAS.

Events occurring after the reporting date As at the date of this report, the directors are not aware of any matter or circumstance that has arisen since the end of the year 2024-25 that has significantly affected or may significantly affect the operations of the Company, the results of its operations or its state of affairs, which is not already reflected in this report other than the following:

On October 11, 2025, Taufika Foods and Lovello Ice-cream PLC recommended 11 percent cash & 05 percent stock dividend. Details of the recommended dividend during the financial year are disclosed in Note 39 of the Financial Report.

Dividend

The Company will be paying 11% cash & 05% Stock dividend for the year ended 2024-25. The Board of Directors in its meeting held on 11 October 2025 recommended "11% cash & 05% Stock" dividend for the year 2024-25. During the year ended the company has registered profit of BDT 153.98 mn.

Taufika Foods and Lovello Ice-cream aims to provide commendable and sustainable rate of dividend to its shareholders. The Board of Directors confirms that no bonus share or stock dividend has been or shall be declared as interim dividend.

Contribution to the National exchequer and the economy

During the year 2024-25, the company contributed a total amount of BDT 3.47 million as Corporate Tax, BDT 105.78 million as VAT & SD, in total BDT 109.25 million was paid to the national exchequer

Directors' Responsibilities for Financial Statements

The Board is responsible to present a fair, balanced and understandable assessment of the Company's position and prospect as part of good corporate governance and to that end the directors confirm to the best of their knowledge that-

- the Financial Statements, prepared by the Management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- proper books of account as required by the law have been maintained;
- 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;
- the Financial Statements prepared in accordance with IAS//IFRS;
- the Financial Statements prepared on going concern basis;
- the minority shareholders have been protected from abusive action by or in the interest of controlling shareholders acting either directly or indirectly and have effective means of redress;

Accounting policies and maintenance of books of accounts

The Directors consider that in preparing the Financial Statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates and that the International Accounting Standards have been followed. In preparing financial statements, information has been obtained from the books of accounts, which have been maintained properly as required by the applicable rules and regulations.

Observance of IAS, BAS, BFRS & applicable laws

The Directors have the responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable to ensure that the financial statements comply with the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws. The Directors also confirm that the financial statements have been prepared in accordance with the International Accounting Standards and other applicable rules and regulations.

Explanation regarding qualified audit opinion and emphasis of Matter Paragraph:

Restatement of Accounts: Unintentionally Liability and corresponding asset were not completely recorded in the FY 2020-21 to 2023-24, which is corrected in this reporting year, complying with the requirement of "IAS 8 — Accounting Policies, Changes in Accounting Estimates and Errors"

Restated and current year assets addition: Restated assets, current year assets addition, and also current year inventories were purchased to follow proper accounting standards and guidelines. We also invited Kazi Zahir Khan & Co. Chartered Accountants to carry out the procedures of physical inventory counting as on 30.06.2025 (invitation letter is attached herewith).

Advances to Land Supplier: According to "The Contact Act of 1872" of Bangladesh agreement with an agent is valid. So advance payment to the land owner through an agreement with an agent rather than directly to the landowner is legally acceptable.

Advance to Supplier Balance: Our purchasing with suppliers is a regular process. We purchase various types of goods from them and pay them. So at the end of a certain period of time, they may owe us. Since it is a continuous process, they have a balance from the beginning and may have a balance in the future.

Unallocated lease and bank interest: Unallocated lease and bank interest have been capitalized in notes 11.01 according to follow the IAS 23 "**Borrowing Costs."**

Vat Payable: Value Added Tax (VAT) has been calculated accurately as per law and incorporates accounts the right figure. Since the amount of accounts receivable has increased relatively, it has not been possible to make VAT payments on time.

Undistributed Dividend: Undistributed dividend of Tk. 0.49 Crore had been kept in a separate bank account, the statement of which is also attached herewith. Management took the decision to transfer the fund to the Capital Market Stabilization Fund (CMSF) as early as possible.

RJSC Compliance: We would like to inform you with great humility that a return (RJSC acknowledgement copy enclosed) regarding the amendment to the Memorandum of Association of Taufika Foods & Lovello Ice-cream PLC has been submitted to the Register of Joint Stock Companies and Firms (RJSC) on 30th September 2024. An application was submitted to the High Court Division of the Hon'ble Supreme Court seeking amendment of the Memorandum of Association on 06.02.2023. Hon'ble Court granted the application and passed an order on 28.03.2023. But unfortunately, the order mentioned the amendment to Section 23A instead of Section 7A of the Memorandum of Association. As the process of correction is still ongoing, it has not been possible to complete the said submission of the RJSC. As the said submission is not yet settled, it has not been possible to update the AGM of Lovello for the year 2024.

Provident Fund Audit: The Company has maintained a separate bank account for the Company employees' provident fund. The bank statement of the account is attached herewith for ready reference. The company's main accounts have proper accounting treatment for provident fund expenses and provident fund payables. The Board of Trustees of PF has already made a decision to complete its due audit.

WPPF Audit: The Company has maintained two separate bank accounts for the Workers' Profit Participation fund. The bank statement of the accounts is attached herewith for ready reference. The company's main accounts have proper accounting treatment for the Workers Profit Participation fund expenses and the Workers Profit Participation fund payables. The Board of Trustees of WPPF has already made a decision to complete its due audit.

Fairness of the accounts

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS) and the requirements of Companies Act, 1994. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of their profits for the year ended June 30, 2025.

Responsibility to Internal Control System

The Board of Directors is responsible to ensure that the system of internal control is sound in design and has been effectively implemented and monitored. In this regard, the board has taken proper steps and sufficient care in building a system of internal control, which is reviewed, evaluated and updated regularly. The internal audit department of the Company conducts periodic audit to provide reasonable assurance that the established policies and procedures of the Company are consistently followed. The Audit Committee consists of three members from the Board of Directors. The Chairman of the Audit Committee is an Independent Director

Risk and concerns:

The Board of Directors is in charge of determining the Company's fundamental attitude toward risk while setting out the risk principles as well as the level of risk exposure. The Board of Directors are responsible for formulating risk policies, determining methods to measure and manage risk, setting commensurate risk limits and monitoring their performance.

Fundamental principles of Taufika Foods and Lovello Ice-cream PLC risk management philosophy are:

- Effectively managing and monitoring credit, interest rate, liquidity, market and operational risk and providing for appropriate allocation of capital among the types of risk.
- Managing risk in a forward-looking manner and identifying and analyzing risks from the beginning with the help of steering risk strategies, models and parameters.
- Creating maximum value for the shareholders, depositors and employees in long term.
- Being financially reliable and strong and establishing business relations with the stakeholders that will last for many years by creating the image of a profound institution that will stay in business permanently.
- Complying with Companies Act, Rule and Regulations of BSEC, Listing Regulations of Stock Exchanges and other guiding principles of BSEC.

Going concern

The Board of Directors has reviewed the Company's overall business plans, strategies and is satisfied that the Company has adequate resources to continue its operations in the foreseeable future. Accordingly, the financial statements of the Company are prepared based on the going concern concept.

Corporate governance

Fundamentally, the conduct of the Company is guided by our core values, our code of ethics and a commitment to openness and transparency. LOVELLO's Board of Directors endeavors always to provide learned and strategic direction for the Company through applying the highest standards of corporate governance practice. To this end, we comply with all reporting regulations and requirements as defined in the Code of Corporate Governance issued by the Bangladesh Securities and Exchange Commission. Strengthening the policies and procedures by accommodating the changes in legislation and perspectives is our routine application to protect the Company from risk and introduce new policies necessary to steer the company on right and clear strategic direction. We work to ensure all governance matters are transparent to stakeholders as well as shareholders through channels such as the Annual General Meeting (AGM), quarterly financial statements and this annual report. The Board of Directors of the Company has always committed to maintain and practice an effective corporate governance structure

Directors to retire, re-appointment and biographies of the Directors-

As per Artcle 104 of the Articles of Association of the Company, one-third of the Directors of the Company are

required to retire by rotation at each Annual General Meeting (AGM). The retiring Directors are eligible to stand for re-election. In this connection the following Directors will retire in the 14th Annual General Meeting and being eligible offered them for re-election;

i) Ms. Shamima Nargis Haque

ii) Muhsinina Sharika Ekram

Moreover, Mr. Ruhul Ameen M.Com FCMA will retire from the position of Independent Director & the following Independent Director will stand for the election in the 14th Annual General Meeting;

i) Mr. Md. Zahid Hossain, FCA

The Nomination and Remuneration Committee reviewed the nomination of the above retiring and newly appointed directors and recommended the board for appointment. Accordingly, the board recommended appointment of retiring directors for re-election as well as newly appointed director.

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

In accordance with the BSEC's Notification dated June 3, 2018, the Board of Directors 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 and a statement on the compliance with the BSEC's conditions are given on Annexure-II of this report.

Pattern and distribution of shareholding-

As on June 30, 2025 the paid up capital of the Company is Tk. 935,000,000.00 subdivided by 93,500,000 shares of Tk. 10 each where the Sponsor/Directors Shareholders holding is 38.66%. The overall shareholding patterns of the Company as at the end of the year 2024-25 is shown on Annexure-II of this report.

Corporate responsibility

Taufika Foods and Lovello Ice-cream PLC defines corporate responsibility as operating with veracity at all the times, sustaining the Company's long-term viability while contributing to the present and future well-being of all stakeholders.

We, at the company, recognize that we have certain responsibilities to our clients, shareholders, employees and to the communities in general. But the biggest contribution of the Company has to make the long-term sustainability of its business.

We value our shareholders and their rights. We are always committed towards our shareholders to preserve their rights and to enhance their return as much as possible. Considering this fact the management of Taufika Foods and Lovello Ice-cream PLC gives its best effort to:

- Keep standard operating performance that ranks among the best in the industry;Ensure effective corporate governance;
- Provide full and complete financial information;
- Give striking dividend.

We are committed to be equal opportunity employer, adhering to the highest social standards, the company seeks to provide a superior working environment for its employees based on diversity and respect for the importance of the individual.

Business ethics

Our customer welfare comes first. We ensure understanding our client's need, extending facilities to the right clients at just terms. We care our clients to enjoy consistent continuous service wherever we operate. We have complained box for taking care of customer complaints with highest priority. All our Board, Management and employees strictly

follows regulatory guidelines, instructions and all applicable laws, rules and regulations of the country.

Audit information

The Directors who held office at the date of this Director's Report confirm that:

- So far as the Directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- The Directors have taken all the steps that they themselves ought to have taken as Directors in order to make them aware of any relevant information and to establish that the company's Auditors are aware of that information.

Auditors

Islam Quazi Shafique & Co. Chartered Accountants have expressed their willingness to become the statutory auditor of the company for the FY-2025-2026. In this regard the Audit Committee scrutinized and reviewed their proposals and recommended to the Board to appoint Islam Quazi Shafique & Co. Chartered Accountants as the external auditor of the Company for the FY-2025-2026.

The Board in its meeting held on October 11, 2025 recommended the shareholders to appoint Islam Quazi Shafique & Co. Chartered Accounts at a remuneration of Tk. 400,000 plus VAT.

The Audit Committee scrutinized and reviewed the proposals of PKF Aziz Halim Khair Choudhury, Chartered Accountants to be compliance auditor of the company and recommended to the Board for appointment.

The Board in its meeting held on October 11, 2025 also recommended the shareholders to PKF Aziz Halim Khair Choudhury, Chartered Accountants at a remuneration of Tk. 34,500 plus VAT as the compliance auditor for the year 2025-26.

Our employees and environment

The Management of Taufika Foods and Lovello Ice-cream PLC believe that Human Resources of any organization can make the difference in the Industry. Considering this thought the company recruits competent people, develop them as per the demand of the time and situation, and retain them with competitive and standard motivation-award and retention policies and practices.

The Company is committed to creating a working environment based on the values of equal opportunity, diversity and meritocracy. All the Company's activities are reinforced by its governance structure, which complies with the leading codes of best practices.

Product Responsibility and Customer Health & Safety

The Company believes that the modern day Consumers demand quality, convenience and value for money from the brands they choose and all our products sold under the brand names of LOVELLO score high in this regard. The Company complies with stringent international standards/ ISO certifications for hygiene and food safety.

Furthermore, our prime focus on the highest quality standards run through all the functions in the Company from sourcing and quality standard are maintaining from end-to-end covering to product innovation, manufacturing, marketing and are embedded in the genes of our staff. Our well-equipped Quality Assurance and Research and Development laboratories help us to deliver our promise of high quality products to our consumers.

Directors' meeting, attendance & remuneration –

During the year ended June 30, 2025 total 05 meetings were held. During this year, all of the Directors serving on the Board attended were more than 80 percent of the aggregate of the total number of meetings of the Board of Directors. The attendance in the Board and Committee meetings by each Director is given in Annexure-l on this Report.

Signing of Report

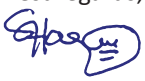
The Board in its meeting on October 2025 authorized the Chairman, Datin' Shamima Nargis Haque to sign Director's report and any addendum thereto.

Acknowledgement

With hearts brimming with gratitude, we extend our deepest thanks to our cherished clients, loyal depositors, and esteemed shareholders. Our heartfelt appreciation also reaches out to the Bangladesh Telecommunication Regulatory Commission, Bangladesh Securities and Exchange Commission, Dhaka and Chittagong Stock Exchanges, NBR, the invaluable backing from banks and financial institutions, and the unwavering support from various government bodies and our esteemed statutory auditors. Your positive suggestions have been the guiding light, shaping our path toward excellence. To our incredible employees, who breathe life into our vision at every level of the company, we express our deepest pleasure and gratitude. Your dedication and efforts illuminate our journey, turning challenges into triumphs and aspirations into achievements.

In every step we take, your support is the wind beneath our wings, propelling us toward greater heights. We treasure your trust, and it fuels our commitment to delivering nothing but the best. Here's to the shared success and the boundless possibilities that lie ahead.

Warmest regards,



Datin' Shamima Nargis Haque
Chairman
Dhaka: October 11, 2025

Annexure-A
[As per condition No. 1(5)(xxvi)]

Taufika Foods and Lovello Ice-cream PLC
Declaration by MD and CFO

The Board of Directors
Taufika Foods and Lovello Ice-cream PLC
Plot - 80, Road - 02, Banani (Chairman Bari),
Banani, Dhaka-1213.

Subject: Declaration on Financial Statements for the year ended on 30 June, 2025

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of Taufika Foods and Lovello Ice-cream PLC for the year ended on 30 June 2025 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;

2. The estimates and judgments related to the financial statements were made on a pruden and reasonable basis, in order for the financial statements to reveal a true and fair view;

3. The form and substance of transactions and the Company's state of affairs have beer reasonably and fairly presented in its financial statements;

4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;

5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and

6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

i. We have reviewed the financial statements for the year ended on 30 June 2025 and that to the best of our knowledge and belief:
   a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

ii. There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Dato' Md. Ekramul Haque
Managing Director

Mustaque Ahmad
Chief Financial Officer