BNO
LUBRICANTS

2025
Annual Report



Lub-rref (Bangladesh) PLC.

(An ISO 9001:2015, 14001: 2015 & 45001: 2018 Management System Certified Company)



We are pleased to welcome you to our Annual Report for the financial year ended June 30, 2025.

Essential elements of our Report

We are pleased to present the Annual Report of Lub-rref (Bangladesh) PLC for the financial year ended June 30, 2025.

Report Overview

This report provides our stakeholders with a comprehensive view of who we are, what we do, and how we create sustainable value. It highlights our strategic direction, governance framework, and leadership insights, featuring the Chairman's Statement, Board and Management overview, and details on governance and remuneration practices.

The report covers the period from July 1, 2024, to June 30, 2025, and includes the audited Financial Statements by Islam Jahid & Co., Chartered Accountants, who issued an unmodified audit opinion for the year.

Our disclosures comply with the International Financial Reporting Standards (IFRS), the International Accounting Standards Board (IASB), and the Bangladesh Securities and Exchange Commission (BSEC) Listing Regulations.

The full Annual Report 2025, along with supporting materials, is available at www.lub-rref.com

Integrated thinking

At Lub-rref (Bangladesh) PLC, integrated thinking guides our strategy and decision-making. It ensures responsible resource management, strengthens stakeholder relationships, and drives long-term, sustainable value creation.

Assurance and Approval

The Board of Directors, supported by its committees, has supervised the preparation of this report with diligence and integrity. The Board reviewed key aspects of financial accuracy, risk management, compliance, and governance, ensuring transparency and accountability.

Following these reviews, the Board approved the Annual Report 2025 on November 27, 2025, reaffirming its commitment to accurate reporting and sustainable growth.

Rubiya Nahar
Chairman

Mohammad Yousuf
Managing Director



Corporate Directory of Lub-rref (Bangladesh) PLC.

Particulars	Description
Name of the Company	Lub-rref (Bangladesh) PLC.
Date of Incorporation	November 18, 2001
Certificate for Commencement of Business	November 18, 2001
Date of Commercial Operation	December 18, 2006
IPO Road Show	December 5, 2018
Consent Letter by BSEC for Cut of Price by Eligible Investors	3rd September 2020
Cut of Price Determination	12th October to 15th October 2020
Bidding Amount Deposit date	25th October 2020
Issue Date of Prospectus	28 December 2020
Opening Date for subscription	26 January 2021
Closing Date for subscription	1 February 2021
IPO Amount Collection Date	24th February 2021
Lottery Date	23rd February 2021
Share Allotment Date	23rd February 2021
Debut Trading Date	9th March 2021
Legal Status	'Public' Limited Company by shares. An approved unit of the Bangladesh Petroleum Corporation (BPC)
Brand Name	**BNO Lubricants**
Site Storage Capacity	1,500 MT
Production Facility	Lub Oil Blending & Refining
Authorized Capital	BDT 250 Crore
Paid-up Capital	BDT 1,452,431,440 Crore
Face Value of Share	Tk. 10.00
Corporate head office address	Rupayan Trade Centre, 7th Floor, 114, Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka
Registered Office address	B-6 (Part), 9-10, 23-24 BSCIC Industrial Estate, Block-A, Custom Academy, Sagarika Road, Chittagong - 4219
Factory Location	
Logo of the Company	BNO LUBRICANTS
Telephone Number	+880243150035& +88 02-43151995
E-mail	info@lub-rref.com

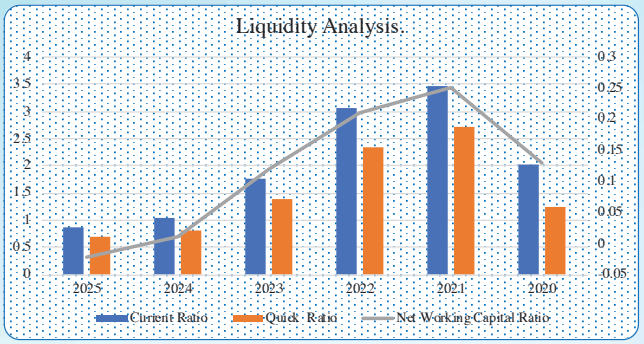
Board of Directors	Mrs. Rubiya Nahar - Chairman Mr. Mohammed Yousuf - Managing Director Mr. Md. Salauddin Yousuf – Director Ms. Dr. Israt Jahan -Director Lieutenant Colonel (Rtd) Imran Azad -Director (Representative of Companigonj Agro Industries Ltd) Mohammed Rafiqul Alam, FCMA-Independent Director Masuda Sultana, FCS, ACA, Proposed Female Independent Director
Company Secretary (CS)	Kabir Hossain
Chief Financial Officer (CFO)	Mr. Mofijur Rahaman, CGIA,
Compliance Officer	Kabir Hossain
Auditors to the Company	**ISLAM JAHID & CO, CHARTERED ACCOUNTANTS,** Hasan Plaza, (ATN News Building), 53 Kawran Bazar C/A, (5th & 10th Floor), Dhaka-1215
Credit Rating Company	**Credit Rating Information and Servicing Limited (CRISL)**
Bankers /Financial Institutions to the Company	✓ Southeast Bank Limited ✓ Sonali Bank Limited ✓ Uttara Bank Limited ✓ EXIM Bank Limited ✓ Pubali Bank Limited ✓ Islami Bank Bangladesh Limited ✓ Dutch Bangla Bank Ltd ✓ Social Islami Bank Limited ✓ Agrani Bank Limited ✓ Bay Leasing & Investment Limited ✓ IPDC Finance Ltd.
Lead Banker of the Company	Social Islami Bank Limited, Agrabad Branch, Ctg. Agrani Bank Limited, Kawran Bazer, Corporate Branch
Lawyer to the Company	**Mr. Morshed Ahmed Khan** Advocate – Supreme Court of Bangladesh Suite # 802, Rahat Tower, 14, B Capital Issue non C-A, 7th Floor, Link Road, West Bangla Motor, Dhaka-1000, Bangladesh, Mobile: 01713013634, 01973013634, e-mail: corporate_counsel@yahoo.com **Mr. A.M. Zia Habib** Advocate 80, Ainjibi Bhaban, Court Hill, Chittagong, Phone: 01719 487 496 e-mail: ziahabibctg@gmail.com

YEARS HIGHLIGHTS

Liquidity Analysis

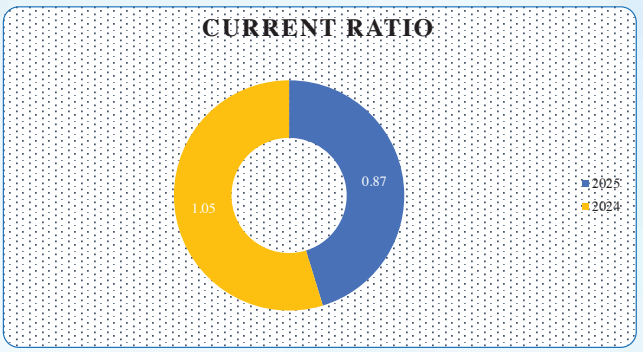
Liquidity Analysis

The liquidity analysis shows improving trends in the Current Ratio, Quick Ratio, and Net Working Capital Ratio, peaking in 2024, indicating strong financial health. However, a decline in 2025 suggests reduced liquidity, likely due to increased liabilities or reduced assets, requiring corrective measures to stabilize.



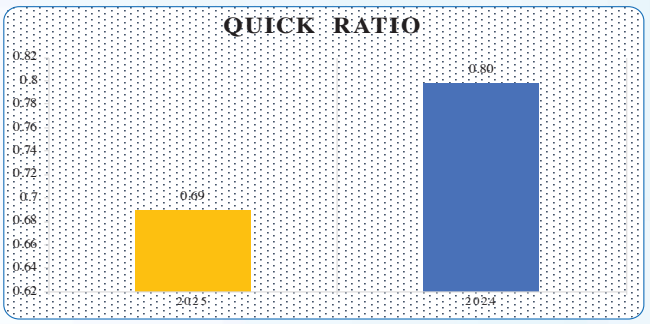
Current Ratio :

The Current Ratio peaked at 3.46 in 2021, showing strong liquidity, but sharply declined to 0.87 in 2025, indicating potential financial strain and reduced ability to meet short-term obligations.



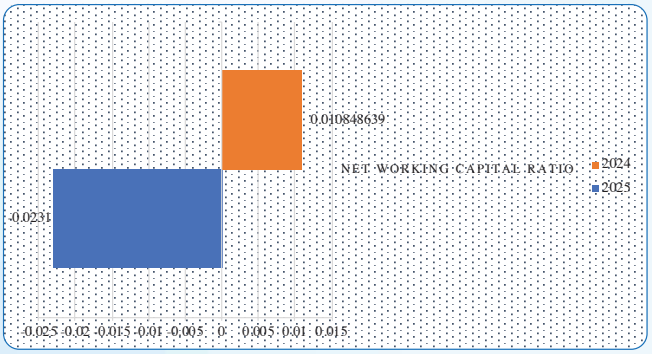
Quick Ratio :

The Quick Ratio peaked at 2.72 in 2021, showing strong liquidity, but dropped sharply to 0.69 in 2025, signaling potential short-term financial challenges.



Net Working Capital Ratio :

The sharp decline in the Net Working Capital Ratio from 1% in 2024 to -2.31% in 2025 highlights significant liquidity challenges, with minimal margin to cover short-term liabilities. This could lead to cash flow issues, reduced creditor confidence, and limited growth opportunities.

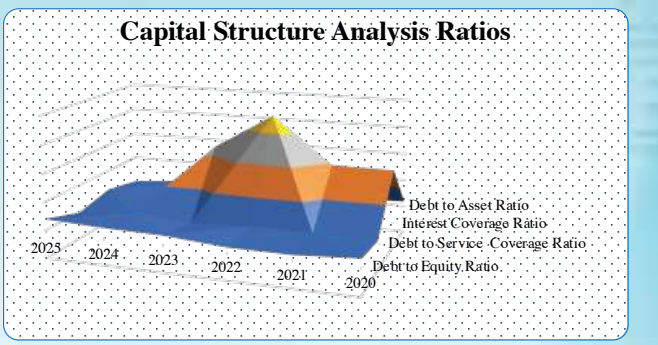


YEARS HIGHLIGHTS

Liquidity AnCapital Structure Analysis Ratiosalysis

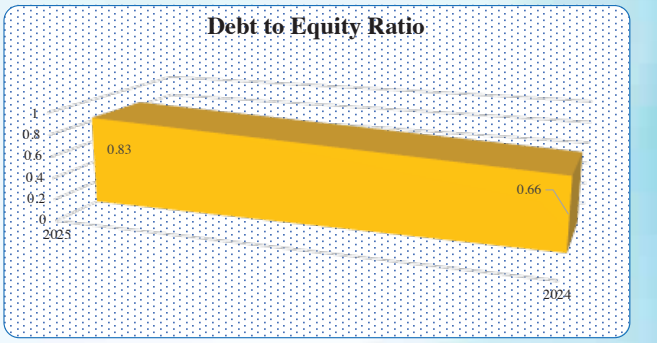
Capital Structure Analysis :

Capital Structure Analysis Ratios is to evaluate a company's financial leverage and funding strategy by analyzing the mix of debt and equity used to finance its operations. These ratios help assess the company's risk, financial stability, and ability to meet long-term obligations, guiding decision-making for investors and management.



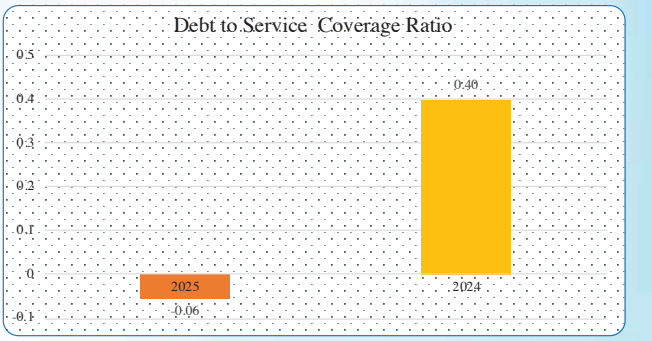
Debt-to-Equity Ratio :

The rise in the Debt-to-Equity Ratio from 66 in 2024 to 0.83 in 2025 indicates increased reliance on debt, raising financial risk, straining cash flow, and potentially deterring investors. To mitigate impacts, the company should reduce debt, optimize equity financing, and monitor leverage to maintain financial stability.



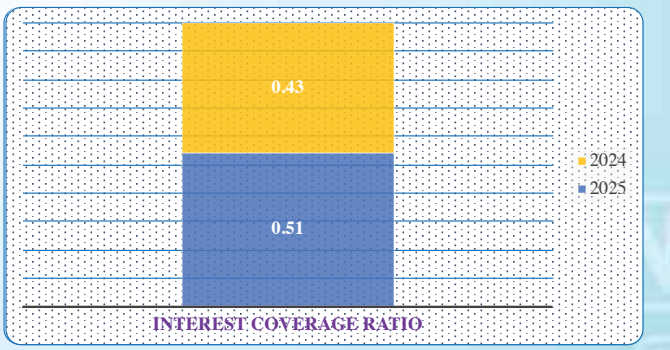
Debt to Service Coverage Ratio :

DSCR from 0.40% in 2024 to 0.06% in 2025 shows improved ability to meet debt obligations, boosting financial stability and creditor confidence. However, with only 40% coverage, further efforts are needed to enhance income and manage expenses for greater financial security.



Interest Coverage Ratio :

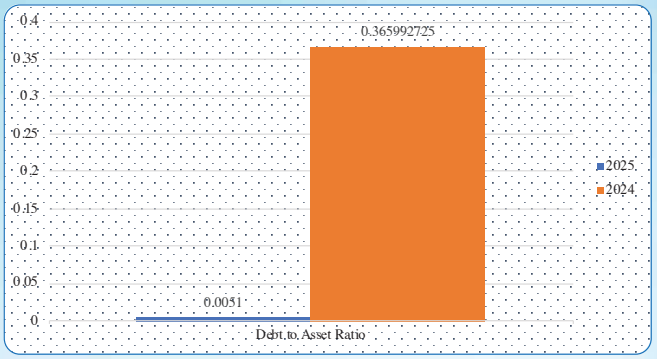
The drop in the Interest Coverage Ratio from 0.43 in 2024 to -0.51 in 2025 indicates the company cannot fully cover its interest expenses, raising financial risk and potential default concerns. Immediate actions to boost earnings, reduce debt, or renegotiate interest terms are critical for stability.



YEARS HIGHLIGHTS

Debt-to-Asset Ratio :

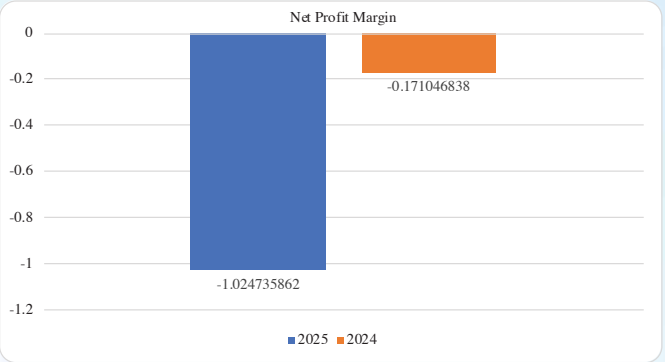
The Debt-to-Asset Ratio remaining steady at 37% in 2024 and 0.51 % in 2025 indicates stable financial management and balanced reliance on debt. While this reassures creditors, the company should monitor asset performance and debt levels to maintain stability and support future growth.



Profitability Analysis Ratios

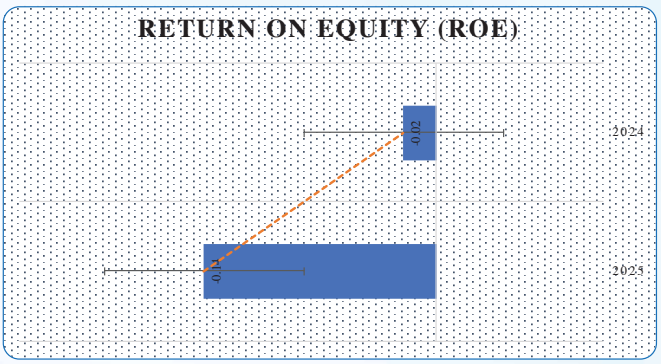
Net Profit Margin :

The drop in Net Profit Margin from 15% in 2023 to -17% in 2024 indicates the company has shifted from profitability to losses, likely due to higher costs, reduced revenue, or operational inefficiencies.



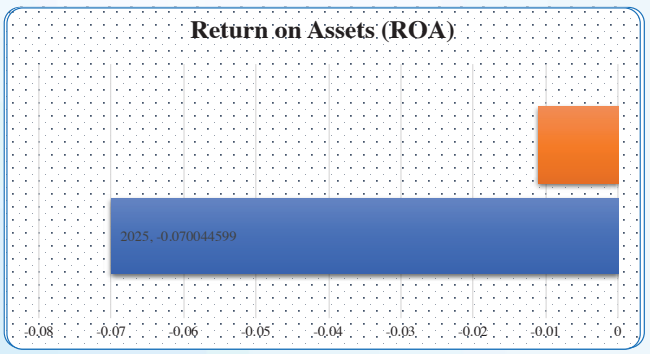
Return on Equity (ROE) :

ROE has dropped from -1.96% in 2024 to -14% in 2025, indicating losses and reduced investor confidence. To address this, we need to boost profitability, optimize asset utilization, reduce debt, and efficiently manage equity. Immediate action is crucial to restore ROE and financial stability.



Return on Assets (ROA) :

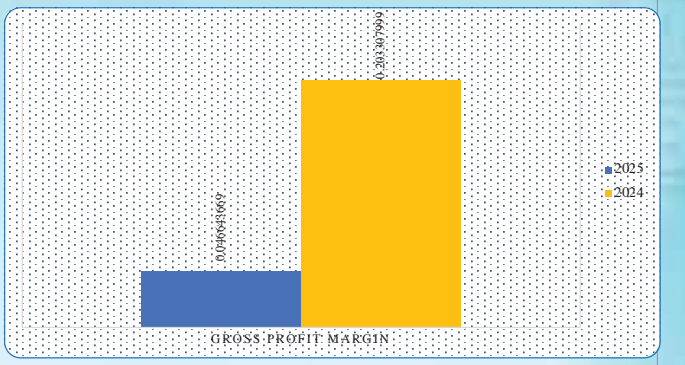
ROA dropped from 1.10% in 2024 to -7% in 2025, indicating losses and inefficient asset use. To address this, we must boost revenue, cut costs, optimize asset utilization, and focus on high-performing investments to restore profitability.



YEARS HIGHLIGHTS

Gross Profit Margin :

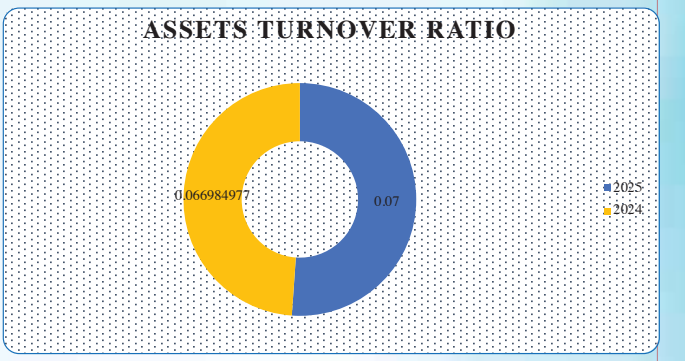
Gross Profit Margin dropped from 20% in 2024 to 5% in 2025, reflecting losses in core operations. To recover, we need to increase revenue, cut production costs, and improve operational efficiency. Immediate action is critical to restore profitability.



Activity Analysis

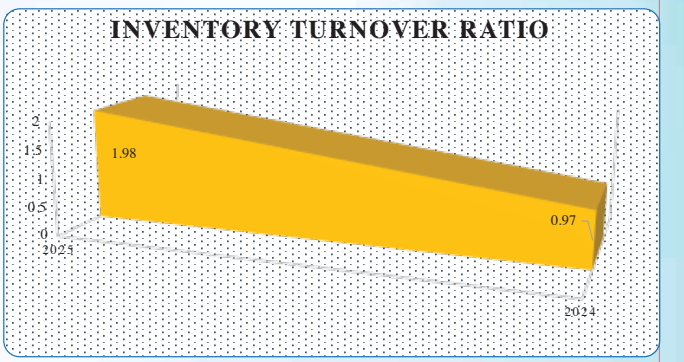
Assets Turnover Ratio :

The drop in Asset Turnover Ratio from 7% in 2024 to 0.2.0% in 2025 shows underutilized assets and decreased efficiency. To improve, focus on optimizing asset usage, increasing sales, and reviewing underperforming assets.



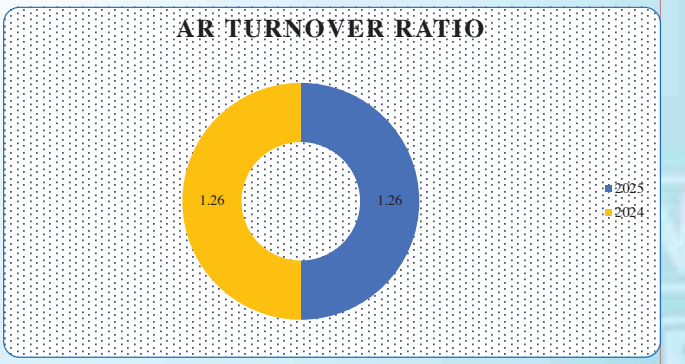
Inventory Turnover Ratio :

The Inventory Turnover Ratio dropped from 0.97 in 2024 to 0.38 in 2025, indicating slower inventory movement and higher holding costs. To improve, focus on boosting sales, optimizing inventory management, and reviewing product offerings.



Accounts Receivable Turnover Ratio :

The Accounts Receivable Turnover Ratio dropped from 1.26 in 2023 to 1.26 in 2025, indicating slower collections and potential cash flow issues. To improve, tighten credit policies, follow up on overdue payments, and offer early payment incentives.




ন্যানো ম্যাজিকে
আপনার গাড়ির
পারফরম্যান্সে আনুন
চমক!
BNO CNG SPECIAL
BNO GOLD 20W-50
BNO DIESEL SUPER 15W-40
Nanotechnology Fortified
Engine Oil
BNO
LUBRICANTS
Passion to Perform

INTEGRATED REPORTING AND VALUE CREATION

Our Approach to Integrated Reporting

Our integrated reporting approach strengthens financial stability and sustainability by focusing on long-term value creation. It ensures a cohesive and transparent framework for corporate reporting, enhancing the quality and relevance of information for investors and stakeholders.

The report offers insights into the resources and relationships that drive our business performance and support sustainable growth.

Prepared in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as issued by the Institute of Chartered Accountants of Bangladesh (ICAB), this Annual Report covers the period from July 1, 2024, to June 30, 2025, and includes non-financial data drawn from internal records and the 2024 Annual Report.

Content and Preparation of the Report

The Annual Report 2025 has been prepared with reference to the 'Annual Report Review Checklist' issued by the Institute of Chartered Accountants of Bangladesh (ICAB) and the South Asian Federation of Accountants (SAFA), as well as the 'Integrated Reporting Checklist' based on the International Integrated Reporting Council (IIRC) framework.

The financial statements and disclosures for the year have been prepared in accordance with applicable standards and regulations, including:

International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS)

- ✓ The Companies Act, 1994
- ✓ The Securities and Exchange Rules, 1987
- ✓ The Income Tax Act, 2023 and The Income Tax Rules, 2023
- ✓ BSEC Corporate Governance Code, 2018
- ✓ Other relevant laws and regulations of Bangladesh

The content of this report reflects insights from ongoing stakeholder engagement and is aligned with the Integrated Reporting Framework, focusing on material issues that influence both stakeholder interests and the company's economic, environmental, and social impact.

Our reporting approach provides a comprehensive and transparent view of the Company's business model, strategy, governance, performance, and outlook. The Corporate Governance section has been prepared in accordance with the updated Corporate Governance Guidelines (CGG) issued by the Bangladesh Securities and Exchange Commission (BSEC).

To ensure objectivity, transparency, and compliance, Lub-rref (Bangladesh) PLC engages two independent external assurance firms. In line with regulatory requirements, statutory auditors are rotated every three years to maintain independence and impartiality. This year, the auditors were duly rotated, and their audit opinion and findings are included in this report:

Sl.	Report Type	External Assurance
1	Financial Statements Audit Report	ISLAM JAHID & CO, Chartered Accountants
2	Corporate Governance	MNA Associates, Chartered Secretaries

Availability of the Annual Report

The Annual Report is published immediately after the completion of the audited Financial Statements.

Printed copies are distributed to all shareholders ahead of the Annual General Meeting (AGM), in full compliance with the statutory notice period for shareholders listed on the Record Date.

To ensure wider access and transparency, a digital version is also available at: www.lub-rref.com

Our Capitals

As a leading manufacturer in the lubricants industry, our ability to create sustainable, long-term value depends on effectively managing and utilizing multiple forms of capital, as defined by the International Integrated Reporting Council (IIRC).

Financial Capital

The equity and debt resources enable us to fund operations efficiently and drive growth.

Manufacturing Capital

Our production facilities, infrastructure, and technology support quality manufacturing and reliable product delivery.

Intellectual Capital

Our brand strength, market reputation, and proprietary know-how enhance competitiveness and innovation.

Human Capital

The expertise, commitment, and creativity of our employees, supported by continuous development and a culture of excellence.

Social and Relationship Capital

The trust and collaboration we build with stakeholders, customers, suppliers, regulators, and communities strengthen our social license to operate.

Natural Capital

Our stewardship of natural resources and focus on sustainable practices to minimize environmental impact and ensure long-term ecological balance.

Each of these capitals is interconnected and fundamental to our integrated value creation model, shaping both our performance and our contribution to the broader economy and society.

AGM INVITATION TO OUR SHAREHOLDERS



23rd ANNUAL GENERAL MEETING

OF

Lub-rref (Bangladesh) PLC.





WILL BE HELD

AGM Venue: Through Hybrid System of virtual/digital Link: https://lrbdl23.hybridagmbd.net and Physical Presence at Sun City Restaurant Ltd, Heaven City Center, Level-12, Port Connecting Road, Alangkar Circle, Pahartali, Chattagram-4202, Bangladesh

AGM Date and Time: Sunday, 28 December 2025 at 12.30 PM

AGM HELPLINE

Mr. Mofijur Rahaman
Mr. Abu Yousuf
Mrs. Jolinur Sahara Juhi
Phone: +88-02-43151991
+88-02-43150035
+88-02-43150036
Fax: +88-02-43151091;
E-mail: info@lub-rref.com

Lub-rref (Bangladesh) PLC.

(An ISO 9001:2015, 14001; 2015 & 45001; 2018 Management System Certified Company)

Head Office Address B-6 (Part) 9-10 & 23-24, BSCIC Industrial Estate,Block-A, P.O.-Custom Academy Sagarika Road, Chittagong -4219
Phone- +88-02-43151995, +88-02-43150035

NOTICE OF THE 23rd AGM

Annual General Meeting

Notice is hereby given that the 23rd Annual General Meeting (AGM) of LUB-RREF (BANGLADESH) PLC. will be held on Sunday, 28 December 2025, at 12:30 PM, through Hybrid System in Combination of Virtual/Digital Platform using the Link: https://lrbdl23.hybridagmbd.net and Physical Presence at Sun City Restaurant Ltd, Heaven City Center, Level-12, Port Connecting Road, Alangkar Circle, Pahartali, Chattagram-4202, Bangladesh, to transact the following business:

Agenda :

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 30 June 2025, and the Auditors' Report thereon and the Report of the Directors
2. To approve and declare Dividend for the year ended 30 June 2025
3. To consider retirement and re-appointment of Directors
4. To consider appointment of an Independent Director
5. To consider appointment of External Auditors for the year ending 30 June 2026 and to fix their remuneration
6. To consider appointment/ re-appointment of Corporate Governance Auditors for the year ending 30 June 2026 and to fix their remuneration

By order of the Board

Kabir Hossain
Company Secretary

Place: Chattogram
Dated: 03 December 2025

NOTES :

(1) The 'Record Date' in lieu of Book Closer is 21 December 2025. The Shareholders whose names appeared in the Member /Depository Register of the Company under the Central Depository System (CDS) on the Record Date will be entitled to attend the 23rd AGM and would be qualified to receive the Dividend, if any.

(2) Any member eligible to attend and vote at the AGM may appoint a proxy to attend and vote on his/her behalf. The proxy form, duly filled-up and affixed with stamp of Taka 100, must be submitted to the Company's Registered Office, or a scanned copy may be sent via email to cs@lub-rref.com or info@lub-rref.com , at least 72 (seventy-two) hours before the time of the AGM.

(3) Link for downloading soft copy of Annual Report 2024-25 will be sent to the shareholders' respective email addresses as available with us and also be available in the Company's Website at www.lub-rref.com .

(4) The Link to join the AGM through Online / Digital Platform is https://lrbdl23.hybridagmbd.net which will be opened for e-Voting 24 (twenty-four) hours before the time of AGM and will remain open until conclusion of the AGM. Members shall be able to access the Online / Digital Platform by entering their 16-digit Beneficial Owner (BO) Number as User name and other required credentials to verify their identity

(5) We kindly request that the concerned Merchant Banks and all Depository Participants (DP) provide a detailed statement in Excel format, including the following information for their Margin Loan Holders who hold shares of the Company as of the Record Date: Shareholders' Names, BO ID Numbers, Client-wise shareholding positions, Gross Dividend Receivables, applicable tax rates, and Net Dividend Receivables. Additionally, please include the name of the contact person for this matter. This information should be sent to the Company's Registered Office no later than December 24, 2025. We also request that Merchant Banks and Depository Participants (DP) provide their Bank Names, Account Numbers, Routing Numbers, and other relevant details to facilitate the payment of cash dividends.

(6) In accordance with the Bangladesh Securities and Exchange Commission's Circular (No. SEC/CD/2009-193/154 dated October 24, 2013), no benefits in cash or kind, aside from dividends, will be provided at the AGM. This means that no food, boxes, gift coupons, or similar items will be arranged for attendees.

Letter of Transmittal

All Honorable Shareholders
Bangladesh Bank
Bangladesh Securities and Exchange Commission
Dhaka Stock Exchange PLC
Chittagong Stock Exchange PLC
Registrar of Joint Stock Companies and Firms (RJSC)

Dear Sir/(s),

ANNUAL REPORT FOR THE YEAR ENDED JUNE 30, 2025

We are pleased to enclose the notice for the 23rd Annual General Meeting, along with the Annual Report and Audited Financial Statements of Lub-rref (Bangladesh) PLC. This includes the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows for the year ended June 30, 2025, along with the accompanying notes for your information and record.

Please note that in compliance with notification no. BSEC/CMRRCD/2006-158/208/Admin/81, dated June 20, 2018, issued by the Bangladesh Securities and Exchange Commission, we are sending the Notice of the Annual General Meeting and the Annual Report, along with the Audited Financial Statements, to valued shareholders via the email addresses registered in their Beneficial Owner (BO) accounts with the Central Depository System. Additionally, a soft copy of the Annual Report will be available on the Company's website at https://lub-rref.com/annual-report/.

Yours Sincerely,



Kabir Hossain
Company Secretary

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CORPORATE REVIEW

About Lub-rref (Bangladesh) PLC

Lub-rref (Bangladesh) PLC stands as one of the most trusted and reliable national manufacturers and suppliers of premium-quality lubricants in Bangladesh. The company has consistently strengthened its business operations by delivering world-class products that meet international standards, ensuring high performance, durability, and customer satisfaction — all at competitive prices.

With a steadfast commitment to quality and innovation, Lub-rref has established long-term, mutually rewarding relationships with its customers, employees, business partners, and shareholders. The company's excellence is reinforced by certifications under multiple international standards, including ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System), ISO



45001:2018 (Occupational Health & Safety Management System), and ISO/IEC 17025:2017 (Testing & Calibration Laboratory Competence). Lub-rref also regularly participates in the ASTM Inter-Laboratory Cross-Check Program, reflecting its unwavering commitment to maintaining the highest ethical, technical, and quality standards.

Founded by Mr. Mohammed Yousuf, the company's visionary Managing Director, Lub-rref has grown steadily since its inception, guided by his integrity, leadership, and passion for excellence. The company was incorporated as a Public Limited Company under the Companies Act, 1994, on November 18, 2001, and began its commercial operations in 2006.

The registered office and factory are located at B-6 (Part), 9-10 & 23-24, BSCIC Industrial Estate, Block-A, Sagarika Road, Chittagong – 4219, while the corporate office operates from Rupayan Trade Centre, 7th Floor, 114 Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka – 1000.

Commitment to Excellence and Sustainability

With over four decades of expertise in lubricants and greases, Lub-rref continues to drive growth through innovation, sustainability, and advanced technology. The company imports base oils and additives to produce a wide range of lubricant formulations for both automotive and industrial applications.

Operating under the flagship brand "BNO Lubricants," Lub-rref currently manufactures around 35 formulations in its state-of-the-art facility, equipped with advanced laboratories featuring modern testing instruments such as atomic absorption spectrometers. The brand has become synonymous with

reliability, performance, and technical excellence, ensuring that customers receive comprehensive support in selecting the right lubricant for their needs.

Despite competition from international brands, Lub-rref has swiftly secured a significant share of the domestic market, reducing dependency on imported lubricants. The company also exports BNO Lubricants to Nepal and other regional markets, thereby contributing to Bangladesh's industrial self-reliance and export diversification.

Green Growth and Innovation

Lub-rref's business philosophy is deeply rooted in environmental sustainability. The company operates as an eco-friendly lubricants manufacturer, minimizing waste generation and continually investing in green technologies to ensure sustainable development.

Looking toward the future, Lub-rref has embarked on several strategic expansion projects aimed at transforming Bangladesh's energy and industrial landscape. These include:

- **Base Oil Refinery:**

The first of its kind in Bangladesh, with a production capacity of 70,000 metric tons per annum. This refinery will significantly reduce the nation's dependence on imported base oil, save valuable foreign currency, and create extensive employment opportunities.

- **Tank Terminal with Berth-Operating Jetty:**

Aiming to enhance the country's liquid energy storage capacity, this project will provide 100,000 metric tons of storage, ensuring improved energy security and reduced import and transportation costs through the use of environmentally friendly technologies.

- **Bitumen Plant, Hydrogen Plant, and Power Plant:**

These initiatives are part of Lub-rref's long-term strategy to diversify its portfolio and strengthen Bangladesh's industrial infrastructure. The hydrogen plant will be the first commercially operational facility of its kind in Bangladesh, providing a continuous source of hydrogen that will contribute to GDP growth and foreign currency earnings.

Pioneering the Re-Refining Industry

As the first company in Bangladesh to produce and market both virgin and re-refined base oil lubricants, Lub-rref recognizes the national importance of establishing a re-refinery. Re-refining not only supports economic efficiency but also protects the environment by recycling used oils.

Although the re-refining industry in Bangladesh faces challenges such as limited prioritization and lack of awareness, Lub-rref remains dedicated to promoting re-refined oil by introducing advanced technology, raising public and industrial awareness, and emphasizing the value of using national products over imported alternatives.

Given Bangladesh's high population density and limited natural gas resources, developing local re-refining capability is essential to ensuring long-term energy security and self-reliance.

Corporate Governance and Market Presence

Lub-rref (Bangladesh) PLC is proudly listed with both the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE), reinforcing its commitment to transparency, regulatory compliance, and enhanced shareholder value.

By combining global standards with local expertise, Lub-rref continues to move forward with a vision to make Bangladesh a regional hub for lubricant and energy innovation, contributing meaningfully to industrial growth, employment generation, and sustainable national development.

About the Industry:

Industry Overview

The lubricants industry serves as a crucial pillar of the global economy, contributing significantly to the performance, efficiency, and durability of machinery and vehicles. This dynamic sector encompasses a wide range of products, including engine oils, hydraulic fluids, greases, and various industrial lubricants. Demand for these products continues to be fueled mainly by the automotive and industrial sectors, with

the Asia-Pacific region standing out as the fastest-growing and most influential market worldwide.

As of 2025, the global lubricants market is valued at approximately USD 171 billion, and is forecast to grow at a compound annual growth rate (CAGR) of around 4%, reaching roughly USD 225 billion by 2034.

In the Asia-Pacific region, the market was estimated at about USD 62 billion in 2023, and is projected to reach around USD 85 billion by 2030, reflecting a CAGR of approximately 4.6% over the period 2024-2030.

Market Segmentation in Asia-Pacific

• Automotive Lubricants: The automotive segment continues to be the largest in the region. For example, the overall automotive lubricants market in Asia-Pacific is projected to reach about US$ 55.6 billion by 2030, growing at a CAGR of approximately 3.8% from 2023.

• Industrial Lubricants: The industrial lubricants segment is likewise showing solid growth, with the Asia-Pacific industrial lubricants market expected to rise from approximately US$ 23.5 billion in 2022 to around US$ 33.4 billion by 2030 (CAGR 4.5%).

• Marine Lubricants: The marine-lubricants sector in Asia-Pacific is somewhat smaller but growing: from about US$ 248.2 million in 2022 to an estimated US$ 331.3 million by 2030, at a CAGR of 3.7%.

• Specialty / High-performance Lubricants: While exact segmentation for a "specialty lubricants" category (bio-lubricants/high-performance formulations) is less frequently broken out in public sources, emerging data suggest that premium and synthetic formulations are gaining share as the region shifts to more advanced lubrication technologies. For instance, one source identifies bio-based oils and synthetic blends as growth drivers in the region.

Key Trends & Drivers

- After a modest slowdown during the pandemic, the automotive sector in the Asia-Pacific region is seeing a solid rebound. For example, Castrol India reported a year-on-year profit increase in Q3 2025, driven by increased vehicle sales and stronger demand for automotive lubricants.
- Rapid industrialization and infrastructure build-out remain significant growth engines. For instance, the industrial lubricants segment in the Asia-Pacific was estimated at around US$ 14.70 billion in 2024, with a projected CAGR of 5.5% from 2024 to 2031.
- Sustainability and "premiumization" are becoming more important. According to a global outlook, bio-based and synthetic lubricants are gaining traction, as they offer better performance with reduced environmental impact.
- Increasing regulatory pressure in the region is pushing manufacturers towards higher specification products (e.g., low-SAPs, synthetics) and more eco-friendly formulations.

Challenges

- Raw Material & Feedstock Volatility: The region remains exposed to fluctuations in crude oil prices and base-oil availability. For example, one report notes that Group I base oil spot prices and spreads were volatile in 2024, putting pressure on margins.
- Regulatory & Structural Headwinds: Mature markets (e.g., Japan) are showing signs of structural demand decline; for example, ENEOS Holdings plans to halt lubricants production at a major facility by 2028, citing shrinking domestic demand and global competition.
- Competitive Intensity & Margin Pressure: The Asia-Pacific lubricants market features both strong global majors and many local/regional players. Volume growth is modest in some segments, which means value growth (via premium products) and cost control become critical. For example, the automotive lubricants market in Asia-Pacific is forecast to grow at only 1.4% CAGR in volume terms through 2030.

Outlook

- The Asia-Pacific region is expected to continue growing, albeit with variation by segment. For example, the broader lubricants market (Asia-Pacific) held a 44.9% revenue share of the global market in 2024 and is expected to grow (CAGR 3.8% globally from 2025-2030).
- Demand for eco-friendly and high-performance lubricants is set to increase as OEMs require lower viscosity, higher performance fluids, and as industrial users seek longer drain intervals and lower

maintenance costs. Synthetic and bio-based oils are especially poised for growth.

- Technological transformation: Digitization of manufacturing, supply chain optimization, adoption of predictive maintenance, smart lubrication systems and IoT in industrial applications are becoming more common. While specific data in Lub-ref's domain is limited, academic work and industry commentary support this trend.
- Given moderate volume growth in many mature segments, value growth (through premiumization, differentiation, higher-spec products) will be a key strategy for lubricant manufacturers.

CERTIFICATIONS:

Lub-rref (Bangladesh) PLC has the following certifications:

BAB Certificate (ISO-IEC 17025:2005)	Bangladesh Accreditation Board (BAB) Certificate	01.010.13
ISO 9001:2015(QMS)	DNV.GL	187470-2015-AQ-IND-RvA
ISO14001:2015 Environmental Management System Standard	DNV.GL	245243-2017-AE-IND-RvA
Occupational Health and Safety Management System standard OHSMS (ISO 45001:2018	DNV.GL	10000384586-MSC-RvA-IND

Sector Overview & Export Opportunity

The export of petroleum-based and lubricant products from Bangladesh has historically been constrained under the Petroleum Act, 1974, which until recent years prohibited the private sector from marketing, distributing, importing or exporting petroleum derivatives. With the lifting of these restrictions by the Tariff Commission, new growth channels have opened for the industry.

As an early mover, Lub-rref was the first company to advocate for removal of the export bans. In the mid-1980s we also played a key role in establishing private-sector lube-oil manufacturing in Bangladesh. These sustained efforts have enabled us to build a modern, world-class lubricants business. We are now actively exporting to markets such as Nepal, Myanmar and the eastern provinces of India marking a landmark milestone for Bangladesh's lubricant industry.

Domestic Market Position & Demand-Supply Gap

In Bangladesh, the lubricants market is valued at around USD 186 million in 2024, with annual consumption of roughly 200–220 million litres (170,000–190,000 tonnes). The automotive sector dominates (65–70%), followed by industrial (25–30%) and marine/others (5%). Local blending exists, but almost all base oils and key additives are imported, making the country heavily reliant on imports. With demand growing at 7–8% CAGR, the supply side gap remains a critical challenge and opportunity for expansion.

TABLE-1: DEMAND, PRODUCTION, AND IMPORT QUANTITIES

Country	Demand (Lakh MT)	Production (Lakh MT)	Import (Lakh MT)	Notes / Sources
Bangladesh	1.7 – 1.9	0.16	1.54 – 1.74	Consumption 200–220 million litres (≈ 170–190 kt); local blending small; base oils mostly imported.
India	1400	460	940	Market USD 7.19 billion in 2023; majority of demand met locally + imports.
China	3300	1850	1450	Base oil production 18.5 million tonnes (2024); imports 14.5 million tonnes.
Japan	2980	-	2980	Finished lubricants mostly imported; local production data not publicly specified.
South Korea	1260	-	1260	Local production unknown; majority of demand met via imports.
USA	11050	4100	6950	Approximate figures based on industry reports; finished lubricant production + imports.
Italy	1050	585	465	Estimated based on EU lubricant reports.
France	1080	-	1080	Production unknown; imports meet most demand.

According to provisional data from Bangladesh Bureau of Statistics, the national per capita income (nominal) reached approximately USD 2,820 in the fiscal year 2024 25.

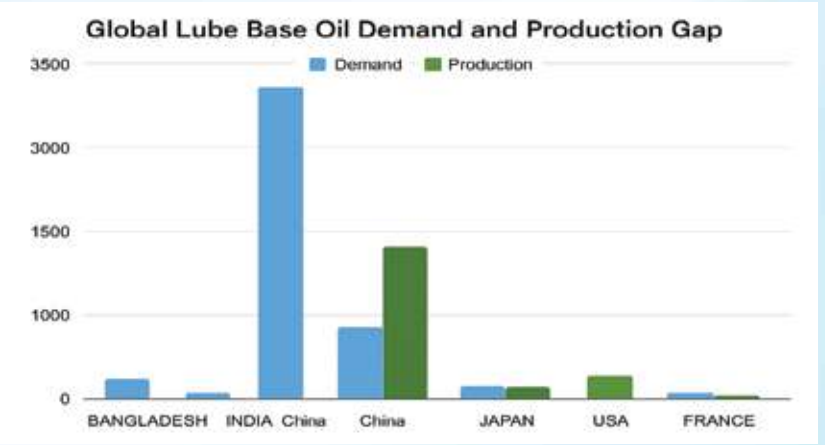
At the same time, the economy's momentum remains central to government strategy: Bangladesh continues to target robust growth through public and private investment in infrastructure, manufacturing and industry.

For Lub rref (Bangladesh) PLC, this is a pivotal moment. The expanding economy, rising per capita income and heightened infrastructure activity set the stage for a step up in demand for lubricants. Meanwhile, domestic base oil production remains modest compared to the gap in demand for blending feedstock, presenting a compelling opportunity for local investment in manufacturing capacity.

As such, Lub rref is well positioned to contribute both to the growth of the lubricants sector and to the wider economic development agenda of Bangladesh.

CHART 3: GLOBAL LUBE BASE OIL DEMAND AND PRODUCTION GAP

Global Lube Base Oil: Demand, Production, and Import



Across the Asia–Pacific region, the Indian subcontinent, Europe and North America, many countries are confronting a growing gap between lubricant base oil demand and their domestic production capacity. Similar disparities exist in parts of Africa and Latin America.

In this context, Lub rref (Bangladesh) Limited—one of Bangladesh's most advanced lubricant manufacturers—is positioning itself for expansion into international markets as a core component of its strategic vision. At the same time, its primary mission remains to satisfy domestic demand and help Bangladesh achieve self sufficiency in lubricant manufacturing.

By strengthening its local production capability and leveraging export opportunities, Lub rref aims not only to meet Bangladesh's internal needs but also to become a competitive player in the regional and global lubricant supply chain.

CORPORATE OBJECTIVES, NATURE OF BUSINESS AND FOCUS



Corporate Objective:

- Strengthen local market presence and customer loyalty.
- Build a trusted, quality-driven, customer-centric brand.
- Innovate sustainably with eco-friendly products and operations.
- Enhance brand recognition and contribute to community development.
- Achieve operational excellence through modern technology and efficiency.



Nature of Business:

We manufacture and supply high-quality lubricants for automotive, industrial, marine, and powerhouse applications. We also refine lube base oil and blend lubricating greases tailored to local market needs, integrating sustainable and technology-driven practices.



Business Focus:

- Deliver superior products and customer satisfaction.
- Optimize resources and leverage technology for efficiency.
- Promote workforce skills, ethical practices, and sustainability.
- Build resilience, strengthen brand presence, and support the community.

Corporate Milestone

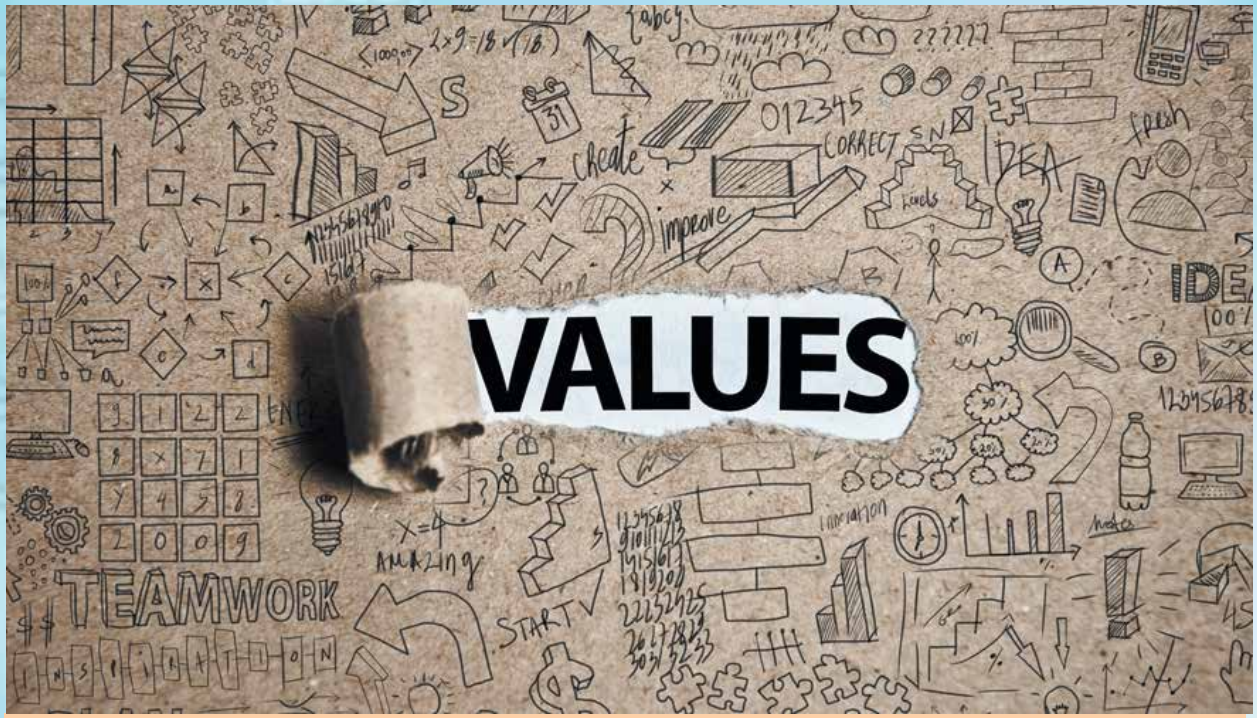
November 18, 2001	Date of Incorporation
November 18, 2001	Certificate for Commencement of Business
December 18, 2006	Date of Commercial Operation
December 05, 2018	IPO Road Show
September 03, 2020	Consent Letter by BSEC for Cut of Price by Eligible Investors
October 12, 2020	Cut of Price Determination
October 25, 2020	Bidding Amount Deposit date
December 28, 2020	Issue Date of Prospectus
January 26, 2021	Opening Date for subscription
February 01, 2021	Closing Date for subscription
February 23, 2021	Lottery Date
February 23, 2021	Share Allomeent Date
February 24, 2021	IPO Amount Collection Date
March 09, 2021	Debut Trading Date



"To deliver innovative, high-performance products and service solutions by leveraging modern green technologies, fostering sustainable business growth, and ensuring stakeholder satisfaction."



"To be a pioneering force in building a globally recognized, sustainable, and green organization in Bangladesh, setting benchmarks in environmental excellence, innovation, and corporate responsibility.



"RACER drives our passion and purpose."

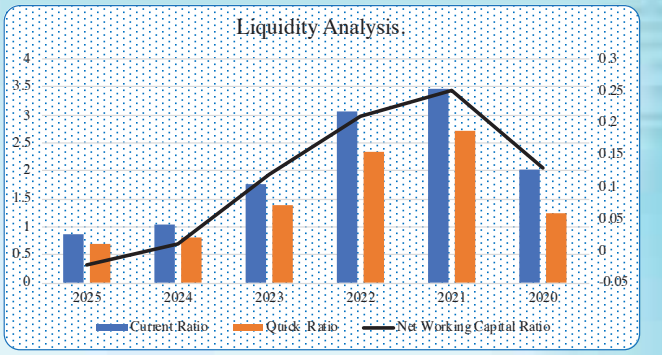
- Responsibility – Upholding ethical practices and accountability in every action.
- Accountability – Delivering on commitments to stakeholders and society.
- Collaboration – Fostering teamwork and partnerships for shared success.
- Excellence – Striving for the highest quality in products, services, and operations.
- Respect – Valuing people, communities, and the environment.

FIVE YEARS HIGHLIGHTS

Liquidity Analysis

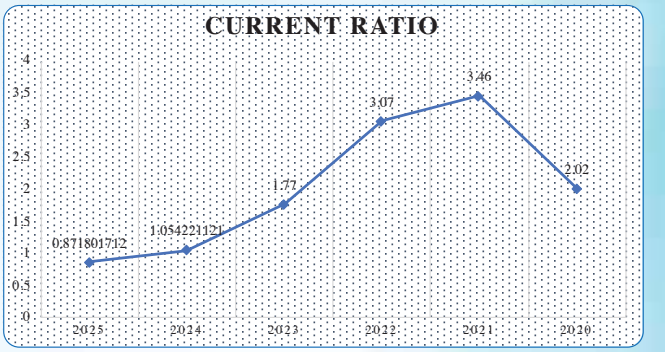
Liquidity Analysis

The liquidity analysis shows improving trends in the Current Ratio, Quick Ratio, and Net Working Capital Ratio, peaking in 2024, indicating strong financial health. However, a decline in 2025 suggests reduced liquidity, likely due to increased liabilities or reduced assets, requiring corrective measures to stabilize.



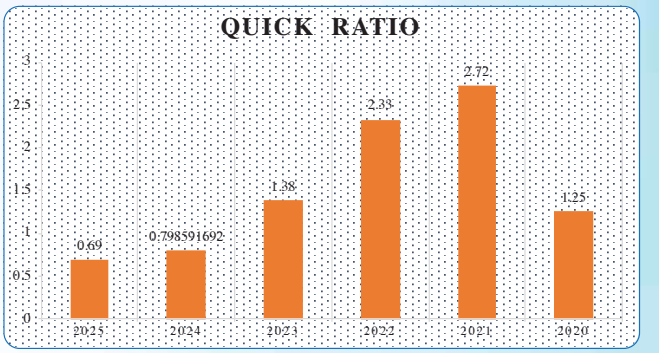
Current Ratio :

The Current Ratio peaked at 3.46 in 2021, showing strong liquidity, but sharply declined to 0.87 in 2025, indicating potential financial strain and reduced ability to meet short-term obligations.



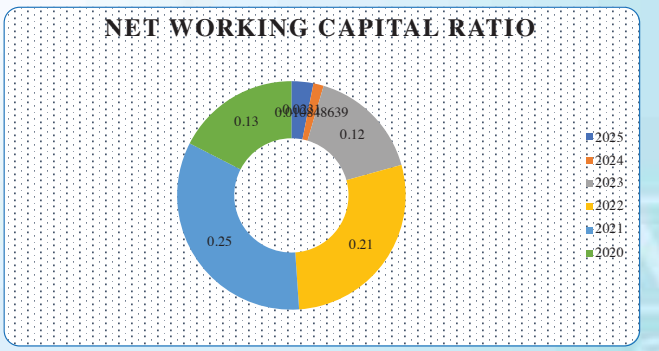
Quick Ratio :

The Quick Ratio peaked at 2.72 in 2021, showing strong liquidity, but dropped sharply to 0.69 in 2025, signaling potential short-term financial challenges.



Net Working Capital Ratio :

The sharp decline in the Net Working Capital Ratio from 1% in 2024 to -2.31% in 2025 highlights significant liquidity challenges, with minimal margin to cover short-term liabilities. This could lead to cash flow issues, reduced creditor confidence, and limited growth opportunities.

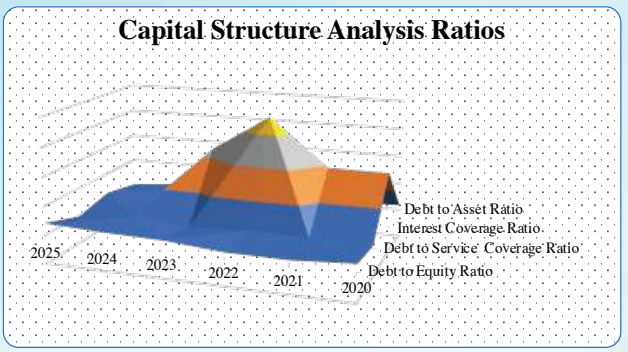


FIVE YEARS HIGHLIGHTS

Capital Structure Analysis Ratios

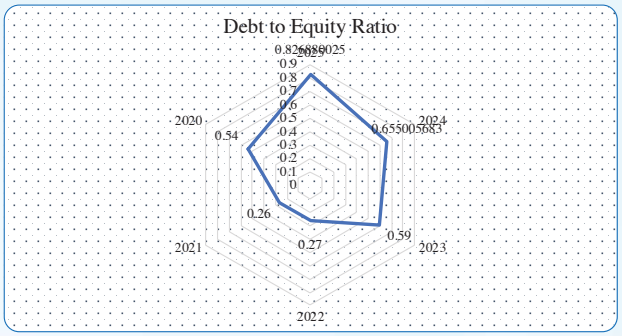
Capital Structure Analysis :

Capital Structure Analysis Ratios is to evaluate a company's financial leverage and funding strategy by analyzing the mix of debt and equity used to finance its operations. These ratios help assess the company's risk, financial stability, and ability to meet long-term obligations, guiding decision-making for investors and management.



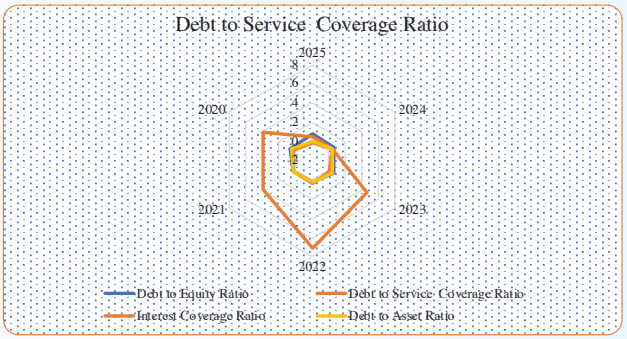
Debt-to-Equity Ratio :

The rise in the Debt-to-Equity Ratio from 66 in 2024 to 0.83 in 2025 indicates increased reliance on debt, raising financial risk, straining cash flow, and potentially deterring investors. To mitigate impacts, the company should reduce debt, optimize equity financing, and monitor leverage to maintain financial stability.



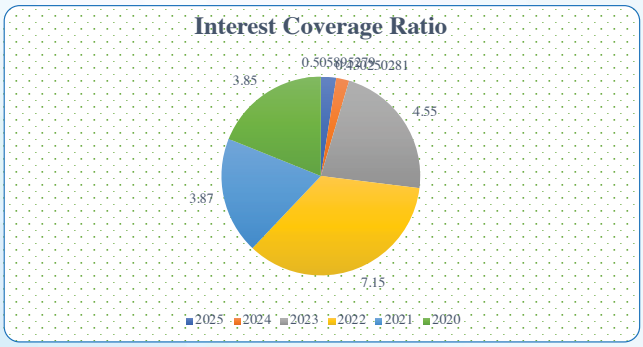
Debt to Service Coverage Ratio :

DSCR from 0.66% in 2024 to 0.83% in 2025 shows improved ability to meet debt obligations, boosting financial stability and creditor confidence. However, with only 40% coverage, further efforts are needed to enhance income and manage expenses for greater financial security.



Interest Coverage Ratio :

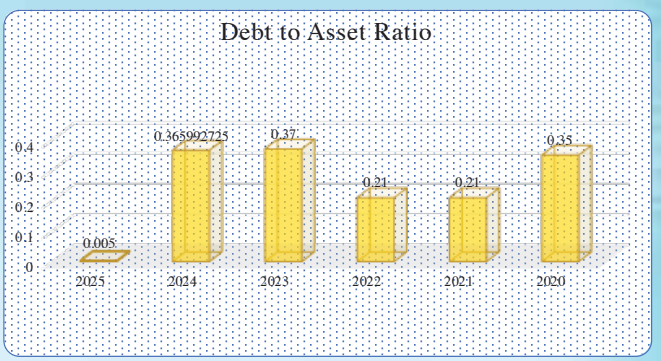
The drop in the Interest Coverage Ratio from 0.43 in 2024 to -0.51 in 2025 indicates the company cannot fully cover its interest expenses, raising financial risk and potential default concerns. Immediate actions to boost earnings, reduce debt, or renegotiate interest terms are critical for stability.



FIVE YEARS HIGHLIGHTS

Debt-to-Asset Ratio :

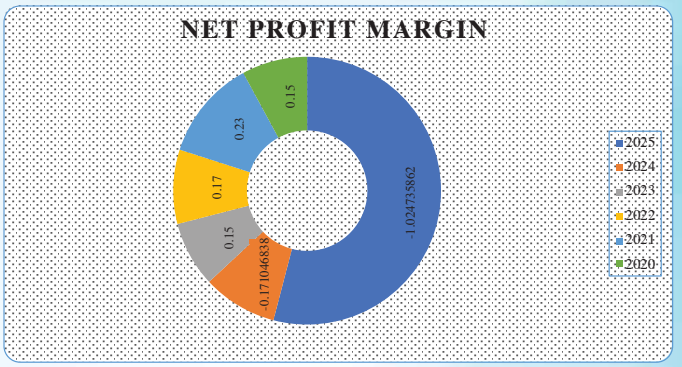
The Debt-to-Asset Ratio remaining steady at 37% in 2024 and 2025 indicates stable financial management and balanced reliance on debt. While this reassures creditors, the company should monitor asset performance and debt levels to maintain stability and support future growth.



Profitability Analysis Ratios

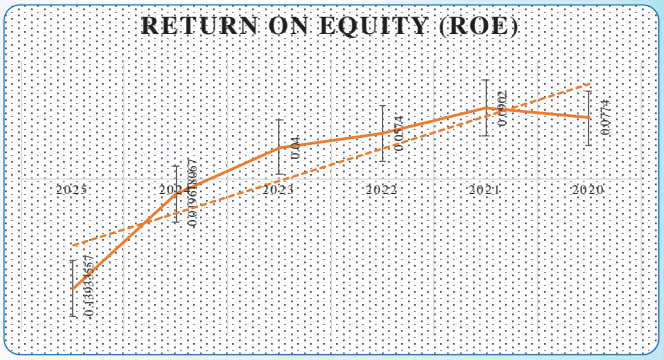
Net Profit Margin :

The drop in Net Profit Margin from -17% in 2024 to -102% in 2025 indicates the company has shifted from profitability to losses, likely due to higher costs, reduced revenue, or operational inefficiencies.



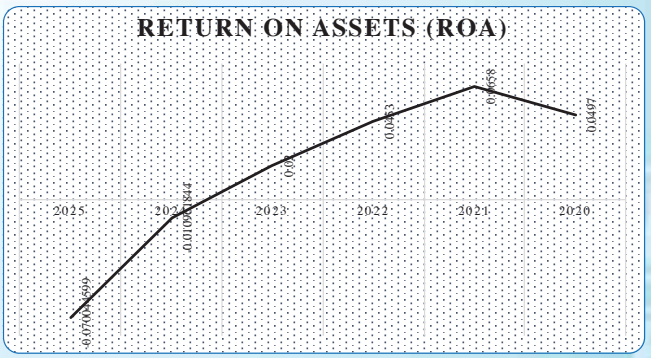
Return on Equity (ROE) :

ROE has dropped from -1.96% in 2024 to -14% in 2025, indicating losses and reduced investor confidence. To address this, we need to boost profitability, optimize asset utilization, reduce debt, and efficiently manage equity. Immediate action is crucial to restore ROE and financial stability.



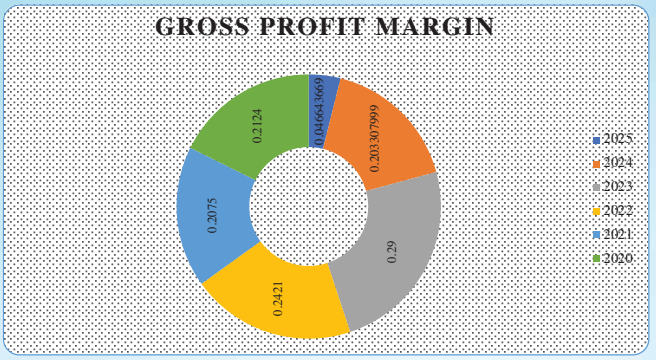
Return on Assets (ROA) :

ROA dropped from 1.10% in 2024 to -79% in 2025, indicating losses and inefficient asset use. To address this, we must boost revenue, cut costs, optimize asset utilization, and focus on high-performing investments to restore profitability.



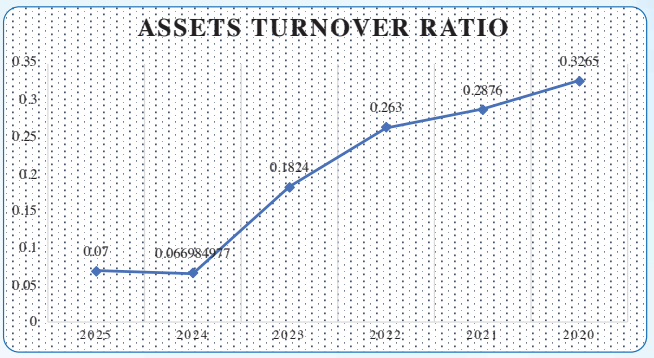
YEARS HIGHLIGHTS

Gross Profit Margin :
Gross Profit Margin dropped from 20% in 2024 to 5% in 2025, reflecting losses in core operations. To recover, we need to increase revenue, cut production costs, and improve operational efficiency. Immediate action is critical to restore profitability.

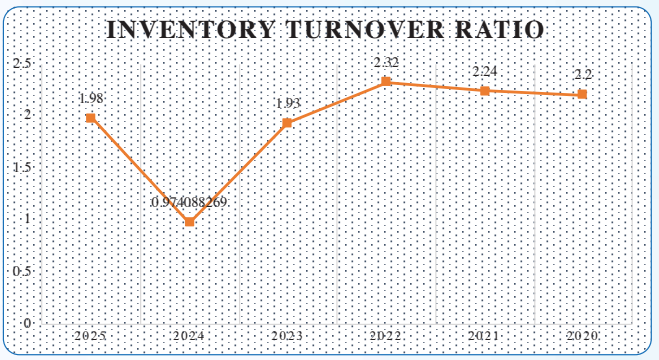


Activity Analysis

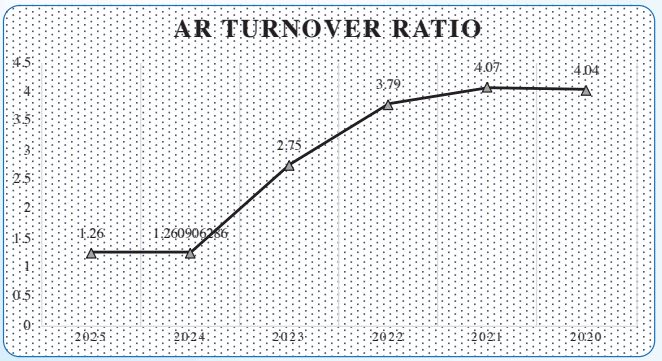
Assets Turnover Ratio :
The drop in Asset Turnover Ratio from 7% in 2024 to 0.2.0% in 2025 shows underutilized assets and decreased efficiency. To improve, focus on optimizing asset usage, increasing sales, and reviewing underperforming assets.



Inventory Turnover Ratio :
The Inventory Turnover Ratio dropped from 0.97 in 2024 to 0.38 in 2025, indicating slower inventory movement and higher holding costs. To improve, focus on boosting sales, optimizing inventory management, and reviewing product offerings.



Accounts Receivable Turnover Ratio :
The Accounts Receivable Turnover Ratio dropped from 1.26 in 2023 to 0.33 in 2025, indicating slower collections and potential cash flow issues. To improve, tighten credit policies, follow up on overdue payments, and offer early payment incentives.




BNO
LUBRICANTS
Passion to Perform
LASTING
PROTECTION IN EXTREME
CONDITION
BNO DIESEL
SUPER 15W-40
DIESEL SUPER
15W-40
Nanotechnology Fortified
Engine Oil

BNO's contribution for Carbon Footprint Reduction by its Re-refining Process and introducing Nanotechnology in Lubricants



316,200 MT CO2 Reduction







Professionals Partners

ISLAM JAHID & CO.		ISLAM JAHID & CO Chartered Accountants
MNA Associates		MNA ASSOCIATES
Rating Agencies	Nakshi Homes (1st, 4th & 5th Floor) 6/1/A Segun Bagicha, Dhaka-1000	CRISL Credit Rating Information and Services Limited Setting global standard at national level
Md. Abu Taleb Tax Consultants	191, Sk. Mujib Road, Nahar Monjil, (1st Floor) Agrabad, Chattogram.	Mohammad Abu Taleb B.Com (Hon's), M.Com (Accounting), CA(CC), IPT Advisor of Income Tax, Accounts & Company Law.
SA Rashid Independent Scrutinizer	Noakhali Tower (12th Floor, 13-D), 55/B Purana Paltan, Dhaka-1000, Bangladesh	SARashid & Associates (Chartered Secretaries)
Corporate Council Legal Advisor	House # 4, Road # 4, Block # A Ati Model Town, Ati Bazar, Keranigonj Dhaka-1312, Bangladesh	Corporate Counsel The Law Firm You Can Trust

Members:

FBCCI	FBCCI Icon, 60, Motijheel C/A, Dhaka, Bangladesh. Gulshan Branch: Tower of Akash, Plot:54, Level:09, Road: 132, Gulshan Avenue, Gulshan-1, Dhaka
MCCI	Chamber Building (4th Floor), 122-124, Motijheel CA, Dhaka-1000, Bangladesh;
DCCI	65-66 Motijheel C/A Dhaka-1000, Bangladesh
CCCI	WTC Building, 102-103, Agrabad, C/A, Chittagong, Bangladesh
Bangladesh Employee Federation	Chamber Building (4th Floor) 122-124, Motijheel CA, Dhaka-1000, Bangladesh
BAPLC	Gulshan Palladium (5th Floor, Flat: D5), House C-1, Road 95, Gulshan 2, Dhaka 1212, Bangladesh



LUB-RREF(BANGLADESH) PLC -IPO LOTTERY CEREMONY

The trading of shares for Lub-rref (Bangladesh) PLC commenced on March 9, 2021, through a celebratory "Trading and Ring the Bell Ceremony" held at both the Dhaka and Chittagong Stock Exchanges. Representing Lub-rref (Bangladesh) PLC, Mohammad Yousuf, Managing Director; Mr. Salauddin Yousuf; Dr. Mohammad Moniruzzaman, PhD, FCA, ACMA, Independent Director; Md. Moshihor Rahman, FCS, Company Secretary; Mr. Mofijur Rahaman, CGIA, CMA, Chief Financial Officer (CFO); and other senior officials graced the event with their presence.

From the Dhaka Stock Exchange (DSE), Mr. Abdul Matin, FCMA, Managing Director (In-Charge); Mr. Saifur Rahman Majumder, FCMA, Chief Operating Officer; Mr. Rabiul Islam, Senior Manager (Listing Affairs); and other senior officials were in attendance. Similarly, Mr. Mamun-ur-Rashid, Managing Director of the Chittagong Stock Exchange (CSE), along with other senior officials, represented the CSE.

This ceremony marked a momentous milestone for Lub-rref (Bangladesh) PLC as it officially joined the capital market, reflecting a significant achievement in the company's growth journey.



TRADING AND RING THE BELL CEREMONY

The trading of shares for Lub-rref (Bangladesh) PLC commenced on March 9, 2021, through a celebratory "Trading and Ring the Bell Ceremony" held at both the Dhaka and Chittagong Stock Exchanges. Representing Lub-rref (Bangladesh) PLC, Mohammad Yousuf, Managing Director; Mr. Salauddin Yousuf; Dr. Mohammad Moniruzzaman, PhD, FCA, ACMA, Independent Director; Md. Moshihor Rahman, FCS, Company Secretary; Mr. Mofijur Rahaman, CGIA, CMA, Chief Financial Officer (CFO); and other senior officials graced the event with their presence.

From the Dhaka Stock Exchange (DSE), Mr. Abdul Matin, FCMA, Managing Director (In-Charge); Mr. Saifur Rahman Majumder, FCMA, Chief Operating Officer; Mr. Rabiul Islam, Senior Manager (Listing Affairs); and other senior officials were in attendance. Similarly, Mr. Mamun-ur-Rashid, Managing Director of the Chittagong Stock Exchange (CSE), along with other senior officials, represented the CSE.

This ceremony marked a momentous milestone for Lub-rref (Bangladesh) PLC as it officially joined the capital market, reflecting a significant achievement in the company's growth journey.





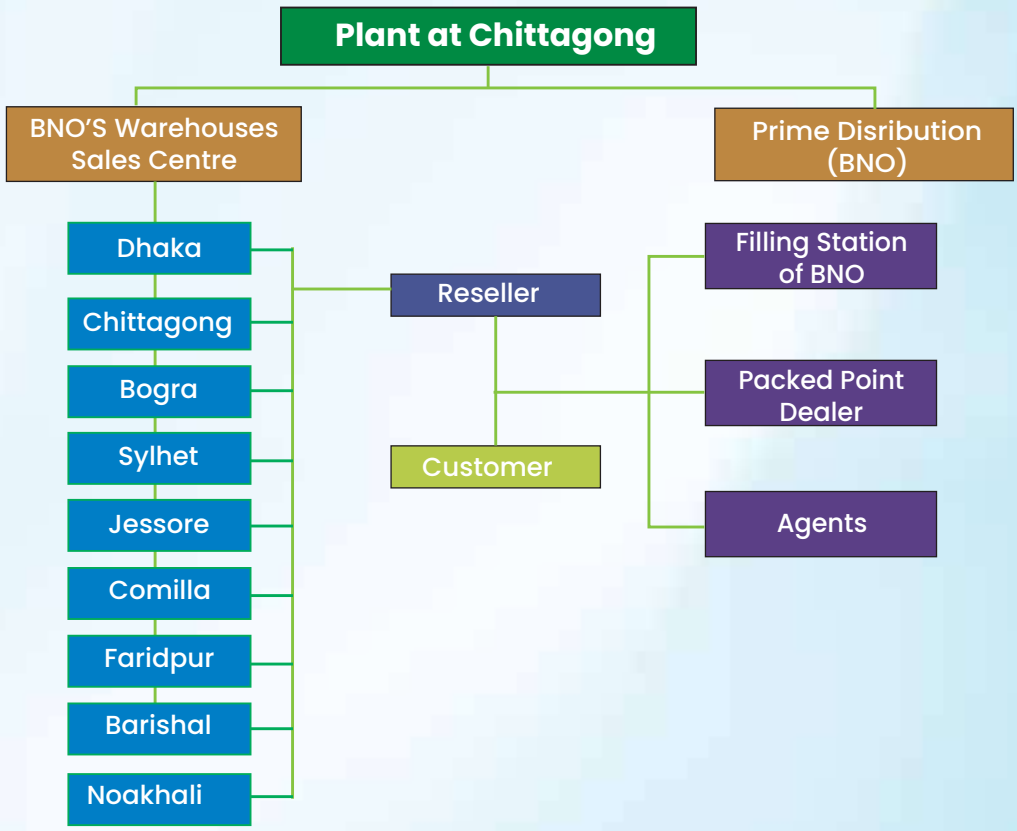


DISTRIBUTION CHANNEL. EXPORT POSSIBILITIES AND EXPORT OBLIGATIONS, IF ANY:

TRADING AND RING THE BELL CEREMONY

To meet the sophisticated needs of our customers, the company has structured its distribution network into two segments: Industrial and Automotive. The distribution of industrial products is fully controlled and monitored by the company's management, ensuring quality and consistency. Automotive products are distributed through an extensive dealer network or delivered directly to customers, utilizing a combination of transport methods.
The company fulfills orders from both its factory premises and dedicated warehouse facilities, ensuring reliable and timely delivery to meet customer demands.

DISTRIBUTION PROCESS OF LUB-RREF (BANGLADESH) PLC:
The distribution process may demonstrate as follows:



Export Possibilities and Obligations:

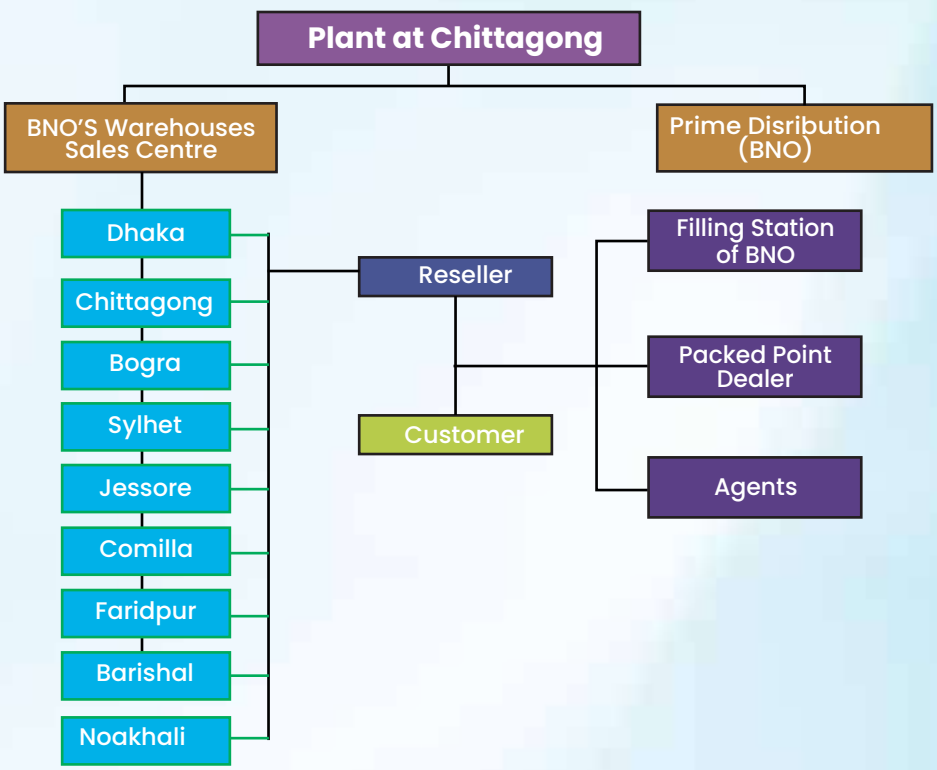
For many years, the export of petroleum products from our country faced strict limitations, restricting market expansion abroad. Recently, however, the Tariff Commission has lifted these restrictions, allowing lubricant manufacturers the freedom to pursue export opportunities without government-imposed obligations or constraints. This change enables the company to explore new international markets and expand its customer base beyond national borders.

DISTRIBUTION CHANNEL. EXPORT POSSIBILITIES AND EXPORT OBLIGATIONS, IF ANY:

The company's distribution is organized into Industrial and Automotive segments. Industrial products are directly managed to ensure consistent quality and reliability, while Automotive products are delivered through a broad dealer network and direct-to-customer channels using flexible, multi-modal transportation. Orders are fulfilled from modern manufacturing facilities and strategically located warehouses, leveraging technology and optimized logistics to ensure timely, accurate, and dependable delivery. This approach enables the company to meet evolving customer expectations while maintaining high service standards.

DISTRIBUTION PROCESS OF LUB-RREF (BANGLADESH) PLC:

The distribution process may demonstrate as follows:



Export Possibilities and Obligations:

Historically, the export of petroleum products from Bangladesh faced strict regulatory restrictions. Recent policy reforms, including the draft Export Policy 2024-27 and eased financing and incentive measures, have created a more favorable environment for lubricant manufacturers to expand internationally.

The company currently exports to key regional markets such as Nepal, Myanmar, and the eastern provinces of India, strengthening its brand presence. With supportive government policies and growing demand for high-quality lubricants, the company is well-positioned to explore new markets, enhance its international footprint, and pursue sustainable global expansion.

BNO Branding Strategy

At BNO, we view branding as a cornerstone of sustainable business success. In today's competitive landscape, a brand is far more than a name, symbol, or logo—it is a living identity that shapes how customers perceive, experience, and trust a company. While branding once served primarily as a means of identifying product origin, it has evolved into a powerful strategic asset that influences customer experiences, drives loyalty, and strengthens long-term relationships.

Our dedicated branding team plays a pivotal role in defining and elevating the BNO brand across all touchpoints. We believe that a strong brand represents a promise of quality, reliability, and consistency. It simplifies customer decisions, reduces perceived risks, and builds lasting confidence. Beyond the product itself, our brand is shaped through marketing communications, customer interactions, feedback, and corporate reputation—making branding integral to our overall marketing strategy.

A robust brand enhances advertising effectiveness, guides channel placement decisions, and establishes brand equity as a vital long-term corporate asset. The strength of the BNO brand is reflected across three key markets:

1. **Customer Market:**

   Our brand fosters customer loyalty, supports faster and more confident purchase decisions, and positions BNO as a trusted and preferred choice.

2. **Product Market:**

   BNO represents a benchmark of quality, reliability, and innovation, helping our products remain competitive and distinctive in a dynamic market.

3. **Financial Market:**

By strengthening brand loyalty and expanding market share, our brand significantly contributes to the company's financial stability, long-term value, and investor confidence.

Together, these impacts build brand equity—the cumulative value and influence of our brand.

Branding in the Bangladeshi Context

Branding in Bangladesh has deep historical origins, introduced by multinational companies during the pre-liberation era. Over time, the domestic branding landscape has matured, and the country has become a thriving hub for successful local brands.

BNO is proud to stand among these prominent Bangladeshi brands, representing a legacy of trust, performance, and national pride. Our branding strategy is rooted in clear differentiation, authenticity, and genuine engagement with our audience. We recognize that in Bangladesh, successful brands go beyond product excellence—they build emotional resonance, uphold national values, and reflect the aspirations of the people.

Aligning our brand with the spirit of Bangladesh is therefore a key pillar of our long-term strategy.

Our Commitment to Future Growth

To further strengthen our brand, we remain committed to continuous brand development and disciplined brand management. Our long-term vision is to position BNO as a respected brand not only in Bangladesh but also on the global stage.

In line with this vision, we have made significant investments in branding and promotional activities during the 2023–2024 period. These initiatives lay a solid foundation for enduring brand strength, wider market recognition, and sustainable growth both locally and internationally.

09-02-2025

Participation at

JCI Carnival Fair-2025





20-09-25

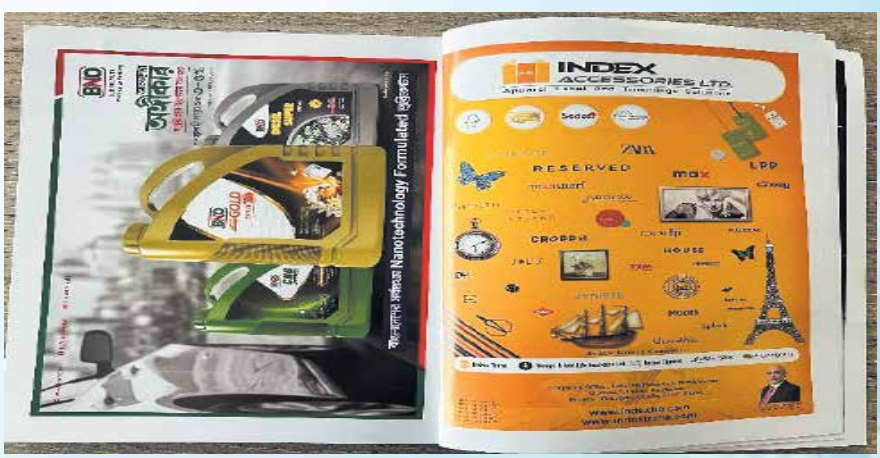
Participation at Road to Made in Bangladesh-Automobiles and Agro Machinery Fair





20-09-25

Bangladesh Chamber of Industries Magazine Advertisement




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Wind Energy
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FOOD

LAB SERVICES:

Lub-rref (Bangladesh) PLC has significantly advanced its third-party laboratory services by offering them through its modern, fully equipped Lube & Fuel Testing Laboratory. The facility features testing apparatus sourced from leading American and European manufacturers and conducts analyses in strict conformance with the most recent ASTM International (ASTM) and Institute of Petroleum/IP test methods.

Our laboratory is officially accredited by the Bangladesh Accreditation Board (BAB) under the ISO/IEC 17025:2017 standard (valid until 21 December 2027) for testing of petroleum products, a clear demonstration of our competence and global acceptance of our reports.

We participate regularly in the ASTM Inter-Laboratory Cross-check Program, reinforcing our accuracy, reliability, and credibility across nearly all test cycles.

Our services cover a comprehensive range of products, including lubricating oils, Heavy Fuel Oil (HFO), Transformer Oils, Hydraulic Oils, Greases, and more. For the power sector in particular, we have introduced advanced services such as Dissolved Gas Analysis (DGA) for early fault detection in transformers, and screening for PCBs in transformer oils, thereby helping reduce unplanned outages and mitigate environmental/health risks.

Clients served include power generation, cement, steel manufacturing, bunker & marine, transport, textile, RMG, and other heavy industrial segments.

Importantly, we offer on-site oil testing services for key customers in the power sector and other industries needing rapid diagnostics. Tests such as breakdown voltage, moisture content by Karl Fischer, and particle count (NAS/ISO) are available at client sites.

Looking ahead, the company plans to expand the laboratory scope into metallurgy, consumer product testing, and food safety & quality testing, aligning with emerging market demands and regulatory drivers.



FUTURE PROJECTS

Lub-rref (Bangladesh) PLC. is a State-Of-The-Art Lube Blending Plant for the production of new-generation lubricating oils introducing a modern accredited laboratory for Quality Assurance of its products and in-service oil condition monitoring services to valued customers and 3rd party testing of lubricants and fuel oils. For testing services Lub-rref (Bangladesh) PLC. follows the latest ASTM, ISO, and IP test methods with the most advanced & sophisticated lab equipment mostly imported from American and European sources. In a very short time, Lub-rref (Bangladesh) PLC has been able to secure a good market share and can make Bangladesh self-sufficient and self-reliant in the lube processing sector and also garner into the international market with ease. However, within a very short period, "BNO Lubricants" products are being exported to Nepal. Its dedicated team works round-the-clock to export "BNO Lubricants" products to other regional markets are on, as well. Lub-rref has established a reputation for unmatched technical support and liaison with the end customers ensuring correct choice and applications of lubricants.



MARKET OPPORTUNITIES IN BANGLADESH

Bangladesh's lubricants industry is an inherent part of the country's core sectors with lubricants being used across a wide range of industries including railways, power plants, automobiles and transportation, marine, aviation, process and manufacturing plants, and most major industrial facilities, the industry's prospects are strongly correlated with the economic growth of the nation. The lubricants industry in Bangladesh is growing at about 3% every year. One of the biggest drivers of optimism is the fact that though the organized sector controls about 60% of the market's cumulative demand, the share of the unorganized sector is progressively declining in favor of the organized players. This share of transfer can be attributed to the growing recognition of the value of performance-driven branded lubricants, wide availability, distinctive packaging, and cost-effective propositions. One of the other drivers of growth of the industry is the fact that within the GDP composition of the country, the government is focused on enhancing the share of industrial-manufacturing output and since lubricants are un-substitutable, non-replaceable products consumed in any machinery with moving parts, its demand will also increase in tandem. On the automotive front, almost 80,000 passenger vehicles are added to the roads of the country every year, as per the Bangladesh Road Transport office. This not only points to robust and sustainable OEM demand but also offers the opportunity of a large and thriving placement market;

- That the present market size of Lubricants and Allied Products in Bangladesh is estimated to be 160,000 MT PA
- The production capacity of Lub-rref (Bangladesh) PLC, after BMRE, would be 12,494 MTPA constituting about 7.81% of the total market size and quality to be improved substantially

- Out of the 160,000 MT market volumes, a huge quantity is imported and occupied by the private sector importers and foreign brands indicating that there is still a wide market gap.
- Of all the local brands we are building one of the biggest industrial infrastructures as compared to both private and public sector lubricating Blenders
- The lubricant business is mostly dominated by Multinational Companies due to their strong OEM (original equipment manufacturer) support
- We further affirm that Lub-rref (Bangladesh) PLC has recently acquired the world's prestigious Car Maker BMW approval and is now on the way to acquiring more approvals like Toyota, Cummins, Man, Volvo, Wartsila & Jenbacher for Industrial Lubricants.

FUTURE PROJECTS BACKGROUND

EXPANSION OF THE COMPANY:

With decades of experience in the production and distribution of various Lubricants, Lub-rref (Bangladesh) PLC. has planned for the expansion of its business and products. The expansion plan intends with a view to balance, modernize and diversify the existing operations. The company has acquired 40.0 Acres of Land across the Karnaphuli River at Juldha in the Chattogram Port Area on which the expansion project of the company will be established. The Company has the plan to set up a Petrochemical Industrial Hub in the area with a vision to make it a Special Economic Zone (SEZ) namely Juldha Industrial Park. In the journey to be a prominent business conglomerate, the company has already started to work on expanding its business portfolio in related business sectors of Lubricants by setting up manufacturing facilities of Group-II Base Oil Refinery with a Hydrogen! Plant to fulfill in-house demands and distribute the products Globally as these are the only and first-ever projects in the history of the country. The development plan also includes the establishment of related infrastructure business including a Specialized Bitumen plant, Liquid Storage Facility (Tank Terminal), Berth Operating Jetty for creating a Supply Logistics business wing to facilitate transportation & shuttling of imported raw materials/ chemicals, fuel oil the finish products.

The Capacity of the Projects are listed below

Sl. No.	Description	Capacity
1.	Group - II Base Oil Refinery Individual	70,000 MTPA
2.	Hydrogen Plant	1000 MCH
3	Tank Terminal	100,000 MTPA
4	Specialized Bitumen Plant	30,000 MTPA
5	Captive Power Plant	As Apposite
6	Multipurpose berthing Jetty	5 to 10 Thousand Ton DWT Ship.

BASE OIL REFINERY AND HYDROGEN PLANT

The Base Oil Refinery will be the first 'state-of-the-art' setup in Bangladesh. Through this Bangladesh will enter into the world of Base Oil producing the map. This Oil Refinery project will save our environment and natural resources and also valuable foreign currency. It will further provide valuable employment opportunities to many and make workers proficient in handling world-class technology. This project will be 70,000 metric tons per annum of capacity, so overall it will reduce the dependency on imports and might, as well, export in the future. The company will also be producing the first commercially producing

hydrogen plant in Bangladesh and Developing a perennial source of hydrogen for the country.



TANK TERMINAL

Another prominent development will be the Tank Terminal. The company will develop and increase the national liquid base energy storage capacity and security. This project will be of 1,00,000 (One hundred thousand) metric tons of storage capacity. It will significantly reduce storage, import, and transportation costs. This will be constructed based on state-of-the-art technology considering the environment.



MARKET ASPECT, TOTAL REQUIREMENT, EXISTING CAPACITY, AND SUPPLY GAP FOR TANK TERMINAL

The project is basically designed to set up a tank terminal comprising 32 tanks having a storage capacity of 100,000 M. Tons of liquid fuel oils and chemicals like CDSO, Lube base oil, Bitumen, Condensate, and Solvents. The project will meet the demand for storage of liquid fuel oil products of all the using sectors for a certain period of time on a rental basis which is considered to be the main source of revenue earning of the project.

POTENTIAL USERS

- Oil Refinery in the public and private sector
- Edible oil Industries for Degummed soybean and Palm crude oil
- Captive/Rental powerhouses needing liquid fuel like HSFO (High sulfur furnace oil)
- Industries having no gas connection use HSFO as burning fuel for their furnace and boilers
- A Large number of brickfields having no gas supply or coal use HSFO as a liquid fuel
- Natural gas condensates fractionation plants, as permitted in the private sector
- Ocean-going vessels (Bunker fuel)

At present, Eastern Refinery is the only producer of furnace oil in the public sector. The annual production capacity of the unit stands at 3, 00,000. 00 per annum. Apart from the public sector, a substantial volume of furnace oil is imported by the private sector enterprises which are approximately double the above quantity. Thus, the total volume of the requirement of the storage facility comes to 9,00,000.00 M. T per

annum. To meet the above requirement there are only 4(four) tank terminals having a total storage capacity of 4, 50,000.00M. T. Hence, the supply gap stands at 4,50,000.00 M. Ton. Thus, the project would be able to utilize its full capacity on the basis of furnace oil only in the existing market situation. If the demand for such a facility from other end users as mentioned above is taken into consideration, the project will need immediate expansion after this 1st phase of development.

SPECIALIZED BITUMEN PLANT



The Specialized Bitumen plant will be an effort of the group to contribute to the development program of the Government in the transportation sectors reducing the shortage of supply of special quality bitumen for constructing roads & highways with same. These expansions and diversify action plans of the company are expected to contribute significantly to the GDP through valuable foreign currency.

MARKET ASPECT, TOTAL REQUIREMENT, EXISTING CAPACITY, AND SUPPLY GAP FOR SPECIALIZED BITUMEN PLANT

The lone asphaltic bitumen plant in the country was set up in the late seventies having an installed

The capacity of 80,000 tons annually, whereas with the growth of the transport sector along with quick urbanization, the demand for bitumen has increased to about 2,00,000 tons a year. In the context of the present situation, the rest amount of the total requirement is met through import. The import is done both in barrels and bulk in tankers, mostly from the Middle East and Asia Pacific regions. Therefore, there is ample opportunity for loading and unloading imported bitumen in bulk in the Shore Tanks from where it can be marketed in barrels form and bulk road tankers after processing the same to its desired special quality. In this mission of development, the company has planned to establish an Industrial Park/SEZ at Juldha, Karnaphuli of Chattogram District, wherein the company has already secured 40.0 Acres of Land.

WORKS THAT ARE ALREADY COMPLETE TOWARDS JULDHA INDUSTRIAL PARK LAND & STATUARY

LAND & STATUARY:

- The accusation of Project Lands

- Signing Agreement with Chittagong Port Authority (CPA) – Estate
- Signing Agreement with Chittagong Port Authority (CPA) Agreement- Traffic
- Obtained CPA Approved Jetty drawing
- Obtained Environmental Clearance
- Obtained Bangladesh Investment Development Authority (SIDA) Clearance
- Obtained Demand notes for Gas connection & Pipeline construction
- Obtained Local Government clearance
- Obtained Land use Clearance from Chittagong Development Authority (CDA)
- Obtained Height Clearance from the Civil aviation authority
- Obtained Bangladesh Energy regulatory commission (BERG) permission.
- Obtained Bangladesh Petroleum Corporation Agreement

PROJECT DEVELOPMENTS:

- Signing Technology licensing agreement for a Re-refinery project with an American company & acquired Basic Engineering Design (BED) Documents
- Signing Design, Drawing & EPCMO agreement signed with Local & Norwegian Company for Tank Terminal & Berth Operating Jetty Project
- Signing Agreement with Western Marine for preparing primary Design & drawing for Tank terminal & Jetty project
- Signing an Agreement with Prime Bank Investment Ltd. for raising necessary project finance for the first phase
- Preparing Market Feasibility with Financial Analysis
- Preparing Primary Layout for Tank terminal & Jetty
- Preparing Retaining wall designee
- Preparing Primary cost components for Tank terminal & Jetty
- Preparing Channel survey report
- Preparing Offshore & Onshore Sub-soil investigation report
- Preparing Land Digital survey
- Obtaining LOI from interested tenants for Tank Terminal rental
- Engaged Project development Advisory Consultant
- Signing EPCF Agreement with Chinese Company
- Tours & travels to have experiences on these similar projects.
- Tours & travels to have experiences on these similar projects

Tasks we have completed in the Field

- Conducting digital survey on project land
- Defining Highest Flood level and Free float
- Mobilize Land filling Equipment for land filling
- Completed land filling of southeastern part & approach road of the project
- Acquired additional land and transformed it into a pond for fishing.

Digital Survey on Project Land

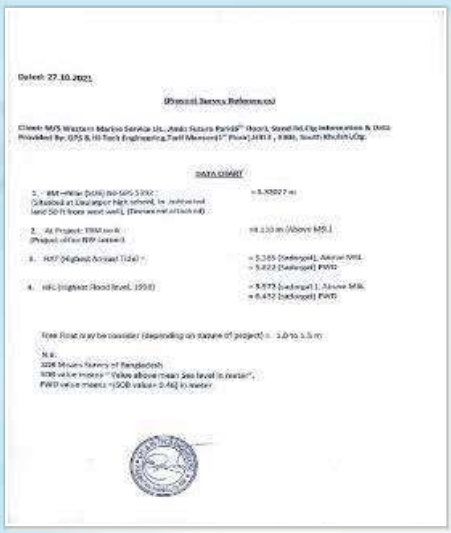




Synopsys of the work completed in the Field

Defining Highest Flood level and Free float





Dated: 27.10.2021

(Hydrographic Survey Reference Data)

Client: M/S Western Marine Service Ltd., Jamuna Fertilizer Project, Anwara, Chittagong & Data Provided By: GPS & Hi-Tech Engineering, Tariff Mansion (7th Floor), 2/B/3, Dilkusha C/A, Dhaka-1000.

DATA CHART

1. BM =Mark (RDM) by GPS Survey: Situated at Uttar Jaljor High School, In Jaljor land (50 ft from west wall), (Permanent attach mk)	= 5.92027 m
2. At Project: TBM no-6 (Project office RPP Jaljor)	= 4.110 m (Above MSL)
3. HAT (Highest Annual Tide) =	= 5.265 (Indengel), Above MSL = 5.222 (Jaljor gel) PWD
4. HFL (Highest Flood level, 1998)	= 5.573 (Jaljor gel), Above MSL = 6.472 (Jaljor gel) PWD

Free Float is to be consider (depending on nature of project) = 1.0 to 1.5 m

N.B.:
1. All Levels Survey of Bangladesh
2. RDM value means = "Value above mean Sea level in meter",
PWD value means = "SOB value - 2.44) in meter



Overview of the landfilling equipment mobilization at Juldha.









Overview of the Juldha project landfilling and progress on the river embankment work.







Approach Road and New Pond site





Soil compaction & approach road construction





For Re-refinery portion Land leveling & Dressing work almost completed (80%-85%)



For Re-refinery portion Land leveling & Dressing work almost completed (80%-85%)

GLOBAL ACCEPTANCE

BAB

BANGLADESH ACCREDITATION BOARD

ACCREDITATION CERTIFICATE

Issued under the authority of Bangladesh Accreditation Act, 2006
by Bangladesh Accreditation Board (BAB), Ministry of Industries to

Lub-rref (Bangladesh) Ltd. [BNO Lubricants]

B-6 (Part) 9-10 & 23-24, BSCIC Industrial Estate, Block-A

P.O:Custom Academy Sagarika Road, Chittagong, Bangladesh.

This is to certify that this
Testing Laboratory
is accredited in accordance with the international standard
ISO/IEC 17025:2017
in respect of the associated scope, subject to the terms and conditions governing the relevant conformity assessment body (CAB) accreditation.

Certificate Number	:	**01.010.13**
Accreditation Date	:	**22 December 2013**
Date of Issuance	:	**19 March 2025 (5th Renewal)**
Date of Expiration	:	**21 December 2027**

CERT. NO. 01.010.13
BAB
BANGLADESH ACCREDITATION BOARD
Accredited for ISO/IEC 17025:2017

GLOBAL BAB ACCREDITED ACCEPTANCE

19.03.2025
Md. Anwarul Alam
Director General

This certificate must be returned on request; reproduction must follow BAB guidelines. For the specific scopes to which this accreditation applies, please refer to the Directory of CABs at BAB website.

DNV

MANAGEMENT SYSTEM CERTIFICATE

Certificate no.:
187470-2015-AQ-IND-RvA

Initial certification date:
09 November 2012

Valid:
09 November 2024 – 08 November 2027

This is to certify that the management system of

Lub-rref (Bangladesh) Ltd.

B-6 (Part), 9-10 & 23-24, BSCIC Industrial Estate, Block-A, Sagarika Road, Chittagong, Bangladesh, 4219

and the sites as mentioned in the appendix accompanying this certificate

has been found to conform to the Quality Management System standard:

ISO 9001:2015

This certificate is valid for the following scope:

Blending and marketing of automotive, industrial, marine & power plant lubricants

Place and date:
Barendrecht, 04 November 2024

For the issuing office:
DNV - Business Assurance
Zwolseweg 1, 2994 LB Barendrecht, Netherlands

Erie Koek
Management Representative

Lack of fulfilment of conditions as set out in the Certification Agreement may render this Certificate invalid.

ACCREDITED UNIT: DNV Business Assurance B.V., Zwolseweg 1, 2994 LB, Barendrecht, Netherlands - TEL: +31(0)102922689. www.dnv.com/assurance

Certificate no.: 187470-2015-AQ-IND-RvA
Place and date: Barendrecht, 04 November 2024

Appendix to Certificate

Lub-rref (Bangladesh) Ltd.

Locations included in the certification are as follows:

Site Name	Site Address	Site Scope
Lub-rref (Bangladesh) Ltd.	B-6 (Part), 9-10 & 23-24, BSCIC Industrial Estate, Block-A, Sagarika Road, Chittagong, Bangladesh, 4219	Blending of automotive, industrial, marine & power plant lubricants
Lub-rref (Bangladesh) Ltd.	Rupayan Trade Center, Space #5, (7th Floor), 114, Kazi Nazrul Islam Avenue, Dhaka, Bangladesh, 1000	Marketing of automotive, industrial, marine & power plant lubricants

DNV

MANAGEMENT SYSTEM CERTIFICATE

Certificate no.:
245243-2017-AE-IND-RvA

Initial certification date:
20 September 2017

Valid:
20 September 2023 – 19 September 2026

This is to certify that the management system of

Lub-rref (Bangladesh) Ltd.

B-6 (Part), 9-10 & 23-24, Block-A, BSCIC Industrial Estate, Sagarika Road, P.O: Custom Academy, Chittagong, Bangladesh, Bangladesh, 4219

has been found to conform to the Environmental Management System standard:
ISO 14001:2015

This certificate is valid for the following scope:
Blending of Automotive, Industrial, Marine & Power Plant Lubricants

Place and date:
Barendrecht, 09 August 2023

For the issuing office:
DNV - Business Assurance
Zwolseweg 1, 2994 LB Barendrecht, Netherlands

Erie Koek
Management Representative

Lack of fulfilment of conditions as set out in the Certification Agreement may render this Certificate invalid.
ACCREDITED UNIT: DNV Business Assurance B.V., Zwolseweg 1, 2994 LB, Barendrecht, Netherlands - TEL: +31(0)102922689. www.dnv.com/assurance

DNV

MANAGEMENT SYSTEM CERTIFICATE

Certificate no.:
10000384586-MSC-RvA-IND

Initial certification date:
23 November 2020

Valid:
23 November 2023 – 22 November 2026

This is to certify that the management system of

Lub-rref (Bangladesh) Ltd.

B-6 (Part), 9-10 & 23-24, Block-A, BSCIC Industrial Estate, Sagarika Road, P.O: Custom Academy, Chittagong, Bangladesh, Bangladesh, 4219

has been found to conform to the Occupational Health and Safety Management System standard:
ISO 45001:2018

This certificate is valid for the following scope:
Blending of Automotive, Industrial, Marine & Power Plant Lubricants

Place and date:
Barendrecht, 09 August 2023

For the issuing office:
DNV - Business Assurance
Zwolseweg 1, 2994 LB Barendrecht, Netherlands

Erie Koek
Management Representative

Lack of fulfilment of conditions as set out in the Certification Agreement may render this Certificate invalid.
ACCREDITED UNIT: DNV Business Assurance B.V., Zwolseweg 1, 2994 LB, Barendrecht, Netherlands - TEL: +31(0)102922689. www.dnv.com/assurance

Chairman's **Message**



Despite a challenging economic year marked by LC shortages and rising costs, Lub-rref (Bangladesh) PLC remained focused on stability and responsible growth. We continued supporting key markets while advancing our sustainability and Green Productivity initiatives. With disciplined management and the support of our shareholders and partners, we are strengthening our foundation for future recovery and long-term progress.

Dear Shareholders,

The year 2024 was marked by unprecedented economic turbulence in Bangladesh, yet our core values of **quality, resilience, and responsible growth** continued to guide our actions. Despite numerous operational and financial constraints, we remained committed to serving the market, protecting our brand equity, and safeguarding the long-term interests of our shareholders.

Performance Overview

During the year under review, Lub-rref (Bangladesh) PLC operated within one of the most challenging business environments since its listing. Severe liquidity shortages, restrictions on foreign currency availability, and continued volatility in raw material prices placed considerable pressure on our production and distribution activities.

Our revenue for the year amounted to BDT 646.09 million, reflecting the industry-wide slowdown driven by LC constraints and weakened domestic demand. Although the company incurred a net operating loss primarily due to high banking interest rates, exchange rate fluctuations, elevated input costs, and underutilized production capacity we take pride in having maintained uninterrupted operations at a time when many organizations were compelled to scale back.

Amid these headwinds, the strength of our product portfolio, the resilience of our brand, and the dedication of our employees enabled us to navigate this

difficult period with determination and stability.

Economic Environment in Bangladesh – 2025

The economic environment in Bangladesh continues to be shaped by:

- **Severe foreign currency shortages,** restricting LC openings and import capacity
- **Sharp depreciation of the Bangladeshi Taka**, raising the cost of essential raw materials
- Persistent inflationary pressure, reducing consumer purchasing power
- A fragile political and business environment affecting investment and trade
- Increased financial stress across industries due to higher borrowing costs

These macroeconomic factors have had a direct and immediate impact on the lubricants sector, which remains heavily dependent on imported base oil and additives.

Navigating the Challenges

Throughout 2024-2025, our major operational challenges stemmed from:

1. Foreign Currency Restrictions

The inability to secure LC facilities drastically reduced our access to essential raw materials. This resulted in reduced production volumes, longer lead times, and an inability to meet full market demand.

2. Rising Input Costs

The depreciation of the Taka, combined with global price increases for base oil, additives, packaging materials, and energy, increased the cost of production significantly.

3. Liquidity Pressure

Limited cash flow restricted our ability to maintain optimal raw material inventories and support expansion plans. To sustain operations, we were required to reinvest earnings as working capital.

4. Declining Market Consumption

Reduced purchasing power across customer segments led to weakened demand even for essential industrial and automotive lubricants.

Despite these adversities, we continued to adjust pricing strategies, optimize resource utilization, and adopt efficiency-focused operating models to minimize financial impact on our customers and partners.

Progress and Constraints on the BMRE Project

The BMRE (Balancing, Modernization, Rehabilitation and Expansion) project remains a cornerstone of our long-term growth plan. Upon completion, this project will significantly reduce our reliance on imports, increase our refining capacity, and unlock new export opportunities.

However, due to prolonged liquidity constraints and unmet commitments from financial partners, the BMRE project remains partially stalled. While necessary equity has been raised and key technological and infrastructural foundations are in place, external financing—which is critical for full implementation—has not yet materialized.

We remain actively engaged with financial institutions and stakeholders to revive and advance this strategic project.

Resilience Amidst Market Disruptions

Although our revenue contracted significantly due to supply chain limitations, our strategic focus on brand strength, customer relationships, and operational integrity has enabled us to weather the downturn. Key challenges included:

- Restricted LC support from banking partners
- Shortages of raw materials in the local market

- Substantial underutilization of manufacturing capacity
- Suspension of BMRE expansion activities

To address these issues, we are exploring alternative financing channels, restructuring our operational processes, and strengthening stakeholder engagements to restore stability and improve liquidity throughout 2025.

Strong and Evolving Governance System

The Board of Directors continues to strengthen the governance framework to support long-term sustainability. The Management Committee for 2024–2025 remains focused on strategic investments, risk evaluation, and monitoring of ongoing projects.

The expertise of:

- Mohammad Rafiqul Alam, FCMA – contributing to audit and financial oversight
- Masuda Sultana, FCS, ACA – bringing strong professional experience, corporate governance insight, and leadership as a seasoned female executive
- Lieutenant Colonel MD Imran Azad (Retd.) – enhancing governance through leadership, discipline, and sectoral insights

Together, their knowledge, integrity, and oversight continue to enhance our decision-making capabilities and reinforce a culture of accountability and operational excellence across the organization.

Outlook for 2025 and Beyond

As we enter 2025, our strategic priorities include:

- Restoring full production capability through improved access to foreign currency
- Strengthening liquidity through alternative financing and optimized working capital
- Reviving and advancing the BMRE project to unlock growth potential
- Expanding market presence across automotive, industrial, and marine segments
- Driving innovation through Green Techno Ventures and sustainability-focused initiatives
- Enhancing governance and operational transparency

While the economic situation remains challenging, we remain confident that Lub-rref's resilience, strong brand positioning, and committed leadership will allow us to overcome current constraints and position the company for sustainable long-term growth.

Sincere Thanks

On behalf of the Board of Directors, I extend my sincere appreciation to our valued shareholders, employees, distributors, and partners for their unwavering trust and support during this difficult period.

Your confidence inspires us to continue working diligently to transform challenges into new opportunities. I also express my gratitude to my fellow Board members for their strategic insight and leadership during these testing times.

Together, we remain committed to securing a stronger, more sustainable, and more successful future for Lub-rref (Bangladesh) PLC.

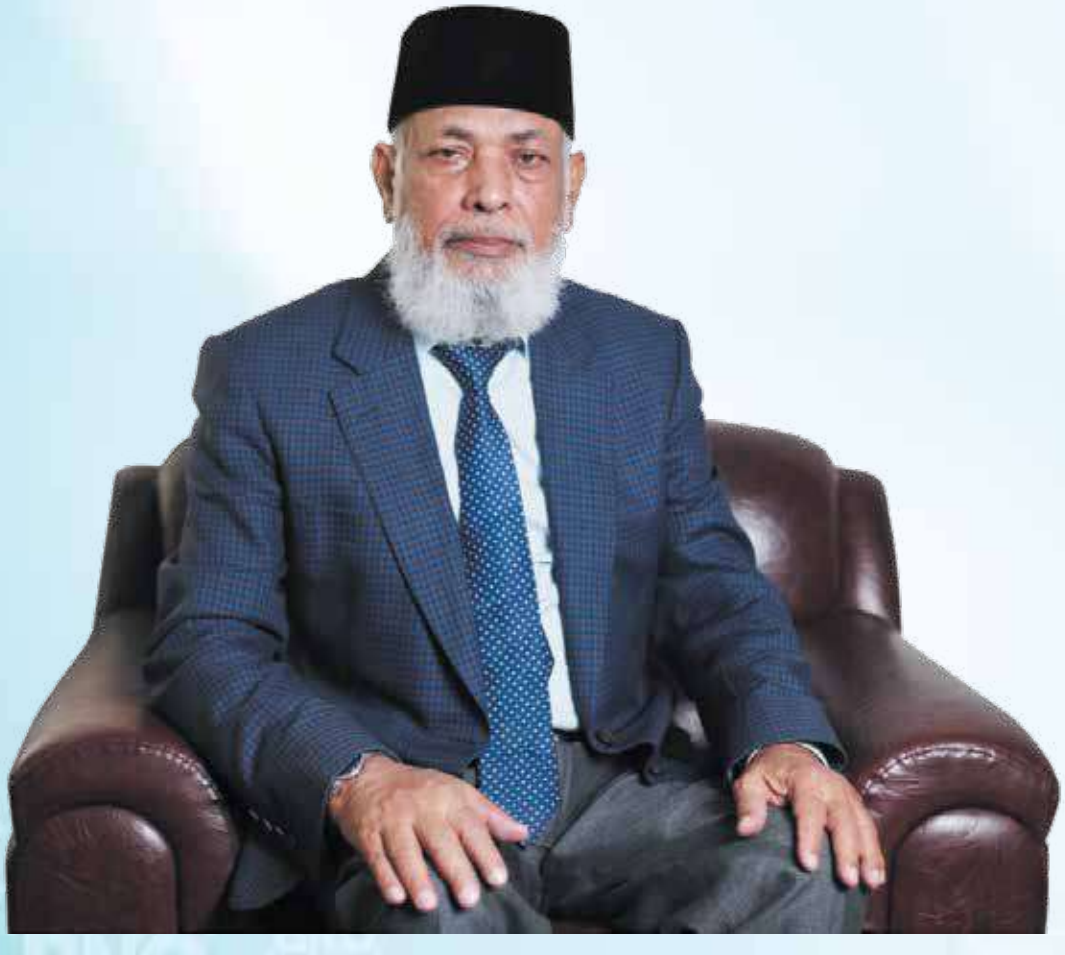
Sincerely,



Rubiya Nahar
Chairman, Board of Directors
27 November 2025

Managing Director's Review

Despite global and domestic challenges, Lub-rref (Bangladesh) PLC achieved steady revenue performance, expanded its market presence, and strengthened production capacity with improved operational efficiency. We introduced eco-friendly, innovative products and enhanced supply chain resilience while tightening cost management. Looking forward, we remain focused on product diversification, export readiness, and digital transformation to drive sustainable growth.



Dear Valued Shareholders,

Dear Valued Shareholders,

It is my privilege to present the Annual Report of **Lub-rref (Bangladesh) PLC** for the financial year ended **June 30, 2025.** This year has tested our resilience, but it has also demonstrated our ability to adapt, innovate, and stay true to our long-term vision.

Business Performance & Financial Highlights

- Even amid a turbulent macroeconomic environment including volatile global markets, steep raw material costs, and currency fluctuation, as well as a high rate of banking interest, we maintained operational continuity and delivered strong production performance.
- Our revenue growth, particularly in the automotive and industrial lubricant sectors, underlines sustained demand despite widespread headwinds.
- We responded proactively by realigning our distribution strategy and recalibrating pricing, helping preserve competitiveness in a tough market.
- Operational discipline was reinforced through targeted cost optimization and efficiency-driven measures to absorb the impact of rising input costs.

Key Achievements

1. Market Expansion

- Expanded our geographic reach, penetrating under-served regions across Bangladesh.
- Leveraged digital platforms and new marketing approaches to deepen customer engagement.

2. Operational Efficiency

- Upgraded manufacturing facilities to boost capacity while maintaining high quality.
- Introduced automation and modern inventory management to optimize resource use.

3. Sustainability & ESG

- Implemented energy-efficient processes, reducing our environmental footprint.
- Partnered with sustainability-focused companies to roll out eco-friendly lubricant products.
- Continued CSR efforts in education, healthcare, and environmental conservation — contributing positively to our communities.

4. Innovation & R&D

- Launched new high-performance lubricants tailored to evolving customer needs.

- Strengthened our R&D backbone to drive continuous product innovation aligned with international benchmarks.

Challenges & Strategic Response

- **Currency Depreciation:** The sharp fall of the Bangladeshi Taka raised the cost of imported raw materials. In response, we optimized costs, diversified sourcing, and improved financial planning.
- **Supply Chain Strain:** Delays in import clearances and rising freight costs tested our supply chain. We responded by enhancing inventory planning and deepening engagements with suppliers.
- **High Banking Interest Rates:** The continuous accumulation of bank interest, coupled with slower sales proceeds, created additional financial pressure. To address this, we focused on better cash-flow management, strategic debt planning, and measures to accelerate collections and sales efficiency.

Future Outlook

Looking ahead, we remain **cautiously optimistic**. Key pillars of our forward strategy include:

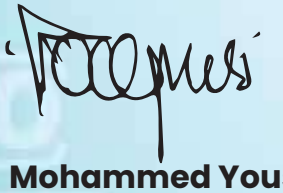
- Broadening our product portfolio to meet a wider range of customer needs.
- Building export readiness and exploring new regional markets.
- Harnessing digital transformation to improve operational efficiency, customer experience, and market responsiveness.
- Accelerating our commitment to **sustainable growth**, with ESG (Environmental, Social, and Governance) principles deeply embedded in our roadmap.

Acknowledgment

None of our success this year would have been possible without the **unwavering dedication** of our team, the **strategic guidance** of our Board, and the **steadfast support** of you our shareholders, partners, and customers. Your trust continues to fuel our ambition.

On behalf of Lub-rref (Bangladesh) PLC, I express my deep gratitude. Thank you for standing with us through a difficult year together, we will turn challenges into opportunities and build a stronger, more sustainable future.

Warm regards,



Mohammed Yousuf
Managing Director,
Lub-rref (Bangladesh) PLC


BNO
LUBRICANTS
Passion to Perform
Strong engine &
Smooth drive
only possible with
BNO GOLD 20W-50!
BNO GOLD
BNO GOLD

CFO Overview on the Financial Performance 2024-2025



CFO's Overview (FY: 2024-2025)

On behalf of the Board and Management, I am pleased to present the financial overview of **Lub-rref (Bangladesh) PLC** for the financial year ended **30 June 2025**. The year under review unfolded against a backdrop of macroeconomic headwinds, heightened financing costs, and sustained inflationary pressures across the industrial and manufacturing sectors. Notwithstanding these challenges, the Company continued its strategic investments in capacity enhancement and operational sustainability, while maintaining disciplined financial governance and positive operating cash flows.

Financial Performance Review

During FY 2024–25, the Company achieved **net revenue of BDT 646.09 million**, reflecting marginal growth over the previous year. However, profitability was materially constrained by a significant escalation in raw material prices, energy costs, and other production inputs. Consequently, **cost of goods sold increased disproportionately**, resulting in a **gross profit of BDT 30.14 million** and a compressed **gross margin of 4.66%**, compared to 20.33% in the preceding year.

Operating expenditures rose during the year, driven by higher administrative, compliance, and distribution-related costs necessary to sustain business continuity and market presence. As a result, the Company recorded an **operating loss of BDT 219.56 million**. Furthermore, the prevailing high-interest-rate environment substantially increased borrowing costs, leading to elevated finance expenses. Taking these factors into account, the Company incurred a **net loss after tax of BDT 662.67 million**, compared to a loss of BDT 107.46 million in FY 2023–24. Accordingly, **basic earnings per share (EPS)** for the year stood at **BDT (4.56).**

Financial Position and Capital Structure

As at **30 June 2025**, the Company's **total assets amounted to BDT 9.45 billio**n, reflecting prudent asset management and selective capital deployment. **Non-current assets of BDT 7.97 billion** continued to constitute the major portion of the asset base, underpinned by substantial investments in property, plant and equipment and ongoing capital work-in-progress associated with BMRE and efficiency improvement initiatives.

Shareholders' equity stood at BDT 4.75 billion, primarily impacted by the net loss for the year. The **paid-up share capital remained unchanged at BDT 1.45 billion,** while retained earnings declined to **BDT 1.28 billion**. Despite short-term earnings pressure, the Company maintained a solid asset-backed position, with **Net Asset Value (NAV) per share of BDT 32.72 including revaluation surplus and BDT 28.75 excluding revaluation.**

The Company continued to adopt a balanced capital structure through a judicious mix of long-term and short-term borrowings. **Non-current liabilities increased**, mainly due to additional long-term financing availed to support strategic capital expenditure, while short-term borrowings were comparatively rationalized to manage liquidity risk.

Cash Flow Management and Liquidity

A notable strength during the year was the Company's ability to generate **positive net cash flow from operating activities amounting to BDT 285.80 million**, underscoring the inherent cash-generating capacity of its core operations notwithstanding accounting losses. Cash outflows from investing activities were primarily attributable to capital work-in-progress and selective asset additions aligned with long-term growth objectives.

Financing cash flows reflected higher interest payments and scheduled debt servicing, consistent with the Company's financing commitments. As at year end, cash and **cash equivalents stood at BDT 217.20 million**, providing adequate liquidity to meet near-term operational and financial obligations. Management remains focused on strengthening working capital efficiency, optimizing cash conversion cycles, and maintaining prudent treasury practices.

Risk Management and Forward Outlook

The Board and Management remain cognizant of key financial risks, including volatility in raw material prices, interest rate fluctuations, and foreign exchange exposure. In response, the Company has intensified its focus on cost rationalization, operational efficiency enhancement, debt optimization, and phased commissioning of ongoing capital projects to improve capacity utilization and margin recovery.

Looking forward, the completion and stabilization of capital investments, coupled with anticipated normalization of financing costs and improved market dynamics, are expected to enhance operational performance and financial resilience. Management remains confident that the Company's robust asset base, experienced leadership, and positive operating cash flows will underpin sustainable value creation over the medium to long term.

Acknowledgement

I would like to express my sincere appreciation to the Board of Directors, shareholders, lenders, regulators, employees, and all other stakeholders for their continued confidence and support. The finance function remains steadfast in its commitment to transparency, regulatory compliance, and sound financial stewardship as the Company navigates current challenges and positions itself for future growth.

Board Of Directors



Mrs. Rubiya Nahar
CHAIRMAN



Mohammad Yousuf
MANAGING DIRECTOR &
DIRECTOR



Md. Salauddin Yousuf
DIRECTOR



Dr. Israt Jahan
DIRECTOR



Mohammed Rafiqul Alam, FCAM
INDEPENDENT DIRECTOR



Lieutenant Colonel
MD Imran Azad SGP SUP G (Retired)
NOMINATED DIRECTOR



Masuda Sultana, FCS, ACA
Proposed Independent Director

PROFILE OF
BOARD OF DIRECTORS



Mrs. Rubiya Nahar
CHAIRMAN

Mrs. Rubiya Nahar serves as the Chairman of Lub-rref (Bangladesh) PLC, bringing over 18 years of extensive business experience and strategic leadership to the organization. As a sponsor director, she is recognized as a dynamic entrepreneur and a prominent figure in Bangladesh's industrial sector, widely respected for her vision and business acumen. Born in 1956, Mrs. Nahar graduated from the University of Chittagong, laying the foundation for an impressive career in business and industry. She began her entrepreneurial journey by establishing Grease House Limited, a pioneering enterprise in the manufacturing of lubricants and greases. As Managing Director of Grease House, she honed her expertise in operational management, strategic growth, and market expansion, earning a reputation for excellence and innovation. Under her visionary leadership, Lub-rref (Bangladesh) PLC has achieved remarkable growth, strengthening its market presence and operational capabilities, and setting benchmarks for excellence in the sector. Her guidance has been instrumental in steering the company toward sustainable growth, innovation, and long-term value creation for all stakeholders. Beyond her professional achievements, Mrs. Nahar has cultivated a global perspective through extensive travel to strategic business hubs such as Singapore and Saudi Arabia, leveraging international insights to inform her leadership and drive cross-border business opportunities. Her dedication, strategic foresight, and entrepreneurial spirit continue to inspire the organization and its stakeholders, positioning Lub-rref (Bangladesh) PLC for sustained success in the future.



Mohammad Yousuf
MANAGING DIRECTOR

Mr. Mohammad Yousuf serves as the Managing Director of Lub-rref (Bangladesh) PLC, bringing decades of expertise, leadership, and strategic vision to the organization. Born in 1950, he completed his Master's Degree in Economics from the University of Chittagong, laying a strong academic foundation for a distinguished career in business and industry. Mr. Yousuf began his professional journey as a college lecturer, demonstrating early commitment to knowledge and leadership. In 1976, he transitioned into the industrial sector, co-founding Homeland Chemical Industries Limted, where he served as Partner-in-Charge of Marketing until 1978. Later that year, he ventured into the lubricant industry, gaining extensive knowledge and expertise in grease and lubricant production. He went on to establish Grease House Limited in Chittagong, leveraging financial support from Bangladesh Shilpa Bank and Islami Bank, marking the beginning of his long-standing contributions to the lubricant sector. Mr. Yousuf further enhanced his professional competence through foreign training in lubricant technology and participation in numerous international and domestic seminars, including management training programs conducted by ZDH & Techno Net Asia and the Bangladesh Petroleum Corporation (BPC) Training Institute, focusing on safety and operational excellence in the petroleum industry. Additionally, he received training from IMO on marine pollution and

engaged in seminars on quality control. Mr. Yousuf has represented the industry at several international forums, including the Fuel & Lubricants Asia Conference in Singapore (six times) and FUCHS management conferences in Jeddah, Saudi Arabia, Shanghai, Australia, and Germany. His extensive global exposure has informed his leadership and strategic decision-making, enabling him to adopt international best practices in Bangladesh's industrial landscape. As an industrial pioneer, Mr. Yousuf is actively involved in promoting industrialization in Bangladesh. He is a founding member of the National Association of Small & Cottage Industries of Bangladesh (NASCIB), where he served as Vice President for three terms, and he has contributed to various sub-committees of the Chittagong Chamber of Commerce & Industry (CCC&I). He is also a member of NLGI (USA) and an industrial member of the Society of Tribology & Lubrication Engineering (STLE, USA). Beyond his industrial contributions, he serves as a patron of multiple socio-economic, cultural, philanthropic, and sports organizations. Mr. Yousuf's entrepreneurial achievements include his tenure as Managing Director of FUCHS Bangladesh PLC and the establishment of FUCHS-GHL Lubricants Bangladesh PLC in 1998, a joint venture with FUCHS Petrolub AG of Germany, where he led the lube and grease blending operations for four years. Following this, he founded Lub-rref (Bangladesh) PLC, a state-of-the-art project for the production of new-generation lube base oil through hydro-finishing of refinery by-products and spent petroleum oils. Through his visionary leadership, Mr. Yousuf has driven innovation, operational excellence, and sustainable growth in the lubricant sector, positioning Lub-rref (Bangladesh) PLC as a market leader with global standards. His extensive travels across Asia Pacific, Europe, the United States, Brazil, and the Middle East have further strengthened his global perspective, enabling him to steer the company with foresight and strategic agility.



Md. Salauddin Yousuf
DIRECTOR

Mr. Md. Salauddin Yousuf is a distinguished Director of Lub-rref (Bangladesh) PLC, where he plays an active and strategic role in driving the company's continued growth and long-term sustainability. Born in 1982, he holds a Bachelor's degree in Business Administration and has steadily built a strong professional foundation, positioning himself as an emerging leader within the organization.

As the son of the company's visionary founder, Mr. Mohammed Yousuf, and Mrs. Rubiya Nahar, Mr. Salauddin carries forward a legacy of entrepreneurial excellence. At the same time, he brings fresh, progressive perspectives that align with the evolving global energy and lubricants landscape.

Over the years, Mr. Salauddin has been instrumental in strengthening the company's marketing framework, guiding brand development, and initiating organizational restructuring to enhance operational efficiency and performance. His leadership contributions have supported the company in adapting to new market challenges and aligning with modern corporate governance practices.

In addition to his executive responsibilities, Mr. Salauddin has undertaken extensive international travel for business and CSR-related engagements, visiting countries such as the USA, Canada, Australia, Japan, Singapore, and Saudi Arabia. These global exposures have broadened his strategic insight, enriched his understanding of international business standards, and strengthened his capability to contribute to the company's long-term vision.

With his dynamic leadership approach, forward-looking mindset, and strong commitment to organizational excellence, Mr. Md. Salauddin Yousuf continues to be a vital asset to Lub-rref (Bangladesh) PLC and stands as a promising leader for the company's future.



Dr. Israt Jahan
DIRECTOR

Mrs. Dr. Israt Jahan, born in 1980, is a respected member of the Board of Directors of Lub-rref (Bangladesh) PLC. She holds Bachelor of Medicine and Bachelor of Surgery (MBBS) degrees and has progressively expanded her leadership role within the company while simultaneously building a promising business career. With her strong professional discipline and strategic mindset, she is widely regarded as one of the company's future full-fledged leaders.

As the daughter of the company's founder, Mr. Mohammed Yousuf, and Mrs. Rubiya Nahar, Dr. Israt Jahan carries forward a legacy of commitment, innovation, and entrepreneurial vision. Over the years, she has played a significant role in strengthening the company's operational and governance framework.

Appointed to the Board in 2016, Dr. Israt Jahan has been actively involved in strategic planning, organizational development, human resource management, and key decision-making processes. Her expertise in time management, product branding and promotion, troubleshooting, and crisis management has yielded consistently positive outcomes for the company's growth and performance.

Her leadership influence extends beyond the local domain, as she has contributed to the establishment and oversight of various corporate initiatives both at home and abroad, earning recognition for her distinctive leadership qualities.

At present, she continues to serve with dedication as a Director of Lub-rref (Bangladesh) PLC, contributing significantly to the company's strategic direction and long-term sustainability. Her commitment, forward-looking approach, and dynamic leadership make her an invaluable asset to the organization.



Lieutenant Colonel
MD Imran Azad SGP SUP G (Retired)
Nominated Director of
Companigonj Agro Industries Ltd.

Lieutenant Colonel MD Imran Azad SGP SUP G (Retired) is a distinguished figure with over 33 years of notable service in the Bangladesh Army. Born in 1972 in Gaibandah, Imran's educational journey began at Bakalia Govt High School, Chattrogram, followed by Chittagong College. His military career took off when he enrolled in the 28th BMA Long Course at the Bangladesh Military Academy in 1991. Commissioned in the Corps of Artillery, Imran underwent extensive training, including specialized artillery, intelligence, and commando courses. He served in various capacities, such as an intelligence operative, senior record officer, and head of military institutions. His professional highlights include attending the VVIP Protection Course in Thailand and the International Training and Analysis Course in the UK and implementing the Electronic Money Transfer System for Bangladeshi soldiers.

Post-retirement, Imran continued his commitment to service by leading PROYASH Chattrogram, an institution for disabled children under the Bangladesh Army's

auspices. He also ventured into agriculture, establishing POUSH KRISHI PORIBAR in Noakhali District, significantly contributing to the farming sector. Married to Kuddesa Shir Ruhar since 1998, Imran is a proud father of two; his son is a software developer in Toronto, Canada, and his daughter studies Biotechnology at BRAC University. Imran Azad's life and career exemplify dedication to service, innovation, and community welfare, making a lasting impact both within and beyond the military sphere.



Mohammed Rafiqul Alam, FCMA
INDEPENDENT DIRECTOR

Mr. Mohammed Rafiqul Alam, FCMA, is an experienced finance and audit professional with over 32 years of service at the Chittagong Port Authority (CPA), where he held senior positions in Finance & Accounts, Internal Audit & Inspection, and Traffic Operations. His expertise covers financial reporting under IAS/IFRS, budgeting, cost and fund management, tariff formulation, tax and VAT compliance, and establishing effective internal audit systems.

He currently leads Rafiq & Associates, a cost audit and financial services firm. Mr. Alam is a Fellow Member of ICMAB and a member of the Institute of Management Accountants (IMA), USA. Academically, he holds a Master's in Accounting and a B.Com (Hons) from the University of Chittagong.

With international training and exposure to major ports in Europe and Asia, he has developed strong insights into global port operations and automation. He also contributed significantly to CPA's automation project, overseeing the implementation of 35 system modules.

Alongside his professional career, Mr. Alam has been an adjunct faculty member for 24 years at several leading universities, teaching accounting, finance, taxation, and auditing. He has also held leadership roles in various professional and social organizations.

Mr. Mohammed Rafiqul Alam brings strong financial governance, operational expertise, and strategic insight to the Board, making him a valuable asset to the Company.



Masuda Sultana, FCS, ACA
PROPOSED INDEPENDENT DIRECTOR

Ms. Masuda Sultana FCS, ACA is an Independent Director of Esquire Knit Composite PLC with 18 years of extensive experience in finance, accounts, governance, compliance, and capital markets. Previously, she served as General Manager and Group CFO of Sonargaon Textile Ltd. under Khansons Group. Associate Chartered Accountant (ACA) and Fellow Chartered Secretary (FCS), she is recognized for her expertise in governance, fiduciary responsibility, and ethical leadership. Ms. Sultana has contributed significantly to corporate governance, operations, risk, and compliance across leading institutions. She holds ACA (Enrollment No. 2430) from ICAB and FCS (Enrollment F-207) from ICSB. Her academic background includes B.Com (Hons) and M.Com in Accounting from Rajendra College under National University. She began her career at E-Securities Ltd. in 2008 in corporate affairs and compliance. Later, she joined Baira Life Insurance Co. Ltd. in 2009 as Joint Assistant Vice President (F&A) and Assistant Company Secretary. In 2013, she became Head of Finance and Company Secretary at EBL Investments Ltd., serving successfully for eight years. She then joined South Bangla Agriculture and Commerce Bank Ltd. in 2021. Ms. Sultana completed three years of article ship at G. Kibria & Co. under A. K. Gulam Kibria FCA. She served as Co-Chairman of the ICSB Technical Committee for the 8th and 9th Corporate Governance Excellence Awards. She also chaired the Professional Development for Women Sub-Committee at ICSB. She has strong credentials in project finance, corporate governance, and capital market practices. Her multidimensional experience includes HR, administration, QMS, corporate affairs, IP, and risk management. She is known for shaping governance culture and enhancing stakeholder value. She actively participates in seminars and professional development programs. Her leadership is marked by strategic insight and operational excellence.



STEERING GROUP



Mr. Dr. Khandaker Jakir Hossain
GM (Technical)

Mr. Khandaker Jakir Hossain is a distinguished technical leader with over 17 years of experience in quality control, research and development, and technical innovation. As General Manager (Technical) at Lub-rref (Bangladesh) PLC, he leads the Laboratory and Product Technical teams, ensuring the highest quality standards while driving innovative solutions to optimize operational efficiency and product excellence.

He holds a Ph.D. in Chemistry, with doctoral research focused on "Determination of Toxic Substances in the Environment and Developing Methods for Their Mitigation," underscoring his commitment to environmental sustainability and industrial safety. He also earned a Master of Science in Chemistry (Thesis Group) from the University of Chittagong in 2002. Mr. Hossain has presented pioneering research at leading forums, including the National Conference on Environmental and Analytical Chemistry, Pakistan (2005), and the Bangladesh Chemical Congress (2007). He has also participated in specialized training programs, both locally and internationally, to enhance his expertise in scientific innovation, environmental management, and sustainable industrial practices.

With a strong foundation in chemistry, extensive technical expertise, and proven leadership, Mr. Hossain continues to contribute significantly to industrial innovation, product development, and environmental preservation, driving Lub-rref's commitment to excellence and sustainability.



Mr. Mofijur Rahaman, CGIA
GM & CFO

Mr. Mofijur Rahaman is a seasoned finance professional with over 17 years of extensive experience in finance, accounting, and strategic financial management. As General Manager & CFO at Lub-rref (Bangladesh) PLC, he plays a critical role in driving the company's financial strategy, ensuring regulatory compliance, optimizing resource allocation, and supporting sustainable growth initiatives.

He holds an MBA with specialization in Accounting, which provides a strong foundation in financial management, reporting, and corporate governance. Further strengthening his expertise, he is a Certified Management Accountant (CMA) from Australia and a Certified General Investment Analyst, reflecting his proficiency in investment analysis, strategic planning, and financial decision-making.sd

Mr. Rahaman has consistently demonstrated leadership excellence and technical acumen, contributing to the development of robust financial frameworks, efficient capital management, and long-term value creation. His guidance has been pivotal in enhancing operational efficiency, risk management, and stakeholder confidence, supporting Lub-rref's vision for growth and market leadership.



Mr. Kabir Hossain
Company Secretary

Mr. Kabir Hossain currently serves as the Company Secretary at Lub-rref (Bangladesh) PLC, bringing with him a wealth of experience, particularly in the area of Initial Public Offerings (IPO). He has been an integral part of the company's journey since its early stages, playing a key role in the company's successful public placement of shares and its subsequent listing on the capital market. His deep involvement in the IPO process showcases his expertise in capital market regulations and corporate governance. Mr. Hossain holds a double Master's Degree, one in Accounting and the other in Finance, providing him with a strong foundation in financial management and corporate strategy. Additionally, he is partly qualified as a Chartered Secretary through the Institute of Chartered Secretaries of Bangladesh (ICSB), further strengthening his proficiency in corporate compliance and governance matters. To continuously enhance his skill set, Mr. Hossain has actively participated in various specialized training programs, including those focused on IPO Management, Dividend Compliance Reporting, and VAT & Tax Management. His dedication to professional development enables him to stay updated with evolving industry practices and regulatory frameworks. With a combination of academic excellence, hands-on experience, and a commitment to continuous learning, Mr. Kabir Hossain plays a crucial role in ensuring the corporate governance and financial integrity of Lub-rref (Bangladesh) PLC, while contributing to the company's growth in the capital market.



Mr. Sajid Aftab
Chief Marketing Officer & GM

Mr. Sajid Aftab currently serves as the Head of Industrial Sales, Marketing, and Business Development, overseeing Accredited Lab Services nationwide and spearheading industrial sales and marketing initiatives across Bangladesh. With over 18 years of versatile experience, Mr. Aftab has held key positions in various sectors, including manufacturing, trading, and banking, in both local and international organizations. He brings extensive expertise in administration, supplier and project management, business development, and strategic coordination. A seasoned professional, Mr. Aftab is known for his ability to lead teams, drive growth, and foster innovation in complex business environments. Mr. Sajid Aftab holds dual Master of Business Administration (MBA) degrees: one in Marketing from the International University of Missouri, USA, and another in Finance from the University of Chittagong, completed in 1995.



Eng. Md. Naim Siddiki
AGM and Head of Operation

Mr. Siddiki has vast working experience of more than 22 years in the field of engineering especially Operation and maintenance departments with different capacities in local and overseas companies like Saudi Aramco, Dammam, and Saudi Electricity Company (SEC) Makkah Al-Mukaramah in K.S.A under the Sponsorship of Bader H. Al-Hussaini & Son Co. Now he has been leading Lub-rref (Bangladesh) PLC as Assistant General Manager (AGM) & Head of Operation. Under his extensive leadership, there are many Graduate engineers, technical supervisors, and Operators working here. Mr. Siddiki completed his Diploma in Electrical Engineering from Chittagong Polytechnic Institute, Chittagong. Apart from this, he has gained a lot of knowledge by participating in various training like CMMS (Computerized Management Maintenance Service) and Rural Electrification Board (REB) Line construction in international and local organizations.



Mr. Mizanur Rahman
DGM
Industrial Sales and Marketing

Mr. Mizanur Rahman is an experienced professional in Sales and Marketing, with a career spanning over two decades. He currently serves as the Deputy General Manager (DGM) in Industrial Sales and Marketing for the Dhaka Division at Lub-rref (Bangladesh) PLC. Mr. Rahman began his career in Sales and Marketing in 2004 and has since demonstrated exceptional leadership in driving the company's growth in the industrial sector. He holds an MBA with a major in Marketing from Asian University, Bangladesh, completed in 2003. Mr. Rahman has also participated in numerous local and international training programs, further honing his expertise in marketing and sales strategies. He is a certified MLA-1 professional, certified by ICML, USA, highlighting his proficiency in the field.



Md. Rezaul Islam
NSM
Automotive Sales & Marketing

Mr. Islam is a seasoned professional with over 23 years of hands-on experience in Sales and Marketing. He currently leads Lub-rref (Bangladesh) PLC as the National Sales Manager and is the Key Manager for Automotive Sales and Marketing. His leadership and expertise have been integral in driving the company's success in the automotive sector. Mr. Islam completed his Master's Degree in Arts from National University in 2000. Throughout his extensive career, he has participated in numerous practical sessions and training programs, gaining in-depth knowledge of Sales and Marketing Techniques and tools, which have enabled him to consistently deliver results and develop high-performing teams. His strategic vision and hands-on approach to sales management have made him a key figure in the company's growth.



Mr. Dr. Mohammed Saifuddin
Manager
Lab and R&D

Mr. Saifuddin currently serves as the Manager (Lab and R&D) at Lub-rref (Bangladesh) PLC, where he leads a team of skilled graduates and chemists. With over 14 years of experience in research and development across various organizations, Mr. Saifuddin has established himself as a key figure in the company's research efforts. He holds a Master's Degree in Chemistry from the University of Chittagong, earned in 2001, and a Ph.D. in Environmental Science from the University of Malaya, Malaysia. Throughout his career, he has contributed significantly to research, including projects such as Evaluation of Plant Physiological and Chemical Stress on Root Growth for Slope Stability (UMRGPV052-2011A) and The Influence of Plant Diversity on Slope Stability and Ecology of Different Phases of Succession. He also served as the Project Leader for the evaluation of plant stress in slope stability. Mr. Saifuddin has authored several research papers and has conducted various training programs focused on Quality Control of Industrial and Drinking Water, ISO/IEC 17025:2015 (General Requirements for the Competence of Testing and Calibration Laboratories), ISO 14001:2015 (Environmental Management System), OHSAS 18001:2007 (Occupational Health and Safety Management Systems), and ISO 9001:2015 (Quality Management Systems). His academic knowledge and practical experience continue to contribute to the advancement of Lub-rref (Bangladesh) PLC's research capabilities.



Syed Ariful Islam
Manager (Brand)

A dynamic and results-driven brand manager with over 9 years of experience in integrated marketing and branding across diverse industries. Currently serving as Manager (Brand) at Lub-rref (Bangladesh) PLC, Syed has demonstrated expertise in executing 360-degree brand campaigns, overseeing ATL, BTL, and TTL marketing strategies, and managing market analysis to ensure brand profitability. He holds a bachelor's degree in business from Bangladesh University of Business & Technology and has acquired professional certifications in digital marketing from CCCI, BCE, and Google. Syed is recognized for his leadership, critical thinking, and event management skills, and is proficient in tools like SAP, MS Office, and marketing software. Fluent in Bangla and English, he has a keen interest in painting, photography, traveling, and music.



Mr. Ahmed Hossain
Heaf of Internal Audit & Compliance (In-charge)

Mr. Ahmed Hossain is a dedicated and long-serving professional who has been an integral part of Lub-rref (Bangladesh) PLC since its early days. He began his career with the Company in 2003 as a Management Trainee, demonstrating exceptional commitment, discipline, and the potential for leadership from the very beginning. Over the years, through continuous hard work and outstanding performance, he progressed through various roles and was appointed Assistant Manager, Accounts & Finance in 2012. He currently serves as the Head of Internal Audit, where he leads the Company's audit functions with integrity, analytical rigor, and a strong focus on governance and compliance.

Mr. Ahmed is highly skilled in accounting, taxation, VAT, and public issue matters, having completed numerous professional trainings to strengthen his expertise in these areas. His deep knowledge of financial operations, internal controls, and regulatory requirements has significantly contributed to the Company's growth, operational discipline, and financial transparency.

He completed his graduation from Government Mohsin College, Chittagong, achieving remarkable academic success in 1999. His solid educational background, combined with more than two decades of professional experience, has shaped him into an accomplished and respected finance and audit professional.

Beyond his professional achievements, Mr. Ahmed is known for his strong moral values and dedication to family. He is a devoted husband and a loving father to three children, balancing his personal and professional responsibilities with exemplary commitment.

With his extensive experience, strong leadership qualities, and long-standing association with the Company, Mr. Ahmed Hossain continues to play a vital role in upholding the integrity and effectiveness of the internal audit function at Lub-rref (Bangladesh) PLC.


BNO
LUBRICANTS
Passion to Perform
DIAMOND™
5W-40
BMW
APPROVED
Longlife-01
Bangladeshi premier lubricant brand BNO has acquired "BMW LONGLIFE-01" approval.
With this acquisition the blending capacity & quality has been further strengthened in the Asia Pacific Region.
Manufactured by:
Lub-rref (Bangladesh) Ltd.
www.lub-rref.com
BNOLubricantsbd

CJ-4	Introduced in 2006 for high-speed four-stroke cycle diesel engines designed to meet 2010 model year on-highway and Tier 4 non-road exhaust emission standards as well as for previous model year diesel engines. These oils are formulated for use in all applications with diesel fuels ranging in sulfur content up to 500 ppm (o.o5% by weight). However, the use of these oils with greater than 15 ppm (0.0015 by weight) sulfur fuel may impact exhaust after treatment system durability and/or drain interval. CJ-4 oils are especially effective at sustaining emission control system durability where particulate filters and other advanced after treatment systems are used. Optimum protection is provided for control of catalyst poisoning, particulate filter blocking, engine wear, piston deposits, low and high-temperature stability, soot handling properties, oxidative thickening, foaming, and viscosity loss due to shear. API CJ-4 oils exceed the performance criteria of API CI-4 with CI-4 PLUS, CI-4, CH-4, CG-4 and CF-4 and can effectively lubricate engines calling for those API Service Categories. When using CJ-4 oil with higher than 15 ppm sulfur fuel, consult the engine manufacturer for service interval.
CI-4	Introduction in 2002. For high-speed, four-stroke engines designed to meet 2004 exhaust emission standards implemented in 2002. CI-4 oils are formulated to sustain engine durability where exhaust gas recirculation (EGR) is used and are intended for use with Diesel fuels ranging in sulfur content up to 0.5% weight. Can be used in place of CD, CE, CF-4, CG-4 and CG-4, and CH-4 oils may also qualify for the CI-4 PLUS Designation.
CH-4	Introduced in 1998. For high-speed, four-stroke engines designed to meet 1998 exhaust emission standards. CH-4 oils are specifically compounded for use with diesel fuels ranging in sulfur content up to 0.5% weight. Can be used in place of CD, CE, CF-4, and CG-4 oils.
CG-4	Introduced in 1995. For severe duty, high-speed, four-stroke engines using fuel with less than 0.5% weight sulfur. CG-4 oils are required for engines meeting 1994 emission stands. Can be used in place of CD, CE, and CF-4 oils.
CF-4	Introduced in 1990. For high-speed, four-stroke, naturally aspirated and turbocharged engines. Can be used in place of CD and CF oils.
CF-2	Introduced in 1994. For severe duty, two-stroke cycle engines. Can be used in place of CD-II oils.
CF	Introduced in 1994. For off-road, indirect injected and other diesel engines including those using fuel with over 0.5% weight sulfur. Can be used in place of CD oils.
CE	Introduced in 1985. For high-speed, four-stroke, naturally aspirated and turbocharged engines. Can be used in place of CC and CD oils.
CD-II	Introduced in 1985. For two-stroke cycle engines.
CD	Introduced in 1955. For certain naturally aspirated and turbocharged engines.
CC	CAUTION- Not suitable for use in diesel-powered engines built after 1990.
CB	CAUTION- Not suitable for use in diesel-powered engines built after 1961.
CA	CAUTION- Not suitable for use in diesel-powered engines built after 1959.
FA-4	API Service Category FA-4 describes certain XW-30 oils specifically formulated for use in select high-speed four-stroke cycle diesel engines designed to meet 2017 model year on-highway greenhouse gas (GHG) emission standards. These oils are formulated for use in on-highway applications with diesel fuel sulfur content up to 15 ppm (0.0015% by weight). Refer to individual engine manufacturer recommendations regarding compatibility with API FA-4 oils. These oils are blended to a high temperature high shear (HTHS) viscosity range of 2.9cP–3.2cP to assist in reducing GHG emissions. These oils are especially effective at sustaining emission control system durability where particulate filters and other advanced aftertreatment systems are used. API FA-4 oils are designed to provide enhanced protection against oil oxidation, viscosity loss due to shear, and oil aeration as well as protection against catalyst poisoning, particulate filter blocking, engine wear, piston deposits, degradation of low- and high-temperature properties, and soot-related viscosity increase. API FA-4 oils are not interchangeable or backward compatible with API CK-4, CJ-4, CI-4 with CI-4 PLUS, CI-4, and CH-4 oils. Refer to engine manufacturer recommendations to determine if API FA-4 oils are suitable for use. API FA-4 oils are not recommended for use with fuels having greater than 15 ppm sulfur. For fuels with sulfur content greater than 15 ppm, refer to engine manufacturer recommendations.

Manufactured by:

Lub-rref (Bangladesh) PLC.

www.lub-rref.com BNOLubricantsbd

DIRECTORS' REPORT

For the year ended 30 June 2025



DEAR SHAREHOLDERS,

The Board of Directors of Lub-rref (Bangladesh) PLC is pleased to welcome you to the 23rd Annual General Meeting (AGM) of the Company. On behalf of the Board and Management, we are delighted to present the Directors' and Auditor's Reports, together with the Audited Financial Statements for the financial year ended June 30, 2025.

The Directors' Report has been prepared in strict compliance with Section 184 of the Companies Act, 1994, as well as the Corporate Governance Code (Notification No. BSEC/CMRRCD/2006-158/207/Admin/80), issued by the **Bangladesh Securities and Exchange Commission (BSEC)** on June 3, 2018. The report provides a comprehensive overview of the Company's financial performance, operational progress, governance practices, and future outlook.

THE WORLD ECONOMY

It Was Never Going to Be an Easy Ride

The baseline forecast is for the world economy to grow by **3.3 percent in 2024**, then slow to **3.2 percent in 2025** and further to **3.1 percent in 2026.**

In advanced economies, growth is expected to hover around **1.5-1.6 percent** in 2025 and 2026. Emerging market and developing economies are projected to grow at just above 4 percent in 2025 and then drift toward **~4.0 percent** in 2026.

Global inflation is continuing to moderate, but target levels are still some way off for many countries. The pattern is uneven across regions and subject to policy and supply-side risks.

Global economic activity has shown a measure of resilience despite rising policy uncertainty and structural headwinds. However, the expansion remains modest by historical standards, and progress in improving living standards especially in lower- and middle-income countries continues to slow. Structural drags such as low productivity growth, demographic pressures, and elevated debt burdens remain significant.

Higher interest rates and tighter financial conditions have had uneven impacts: countries with high debt, flexible mortgage systems, or constrained housing supply are particularly vulnerable. Meanwhile, global growth faces headwinds from declining productivity, demographic shifts, and weak private investment, meaning supply-side reforms remain urgent to avoid an even further slowdown.

Emerging-market G20 economies now exert spill-over effects comparable to advanced economies especially via global trade and investment networks. A growth acceleration in these markets could bolster global recovery, but policymakers must strengthen buffers (fiscal, monetary, institutional) to manage risks from potential shocks.

In short: the global economy is still growing, but at a pace which is underwhelming for what many countries need and the room for error is small.

Geopolitical Economic Division and Foreign Investment

Global supply-chain disruptions and rising geopolitical tensions continue to reshape foreign direct investment (FDI) flows, pushing geoeconomic fragmentation to the center of policy debates. Recent data show that global FDI declined again in early 2025, reflecting heightened uncertainty, tighter financial conditions, and growing investment shifts toward geopolitically aligned countries especially in strategic sectors such as technology and critical infrastructure.

The impact is uneven. Developed economies experienced sharp declines in FDI, while flows to developing economies remain weak for a second consecutive year, particularly in long-term project finance. Emerging markets reliant on investment from distant geopolitical partners are increasingly vulnerable as firms redirect capital toward "friendly" blocs. This fragmentation raises the risk of significant long-term output losses, especially for economies dependent on advanced-country investors.

To manage these challenges, countries must strengthen competitiveness through structural reforms, improved infrastructure, and a more resilient private-sector environment. Diversifying FDI sources and deepening multilateral engagement—even through limited consultations—can help reduce the economic costs of fragmentation. At the same time, new opportunities are emerging in greenfield investments, particularly in digital sectors and AI-driven projects, offering potential for resilient and sustainable growth.

Uptrend in Lubricant Industry Pricing

Lubricant prices continue to face upward pressure due to a combination of global and domestic factors. While lubricants are refined from crude oil, their prices do not mirror crude oil movements directly; instead, they respond to broader market conditions. In recent periods, **volatile crude oil prices**, disruptions in the **global supply chain**, rising **logistics and freight costs**, and heightened **geopolitical tensions** have all contributed to price increases.

Supply and demand remain the dominant drivers. Sluggish global economic activity and uneven demand in industrial and automotive sectors create pricing fluctuations, while tight supply of premium base oils continues to push production costs higher. Base oils, which make up the majority of lubricant formulations, have seen periodic price adjustments due to limited refinery output, higher import costs, and stricter quality requirements.

Manufacturers also face increased expenses from packaging materials, energy costs, compliance standards, and currency fluctuations—factors that have collectively led to periodic price revisions across the industry. As a result, lubricant producers worldwide have been adjusting prices more frequently than during previous years.

Although crude oil trends still influence overall input costs, **manufacturers now place greater emphasis on supply-demand balance, raw material availability, and global shipping conditions** when determining their pricing strategies. In the current environment, these structural factors are expected to keep lubricant prices elevated over the near term.

Navigating Sustainability in the Automotive Industry

- In 2025, the auto industry continues to grapple with headwinds: EV growth is still strong, but **overall demand is softening**, especially for pure battery-electric vehicles (BEVs), as hybrid powertrains gain renewed attention.
- High interest rates are weighing on auto loans, limiting consumer purchasing power—even as inventories of new vehicles improve.
- Semiconductor shortages persist, especially for mature-node automotive chips, leading to production bottlenecks. Manufacturers are forming consortia to localize chip production and stabilize supply.
- Sustainability is no longer just about powertrains: automakers are increasingly using **recycled plastics, bio-based materials**, and other lightweight, low-carbon components in vehicle manufacturing.
- Circular economy practices are expanding: more manufacturers are investing in battery recycling, reverse logistics, and "design for disassembly" to improve resource efficiency.
- There's growing momentum for **vehicle-to-grid (V2G)** technology, allowing EVs to feed energy back to the grid during peak demand.
- Automakers are also exploring new business models: **servitization** (mobility-as-a-service, subscriptions) is becoming more prominent, helping companies generate recurring revenue while aligning with sustainable mobility goals.

Bottom line: The road to sustainability in the auto industry is evolving. It's not just about EVs anymore — it's about building resilient supply chains, reducing material carbon footprints, and innovating on business models to respond both to environmental goals and economic realities.



Regional Economic Integration in Asia – Current Challenges and Policy Recommendations

Asia has made progress in regional economic integration through initiatives such as RCEP, ASEAN cooperation, and infrastructure programs supported by ADB and AIIB. These efforts show growing commitment to shared development, but the region still faces major challenges due to political fragmentation, diverse economic structures, and significant infrastructure gaps.

Unlike Europe, Asia lacks strong, unified institutions to coordinate policies across the region. Therefore, a gradual and flexible approach is needed rather than an ambitious EU-style model. To achieve deeper integration, Asia must focus on three priority areas:

1. **Ensuring inclusive benefits** so that all economies—both advanced and developing—gain from integration.
2. **Improving infrastructure and removing trade barriers**, especially in Central and South Asia, to support smooth cross-border trade and connectivity.
3. **Strengthening institutional frameworks** by building cooperation platforms similar to those in Europe, supporting regulatory harmonization, dispute resolution, and investment coordination.

By addressing these challenges, Asia can enhance regional stability, reduce poverty, and promote sustainable, inclusive economic growth.

Bangladesh Economy at a Glance

Bangladesh has continued its journey of steady economic progress despite global uncertainties and domestic challenges. Since independence in 1971, the country has transformed into a dynamic developing economy, attaining **lower-middle-income status in 2015** and progressing toward its goal of becoming an upper-middle-income nation.

Over the past decade, Bangladesh achieved an average GDP growth rate of **around 6.4%**, supported by export expansion, strong remittance inflows, and improvements in key human development indicators. Poverty levels have declined significantly, with the proportion of the population living below the international poverty line decreasing from **11.8% in 2010 to about 5% in 2022**. Access to electricity has become nearly universal, literacy rates have improved, and health indicators such as infant mortality and stunting have continued to decline.

Macroeconomic Overview

The economic environment in recent years has been shaped by global inflationary pressures, rising import costs, foreign exchange market challenges, and structural issues in the domestic financial sector. As a result:

- **Real GDP growth** is estimated to moderate to **5.2% in FY2024**, compared to **5.8% in FY2023.**
- **Inflation remains elevated**, driven largely by food prices and global supply chain disruptions.
- **Foreign exchange reserves** have declined from previous highs, though policy reforms and IMF-supported programs are contributing to greater stability.
- **Financial sector vulnerabilities**, including high non-performing loans, continue to require comprehensive reforms.

Despite these challenges, the medium-term outlook remains positive, supported by ongoing infrastructure development, export opportunities under global recovery, and the continued implementation of structural reforms.

Development Priorities

To sustain growth momentum and achieve upper-middle-income status, Bangladesh has prioritized the following areas:

- Enhancing competitiveness and job creation through regulatory reforms and improved investment climate.
- Strengthening human capital by investing in education, skills development, and technology adoption.

- Diversifying exports beyond the ready-made garment (RMG) sector, with potential in IT services, pharmaceuticals, agro-processing, and light engineering.
- Reforming the financial sector to improve governance, reduce non-performing loans, and enhance financial stability.
- Promoting sustainable urbanization through improved infrastructure and service delivery in major cities.
- Mobilizing domestic revenue by broadening the tax base and enhancing fiscal management.
- Closing infrastructure gaps in transport, energy, and logistics to support economic competitiveness.
- Strengthening climate resilience and promoting green growth to safeguard long-term sustainability.

INDUSTRY OUTLOOK IN BANGLADESH

Market Trends of Bangladesh Lubricants Industry

Market Trends & Growth Drivers

1. **Market Size & Forecast**

o The Bangladesh lubricants market was estimated at ~ **218.7 million liters in 2025** and is projected to grow to about **249.8 million liters by 2030**, with a CAGR of approximately **2.69%.**

o According to IDLC's analysis, the market could even grow at a higher CAGR (~ 7.76%) between 2025 and 2030, reaching ~ **314.9 million liters by 2030**.

o Another projection (from a press release) estimates the total market to cross USD 321 million by 2032, with a CAGR of around 6.42%.

2. **Segment Composition**

o The automotive sector continues to dominate, accounting for about **48.06%** of the lubricants market in 2024.

o By base-stock type, **mineral oils** remain the most common (59.24% in 2024), but **bio-based** and synthetic grades are growing.

o In the automotive lubricant sub-segment, **engine oil** holds a large share, though a shift toward **synthetic/semi-synthetic** and lower-viscosity grades is underway.

o **Industrial engine oils** are the fastest-growing product type in the broader lubricant market, with projected growth driven by manufacturing expansion, captive power plants, and increasing industrial use.

3. **Automotive Demand & Vehicle Trends**

o The automotive sector is responsible for ~68% of engine-oil demand, while industry accounts for ~38%.

o However, total vehicle registrations are **declining**: in 2024, only ~308,000 vehicles were registered — a 14.7% drop from 2023, according to BRTA data.

o Specifically, the number of motorcycles registered in 2024 fell by ~15.4% year-on-year.

o Despite the overall decline, there is growing demand in certain vehicle segments: for instance, registrations of SUVs (registered under "Jeep" by BRTA) rose by ~11.45% in 2024.

4. **Premiumization & Quality Shift**

o There is a clear trend toward **synthetic and semi-synthetic lubricants**, partly driven by OEM warranty requirements and consumer preference for longer drain intervals.

- o Organized retail (in major cities) is playing a role in promoting authentic, higher-quality lubricant products.
- o However, the market remains fragmented. According to reports, there are 100+ low-quality or low-cost brands, accounting for a significant portion of the market.
- o The lack of strict regulatory oversight is a concern: inferior lubricants can easily enter the market due to weak quality control.

5. Price & Import Pressure

- o Local lubricant blenders face cost pressure due to high import duties: for example, base oils are heavily taxed, which raises production costs.
- o Currency fluctuations and global base-oil price volatility continue to be risks for the industry.

6. Industrial & Non-Automotive Growth

- o As Bangladesh's economy diversifies, industrial demand (textiles, manufacturing, power generation) is contributing more significantly to lubricant consumption.
- o Power plants, captive generation units, and automated manufacturing processes are driving growth in industrial-grade lubricants (e.g., ISO VG oils, hydraulic fluids).

Challenges

- **Quality Assurance:** Weak regulatory oversight makes it difficult to control the influx of substandard lubricants.
- **Import Dependence:** High reliance on imported base oils exposes blenders to currency risk and global price swings.
- **Market Fragmentation:** While some major reputable brands dominate (e.g., Mobil ~26%, BP, Total), a large number of small players erode margins and complicate quality control.
- **Shrinking New Vehicle Registrations:** The significant drop in overall vehicle registrations (especially two-wheelers) suggests potential near-term constraints on lubricant volume demand.

Opportunities & Outlook

- **Premiumization:** The shift toward synthetic lubricants offers higher-margin opportunities for manufacturers who can innovate and ensure quality.
- **Service Market:** Even with declining new-vehicle sales, the existing vehicle parc will need maintenance—creating demand for high-quality, long-drain lubricants.
- **Industrial Expansion:** As Bangladesh's industrial sector grows (especially in garments, power, and manufacturing), demand for industrial lubricants is likely to increase.
- **Green & Bio-based Lubes:** Growth in bio-based lubricant grades is projected, driven by sustainability goals and increasing awareness.
- **Improving Regulation:** Strengthening quality-control mechanisms and regulatory oversight could help reduce counterfeit/fake products and elevate market standards.

FINANCIAL RESULTS AND APPROPRIATIONS:

Considering the financial statements of the company and the interest of the Shareholders, the Board of Directors has proposed and recommended the following appropriation of profit for the financial year 2024-2025;

Particulars	(BDT in crore)	
	2024-2025	2023-2024
Profit before Tax	(65.35)	(9.85)
Less: Income Tax Expenses	(0.91)	(0.89)
Net Profit after Tax	**(66.26)**	**(10.75)**
Movement of Revaluation Reserve to Retained Earnings	**0.40**	**0.43**
Earnings brought forward from the Previous Year	195.63	208.85
Total Earnings available for Appropriation	**129.00**	**198.53**
Less: Payment of Cash Dividend	1.45	2.90
Retained Earnings at Year-end (before the effect of the proposed Dividend)	**127.55**	**195.63**
Less: Proposed Cash Dividend for the Year	0.00	1.45
Retained Earnings After Effect of Proposed Dividend	127.55	194.18

DECLARATION OF DIVIDEND

For the year ended June 30, 2025, the Company reported a net profit before tax of BDT (65.35) crore, which further declined to BDT (66.26) crore after accounting for the provision for income tax. In view of the declining EPS resulting primarily from banking restrictions, shortages in working capital, higher procurement costs, and an overall increase in financial burdens—the Board of Directors has recommended **No dividend** for the year, subject to approval by the shareholders at the 23rd Annual General Meeting (AGM).

RESERVE AND SURPLUS

The Company's retained earnings for the fiscal year 2024–2025 amounted to BDT 127.55 crore, compared to BDT 195.62 crore in FY 2023–2024. The revaluation reserve at the end of FY 2024–2025 stood at BDT 57.60 crore, reflecting a slight decrease from BDT 57.94 crore in the previous year.

CONTRIBUTION TO THE NATIONAL ECONOMY

The total contribution to the national exchequer by Lub-rref (Bangladesh) PLC as on June 30, 2025, was BDT 6.95 crore in the form of import duty, import VAT, import tax, supplementary duty, and other duty on raw materials, packing materials, spare parts, machinery & other assets, VAT on sales and income tax. The contribution constitutes 11.0% of the net revenue. Details on contribution to the National exchequer have been described separately under **"Five years' highlights" and "Management Discussion & Analysis" in this Annual Report 2025.**

PRINCIPAL ACTIVITY

The principal activity of the company is to manufacture Automotive, Industrial, and Marine products focused on the development, manufacture, and marketing of a broad range of Lubricating products and centrifuging & and filtration of Transformer Oil.

Possible Future Developments in the Industry

The global lubricants industry is undergoing significant transformation driven by technological advancement, sustainability requirements, and shifts in transportation and industrial activity. The global lubricants market is projected to grow steadily over the coming years, supported by rising demand from

emerging economies and increasing adoption of high-performance lubricant products.

Global Market Outlook

- The global lubricants market is expected to grow at a **CAGR of around 3.0%–4.0% through 2030**, driven by expansion in automotive, industrial, and power-generation sectors.
- Asia-Pacific remains the **largest and fastest-growing** regional market, accounting for more than **40% of global consumption,** with strong demand from countries such as **China, India, Indonesia, Vietnam, and Bangladesh.**
- Demand for **high-performance and synthetic lubricants** is increasing rapidly due to their superior thermal stability, extended drain intervals, and lower environmental impact—making them suitable for modern engines and high-temperature industrial operations.
- The Middle East and Africa, along with Asia-Pacific, continue to be major hubs for raw material supply and consumption, collectively representing **over half of global lubricant demand**.

Industry Trends Shaping the Future

1. **Premiumization & Synthetic Shift**

   Growing adoption of synthetic and semi-synthetic lubricants is expected as OEM standards evolve and consumers seek better engine performance and longer service intervals.

2. **Industrial Expansion**

   Rising investment in manufacturing, infrastructure, textile machinery, steel, cement, and power generation—especially in Asia—will drive higher consumption of industrial lubricants, hydraulic oils, and turbine oils.

3. **Energy Transition & Environmental Standards**

   The industry is moving toward lower-emission solutions, bio-based lubricants, and products that meet global environmental compliance, creating opportunities for innovation.

4. **Market Consolidation**

   Although global giants like ExxonMobil, Shell, BP, TotalEnergies, and Chevron continue to dominate worldwide supply, emerging-market manufacturers are expanding local production capacity and challenging price monopolies.

Bangladesh Lubricants Market Outlook

- Bangladesh's lubricants market is projected to expand steadily, driven by **growth in vehicle population, industrial automation, power sector development, and rising demand for high-quality lubricants.**
- The shift toward **synthetic and advanced-grade engine oils** is becoming more prominent as modern vehicles and OEM recommendations require higher-specification products.
- Despite a temporary slowdown in new vehicle registrations, the **existing vehicle base remains large**, ensuring stable demand for engine oils and maintenance products.
- Industrial lubricant demand is expected to grow due to investments in **manufacturing, economic zones, textile machinery**, and **captive power generation**.

Position of Lub-rref (Bangladesh) PLC

Lub-rref (Bangladesh) PLC is strategically positioned to benefit from future industry developments and to strengthen Bangladesh's presence in the regional lubricants market. Key highlights include:

- **State-of-the-art Refinery & Blending Facilities:**

  The Company operates one of the most advanced lubricant manufacturing complexes in the

country under its flagship brand BNO Lubricants, supported by modern refining, blending, and testing capabilities.

- **Progress Toward Global OEM Certifications:**

  Lub-rref is in the process of obtaining OEM approvals from several leading global manufacturers, including BMW, Volvo, Scania, and Wärtsilä, which will enhance international credibility and open doors to high-value export markets.

- **Strong Quality & Compliance Framework:**

The Company maintains internationally recognized certifications, including:

- o ISO/IEC 17025:2017 – Testing and Calibration Laboratory Accreditation
- o ISO 9001:2015 – Quality Management System standard:
- o ISO 14001:2015 – Environmental Management System standard:
- o ISO 45001:2018 – Occupational Health and Safety Management System standard

These certifications underscore Lub-rref's commitment to global standards, sustainability, and operational excellence.

- **Expanding Export Footprint:**

  With increasing production capacity and global-standard products, Lub-rref is targeting higher export volumes to South Asia, the Middle East, and Africa, aligning with Bangladesh's broader industrial export goals.

- **Strategic Alignment with National Growth Priorities:**

  As Bangladesh advances toward becoming an upper-middle-income economy, demand for high-quality lubricants in both automotive and industrial sectors will continue to rise. Lub-rref is well-positioned to support this growth by ensuring supply security and reducing reliance on imported finished lubricants.

Outlook

Going forward, the Company is expected to benefit from:

- Rising demand for premium lubricants
- Expansion of domestic transportation and industrial sectors
- Increasing global emphasis on quality, efficiency, and sustainability
- Opportunities created by export markets and OEM partnerships

Lub-rref (Bangladesh) PLC's investments in advanced technology, quality assurance, and sustainable manufacturing place the Company at the forefront of Bangladesh's modern lubricants industry. With continued strategic focus, the Company aims to strengthen its market leadership and contribute significantly to the country's industrial development and energy efficiency goals.

The success of Lub-rref (Bangladesh) PLC is driven by several key factors, outlined below:

Pioneering Leadership and Innovation

Lub-rref's success is built on its pioneering position and strong operational capabilities:

- **First fully integrated lubricant blending & re-refinery plant in Bangladesh,** driving local manufacturing and innovation.
- **Advanced R&D and testing facilities** ensuring high-quality, high-performance products.
- **Extensive nationwide sales & distribution network** with over 130 points, supported by corporate and international channels.

- Reliable after-sales service and a skilled technical team delivering customer satisfaction.
- Strong infrastructure and competitive pricing enabling efficient operations and market reach.
- Market leadership and trusted brand: BNO Lubricants is recognized for quality, reliability, and industry innovation.

Comprehensive Market Reach

Lub-rref (Bangladesh) PLC has established a **nationwide presence with over 150 sales points**, leveraging multiple distribution channels including **Distributors, Dealers, Sub-Dealers, Corporate Sales, Original Design Manufacturer (ODM), and Original Equipment Manufacturer (OEM)** networks. The Company has also achieved OEM approvals from globally recognized brands, including **Cummins, BMW, Volvo, and Scania**, enhancing its credibility and market access.

Industry Firsts

Lub-rref continues to lead the Bangladeshi lubricants industry as a **pioneer in re-refined lubricants and transformer oil productio**n, setting high standards for **quality, innovation, and sustainability.** Its state-of-the-art facilities and cutting-edge processes reinforce the Company's role as a trendsetter and benchmark for the industry.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Lub-rref (Bangladesh) PLC manufactures and sells a wide range of lubricants and refinery products, including **Mono-Grade Oils, CC Products, Industrial Lubricants, Marine Oils, Transformer Oils, and Multigrade Oils**. The Company is also expanding its export operations with premium-grade products.

Performance is monitored **segment-wise** through an internal reporting system, with financial results reported in compliance with **income tax and VAT regulations**. Detailed segment performance is disclosed in the **Statement of Profit or Loss and Other Comprehensive Income.**

Extract from the Statement of Profit or Loss and Other Comprehensive Income:

Particulars	2024-2025 (in BDT crore	2023-2024 (in BDT crore
Revenue, Net	64.60	62.34
Gross Profit	3.01	12.67
Operating Profit	(21.95)	7.40
Profit after Tax	(66.26)	(10.74)

Summary of Segment Assets and Liabilities:

Particulars	Total
Property, Plant, and Equipment	584.39
Other Non-Current Assets	212.32
Inventories	31.07

RISKS AND CONCERNS

Lub-rref (Bangladesh) PLC recognizes that its business is subject to a variety of risks and uncertainties, including:

- **Industry and Market Risks:** Fluctuations in demand, competition, and pricing pressures.
- **Liquidity and Financial Risks:** Exposure to interest rate volatility, foreign exchange fluctuations, and credit availability.

- **Operational Risks:** Supply chain disruptions, equipment downtime, and workforce challenges.
- **Regulatory and Policy Risks:** Changes in national or global policies, taxation, environmental regulations, and trade policies.

To manage these risks, the Company has implemented **robust risk management policies** and a **periodic monitoring system**, enabling timely identification, assessment, and mitigation. This framework ensures that risks are proactively addressed in both **daily operations and strategic decision-making**, supporting the Company's sustainable growth and resilience.

COST OF GOODS SOLD, GROSS PROFIT MARGIN, AND NET PROFIT MARGIN

NET REVENUE

For the year ended June 30, 2025, the Company reported a net revenue of BDT 64.60 crore, an increase from BDT 62.32 crore in the previous year (ended June 30, 2024). This reflects a 3.5% growth in net revenue, demonstrating the Company's resilience and ability to expand its sales despite challenging market conditions. During the same period, the Cost of Goods Sold (COGS) increased by 19.35% compared to the previous year.

This positive revenue growth, achieved amid significant operational and financial constraints, underscores LRBDPLC's commitment to strengthening its market presence, optimizing customer engagement, and maintaining business continuity during a highly volatile economic environment.

GROSS PROFIT

The Gross Profit of the company for the year ended on 30 June 2025 stood at BDT 3.07 crore which is an decline of 76% compared to the last year.

NET PROFIT

For the year ended June 30, 2025, the Company reported a Net Profit Before Tax (PBT) of BDT (65.35) crore, with the Profit After Tax (PAT) closing at BDT (66.26) crore. This financial position reflects the significant challenges faced during the year, including tightened liquidity conditions, elevated financing costs, and volatility in raw material prices.

Despite these constraints, the Company remains focused on strengthening its operational efficiency, improving cost management, and optimizing its financial structure. Strategic initiatives—such as enhancing production efficiency, broadening the customer base, and improving procurement planning—are expected to support a more stable and sustainable financial performance in the coming years.

Looking ahead, the Company is committed to driving recovery, reinforcing its market competitiveness, and positioning itself for improved profitability as economic conditions begin to stabilize.

CONTINUITY OF ANY EXTRAORDINARY ACTIVITIES AND THEIR IMPLICATION (GAIN OR LOSS)

No events of extraordinary gain or loss that would require adjustment or disclosure in the financial statements occurred during the reported year.

RELATED PARTY TRANSACTIONS

During the fiscal year 2024-2025, the company engaged in several transactions with related parties, all of which were conducted in the normal course of business and on an arm's length basis. A detailed description of these related party transactions, including the names of the related parties, the nature of the relationships, the types of transactions, and the corresponding amounts and balances, can be found in Notes 8 and 37 of the financial statements.

A statement of remuneration paid to the directors including Independent Directors:

Name of party	Types of Relationship	Nature of Transactions	Opening Balance	Addition	Adjustment	Closing Balance (30.06.2025)
Companygonj Agro Industries Limited	Common Directorship & Shareholder of the Company	Overhead Exp. & Working Capital Management Remuneration fees & Board meeting fees	0.00	-	-	-
Julda Shipyard Limited	Common Directorship		-	-	-	-
Mohammed Yousuf	Managing Director		3,406,738	9,000,000	(8,250,000)	4,156,738
Rubiya Nahar	Chairman		-	56,000	(56,000)	
Md. Salauddin Yousuf	Director Director		2,600,000	4,800,000	(4,400,000)	3,000,000
Dr. Israt Jahan			575,000	1,800,000	(1,650,000)	725,000
Lieutenant Imran Azad, Rtd.	Nominated Director Independent Director		-	72,000	(72,000)	-
Mr. Mohammed Rafiqul Alam, FCMA			-	48,000	(48,000)	-
Masuda Sultana, FCS, CA (Final)			-	32,000	(32,000)	-
Total			**6,581,738**	**15,808,000**	**(14,508,000)**	**7,881,738.00**

UTILIZATION OF IPO PROCEEDS:

Given the positive industry outlook and promising prospects, Lub-rref (Bangladesh) PLC successfully raised BDT 150.00 crore from the capital market by issuing 145,243,144 ordinary shares. The status of the utilization of the IPO proceeds as of June 30, 2025, is outlined below:

Report on Utilization of IPO Proceeds for the period of May 1, 2024 to June 30, 2025

Name of the Company : Lub-rref (Bangladesh) PLC
Amount (BDT) of Capital Raised Through IPO : BDT. 1,500,000,000/-
Date of Close of Bidding : 15 October, 2020
Date of Close of Subscription : 01 February, 2021
Proceeds Receiving Date from bidding : 25 October, 2020
Proceeds Receiving Date from Subscription : 25 March, 2021
Last Date of Full Utilization of Fund as per Proceeds : 31 August 2024 (not approved by BSEC)

Annexure-A

Sl. No.	Purpose Mentioned in the Prospectus	Time line as per prospectus	Amount in BDT. Amount as per prospectus	Allocation as per IPO/Approved in 5th EGM (Taka)	Fund Utilised up to 30 April 2024	Fund utilised from 01 May 2024 to 30 June 2025	Total fund utilised up to 30 June 2025	Utilized %	Total Un-utilized Amount	Un-utilized %	Remarks
*	Expansion of Business (Acquisition & Installation of Machineries	24 Months	980,000,000	-	-	-	-	0.00%	-	0.0%	
1	Basic Engineering Design			152,160,625	62,899,185	-	62,899,185	41.34%	89,261,440	58.66%	
2	CEP Support during detailed design										
3	Technology License Fee										
4	Startup & Training										
5	ICP-OES with microwave sample preparation system			10,927,772	10,927,772	-	10,927,772	100.00%	-	0.00%	
6	FTIR			9,874,219	10,000,000	-	10,000,000	101.27%	(125,781)	-1.27%	
7	Nanoer Technology Quotation			302,812,500	-	-	-	0.00%	302,812,500	100.00%	
8	Hydrotreater			171,087,367	-	-	-	0.00%	171,087,367	100.00%	
9	Hydrogen Plant			42,500,000	-	-	-	0.00%	42,500,000	100.00%	
10	Fractionator			24,465,380	-	-	-	0.00%	24,465,380	100.00%	
11	Utilities			16,448,690	-	-	-	0.00%	16,448,690	100.00%	
12	Land and Land Development			78,813,000	359,128,215	137,000,000	496,128,215	629.50%	(417,315,215)	-529.50%	
13	Civil Construction			66,181,492	32,908,210	3,400,000	36,308,210	54.86%	29,873,282	45.14%	
14	EPC Mobilization Cost			121,125,000	-	-	-	0.00%	121,125,000	100.00%	
15	Bank Loan Repayment	06 Months	460,430,282	-	460,430,282	-	460,430,282	100.00%	-	0.00%	
16	IPO Related Expenses	06 Months	59,569,718	-	57,974,406	-	57,974,406	97.32%	1,595,312	2.68%	
17	Working Capital		-	-	-	234,306,075	234,306,075	0.00%	(234,306,075)	0.00%	
18	Excess of Adjustments over Prospectus			(16,396,045)	-	-	-		(16,396,045)		
	Total IPO Proceeds		1,500,000,000	980,000,000	994,268,070	374,706,075	1,368,974,145		131,025,855		

Note:

* BDT. 971,576 has been charged by the bank as Foreign Exchange loss & Bank Charges, BDT. 80,069,707 has been received as Interest Income and TDS has been deducted BDT. 11,429,380 on Interest income on IPO Proceeds accounts up to the month of June 30, 2025 and Lub-rref (Bangladesh) PLC have received an amount of BDT. 1,233,630 as forfeited amount which has subsequently deposited to BSEC.

* Balance as at Bank as on June 30, 2025 with Southeast Bank PLC, (Account number 13100014867) BDT. 161,049.41, (Account number 16200000001) GBP. 00.00, (Account number 16300000001) EUR. 00.00, (Account number15100000114) USD. 6,371.52, Social Islami Bank PLC (Account number 0041360004122) BDT. 19,79,88,865.10 Agrani Bank PLC ((Account number 0200018772117) BDT. 9,956.07

* As of June 30, 2025, we have utilized a portion of the unutilized IPO fund as working capital, amounting to BDT. 234,306,075.00, as approved by the Board. This utilization is in line with the approach made to the Chairman of the Bangladesh Securities and Exchange Commission (BSEC) and as per the meeting minutes referenced in BSEC/ICA/SRIC/199/2023/301/97, dated April 09, 2024, and the meeting held on March 13, 2024. Furthermore, our management is committed to replenishing the utilized amount prior to initiating the BMRE project, specifically at the time of LC opening.

Chairman | Managing Director | Company Secretary | Chief Financial Officer

Deterioration of Financial Results after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;

Following the company's **Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, and Direct Listing**, Lub-rref (Bangladesh) PLC experienced a **decline in net revenue, gross profit, net profit, and earnings per share (EPS)** during the reporting period.

Several key factors contributed to this performance:

- **Foreign Exchange Volatility:** Significant depreciation of the Bangladeshi Taka against major currencies increased import costs for raw materials and critical accessories.
- **Raw Material Shortages & L/C Constraints:** Inadequate Letter of Credit (L/C) facilities from banks disrupted the supply chain, affecting production efficiency and increasing unit costs.
- **Liquidity Imbalance:** Payments to suppliers and creditors exceeded cash inflows from sales, weakening overall cash flow.
- **Global Events:** The ongoing **Russia-Ukraine conflict** continued to disrupt global energy and raw material markets, impacting supply costs and logistics.
- **Domestic Events:** The **July–August 2024 student movement** in Bangladesh temporarily disrupted business operations and logistics in key urban areas.

These combined factors adversely affected production, cost management, and overall financial performance. Moving forward, the company is focused on **enhancing cash flow management, securing reliable supply chains, and implementing strategic operational measures** to mitigate such risks and improve financial stability.

SIGNIFICANT VARIANCE OCCURS BETWEEN QUARTERLY FINANCIAL PERFORMANCES AND ANNUAL FINANCIAL STATEMENTS

As stipulated by law, the company is required to publish the report of its 1st, 2nd, and 3rd quarterly financial performance and the yearly performance, which are indicated in the following table:

Figures in crore BDT

Particulars	Q1	Q2	Q3	2024-2025
Revenue, net	8.55	22.16	23.50	64.60
Gross Profit	1.51	8.50	7.65	3.01
Profit from operation	(1.54)	9.32	7.71	(21.95)
Profit before tax	(6.83)	4.37	4.56	(65.35)
Profit after tax	(6.91)	3.33	3.48	(66.26)
Total Assets	977.60	988.39	996.01	945.21
Total Liability	440.94	448.94	452.26	470.05
Total Equity	536.66	539.45	543.75	475.16
EPS	(0.48)	0.23	0.24	(4.56)
NAVPS with Revaluation	36.95	37.14	37.44	32.72
NAVPS without Revaluation	32.97	33.16	33.47	28.75
NOCFPS	1.05	1.36	2.32	1.97

During FY 2024–2025, the Company recorded **BDT 64.60 crore** in net revenue, supported by steady sales growth across the first three quarters. However, overall profitability declined significantly due to rising input costs, higher finance expenses, and adverse performance in the final quarter.

Gross profit for the year stood at **BDT 3.01 crore**, and the Company incurred an operating loss of **BDT (21.95) crore.** The year closed with a **net loss of BDT (66.26) crore**, reflecting continued pressure on margins and cost structures.

The financial position weakened as **total assets decreased** to **BDT 945.21 crore**, while **liabilities increased** to **BDT 470.05 crore**. As a result, **shareholders' equity declined to BDT 475.16 crore,** accompanied by a negative **EPS of (4.56)** and lower NAV per share.

Despite the accounting loss, the Company generated **positive net operating cash flow of BDT 1.97,** demonstrating the underlying resilience of core operations.

Overall, the fiscal year was challenging, impacted by cost volatility, financing burdens, and liquidity constraints. The Company remains committed to strengthening operational efficiency, improving cost management, and enhancing financial stability in the coming period.

Preparation, presentation, and fairness of financial statements; Maintaining books of accounts; Consistency of accounting policy; Prudency of accounting estimate, Compliance with Accounting Standards and related departure, System of Internal Control; Protecting Minority Shareholders' interests, etc. The Directors of the company declare that the following matters have complied for the year ended 30 June 2025.

The financial statements of the Company present a true and fair view of its financial position, operational results, cash flows, and changes in equity.

- Proper books of accounts have been meticulously maintained.
- Accounting policies have been applied consistently, and judgments and estimates have been made prudently and reasonably.
- The financial statements have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as applicable in Bangladesh, with any deviations clearly disclosed.

The Company has established a strong and effective internal control system. A well-defined framework ensures smooth business operations and compliance with statutory requirements. External auditors perform concurrent audits, further strengthening the reliability of the internal control environment. Robust internal checks oversee all financial transactions, with clear delegation of authority to ensure transparency at every stage. Financial performance and operational efficiency are regularly monitored, and corrective measures are taken promptly when necessary.

The rights of minority shareholders are fully protected, with mechanisms in place to prevent any potential misuse by controlling shareholders. The Company is committed to treating all shareholders equally, irrespective of the size of their shareholding. Shareholders are provided with quarterly, half-yearly, and annual financial statements and are encouraged to actively participate in meetings. During the Annual General Meeting, shareholders exercise their rights to approve the financial statements and Directors' Report, elect Board members, and appoint auditors, ensuring transparent and inclusive corporate governance.

The Directors further confirm the following:

- The CEO/MD and CFO have certified to the Board that they have reviewed the financial statements and affirmed that these statements are free from any materially untrue information, do not omit

any material facts, and do not contain statements that could be misleading.

- They have also certified that the financial statements provide a true and fair view of the company's financial position and are in full compliance with applicable accounting standards and legal requirements.
- Furthermore, the CEO/MD and CFO have confirmed to the Board that, to the best of their knowledge and belief, no transactions conducted by the company during the year were fraudulent, illegal, or violated the company's code of conduct.

Going Concern Assumption

The Board of Directors of Lub-Rref (Bangladesh) PLC has assessed the company's ability to continue as a going concern. Based on its assessment of cash flows, current liabilities, available financing, and future business prospects as at the reporting date of 30 June 2025, the Board is optimistic that the company will be able to continue its operations for at least the next twelve months.

However, certain material uncertainties exist arising from lower revenue, lower gross profit, negative EPS, increasing loan liabilities and interest expense thereon, market volatility, political instability, merging of our lead Bank (SIBL) that may cast doubt on the company's ability to continue as a going concern.

The Board is taking the following steps to mitigate these risks:

- Rescheduling of existing loan liability
- Cost reduction measures and operational efficiency improvements
- Implementing appropriate cash flow management strategies

Accordingly, these financial statements have been prepared on a going concern basis. The Board of Directors believes that the financial position, operations, and plans of Lub-Rref (Bangladesh) PLC are sufficient to ensure the company will continue to operate for at least the next twelve months.

THE SYSTEM OF INTERNAL CONTROL

The Board of Directors acknowledges that a degree of uncertainty is inherent in business operations. To address this, the company has established a robust risk management process to ensure that its internal control system is effectively designed, implemented, and monitored.

While not all potential risks may be known at present, the company takes proactive steps to identify material risks that could impact business outcomes. These risks are systematically reviewed in the context of evolving internal and external environments to ensure that existing controls remain sufficient to mitigate them effectively.

A comprehensive discussion on the company's internal control framework is provided in the Statement of Internal Control section of this report.

SIGNIFICANT DEVIATIONS FROM THE LAST YEAR'S OPERATING RESULTS

During FY 2024–2025, the Company experienced notable deviations compared to the previous year:

- **Revenue** showed moderate growth in the first three quarters but overall profitability declined sharply.
- **Gross profit** fell to **BDT 3.01 crore**, reflecting higher costs and operational inefficiencies.
- **Operating loss** of **BDT (21.95) crore** and **net loss** of **BDT (66.26) crore** marked a significant deterioration in financial performance.
- **EPS** dropped to **(4.56),** and **NAV per share** decreased, highlighting erosion of shareholder value.
- **Total equity** declined to **BDT 475.16 crore**, while **liabilities** increased, indicating financial pressure.
- Despite losses, operating cash flow remained positive (BDT 1.97 crore), showing resilience in core operations.

Overall, the deviations reflect challenges in cost management, operational efficiency, and financial sustainability, requiring focused measures to restore profitability and strengthen the financial position.

SUMMARIZED KEY OPERATING AND FINANCIAL DATA OF AT LEAST THE PRECEDING 5 (FIVE) YEARS

A summarized statement of key operating and financial data for the past five years is provided in this Annual Report. This includes financial information such as the Statements of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, ordinary share-related details, and various financial ratios for the last five years. These are presented under the "Five Years' Highlights" section of the Annual Report 2024-25 (Page No. 64-68).

REASONS FOR NOT DECLARING DIVIDEND FOR THE YEAR

The Board of Directors has decided not to declare any dividend for the year ended 30 June 2025. The decision is primarily due to the Company's **net loss of BDT 66.26 crore**, which has significantly reduced retained earnings and shareholders' equity. Total equity and net asset value per share have declined, and operational and financial challenges, including higher costs and increased finance expenses, have impacted overall profitability. Retaining earnings will enable the Company to **strengthen its financial position, maintain liquidity, and support sustainable growth**, ensuring long-term value for shareholders.

DECLARATION OF BONUS SHARES OR STOCK DIVIDENDS AS INTERIM DIVIDENDS,

During the year 2024-2025 the company did not declare any bonus or stock as interim dividends. As per clause No. 3(2) of Notification No.: BSEC/CMRRCD/2006-158/208/Admin/81, and No. BSEC/CMRRCD/2009-193/46/Admin/138, dated: 20th June 2018 and dated: 03 October 2022 issued by Bangladesh Securities and Exchange Commission, no bonus share or stock dividend was declared as an Interim Dividend.

MINORITY INTERESTS

In compliance with **Condition No. 1(5)(xvi) of the Corporate Governance Code**, the Board of Directors hereby confirms that the interests of minority shareholders have been fully safeguarded throughout the year. Effective mechanisms are in place to ensure that no controlling shareholder, whether direct or indirect, can compromise the rights of minority shareholders. The Company provides timely access to quarterly, half-yearly, and annual financial statements, and encourages active participation in shareholders' meetings. Decisions regarding adoption of financial statements, election of Board members, and appointment of auditors are made in a **transparent and inclusive manner**, ensuring fair treatment and protection of all shareholders' rights.

THE TOTAL NUMBER OF BOARD MEETINGS HELD DURING THE YEAR AND ATTENDANCE BY EACH DIRECTOR

During the FY 2024-2025, a total of 7 (Seven) meetings of the Board of Directors were held. Attendance by the Directors has been summarized under "Corporate Governance Report 2024-2025" (Board Meetings during 2024-25) of this Annual Report 2024-2025 (Page No. 115).

REPORT ON THE PATTERN OF SHAREHOLDING

The pattern of shareholding (along with name-wise details) of parent/subsidiary/associate companies and other related parties, Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Auditor and their spouse and minor children, executives, shareholders holding 10% or more voting interest in the company as at 30 June 2025 are duly stated in the following report.

(i) Parent/ Subsidiary/ Associated company and other related parties

The company does not have any Parent or Associated Companies as of 30 June 2024-25.

(ii) Shares held by Directors, Managing Director & Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor Children;

Sl.	Name and Particulars	Position	Number of holding	Spouse and Minor Children
1.	Mrs. Rubiya Nahar	Chairman	3,455,140	Her husband is also a member of the Board of Directors.
2.	Mohammad Yousuf	Managing Director and Director	29,567,544	His wife is also a member of the Board of Directors.
3.	Mr. Salauddin Yousuf	Director	3,247,520	His wife is also holding 295.00 shares
4.	Mrs. Israt Jahan	Director	3,123,495	Nil
5.	Lieutenant Colonel (Retd) Imran Nominated by Comanygonj Agro Industries Ltd	Nominated Director	3,509,300	Nil
6.	Mohammad Rafiqul Alam, FCMA	Independent Director	Nil	Nil
7.	Masuda Sultana, FCS, ACA	Independent Director	Nil	Nil
8.	Kabir Hossain	Company Secretary	Nil	Nil
9.	Mr. Mofijur Rahaman, CGIA, CMA	Chief Financial Officer	Nil	Nil
10.	Mr. Ahmed Hossain	Acting Head of Internal Audit, Control and Compliance	Nil	Nil

(iii) Top Five Executives

Sl.	Name and Particulars	Position	Number of holding	Holding ratio
1.	Mohammad Yousuf	Managing Director and Director		20.357%

(iv) Shareholders holding ten percent (10%) or more voting interest in the Company.

Sl.	Name and Particulars	Position	Number of Shareholdings
1.	Mrs. Raihatul Zannah	Director (Supply Chain Management)	295
2.	Dr. Khandaker Jakir Hossain	GM(Technical)	Nil
3.	Mr. Sajid Aftab	Chief Marketing Officer	Nil
4	Eng. Mr. Naim siddiki	Head of Operation	Nil
5	Mr. Saifuddin	Head of Lab	Nil

In case of the Appointment or Re-appointment of a Director, A Disclosure of the following information to The Shareholders;

(a) A brief resume of the Directors;
(b) Nature of his/her expertise in specific functional areas; and
(c) Name of companies in which the person also holds the Directorship and the Membership of Committees of the Board.

As per clause No. 125 of the Article of Association of the company, the Director of the company will be retired by Rotation at the 23rd Annual General Meeting (AGM), and being eligible they offer themselves for re-appointment. Brief resumes of the Directors including their expertise and Directorship/Membership with other Companies/Committees are provided under the "Board of Directors' Profile" of this Annual Report 2024-2025 (Page No.64-68).

MANAGEMENT'S DISCUSSION AND ANALYSIS

The financial year 2024–2025 was challenging for the Company, with net revenue of **BDT 64.60 crore** but a significant **net loss of BDT 66.26 crore**. Operating performance was impacted by higher input and finance costs, operational inefficiencies, and adverse market conditions, leading to a decline in **gross profit, EPS (–4.56)**, and **NAV per share.**

Total assets decreased to **BDT 945.21 crore**, liabilities rose to **BDT 470.05 crore**, and equity reduced to **BDT 475.16 crore**, reflecting financial pressures. Despite this, **operating cash flow remained positive at BDT 1.97 crore**, demonstrating resilience in core operations.

Looking ahead, the Company will focus on **cost control, operational efficiency, liquidity management, and strategic growth initiatives** to restore profitability and strengthen its financial position, ensuring long-term shareholder value.

RISKS AND CONCERNS ISSUES RELATED TO THE FINANCIAL STATEMENTS

Lub-rref (Bangladesh) PLC has exposure to Financial Risk, Credit Risk, Liquidity Risk, and Market Risk arising from the financial statements. A detailed explanation of risk and concerns are explained in note no. 2.27 to the financial statement's year ended on 30 June 2025 Lub-rref has sufficient and effective measures/controls to mitigate the risk and concerns.

FUTURE PLAN OR PROJECTION OR FORECAST FOR THE COMPANY'S OPERATION, PERFORMANCE, AND FINANCIAL POSITION

The management remains strongly committed to pursuing strategic, sustainable, and results-oriented initiatives to ensure the long-term stability and growth of the company. Looking ahead, the company plans to strengthen its operational foundation by enhancing efficiency, improving product quality, optimizing cost structures, and expanding its market reach. Emphasis will be placed on continuous innovation, advanced technology adoption, and performance-driven management practices to remain competitive in a challenging business environment.

In alignment with its long-term vision, the company aspires to establish the **"BNO Brand"** as one of the leading brands in Bangladesh and ultimately position it among the **top five brands in the Asia-Pacific region by 2030**. To achieve this goal, management will focus on strategic investments, capacity enhancement, product diversification, and customer-centric initiatives aimed at strengthening brand presence both locally and internationally. The company will also explore new business opportunities, expand distribution networks, and build strong partnerships to accelerate growth.

With these forward-looking objectives, the management is confident that the company is well-positioned to improve its operational performance, achieve sustainable profitability, and enhance its overall financial strength in the coming years.

DECLARATION OR CERTIFICATION BY THE MD AND THE CFO TO THE BOARD

As per the corporate governance code prescribed by the BSEC, it is the responsibility of both MD and CFO to certify to the Board on the preparation of financial statements as per the applicable IAS and IFRS and the presentation of the true and fair view of the company affairs;

- The MD and CFO have certified to the Board that they have reviewed the financial statements and affirmed that these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- The MD and CFO have certified to the Board that they have reviewed the financial statements and affirmed that these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws
- The MD and CFO have further certified to the Board that there are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which is fraudulent, illegal, or in violation of the Company's code of conduct.

However, Declaration or Certification by the MD and the CFO has been disclosed under **"Statutory Reports and Certifications"** of this Annual Report 2024-2025 (Page No.156).

THE REPORT AS WELL AS THE CERTIFICATE REGARDING COMPLIANCE WITH THE CONDITIONS OF THE CORPORATE GOVERNANCE CODE.

As per the Corporate Governance Code prescribed by the BSEC, the report and compliance certificate of conditions of the Corporate Governance Code has been under **"Statutory Reports and Certifications"** of this Annual Report 2024-2025 (Page No.156).

APPOINTMENT OF AUDITORS

As per section 210 of the Companies Act 1994, the Board of Directors in its 175th Meeting has recommended appointing **M/s. ISLAM JAHID & CO, Chartered Accountants** as the auditors of the company for the financial year 2024-2025. The Directors have endorsed the recommendation for the appointment of M/s. **ISLAM JAHID & CO**., Chartered Accountants as the Auditors of the company for the year 2024-2025 with a remuneration of BDT 500,000.00 (Taka Five Lac only) wherein TAX and VAT is applicable subject to the approval of General Shareholders in the 22nd Annual General Meeting (AGM).

Although **M/s. Islami Jahid & Co., Chartered Accountants** are eligible to conduct the statutory audit for the current year, they have formally expressed their inability to undertake the assignment. In reference to their letter, the Company subsequently obtained an **Expression of Interest (EOI)** from **M/s. ARTISAN, Chartered Accountants.** Accordingly, their appointment has been placed before the **183rd Meeting of the Board of Directors** for consideration as the new statutory auditor for the financial year **2025–2026**.

The Board has reviewed and endorsed the recommendation to appoint **M/s. ARTISAN, Chartered Accountants** as the Statutory Auditors of the Company for the financial year **2025–2026**, with a proposed remuneration of **BDT 500,000 (Taka Five Lac only)**, plus applicable **TAX and VAT**. The appointment is subject to the approval of the shareholders at the **23rd Annual General Meeting (AGM).**

APPOINTMENT OF COMPLIANCE AUDITOR

In compliance with the **Corporate Governance Code 2018** issued by the Bangladesh Securities and Exchange Commission (BSEC), the Board of Directors has endorsed the recommendation to appoint **M/s. MNA Associates & Chartered Secretaries** as the Corporate Governance Auditors of the Company for the financial year ending **June 30, 2025**. Their proposed remuneration is **BDT 40,000 (Taka Forty Thousand only)**, subject to approval by the shareholders at the **22nd Annual General Meeting (AGM)**.

Additionally, based on their satisfactory performance and continued compliance with regulatory

standards, **M/s. MNA Associates & Chartered Secretaries** have been recommended at the **183rd Meeting of the Board of Directors** for **reappointment** as the Corporate Governance Auditor for the financial year **2025–2026**, at the same remuneration, subject to approval by the shareholders at the **23rd Annual General Meeting (AGM)**

CORPORATE GOVERNANCE

Lub-rref Bangladesh PLC upholds the highest standards of corporate governance in line with the BSEC Corporate Governance Code 2018. The Board of Directors provides strategic guidance and ensures transparency, accountability, and ethical conduct across all operations. The Company maintains an effective governance framework through structured board committees, including the Audit Committee and the Nomination & Remuneration Committee, which oversee financial reporting, internal controls, and management practices. Strong internal control and risk-management systems are in place, supported by regular internal audits and independent external audits. Lub-rref ensures timely and accurate disclosure of financial and operational information, safeguarding shareholders' rights and maintaining stakeholder confidence. By adhering to ethical principles, regulatory compliance, and good governance practices, the Company remains committed to sustainable growth and long-term value creation. Annual Report 2024-2025 (Page No.159).

COMPLIANCE WITH LAWS AND REGULATIONS

The company was not engaged in any activities contravening the laws and regulations. All those responsible for ensuring compliance in line with the provisions of various laws and regulations were able to do so within the stipulated time.

HUMAN RESOURCE

Employees are one of the most valuable assets of Lub-rref Bangladesh PLC, and the Company recognizes that their development and engagement are key drivers of organizational success. The Company emphasizes building a skilled and competent workforce by providing regular training programs, workshops, and development initiatives tailored to enhance employees' expertise in their respective functions.

To ensure targeted learning and development, Lub-rref has implemented a **Training Needs Analysis (TNA)** system. This system identifies skill requirements for various roles, evaluates existing competencies, and addresses any gaps through structured training interventions. The Company also maintains a comprehensive **Employment Policy and Employee Handbook**, which outlines job responsibilities, performance expectations, and workplace guidelines.

Succession planning is reviewed annually to secure a strong talent pipeline and ensure continuity in critical roles. A **yearly performance appraisal** process is conducted to recognize high-performing employees, reward achievements, and identify further development opportunities. Additionally, the **Remuneration Committee** monitors annual salary adjustments, benefits, and other compensation-related matters to maintain fair and competitive remuneration practices.

Through these initiatives, Lub-rref fosters a positive work environment, encourages continuous learning, and aligns employee growth with the Company's long-term objectives and strategic goals.

ACKNOWLEDGEMENT

The Board of Directors of **Lub-rref Bangladesh PLC** wishes to extend its heartfelt gratitude to our shareholders and the public who have entrusted the company with their confidence by purchasing shares and supporting its activities. Without this unwavering support, the company would not be able to achieve the growth and success it enjoys today. Their trust remains our greatest strength.

We sincerely appreciate the dedication, hard work, and teamwork of all our employees. Their commitment and professionalism have been fundamental to the company's progress. We also acknowledge the important support from the families of our employees, whose encouragement enables them to perform their duties wholeheartedly.

We are grateful to our valued customers your trust and confidence in Lub-rref guide our efforts and motivate us to continuously deliver high quality products and services. We accept this trust with humility and recommit ourselves to meeting and exceeding your expectations.

The Board also expresses deep appreciation to the various government and regulatory authorities, public sector institutions, partners, and community stakeholders whose cooperation and support have played an essential role in our journey. In particular, we thank the Bangladesh Energy Regulatory Commission (BERC), the Government of Bangladesh, Bangladesh Petroleum Corporation (BPC), Chittagong Port Authority (CPA), the National Board of Revenue (NBR), the Bangladesh Investment Development Authority (BIDA), the Department of Environment (DoE), as well as local government bodies, district authorities, law enforcement agencies, and community representatives for their continuous support.

We also wish to thank our legal advisors, financial consultants, banks, lenders, insurance companies, service providers, suppliers, and all other business partners for their valuable cooperation and support in our operations. Your collaboration has been instrumental in enabling Lub-rref to grow and operate steadily.

Finally, we extend our warmest gratitude to all stakeholders investors, shareholders, regulators (including Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE), The Central Depository Bangladesh Limited (CDBL), the Registrar of Joint Stock Companies & Firms (RJSC), and other relevant agencies), suppliers, customers, lenders, community partners, and all well wishers at home and abroad. We are deeply appreciative of your support, confidence, and cooperation.

We look forward to your continued encouragement and support as Lub-rref strives to grow further and strengthen its position as a leading player in Bangladesh's lubricants industry and beyond.

With our heartfelt thanks and best wishes to you all.

On behalf of the Board of Directors,

27th November 2025.

Kabir Hossain
Company Secretary

Rubiya Nahar
CHAIRMAN

Mohammad Yousuf
MANAGING DIRECTOR



Management Discusion and Analysis 2025

(i) Accounting policies and estimation for preparation of financial statements;

The Company prepares its financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act 1994, the Securities and Exchange Rules 1987, and other applicable regulations. Cash flows from operating activities are presented using the direct method as required by the SEC Rules. The financial statements are prepared on a historical cost basis, except for certain financial assets and contingent considerations that are measured at fair value. Comparative information for the previous period has been presented. ICAB continues to align BFRS with International Financial Reporting Standards (IFRS), ensuring that the Company's reporting framework remains consistent with global standards. Detailed accounting policies are provided in Note 2.00 to the financial statements.

(ii) Changes in accounting policies and estimation

Changes in accounting policies are applied retrospectively under BFRS/IFRS, requiring restatement of prior-period figures unless such restatement is impracticable. In contrast, changes in accounting estimates are applied prospectively and affect only the current and future reporting periods. Both types of changes must be disclosed when material, including the nature and financial impact of the change. The Company follows the principles of IAS 8 (as adopted in BFRS) to ensure transparency, comparability, and consistency in its financial reporting.

(iii) Comparative analysis of financial performance and operational performance

Financial Results (In crore)	2025	2024	2023	2022	2021
Gross Turnover	715,679,705	716,983,596	1,665,513,560	1,900,036,856	1,867,751,665
Supply Duty, VAT & Others	69,588,676	93,519,599	217,240,899	101,535,691	143,850,317
Net Turnover	646,091,029	623,463,997	1,448,272,661	1,798,501,165	1,723,901,348
Cost of Goods Sold	(615,954,973)	(496,708,779)	(1,021,212,970)	(1,221,753,605)	(1,167,403,611)
Gross Profit	30,136,056	126,755,218	427,059,690	576,747,560	556,497,737
Financial Cost and Other Exp	(709,272,697)	(242,320,320)	(150,054,064)	(149,138,037)	(241,891,594)
Operating Profit	(219,558,992)	74,053,081	357,186,515	498,378,645	486,209,949
Profit/Loss before Tax	(653,559,863)	(98,546,647)	279,954,672	432,572,068	364,466,042
Tax	(9,111,058)	(8,910,876)	(75,247,505)	(122,633,469)	29,911,161
Profit after Tax	(662,670,921)	(107,457,522)	204,707,167	309,938,599	394,377,204
EPS in BDT	(4.56)	(0.74)	1.41	2.13	3.41
Operational Results	2025	2024	2023	2022	2021
Share Capital (BDT cr.)	1,452,431,440	1,452,431,440	1,452,431,440	1,452,431,440	1,452,431,440
No. of Employees	230	235	250	248	231
Total Contribution to the National Exchequer (BDT cr.)	83,967,952	105,184,407	267,173,797	192,429,728	236,170,504

In 2025, the Company generated a Net Turnover of BDT 64.609 crore; however, profitability was severely impacted by increased raw material costs, supply chain disruptions, and high financial expenses. Although the Company earned a Gross Profit of BDT 3.014 crore, the low margin was insufficient to cover total financial and operating expenses of BDT 70.927 crore, resulting in an Operating Loss of BDT 21.956 crore. Consequently, the Company reported a Loss Before Tax of BDT 65.356 crore and a Net Loss of BDT 66.267 crore, with an Earnings Per Share (EPS) of BDT (4.56). The challenges were driven by foreign exchange volatility, rising import costs, higher interest rates, and liquidity constraints. With a share capital of BDT 145.24 crore and a workforce of 230 employees, the Company remained operational and continued contributing to the national exchequer through various taxes and duties. Overall, 2025 was a financially challenging year, emphasizing the need for improved cost control, reduced financing pressure, and enhanced operational efficiency to strengthen future performance.

Cash flow Movement (BDT)

Cash Flow Movement	2025	2024	2023	2022	2021
Cash generated from operating activities	615,964,539	812,095,455	1,528,269,530	1,735,633,185	1,780,745,790
Income tax paid	(14,379,276)	(11,664,808)	(49,932,898)	(56,286,974)	(55,129,035)
Interest paid	(445,285,270)	(189,618,183)	(78,737,984)	(70,310,234)	(127,152,620)
Net cash flows from operating activities	285,799,292	441,511,801	607,894,607	536,401,800	695,132,916
Net cash flows used in investing activities	(423,099,019)	(1,394,772,567)	(606,460,605)	(682,815,941)	(637,541,188)
Net cash flows used in financing activities	(52,561,578)	744,298,633	(21,700,945)	(201,733,378)	903,333,808
Net Increase in cash and cash equivalents	(189,275,211)	(208,962,132)	(20,266,943)	(348,147,518)	960,925,535
Cash and cash equivalents at 01 July,202 4	406,479,007	615,441,139	635,616,044	983,763,860	22,838,325
Cash and cash equivalents on 30 June, 2025	217,203,796	406,479,007	615,349,101	635,616,342	983,763,860

LUB-RREF has been generating cashflow from its operating activities translating the profit growth in the last 5 years. However, to support the growth momentum, and meet consumer expectations, LUB-RREF has been investing in capital expenditure and also engaging working capital in production over the years to make the operation of the company adhere to upholding shareholders' interests and the unconditional good faith of us.

Dividend at a Glance

For the year ended June 30, 2025, the Company reported a net profit before tax of BDT (65.35) crore, which further declined to BDT (66.26) crore after accounting for the provision for income tax. In view of the declining EPS resulting primarily from banking restrictions, shortages in working capital, higher procurement costs, and an overall increase in financial burdens—the Board of Directors has recommended **No Dividend** for the year, subject to approval by the shareholders at the 23rd Annual General Meeting (AGM).

The dividend, if approved, would be payable to shareholders whose names appear in the depository register of CDBL as of the Record Date, December 21, 2025. The Company also confirms that no bonus or stock dividend was declared as an interim & yearly dividend during the financial year 2024–2025.

Reasons for Not Declaring Dividend

The Board of Directors has recommended no dividend for the year ended June 30, 2025, due to the Company's significant net loss for the period and the overall deterioration in

financial performance. The year was marked by severe working capital shortages, restricted access to banking facilities, increased procurement and production costs, and a substantial rise in financial expenses, all of which placed considerable pressure on cash flows and operational stability. In order to preserve liquidity, strengthen the Company's financial position, and ensure the continuation of essential operations, the Board believes that retaining earnings is in the best interest of the Company and its shareholders at this time.

The decision to refrain from declaring any dividend for 2025 reflects the Company's prudent approach to safeguarding financial stability amid ongoing economic and operational challenges. This measure aims to protect shareholder value by preserving liquidity and strengthening the Company's financial position during a period of significant constraints. A summary of the dividend position for 2024–2025 is presented below.

Operational Results	2025	2024	2023	2022	2021
Profit After Tax (BDT)	(662,670,921)	(107,457,522)	204,707,167	312,598,235	394,377,204
Earnings Per Share	(4.56)	(0.74)	1.41	2.13	3.41
Final Cash Dividend (BDT)	0.00	14,524,315	29,048,629	145,243,144	145,243,144
Stock Dividend Ratio	N/A	N/A	N/A	N/A	N/A
Number of Shares	145,243,144	145,243,144	145,243,144	145,243,144	145,243,144
Cash Dividend Per Share	0.00	0.10	0.20	BDT 1.00	BDT 1.00
P/E Ratio (as of 30 Jun.)	(2.32)	(23.65)	24.89	19.67	14.1349
Dividend Yield (as of 30 June)	Nil	0.57%	2.00%	2.13%	2.07%

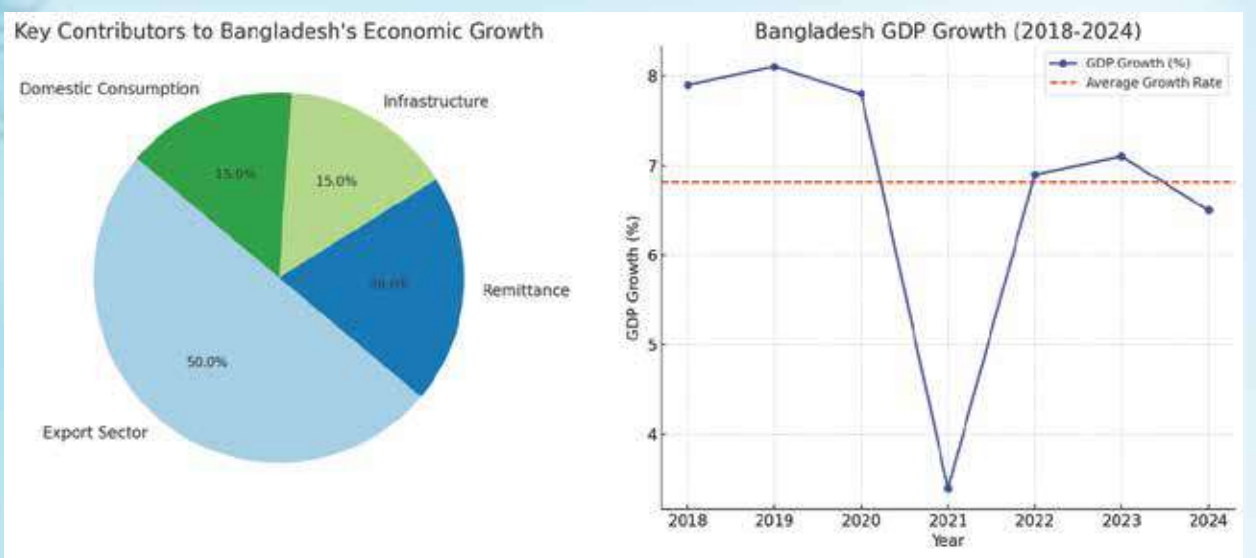
ECONOMIC SCENARIO & INDUSTRY ANALYSIS

The economic environment in 2024–2025 remained challenging as global inflation, supply chain disruptions, and geopolitical uncertainties continued to affect production and trade. In Bangladesh, inflation and foreign-exchange pressures increased business costs, while liquidity constraints in the banking sector and slower GDP growth limited industrial activities. However, recent updates show signs of stabilization: exports and remittances improved, foreign-exchange reserves strengthened, and headline inflation began to ease. Despite these positive trends, industries still face rising energy costs, higher interest rates, and limited access to affordable credit, resulting in reduced capacity utilization and tighter margins. Demand also remained weak due to declining purchasing power and higher commodity prices. Going forward, Bangladesh's economic outlook depends on maintaining export momentum, improving energy and supply-chain efficiency, and strengthening financial-sector reforms to support investment and sustainable growth.

Growth in the Bangladesh Economy

Bangladesh's economy showed resilience in 2025, supported by strong remittance inflows, improving export performance, and stabilizing foreign exchange reserves. The ready-made garments (RMG) sector remained a key driver, while government investment

in infrastructure, including projects like the Padma Bridge and Dhaka Metro Rail, enhanced connectivity and economic activity. GDP growth was moderate at around 3.9%, with projections for improvement in FY26–FY27 if reforms continue. Challenges persist, including inflation, higher energy costs, limited access to credit, and global uncertainties affecting exports and investment. Despite these constraints, Bangladesh's youthful workforce, expanding industrial base, and focus on export diversification and infrastructure development position the country for sustainable long-term growth and the pursuit of middle-income status.



The Energy Sector of Bangladesh

Bangladesh's economy remained resilient in 2025, underpinned by record high remittance inflows, strengthening export receipts, and improved foreign exchange reserves. Gross foreign exchange reserves climbed to around **US$31.7 billion** by mid 2025, supported by remittances of about **US$30.33billion** in FY2024 25, the highest in the country's history. While growth slowed GDP is projected at **about 3.9–4.0 percent** for FY25 forecasts for FY26 show an uptick, with **5.0–5.1 percent** growth expected if the positive external trends continue.

The country continues to benefit from the strength of its export sectors, including the Ready-Made Garments (RMG) industry, and from robust inflows of remittances. Strong remittance inflows have supported import financing, stabilized the currency, and bolstered the country's balance of payments.

Nevertheless, significant challenges remain. Inflation driven by global commodity prices and exchange rate pressure coupled with high energy and borrowing costs, continue to raise production and operational expenses for businesses. Weak domestic demand, constrained private credit growth, and structural constraints in investment further hinder robust private sector expansion and industrial recovery.

Despite these headwinds, Bangladesh's young population, growing industrial base, and favorable external flows give the economy a solid foundation. If the improvement in remittances, exports, and foreign exchange stability continues and if reforms remain on track the country is well-positioned for a recovery in growth, diversification of its export base, and gradual progress toward higher income status.

1. OPPORTUNITIES AND THREATS/RISKS AND CONCERNS

➢ OPPORTUNITIES:

The Bangladesh lubricants market is experiencing steady growth, driven by rising vehicle ownership, industrial expansion, and infrastructure development. Automotive lubricants, particularly engine oils for two-wheelers, passenger cars, and commercial vehicles, remain a major growth segment. Increasing demand for higher-quality synthetic and semi-synthetic products provides opportunities for premiumization. Industrial lubricants, greases, and hydraulic oils are also expanding due to manufacturing and construction activities. The market is still fragmented, allowing high-quality local and branded products to capture market share. Overall, economic growth, industrialization, and rising mobility create significant long-term opportunities for the lubricants industry in Bangladesh.

Increase in energy demand

According to the reports of the US Energy Information Administration, the total world's energy consumption will increase by 40% by the year 2040. ET says Bangladesh's lubricant demand will increase day by day. The Company will be ready to take control of the potential demands of the future.

Advances in technology:

By exploiting Artificial intelligence and data analytics, the Company is all set to build upon its technical advances.

ESG practices:

To build upon its reputation in the prevailing market, new markets, and across all stakeholders, the Company plans to outrun its ESG goals to meet the growing demand for sustainable and ethical business practices.

Carbon Capture and Storage:

Carbon dioxide capture and storage (CCS) and carbon dioxide capture, utilization, and storage (CCUS), are emerging technologies for carbon emission reduction and climate change mitigation and are gaining a foothold. CCS and CCUS technologies will enable the Company to progress toward a net zero future.

➢ THREATS/RISKS AND CONCERNS

Volatile prices– As a Lubricant Company, price volatility will continue to affect the revenue and profits of the Company.

Climate Changes– With energy demands increasing carbon emissions are set to significantly increase with increased production and upstream companies must find ways to reduce the emission of carbon dioxide countering the increased operational costs and stricter regulations.

Conscious consumers- new generation consumers are aware of environmental and social issues and are increasingly demanding sustainable and equitable products. This may put future demand for fossil fuels at risk.

Geopolitical risks- Wars, government changes, geopolitical tensions, or economic instability will continue to affect the company's international operations and profitability

High capital expenditures- The Lubricant industry requires intensive capital expenditures to explore, develop, and produce hydrocarbon. Finances are invested and parked for long durations before returns can materialize, subject to the legendary risks involved

2. INTERNAL CONTROL SYSTEM

The Company's internal audit function operates as an independent assurance and reporting body, evaluating the effectiveness of internal controls, risk management, and governance processes. Oversight is provided by the Audit & Ethics Committee and the Board of Directors, ensuring protection of stakeholder interests and compliance with corporate governance standards.

In line with global best practices, the internal audit follows a risk-based approach, identifying operational inefficiencies, ensuring regulatory compliance, and safeguarding assets. The Company has digitized its audit process, implementing a digital audit system that enhances efficiency, enables real-time monitoring, and promotes transparency.

By strengthening independence, adopting technology, and embedding audit within a structured governance framework, the Company ensures robust control, improved risk management, and effective oversight, supporting sustainable growth and stakeholder confidence.

3. HEALTH, SAFETY AND ENVIRONMENT

The Company maintains a strong commitment to Health, Safety and Environment (HSE), embedding robust risk management, compliance, and governance measures to protect employees, communities, and the environment. Oversight is provided by a dedicated HSE function, with regular monitoring, inspections, and performance reviews to ensure that safety standards and environmental regulations remain fully respected. In line with best practice frameworks, the Company's HSE system emphasizes prevention, preparedness, and continuous improvement.

Our waste management strategy aligns with national and global guidelines. We segregate waste at source, ensure safe handling and storage of hazardous waste (such as used oil, sludge, chemical residues), and engage only approved recyclers or specialized disposal facilities for processing non hazardous waste, e waste, and other scrap. This approach reflects the "reduce, reuse, recycle" (3R) principle that the regulatory authorities encourage to minimize environmental impact.

For oily sludge and lubricant derived waste — common in our operations — we adopt resource recovery practices. Used oil and other petroleum based wastes are collected and handled under strict control; where possible, they are reprocessed or sent to authorized treatment or disposal facilities, in compliance with environmental management norms.

We also pay special attention to e waste and electronic scrap. Following the enactment of the hazardous waste regulations including the e waste rules, our disposal procedures ensure that all e waste is forwarded to licensed recyclers or disposal facilities, avoiding improper dumping or release of toxic substances into soil or water.

The Company invests continuously in awareness, training, and infrastructure to maintain safe working conditions, proper waste handling, and emergency readiness. These efforts aim not only to comply with applicable regulations but also to uphold sustainability, minimize environmental footprint, and protect stakeholder interests.

4. HUMAN RESOURCE

At LUB RREF, employees remain our most valuable asset. In 2025, we continue to focus on building a skilled and adaptable workforce to meet the evolving demands of the energy and chemicals sectors. Our initiatives include upskilling and reskilling programs, leadership development, and flexible learning formats to enhance both technical and soft skills.

We are also exploring digital HR tools to streamline recruitment, performance management, and training tracking, improving efficiency and transparency. Through these efforts, the Company aims to cultivate a motivated, resilient, and future-ready workforce capable of driving sustainable growth.

5. INDUSTRIAL RELATIONS

Harmonious and cordial relations were maintained with the employees. The Employees Union extended full cooperation and actively participated with the management in sorting out employees' problems and grievances. There was no man day's loss due to industrial relations problems during the year.

6. CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABLE DEVELOPMENT

At LUB RREF, we continue to integrate CSR and sustainability into our core business strategy, aligning our efforts with global and national expectations for responsible corporate behavior. In recent years, CSR in Bangladesh has evolved beyond philanthropy: companies increasingly adopt structured CSR frameworks addressing environment, community welfare, and ethical governance.

Our commitment includes reducing environmental impact, promoting resource conservation, and managing waste responsibly especially hazardous and industrial wastes in line with broader sustainable development principles. This approach mirrors the growing corporate focus in Bangladesh on environmental protection, waste reduction, and sustainable production.

On the social side, many companies in Bangladesh now target education, health, community development and disaster relief through CSR responding to pressing socio-economic needs and helping build community resilience. By aligning with such practices, LUB RREF supports sustainable development goals, including improved living standards, community welfare, and inclusive growth.

Moreover, adopting formal CSR and sustainability frameworks such as the principles promoted by the CSR Centre, Bangladesh and global standards (e.g. sustainable reporting frameworks) helps to systematize initiatives, ensure accountability, and communicate impacts clearly to stakeholders.

Going forward, LUB RREF aims to strengthen its CSR efforts through a balanced "triple bottom line" approach economic viability, social betterment, and environmental stewardship thereby contributing meaningfully to both national development and global sustainable development aspirations.

(VI) Risks and concerns issues related to the financial statements

LRBDPLC faces several financial and operational risks amid current economic conditions in Bangladesh:

- **Cost and Currency Risks:** Depreciation of the Taka and rising import costs increase production expenses and pressure profit margins.
- **High Financing Costs & Liquidity Risk:** Elevated interest rates and tighter bank credit may increase finance expenses and limit working-capital flexibility.
- **Supply-Chain & Energy Constraints:** Disruptions in import of raw materials and energy shortages may reduce production efficiency and capacity utilization.
- **Weak Demand:** Slower industrial and consumer demand may lead to lower sales, inventory build-up, and downward pressure on revenues.
- **Regulatory & Macro-Economic Uncertainty:** Policy changes, inflation, and banking-sector vulnerabilities create additional operational and financial uncertainties.

Implications: These factors may result in lower gross and net profits, increased finance costs, cash-flow pressure, and potential write-downs of assets or inventory.

Mitigation Measures: The Company focuses on hedging foreign-exchange exposure, optimizing working capital, controlling costs, diversifying suppliers, maintaining liquidity buffers, and monitoring macroeconomic and regulatory developments.

Future Plan or Projection or Forecast

LUB RREF remains committed to delivering high quality lubricant and related products to meet evolving customer needs. The outlook for the lubricants market in Bangladesh over the coming years is promising: the national lubricants market is estimated at around **218.7 million litres in 2025**, and is projected to grow toward **approximately 249.8 million litres by 2030.** The growth trend reflects expanding industrialization, rising vehicle ownership, increased demand for industrial and automotive lubricants, and continued infrastructure development.

Given this favorable market context, LUB RREF aims to leverage these opportunities to strengthen its market position and grow turnover with a long term vision to become a leading local investment company in its sector, while contributing significantly to the national exchequer. To adapt to future demands, the Company will:

- Focus on producing and marketing higher performance lubricants (synthetic / semi synthetic / specialty oils), responding to increasing demand for quality and compliance with OEM requirements. This would allow tapping premium segments, where margins are higher.
- Expand capacity and product portfolio to meet rising demand from both automotive and industrial segments including heavy machinery, power generation, manufacturing, agricultural and transport sectors as Bangladesh continues infrastructure development and industrial activity grows.

- Continue investing in sustainable practices and environmentally responsible business, aligning with global trends toward greener lubricants and sustainability, which may become a differentiating factor. As the lubricants industry calls for greater investment, technology integration, and adherence to environmental standards, this positions LUB RREF to benefit from 'early mover' advantage.

Macro economic & Business Environment Outlook

Recent forecasts for Bangladesh's economy suggest modest but improving growth prospects. According to Asian Development Bank (ADB), GDP growth is projected at about **5.0%** in **FY2026**, following a slower period during FY2025. Inflation is expected to moderate relative to recent highs, which may support improved purchasing power and demand. The improved economic outlook combined with stable remittance inflows, infrastructure spending, and expansion of transportation and industrial sectors could drive higher lubricant demand and greater consumption of industrial inputs.

For LUB RREF, this favorable macro environment presents an opportunity to grow sales and profitability, particularly if the Company adapts to changing market demands, improves quality, and invests in operational efficiency.

Strategic Commitments: Business Growth, CSR & Sustainability

Aligned with its long term vision, LUB RREF will continue to embed **sustainability, social responsibility, and environmental stewardship** into its strategy. This includes commitment to environmentally responsible production, waste management, resource efficiency, and contributing positively to communities and national development.

Through consistent performance, strategic investment in product quality, capacity expansion, and responsible business practices, LUB RREF aims to realize sustainable growth and consolidate its position as a leading lubricant and energy sector player in Bangladesh.

Rubiya Nahar
CHAIRMAN

Mohammad Yousuf
MANAGING DIRECTOR



CORPORATE GOVERNANCE REPORT- 2025

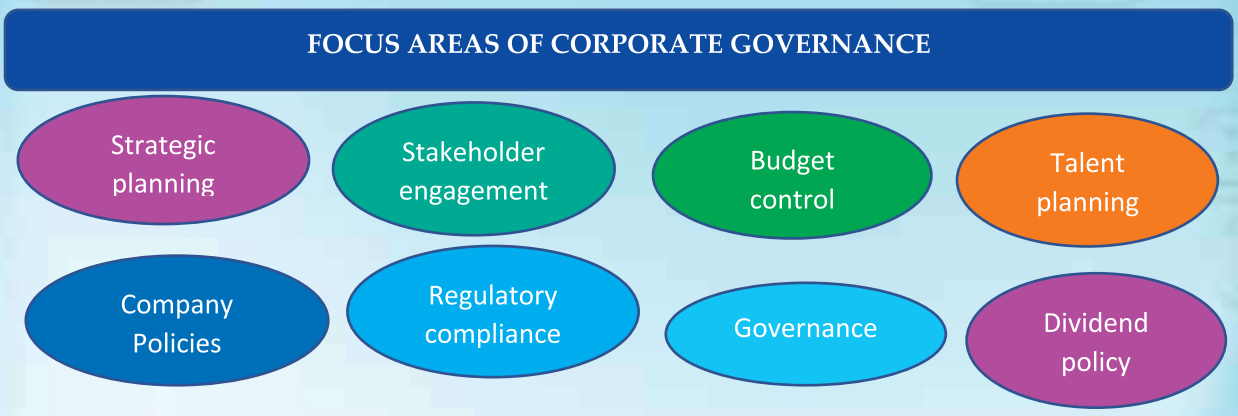
Approach to Corporate Governance

LUB-RREF is committed to maintaining the highest standards of corporate governance to ensure transparency, accountability, and integrity across all business operations. The Company believes that effective governance strengthens stakeholder confidence, safeguards shareholders' interests, and supports sustainable growth.

Our approach is guided by the following principles:

1. **Transparency:** Clear and timely disclosure of financial and non-financial information to shareholders and stakeholders.
2. **Accountability:** Roles and responsibilities of the Board, management, and committees are clearly defined, ensuring responsible decision-making.
3. **Ethical Conduct:** Business practices adhere to ethical standards, regulatory requirements, and applicable laws.
4. **Board Effectiveness:** The Board of Directors oversees strategic planning, risk management, and internal controls while ensuring independence in decision-making.
5. **Stakeholder Engagement:** Maintaining constructive relationships with shareholders, employees, customers, regulators, and the community to foster trust and long-term value.
6. **Sustainability & Responsibility:** Integrating environmental, social, and governance (ESG) considerations into strategic planning and operational practices.

Through this structured approach, LUB-RREF aims to ensure strong governance, prudent risk management, and sustainable value creation for all stakeholders.



The Governing Board and Structure

The Board of Directors of LUB-RREF (Bangladesh) PLC is the highest authority within the Company, providing essential leadership to ensure the achievement of business objectives while operating within a robust framework of internal controls. The Board is committed to meeting the expectations of our shareholders and upholding the principles of good governance.

The primary focus of our Board is to drive the Company's sustainability agenda, foster organizational effectiveness, and cultivate a high-performance culture, ensuring that these elements serve as a strong foundation for achieving our strategic goals. The Board comprises seven (7) highly competent individuals, each bringing valuable expertise aligned with the needs of the Company. To ensure a balanced perspective, the Board includes Independent Directors who bring diverse multisectoral experience and share the Company's values, contributing to effective decision-making.

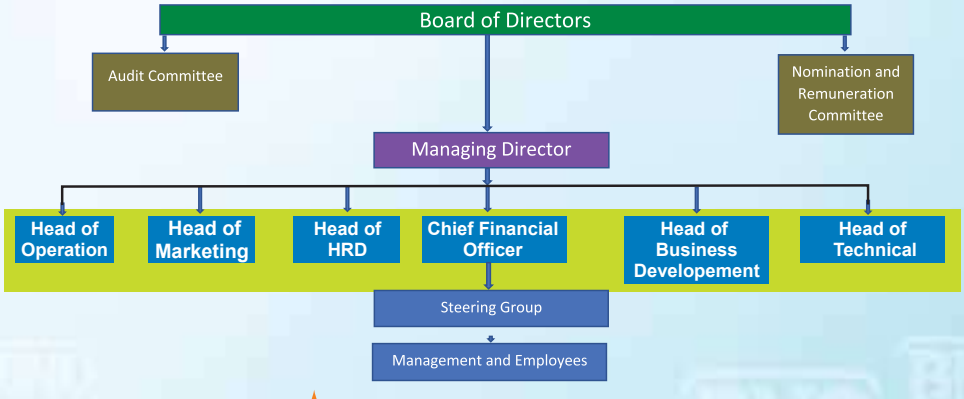
In line with our commitment to fostering a responsible corporate culture, the Board ensures that LUB-RREF adopts practices and policies that align with the principles and recommendations of the Corporate Governance Guidelines set forth by the Bangladesh Securities and Exchange Commission (BSEC) and the Company's internal governance framework.

To achieve the goal of exemplary governance, the LUB-RREF Board is dedicated to:

- Transparency in the disclosure of corporate governance principles and practices, ensuring stakeholders are informed of our governance approach.
- Continuous improvement of regulatory alignment, staying abreast of international developments and adapting to evolving standards, while meeting the expectations of our investors and other stakeholders.

The Board's commitment to these goals reflects our ongoing pursuit of integrity, accountability, and long-term value creation for all stakeholders.

Governance through leadership



Corporate Governance Framework

LUB-RREF (Bangladesh) PLC's corporate governance framework has been developed and continually enhanced, drawing on key principles and best practices outlined in the following sources:

- Bangladesh Securities & Exchange Commission (BSEC) Notification on Corporate Governance
- The Companies Act 1994 and other relevant corporate regulations of Bangladesh
- Dhaka Stock Exchange and Chittagong Stock Exchange Listing Regulations
- Applicable Laws of the Land
- Company Standards of Business Conduct, Policies, and Guidelines
- Statement on Risk Management and Internal Control
- Statement of Delegated Authorities
- Global Best Practices

The Board of Directors consistently reviews and updates the corporate governance framework to ensure its relevance, effectiveness, and sustainability in addressing emerging business challenges in an evolving market environment.

Commitment to Compliance

LUB RREF fosters a strong culture of compliance and ethical business conduct across all levels, including the Board and employees. All staff are required to annually confirm their adherence to company policies and standards of business conduct through a Declaration of Compliance.

The Company periodically reviews and updates its compliance guidelines and standards to align with evolving laws, global best practices, and industry expectations. The framework covers legal compliance, anti-corruption, product stewardship, environmental and safety standards, and responsible corporate conduct.

Through these measures, LUB RREF aims to ensure transparency, accountability, and integrity, strengthening stakeholder trust and supporting sustainable business growth.

Delegated Authorities

LUB-RREF (Bangladesh) PLC maintains a well-defined Statement of Delegated Authorities, which outlines the specific roles, powers, and responsibilities entrusted to various levels of management. This framework ensures strong internal governance, operational efficiency, and prudent control over all major investment decisions.

Certain key strategic matters such as the formation of new business units or manufacturing facilities, approval of the annual strategic and operational plans, significant capital expenditures, major acquisitions, divestments, and corporate restructuring remain strictly reserved for **Board approval**. This structured delegation ensures that decisions of material importance are taken with appropriate oversight and remain aligned with the long-term strategic direction of the Company.

Governance, Risk Management, and Control

LUB-RREF is deeply committed to upholding the highest standards of corporate governance, anchored in a comprehensive Statement on Risk Management and Internal Controls. This statement outlines the Company's approach to identifying, assessing, and mitigating risks across all operational and financial activities.

The governance framework focuses on:

- Achieving business objectives responsibly
- Ensuring transparent and timely disclosure

- Strengthening internal control mechanisms
- Promoting accountability at all organizational levels
- Safeguarding shareholders' interests through robust oversight

To maintain excellence, LUB-RREF continuously reviews and updates its governance practices in line with evolving laws, regulations, and internationally recognized best practices.

Sustainability and Responsible Growth

The Company's governance structure is designed not only for compliance but also for **long-term sustainability and responsible value creation**. Through ethical business conduct, prudent decision-making, and transparent reporting, LUB-RREF aims to build lasting trust among its stakeholders.

The Company regularly evaluates environmental, social, and governance (ESG) considerations when setting strategic priorities, underscoring its commitment to sustainable and responsible growth.

Corporate Compliance

Corporate compliance remains a fundamental pillar of LUB-RREF's governance culture. The Company maintains strict adherence to all relevant laws, rules, regulations, and corporate governance codes issued by the:

- Bangladesh Securities and Exchange Commission (BSEC)
- Dhaka and Chittagong Stock Exchanges
- National Board of Revenue (NBR)
- Registrar of Joint Stock Companies & Firms (RJSC)
- Other regulatory and governmental authorities

LUB-RREF ensures the timely submission of accurate financial statements, statutory reports, and supporting documents to these bodies. The Company has strengthened its internal compliance monitoring system, enabling real-time oversight and early identification of compliance risks.

The Board of Directors sets the tone for a culture grounded in integrity, transparency, and accountability. Shareholders continue to demonstrate confidence in the Board's leadership, as reflected in their active engagement and constructive feedback during Annual General Meetings (AGMs).

To promote a compliance-driven culture, the Company also conducts regular awareness and training sessions on existing and upcoming regulatory requirements, ensuring employees at all levels remain well-informed and responsible in their conduct.

Commitment to Excellence in Governance

LUB-RREF's unwavering dedication to compliance both in letter and in spirit reinforces its reputation as a responsible, ethical, and forward-looking organization. By maintaining the highest governance standards and continuously strengthening its compliance frameworks, the Company strives to ensure sustainable growth, enhanced stakeholder confidence, and long-term organizational resilience.

Training and Development for Board Members

LUB-RREF (Bangladesh) PLC places strong emphasis on ensuring that every Director is well-prepared to carry out their responsibilities effectively. Upon appointment, Board members receive a comprehensive set of documents including strategic reports, operational guidelines, internal policies, financial statements, and corporate governance frameworks that help them gain a thorough understanding of the Company's structure, processes, and business model.

Directors are also encouraged to attend relevant seminars, workshops, conferences, and certification programs offered by reputed institutions. These programs are tailored to strengthen their understanding of:

- Evolving corporate governance requirements
- Industry-specific developments
- Global best practices in risk management, sustainability, and compliance
- Regulatory updates issued by BSEC, NBR, stock exchanges, and other authorities

To support ongoing learning, senior management regularly conducts detailed presentations during Board meetings covering business performance, market conditions, risk assessments, compliance matters, and strategic opportunities. This ensures that Directors remain well-informed and actively engaged in shaping the Company's direction.

This continuous learning environment enhances Board effectiveness, strengthens oversight, and equips Directors to navigate the complex and fast-changing business landscape.

Board Practices

The Board of Directors holds ultimate responsibility for safeguarding shareholder interests and steering the Company towards sustainable growth. Guided by strong internal controls and transparent governance, the Board ensures that all strategic objectives are pursued responsibly and in alignment with long-term stakeholder value.

The composition of the Board complies fully with:

- The Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Code-2018
- Listing Regulations of the stock exchanges
- National Codes of Best Practices

This ensures a balanced Board structure, incorporating Executive, Non-Executive, and Independent Directors with diverse expertise, promoting responsible and effective governance.

Policy on Appointment of Directors

LUB-RREF strictly follows the requirements of the Companies Act, 1994, BSEC regulations, and all other applicable rules regarding the appointment, retirement, and continuation of Directors.

Key regulatory provisions followed include:

- Retirement by Rotation: As per the Companies Act, one-third of the Directors retire at each Annual General Meeting (AGM).
- Tenure: Directors may serve a term of three years, extendable for a further term of three years.
- Independent Directors (ID): IDs may serve a maximum of two consecutive three-year terms in compliance with BSEC Corporate Governance Code-2018.
- Casual Vacancies, Nomination, Removal: All such matters are managed in strict accordance with statutory requirements and BSEC directives.

LUB-RREF does not maintain a separate internal policy for the selection or appointment of Directors beyond the initial Board appointment. Instead, the Company follows the established legal framework, ensuring fairness, transparency, and regulatory alignment in all Board appointments.

Performance Evaluation

The Company has a structured performance evaluation system aligned with the **Nominations and Remuneration Committee (NRC)** guidelines under the BSEC Corporate Governance Code-2018.

Evaluation Includes:

• Chairman, Managing Director, and Functional Directors:

Their performance is evaluated by the NRC based on predetermined criteria related to leadership effectiveness, operational performance, compliance, and strategic contribution.

• **Executive Directors:**

Evaluated through the NRC following the process mandated by the BSEC, ensuring objectivity and alignment with governance standards.

• **Overall Company Performance:**

Assessed against the objectives outlined in the Memorandum and Articles of Association, strategic goals, financial results, compliance performance, and operational efficiency.

Independent Directors (IDs):

Performance evaluation criteria applicable to Executive Directors do not apply to Independent Directors in the same manner. Since their appointment and independence are monitored directly by the BSEC, their performance oversight remains under the purview of the regulatory authority. This maintains neutrality, transparency, and adherence to governance principles.

Updated Governance Commitment

Through enhanced training, improved performance evaluation mechanisms, and strict regulatory compliance, LUB-RREF continues to strengthen its governance structure. The Company remains committed to maintaining a transparent, accountable, and high-performing Board that upholds stakeholder confidence and drives sustainable organizational success.

Chairman of the Board

The Chairman of the Board is elected by the Board of Directors from among the Non-Executive Directors, based on the Board's careful evaluation of the candidate's integrity, leadership qualities, and ability to provide independent oversight. By appointing a Non-Executive Director as Chairman, the Board ensures that its leadership remains objective, independent from daily operations, and fully committed to upholding strong governance practices.

The Chairman plays a pivotal role in guiding the Board, ensuring that its responsibilities are carried out effectively, transparently, and in alignment with the best interests of shareholders and the long-term strategic direction of the Company.

Roles and Responsibilities of the Chairman

• **Defined by the Board**

The specific roles, responsibilities, and authority of the Chairman are formally outlined by the Board in accordance with the Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Code. This framework ensures clarity of duties and supports accountability at the highest level.

• **Non-Executive and Independent Role**

As a Non-Executive Chairman, the role does not include any executive, administrative, or policy-making authority. The Chairman remains fully independent of the Company's day-to-day management, allowing for unbiased guidance, oversight, and strategic direction.

• **Upholding Governance and Compliance**

The Chairman ensures that Board operations comply with the Memorandum and Articles of Association, applicable Acts, Rules, BSEC Regulations, and all other statutory requirements. This leadership safeguards the Company's commitment to ethical conduct and sound corporate governance.

• **Leadership in Board and Shareholder Meetings**

The Chairman presides over all meetings of the Board of Directors, as well as the Annual General Meeting (AGM) and Extraordinary General Meetings (EGMs). The Chairman promotes constructive discussion, balanced participation, and informed decision-making to ensure that meetings are conducted efficiently and transparently.

- **Strategic Representation of the Company**

In consultation with the Board and the Managing Director/CEO, the Chairman represents the Company in engagements with shareholders, regulators, investors, strategic partners, and the wider community. Through this role, the Chairman helps strengthen stakeholder confidence and reinforces the Company's reputation for responsible and ethical corporate citizenship.

- **Oversight and Support to the Managing Director/CEO**

While remaining non-executive, the Chairman supports and provides guidance to the Managing Director/CEO on strategic matters when required, without involving themselves in operational decisions. This ensures a clear separation between strategic oversight and executive management.

- **Additional Delegated Responsibilities**

The Chairman may undertake additional responsibilities as delegated by the Board, provided such duties align with applicable laws, regulations, and the Company's Articles of Association. This flexibility allows the Chairman to support evolving needs of the Board and the Company.

Primary Roles and Responsibilities of the Managing Director

- **Driving Business Operations:** The Managing Director (MD) is primarily responsible for steering the day-to-day operations of the Company. The MD leads the development and execution of the Company's long-term strategies, focusing on maximizing shareholder value and ensuring sustainable growth. This involves overseeing all facets of the Company's business operations and ensuring that the Company's objectives are aligned with its strategic vision.
- **Leadership and Management Decisions:** The MD plays a key leadership role, being ultimately accountable for all day-to-day management decisions. This includes overseeing the implementation of both short-term and long-term business plans. The MD works closely with senior management to ensure that operational goals are met, performance targets are achieved, and resources are effectively utilized.
- **Liaison Between Board and Management:** The MD serves as the main communication link between the Board of Directors and the Company's management team. The MD is responsible for updating the Board on the operational status of the Company, conveying management's insights, and ensuring that the Board is informed of key business developments, challenges, and opportunities.
- **External Communication and Representation:** In addition to internal responsibilities, the MD represents the Company in its communications with various external stakeholders, including shareholders, employees, government authorities, and the general public. This role involves ensuring that the Company's messaging is consistent, transparent, and aligned with its corporate values. The MD acts as the face of the Company in public forums, during shareholder meetings, and in interactions with regulators, partners, and the media, fostering positive relationships and upholding the Company's reputation.

Through these roles and responsibilities, the MD ensures the smooth functioning of the Company's operations while keeping the Board and external stakeholders informed and engaged

Management through People

The Board of Directors of LUB-RREF places strong emphasis on setting the strategic direction of the organization while ensuring that leadership is empowered to deliver meaningful results. To support this vision, the Board delegates appropriate operational and financial authority to the Managing Director (MD), enabling him to design the organizational structure, recruit competent talent, lead the Strategic Business Units (SBUs), and supervise all functional operations. The MD is responsible for guiding the management team, fostering a results-oriented culture, and driving the Company toward its strategic and operational goals.

As the apex governing body, the Board maintains continuous visibility over the performance of various Business Units. It reviews strategic initiatives, operational progress, and financial outcomes at regular intervals to ensure alignment with corporate objectives. The Managing Director—entrusted with primary responsibility for day-to-day management—works closely with departmental heads and key personnel to ensure smooth operations. When required, the MD consults external specialists to strengthen decision-making and ensure that the Company adopts best practices in governance, management, and industry standards.

Empowering Employees

To promote an effective delegation of authority and create a culture of accountability across all levels of the organization from senior management to supervisory staff the Board has established clear and structured guidelines for the Managing Director. These guidelines ensure that responsibilities are distributed appropriately and that each individual understands their role within the broader organizational framework.

Employee performance is evaluated based on transparent, measurable, and pre-defined objectives. Assessments are conducted fairly and objectively, ensuring that achievements, contributions, and competencies are recognized appropriately. This process not only motivates employees but also helps in identifying areas for development, enabling continuous improvement and capacity building across the Company.

LUB-RREF remains committed to fostering a workplace culture where empowerment, accountability, and professional growth drive organizational excellence.

Composition of the Board of Directors in 2024-2025

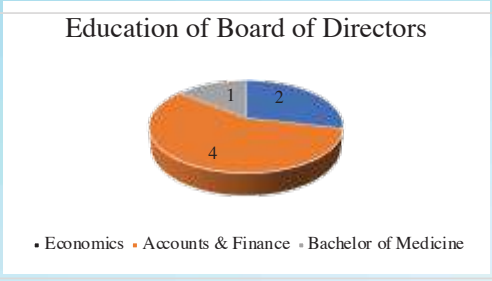


At LUB-RREF, the overall effectiveness of the Board is enhanced by its diverse composition, which includes a wide range of professional, academic, and international experiences. The members bring valuable perspectives that contribute to a comprehensive decision-making process, ensuring the Board stays aligned with the Company's goals. Collectively, the Board possesses strong financial acumen and expertise, enabling it to offer informed guidance on strategic matters and uphold high standards of governance.

The Board is collectively responsible to the shareholders for the long-term success of the Company, its strategic direction, and the maintenance of its core values and governance standards.

Among the seven directors on the LUB-RREF Board, three (3) are Non-Executive Directors, who do not receive any financial benefits except for compensation for attending Board meetings and dividends. The Company Secretary is a competent Associate Chartered Secretary, who is partly qualified and plays a key role in ensuring compliance with corporate governance standards, as well as facilitating efficient Board operations. Refer to pages 69-72 for a detailed profile on our directors.

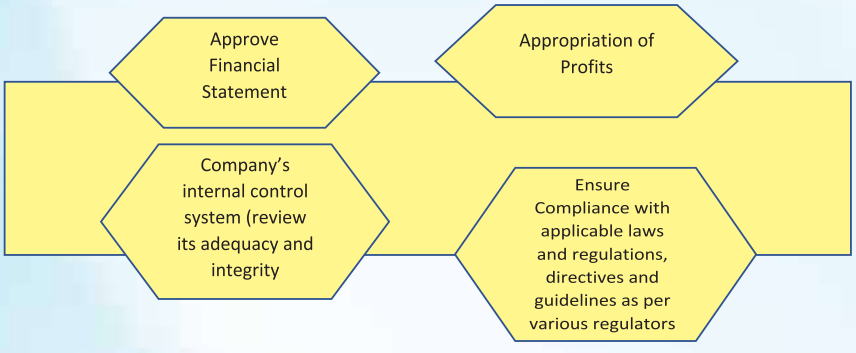
Educational Background of the Board Members



Principal Responsibilities of the Board

- **Strategies: Review long**-term strategies and, accordingly, set goals and direction for the Company
- **Risk Assessment:** Review the Company's risk response mechanisms and confirm the implementation of the necessary systems to manage these risks.
- **Leadership:** Provide the leadership necessary to ensure that the business objectives are within the boundaries of internal controls, as described in the code statement

Key Responsibilities



Board's Decision-Making Responsibilities

The Board of Directors is responsible for making critical decisions that shape the direction of the Company. These responsibilities include:

- Acquisition, disposal, or closure of businesses
- Establishing new business ventures
- Capital investment and disposal of tangible assets
- Purchase and sale of trademarks
- Proposals for borrowings or granting extended credit facilities
- Any corporate restructuring not covered by the above activities
- Appointment of top management and expatriate officials

Dissemination of Duties

The delegation of duties and responsibilities within the Company is governed by the following regulations and frameworks:

- Memorandum and Articles of Association of the Company
- The Companies Act, 1994
- BSEC Codes of Corporate Governance

- Listing Regulations
- Company's Standards of Business Conduct
- Business Principles
- Statement of Delegated Authorities
- General Corporate Best Practices

Non-Executive Director's Independence

Except for the Managing Director, Mr. Salauddin Yousuf, and Mrs. Israt Jahan, all other Directors on the Board are non-executive Directors. The Board members actively participate in Board and Committee meetings, where they thoroughly discuss the agenda items reserved for each meeting.

Board Members and their attendance in Meetings

The composition of the Board Committees as of 30 June 2025 and the attendance of Directors at the Board and Board Committee meetings held in 2024-2025 are as follows:

Board Members	Board	Audit Committee	NRC	AGM
Mrs. Rubiya Nahar Chairman of the Board, Non-Executive Director	7/7	-	-	1/1
Mohammad Yousuf, Managing Director	7/7	-	-	1/1
Salauddin Yousuf	7/7	-	-	1/1
Israt Jahan	7/7	-	-	1/1
Mohammad Rafiqul Alam, FCMA	7/4	1/1	1/1	1/1
Masuda Sultana, FCS, ACA	7/2	1/1	1/1	-
Lieutenant Colonel (Retd.) Imran Azad Nominated Director by Companygonj Agro Industries	7/7	1/1	1/1	1/1
Kabir Hossain, Company Secretary	7/7	1/1	1/1	1/1
Md. Mofijur Rahaman, Chief Financial Officer	7/7	1/1	1/1	1/1

BOARD COMMITTEES

It is to ensure a swift and efficient flow of information, i.e. showcasing strong governance, with which the Board has established two subcommittees which are:

➢ Audit Committee

➢ Nomination and Remuneration Committee

These committees are responsible for assisting the Board in some of the Board's responsibilities. The Committee firmly follows the Board-approved Terms of Reference (ToR). The ToR elaborates on the roles, operating procedures, and authorities that are reviewed frequently by the Board.

Audit Committee

As per the conditions of the BSEC Guidelines, the Board has constituted an Audit Committee for the

Company. In 2024-2025 the Committee comprised of 2 Independent Directors and 1 Representative Director. The Board has appointed an Independent Director as Chairman of the Committee under the referred guidelines.

Committee members and their attendance at the meeting

Members of the Audit Committee	Number of meetings held	Attended	Attendance (%)
Mohammad Rafiqul Alam, FCMA Independent Director, Chairman of Audit Committee	1	1	100%
Masuda Sultana, FCS, ACA, Member of the committee	1	1	100%
Lieutenant Colonel (Retd.) Imran Azad Nominated Director by Companygonj Agro Industries	1	1	100%
Kabir Hossain, Company Secretary	1	1	100%
Md. Mofijur Rahaman, Chief Financial Officer	1	1	100%

As per regulatory requirements, members of the Audit Committee are well-versed in finance and financial matters, i.e., they can analyze and interpret financial statements to effectively discharge their duties and responsibilities as members of the Audit Committee. As per the invitation of the Audit Committee, the Managing Director, Chief Financial Officer, Internal Auditor, and representatives of External Auditors attend the meetings of the Audit Committee as invitees.

Other senior members are also invited to the Audit Committee meetings. The Audit Committee meets with the external auditors on a per-needs basis and separately with internal auditors annually without the presence of any Executive Director. The Committee met 1 times during the year 2024-2025.

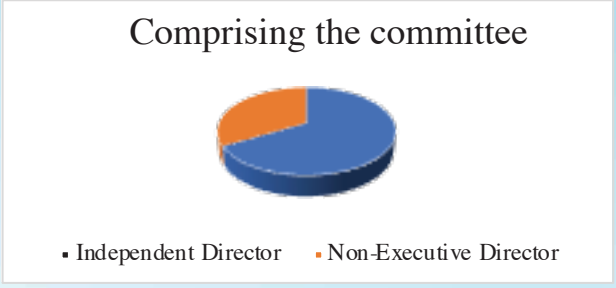
Responsibilities of the Audit Committee include the following:

- To ensure compliance with accounting policies, standards, and principles and monitor the integrity of the financial reporting process
- To mitigate risks and monitor the internal controls and business risk management process
- To oversee the selection and performance of external auditors, which ensures that the statutory auditors are not engaged in any involvement in the Company which is restricted under regulatory guidelines
- To monitor and review the effectiveness of the internal audit function
- To engage in other matters as per the terms of reference of the Audit Committee

Committee (NRC) The Board Nomination and Remuneration Committee (NRC),

The Board Nomination and Remuneration Committee (NRC), headed by an Independent Director, makes recommendations to the Board in terms of employment of the members of the Executive Committee, managers, and employees and decides their specific remuneration. This Committee met once in 2024-2025. The Managing Director, Chief Financial Officer, and Head of Human Resources attended the meeting of the NRC as invitees and the Company Secretary performed the functions of the Secretary of the Committee. The remuneration policy is designed to ensure that the reward and remuneration package is competitive so that high-quality human resources with proven track records and experience are recruited, motivated, and retained.

NRC Composition



Committee members and their attendance in meeting:

Committee members and their attendance in meeting:

Members of the Audit Committee	Number of meetings held	Attended	Attendance (%)
Masuda Sultana, FCS, ACA, Proposed Independent Director & Chairman of NRC	1	1	100%
Mohammad Rafiqul Alam, FCMA, Independent Director, Member of NRC	1	1	100%
Lieutenant Colonel (Retd.) Imran Azad Nominated Director by Companygonj Agro-Industries, Member of NRC	1	1	100%
Mr. Kabir Hossain, Secretary, NRC Committee	1	1	100%

DIRECTORS' TIME AND DIRECTORSHIP COMMITMENTS

Directors provide disclosures about their other commitments so that they can spend adequate time on the Company's affairs.

- **Other Directorships:** As of 30 June 2024, none of our directors, individually, held directorships in more than five public companies including Lub-rref (Bangladesh) PLC..
- **Executive Directors:** Our Executive Directors do not hold directorship of more than 2(two)public companies including Lub-rref (Bangladesh) PLC.; however, they are encouraged to participate in professional, public, and community organizations.
- **Sufficient Time and Attention:** Adequate and relevant time commitments have been made by the Directors over the years in matters and affairs of the Company.
- **Other Offices:** Disclosure of Directors' other commitments held within the country or overseas, including the number, identity, and nature of the office is made, indicating time involvement. In the election held at the Annual General Meeting (AGM) in 2025, respective candidates' directorships held in listed or public companies in the past three years were set out in the Annual Report of the year concerned. Elaboration on the Directors' biography can be found under the profile 'Board of Directors' on page 64-68 of this Annual Report and on LUB-RREF's website.

Appraisal of the Board's performance

The Appraisal of the Board's performance is done as per regulatory requirements. The outcome of the Board's decisions has always had a positive impact on the Company, reflecting that the Board has performed its duties accordingly.

STATEMENT OF REMUNERATION PAID TO THE DIRECTORS

As per the Corporate Governance Code condition 1(5) (X) of BSEC Notification no. BSEC/CMRRCD/2006-158/207/ Admin/80, dated: June 3, 2018, where the Board of Directors announces the following additional Statement or disclosure in the Director's Report prepared under section 184 of the Companies Act,1994(Act No. XVIII of 1994):

A statement of remuneration paid to the directors including Independent Directors:

Name of party	Types of Relationship	Nature of Transactions	Opening Balance	Addition	Adjustment	Closing Balance (30.06.2025)
Mohammed Yousuf	Managing Director	Remuneration fees & Board meeting fees	3,406,738	9,000,000	(8,250,000)	4,156,738
Rubiya Nahar	Chairman		-	56,000	(56,000)	
Md. Salauddin Yousuf	Director		2,600,000	4,800,000	(4,400,000)	3,000,000
Dr. Israt Jahan	Director		575,000	1,800,000	(1,650,000)	725,000
Lieutenant Imran Azad, Rtd.	Nominated Director		-	72,000	(72,000)	-
Mr. Mohammed Rafiqul Alam, FCMA	Independent Director		-	48,000	(48,000)	-
Masuda Sultana, FCS, CA (Final)			-	32,000	(32,000)	-
Total			**6,581,738**	**15,808,000**	**(14,508,000)**	**7,881,738.00**

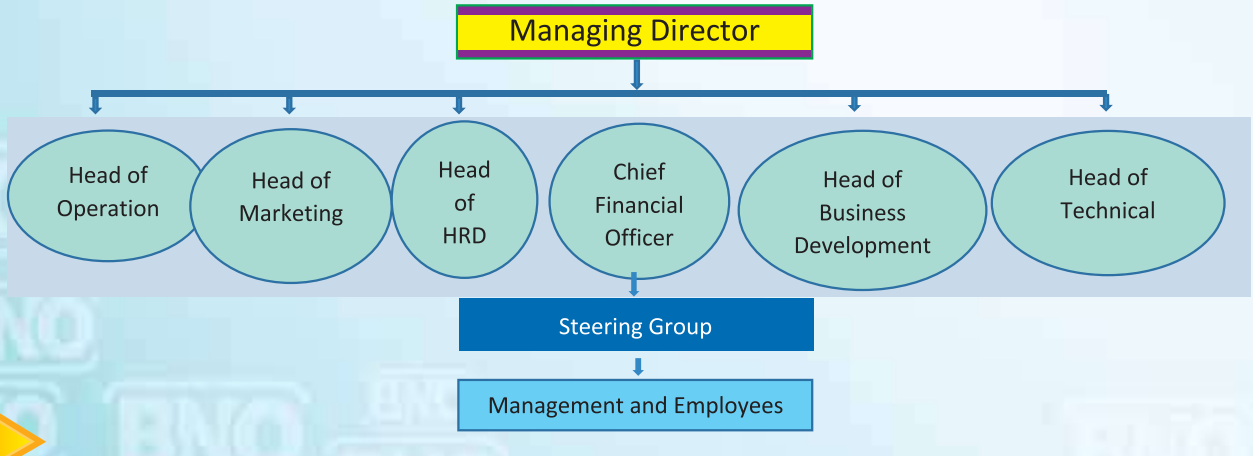
TRAINING AND DEVELOPMENT OF BOARD

A workshop on key business issues, along with the initiatives regarding corporate social responsibility, was organized for the Board of Directors, apart from individual induction orientation and even from different Professional Training and development locally and internationally.

Effective Control Processes

The Board disseminates responsibilities for ensuring effective control processes in the organization through the Board committees and, a Mancom Committee at the top management level, plays a significant role in managing the business as per the norms of corporate governance, while also ensuring that adequate internal controls are in place and supported through robust risk management and MIS process.

Leadership Team (Man-com Committee)



Board is duly assisted by the respective functional heads of the Company, i.e. the Mancom Committee (MANCOM) The Managing Director leads the MANCOM.

The MAN-COM drives the responsibility of policies and decision implementation of the Board, along with the overview of the operations and development, coordination, and execution of corporate business strategies. MAN-COM engages in a monthly meeting regarding the execution of the Company's strategy and ensures daily operational alignment with Company plans. The respective MAN-COM gets invitations to the Board meetings based on the relevant information or updates required by the Board. For details of each MMAN-COM member, please refer to pages 69 to 72 of this Annual Report.

Company Secretary

The Board of Directors has appointed a Company Secretary to serve as a vital connection between internal and external stakeholders, ensuring the seamless collection, compilation, and timely dissemination of information to and from the Board. In compliance with the Corporate Governance Guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC), the appointment of a Company Secretary is mandatory to uphold governance standards and facilitate the efficient operation of the Board. As a governance officer, the Company Secretary plays a pivotal role in driving the corporate compliance agenda while supporting the Chairman and Board members in ensuring effective governance. The Company Secretary coordinates and attends all Board and Committee meetings, including those of the Audit Committee and the Nomination and Remuneration Committee (NRC), ensuring that discussions are meticulously documented in the minutes. Decisions made are properly recorded and promptly communicated to relevant authorities for necessary action or information. The responsibilities of the Company Secretary extend beyond governance to encompass a range of critical operational and administrative functions. These include overseeing agreement signing, policy formulation, safeguarding the company's land resources, managing records, upholding business conduct standards, administering trustee funds, and managing portfolio investments.

Key roles and responsibilities of the Company Secretary include, but are not limited to:

- **Liaison and Communication:** Acting as a crucial link between the Board, management, shareholders, and stakeholders, fostering transparent communication on matters of corporate interest.
- **Policy Compliance and Awareness:** Promoting awareness of policy compliance among employees and ensuring adherence to corporate governance standards.
- **Stakeholder and Legal Affairs Management**: Performing duties as per the power of attorney, managing Board-level stakeholder relationships, and facilitating the legal and external affairs (LEX) function concerning company secretarial matters.
- **Regulatory Compliance:** Ensuring compliance with acts, rules, regulations, notifications, and directives issued by the BSEC and stock exchanges to safeguard the interests of investors and stakeholders.
- **Disclosure Management:** Handling the disclosure of Price-Sensitive Information (PSI) and other capital market-related matters in compliance with applicable regulations.
- **Board Governance:** Ensuring adherence to appropriate Board procedures, in line with the Bangladesh Secretarial Standards (BSS) adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) and providing expert guidance to the Board on governance matters.

The Company Secretary's multifaceted role underscores their critical contribution to the company's governance framework, regulatory compliance, and operational integrity, ensuring the organization operates transparently and effectively in alignment with the best practices and legal mandates.

Financial Reporting Process

A strong financial reporting system forms the backbone of an organization's information infrastructure. The Company has established a robust and reliable financial reporting process, ensuring that all financial statements are prepared in full compliance with International Financial Reporting Standards (IFRS), Bangladesh Financial Reporting Standards (BFRS), the Companies Act, 1994, the Securities and Exchange Rules, 1987, and other applicable financial regulations.

Financial data is systematically captured from the enterprise resource planning (ERP) system, forming the basis for the preparation of financial statements. These statements undergo a rigorous review by the Chief Financial Officer (CFO), Managing Director (MD), and the Audit Committee regularly. Subsequently, the financial statements are submitted to the Group as management accounts, where they are further reviewed by the Group Accounting and Group Finance teams.

External auditors also examine the financial reports to ensure adherence to local financial reporting standards and the Company's internal procedures. Following this external validation and internal scrutiny, the financial reports are presented to the Board of Directors for final review and approval, ensuring accuracy, transparency, and compliance at every step.

Internal Control Process

The internal control system of the Company is established at both the Board and Management levels, designed to provide reasonable assurance in achieving the Company's objectives. These objectives encompass the effectiveness and efficiency of operations, the reliability, completeness, and timeliness of financial reporting and management information, as well as compliance with applicable laws, regulations, and Company policies.

The Statement of Internal Control provides a comprehensive overview of these internal control processes. The system is guided by several key policies and guidelines, which form the foundation for ensuring robust governance and operational integrity. These include:

Guidelines and some key policies

- Standards of Business Conduct
- Procurement Policy and Guidelines
- IT Security Policy
- Finance Policy and Guideline
- International Marketing Standards
- Records Management Policy
- Agreement Policy
- Employment Policy & Principles

Standards of Business Conduct

The Company upholds high standards of business integrity through its Standards of Business Conduct (SoBC), which serve as a comprehensive framework for ethical and responsible behavior. These standards are mandatory for all employees and Directors, ensuring a unified commitment to ethical practices across the organization.

The SoBC encompasses a wide range of policies designed to maintain integrity and transparency. These include:

- **Whistle-blowing Processes:** Encouraging employees to report unethical behavior without fear of retaliation.

- **Conflict of Interest Declarations:** Requiring disclosure of any personal or financial interests that may influence professional decisions.
- **Anti-Bribery and Corruption Measures:** Strictly prohibiting bribery and corruption in all forms within the workplace and operations.
- **Human Rights and Workplace Ethics:** Promoting respect for human rights in all aspects of operations.
- **Guidelines for Gifts and Entertainment:** Establishing clear boundaries to prevent undue influence or the appearance of impropriety.
- **Charitable Contributions:** Ensuring that donations align with the Company's ethical values and are free from ulterior motives.
- **Accurate Record-Keeping:** Mandating precision and honesty in financial and operational documentation.
- **Protection of Corporate Assets:** Safeguarding the Company's tangible and intangible assets against misuse or loss.
- **Confidentiality and Information Security:** Protecting sensitive information from unauthorized access or disclosure.
- **Insider Trading and Market Abuse:** Prohibiting the misuse of confidential information for personal or financial gain.
- **Compliance with Competition and Anti-Trust Laws:** Promoting fair competition and adhering to legal frameworks.
- **Anti-Money Laundering and Anti-Terrorism Policies:** Combating financial crimes and ensuring compliance with global sanctions.
- **Illicit Trade and Product Misuse:** Preventing unauthorized trade and ensuring ethical distribution of the Company's products.

All employees, including Directors, are expected to conduct themselves in alignment with these principles, fostering a culture of accountability and trust. To reinforce this commitment, employees are required to confirm their adherence to the SoBC by submitting an annual Declaration of Compliance. This practice underscores the Company's unwavering dedication to ethical excellence and operational integrity.

HUMAN CAPITAL

The Company's greatest strength lies in its people, recognizing that a motivated and talented workforce is its most asset. Committed to fostering a culture of excellence, the Company emphasizes creating a unique, inclusive, and performance-driven environment where employees are valued, rewarded, and provided with ample opportunities to grow and showcase their talents. This dedication to its people has earned the Company a reputation as an employer of choice within the country.

To ensure long-term sustainability and continuous growth, the Company prioritizes a merit-based and transparent recruitment and selection process, focusing on attracting individuals with the right skills and potential. Employees are offered highly competitive remuneration packages, along with robust training and development programs tailored to enhance their professional capabilities and personal growth.

Career progression is supported through well-defined succession planning, fostering a high-performance culture that motivates employees to achieve their best. The Company also invests in creating a positive and fulfilling workplace environment, where employees feel empowered to voice their concerns, escalate grievances, and access counseling support as needed.

By nurturing a culture of respect, fairness, and opportunity, the Company ensures its people are not only aligned with its mission but are also inspired to drive innovation and excellence, contributing to the organization's long-term success and sustainability.

Recruitment and Selection

The Company places a high priority on attracting and nurturing exceptional talent, recognizing that the quality of its workforce is critical to its success. Recruitment and selection processes form the cornerstone of the Company's commitment to talent excellence, incorporating best practices to ensure the acquisition of top-tier professionals.

To identify and select the most talented individuals, the Company employs a rigorous, multi-layered recruitment process that includes a diverse range of interactive and engaging assessments. These assessments are designed to evaluate candidates holistically, ensuring alignment with the Company's values and strategic objectives.

The Talent Management Program exemplifies the Company's dedication to building a pipeline of future leaders. This initiative focuses on recruiting outstanding fresh graduates, providing them with structured development opportunities, and equipping them with the skills and knowledge to excel in their roles. Through mentorship, hands-on experience, and leadership training, the program prepares these young professionals to take on critical positions and contribute meaningfully to the organization's growth and the nation's progress.

By investing in innovative recruitment strategies and comprehensive development programs, the Company ensures it attracts, develops, and retains the finest talent, driving both individual and organizational success.

Learning & Development

The Company is deeply committed to the continuous development of its employees, offering a wide range of training programs designed to enhance both professional skills and personal growth. Recognizing the importance of a healthy work-life balance, the Company ensures that its training initiatives are designed to support the overall well-being of its workforce, while also promoting career advancement. Various training programs are tailored to meet the needs of different employee groups, and delivered at regular intervals to ensure ongoing skill enhancement. These programs cover a broad spectrum of topics, from technical expertise to leadership development, enabling employees to stay at the forefront of industry trends and best practices. The Company also boasts a state-of-the-art Technical Training Center, equipped with the latest tools and technology to provide specialized technical training. This facility offers hands-on learning experiences and fosters a culture of continuous improvement, ensuring employees can sharpen their technical capabilities and contribute to the Company's innovation and success. By offering diverse training opportunities, the Company not only empowers its employees to reach their full potential but also nurtures a thriving, skilled workforce that drives the organization's growth and sustains its competitive edge.

Compensation & Benefits

The Company's recruitment strategy is centered on attracting and retaining the most qualified and suitable talent at every level of the organization. By focusing on building a diverse and capable workforce, the Company ensures it has the right people in place to drive its success and achieve its strategic objectives.

The Company's remuneration policies are designed to be highly competitive, taking into account individual qualifications, skills, performance, contributions, and responsibilities. This approach not only ensures that compensation packages are aligned with industry standards but also offers distinct differentiation from other companies, recognizing and rewarding the unique value each employee brings to the organization.

Through this tailored approach to recruitment and compensation, the Company fosters an environment where top talent is attracted, motivated, and retained, contributing to long-term organizational growth and success.

Comprehensive performance management program

Lub-rref (Bangladesh) PLC. has established a well-defined and structured performance evaluation policy designed to assess employee performance comprehensively. The robust performance appraisal system is a key tool that enables management to measure individual and team performance against clearly defined business targets at the end of each year. This appraisal system plays a critical role in recognizing and rewarding high performance based on stringent criteria, ensuring that exceptional contributions are acknowledged and incentivized. Additionally, the system provides valuable feedback to employees, offering them insights into areas for improvement and development. This process not only motivates employees to continue performing at their best but also empowers them to further enhance their skills and capabilities. By fostering a culture of continuous improvement and accountability, the performance evaluation system supports the Company's broader goals and objectives. It ensures that every employee is aligned with the Company's vision and actively contributes to its success, while also creating opportunities for career growth and professional development.

Grievances and Counselling

Work discipline may occasionally be influenced by an employee's behavior, or an employee may feel aggrieved regarding their personal employment circumstances. In such cases, the Company encourages open communication through a structured grievance procedure, allowing employees to express concerns or dissatisfaction fairly and constructively. This process ensures that issues are addressed promptly and effectively, promoting a positive work environment. In addition to the grievance procedure, the Company's Human Resources function regularly provides counseling and support to employees facing personal or professional challenges. Through one-on-one counseling sessions, employees receive guidance on managing workplace issues, enhancing job satisfaction, and improving overall performance. By fostering a culture of transparency, support, and proactive communication, the Company helps maintain a harmonious workplace, ensuring that employees feel heard, valued, and empowered to resolve any issues they may encounter.

Ensuring a sound workplace

At Lub-rref (Bangladesh) PLC., our people are the cornerstone of the Company's success. We prioritize investing time and resources to create a friendly, inclusive, and supportive work environment for all employees. Whether working in the office or at the factory, all employees are expected to demonstrate respect for the environment and adhere to the Company's core values. The Company upholds a zero-tolerance policy towards any form of discrimination, which is reinforced through our commitment to ISO certification standards. This policy ensures that every employee, regardless of gender or background, has equal access to opportunities within the Company. No employee is deprived of work opportunities, and we are committed to promoting a fair and equitable workplace where all individuals are treated with respect and dignity. By fostering a culture of inclusion and respect, the Company ensures that each employee feels valued, supported, and empowered to contribute their best to the organization's growth and success.

Other Internal Policies and Guidelines

The Company's corporate governance framework is underpinned by a comprehensive set of policies, guidelines, procedures, and codes that ensure effective management and ethical conduct across all business operations. These key documents are designed to align the Company's practices with the best industry standards and regulatory requirements. Below are some of the primary policies and guidelines that guide the Company's operations:

- **Procurement Policy and Guidelines:** This outlines the processes to secure the best value and quality for the Company's expenditures, ensuring the timely delivery of goods and services to meet business needs efficiently.
- **Marketing Policies and Guidelines:** These include distributor policies, credit policies, trade

policies, marketing communication guidelines, and international marketing principles. Together, they create a responsible framework for Lubricant's marketing efforts.

- **Company Financial Policies:** These include guidelines on treasury management, dividend policies, vehicle disposal, dealing mandates, fixed asset management, depreciation, insurance, inventory control, stock valuation, delegation of authority, domestic leaf costing, budgeting, bill payment, foreign currency management, and the write-off process.
- **Environmental, Health, Safety, and Security Policies:** These policies ensure that the Company's operations adhere to environmental sustainability practices, maintain the health and safety of its employees, and safeguard overall security.
- **Information Technology Policies:** These policies regulate the use of technology and information systems within the Company to ensure security, efficiency, and compliance with best practices.
- **Business Information Guidelines:** These guidelines provide standards for managing and protecting business information, ensuring transparency and confidentiality.
- **Security, Risk Management, and Business Continuity:** These processes focus on identifying, managing, and mitigating risks, ensuring that business operations can continue without disruption in the face of challenges.
- **Competition Compliance Guidelines:** These outline the general principles and standards of behavior regarding competition laws, ensuring employees engage in practices that promote fair competition and ethical business conduct.
- **Business Security Policies:** These define procedures for protecting the Company's physical and intellectual assets, ensuring a safe working environment.
- **Guidelines for Dawn Raid Procedures:** These outline the steps to be followed during an inspection or raid by regulatory authorities, ensuring proper cooperation and compliance with legal requirements.
- **HR-Related Policies:** These include standards of employment, working hours, remuneration policies, travel guidelines, sexual harassment policies, disciplinary procedures, employee relations, equal opportunity, diversity policies, grievance management, industrial relations, education assistance, medical reimbursement, employee benefits, retirement benefits, and early separation schemes.
- **Sexual Harassment Policy:** This policy emphasizes the Company's commitment to treating all employees with respect and dignity, prohibiting any form of sexual harassment that disrupts work or the well-being of employees.
- **Guidelines for Managing Cases Involving Employees and Law Enforcement Authorities:** These procedures provide guidance on how to address legal matters involving employees and ensure compliance with legal obligations.
- **Employment Principles:** These principles guide the Company's approach to hiring, compensation, and employee development, ensuring fairness and transparency in all employment-related matters.
- **Procedures for Credit Management:** These outline the processes for managing credit for trade debtors and inter-company balances, ensuring proper financial management.
- **Climate Change Policy:** This policy outlines the Company's approach to managing its activities in line with climate change considerations, including the impact on lubricants production and green leaf threshing.
- **Records Management Policy and Central Depository System:** These policies ensure proper management and storage of business records, maintaining data integrity and accessibility.
- **Agreement Policy and Data Protection Policy:** These guidelines govern the execution of agreements and ensure compliance with data protection regulations to safeguard sensitive information.

- **Billing Guidelines:** These guidelines set standards for the billing process, ensuring accuracy and compliance with financial practices.
- **Codes for Committees:** These include the Codes of the Audit Committee, Nomination and Remuneration Committee, and CSR Committee, outlining their roles, responsibilities, and governance practices.

All of the above policies, guidelines, procedures, and codes are made available to all employees and Directors through the Company's Management Staff Manual, ensuring that the entire organization adheres to these established standards of practice.

Assets & Records Management

The Board of Directors of Lub-rref (Bangladesh) PLC recognizes its role as a steward of shareholders' funds and is fully committed to upholding this responsibility through transparent and accountable governance. Since the Company's inception, the Board has made significant investments to enhance operational efficiency, ensuring that all decisions, from asset acquisition to disposal, prioritize the best interests of the shareholders. To safeguard the Company's assets, strict safety measures are implemented, and periodic physical verifications are conducted on a sample basis. This process ensures the accuracy and integrity of the Company's reported figures, providing shareholders with reliable financial information. In addition, the Company mitigates industrial risks by insuring relevant assets through reputable insurance providers, further protecting the interests of the Company and its stakeholders. The Company's records are diligently maintained and securely stored to ensure their availability for reference when necessary. The Company Secretary is entrusted with the responsibility of overseeing the management of these records, ensuring their integrity and accessibility. This comprehensive approach to asset management, verification, and record-keeping reflects the Board's commitment to safeguarding shareholder value and maintaining the highest standards of corporate governance.

Statutory Audit

Based on the recommendation of the Audit Committee, the Board of Directors endorses the appointment of the Statutory Auditor, subject to approval by shareholders at the Annual General Meeting (AGM). The appointment of the Statutory Auditor is governed by the Companies Act, 1994, and the Securities & Exchange Rules, 1987. Shareholders not only approve the appointment but also determine the remuneration of the Statutory Auditor. In accordance with the BSEC regulations, a Statutory Auditor can serve for no more than three consecutive years, ensuring regular rotation to maintain independence. Lub-rref (Bangladesh) takes great care to ensure the independence of its Statutory Auditor. Prior to submitting the financial statements for Board approval, the Audit Committee holds a meeting with the Statutory Auditor to discuss the audit process and confirm the Auditor's independence, aligning with the Company's commitment to transparent and unbiased financial reporting. Additionally, to ensure full compliance with regulatory requirements, the Company obtains a Compliance Certificate from a licensed practicing professional. This certificate confirms that the Company has adhered to all the necessary regulations as outlined in the Corporate Governance (CG) Code by the Bangladesh Securities and Exchange Commission (BSEC). The Compliance Certificate is presented to shareholders and is an integral part of the Annual Report, providing assurance of the Company's commitment to regulatory compliance and good governance.

Transparent Disclosure

Financial Statements are prepared in accordance with the various applicable laws and regulations, some of which include:

- Bangladesh Accounting Standards (BAS)
- International/Bangladesh Financial Reporting Standards (I/BFRS)
- Companies Act, 1994
- Securities and Exchange Rules, 1987

The management is responsible for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error. Accounting estimates are made which are rational as per circumstances with the use of correct accounting policies and interpretations. The reports are then reviewed accordingly by respective authorities on a regular basis.



The external auditor attends the Audit Committee meetings to review the quarterly financial statements, as prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and Company policies. The Board reviews the financial statements of the Company at the end of every quarter. The quarterly financial statements, along with the notes, are published in the two leading daily newspapers, as well as on the Company's website. Furthermore, half-yearly and annual financial statements are also sent to all shareholders in a timely manner. Directors prepare the Directors' Report, which is an essential part of the Annual Report as it discloses the financial performance as well as non-financial information regarding Company growth, productivity, responsibilities, and other information, in compliance with BSEC notification. The Company also abides by the applicable regulations with respect to price-sensitive information (PSI).

MEANS OF COMMUNICATION

The Company communicates with its stakeholders through Annual Reports, AGM / EGM, Press Releases, Investors' meetings, and disclosures made to stock Exchanges and through the Company's website 'www.lub-rref.com'. Besides the above, the Company regularly sends letters and publishes Notices for payment of dividends, Record dates, Consideration of financial results, reminders for unclaimed dividends and shares, pupation of LRBDL, Nomination details, etc.

a. Financial Results

The quarterly unaudited/audited financial results are announced within the time prescribed under the Listing Regulation 2015. The results are published in leading newspapers having wide circulation across the country and vernacular dailies having circulation in the state where the Registered Office of the Company is situated. The financial results are also hosted on the Company's website. The Company issues news releases on significant corporate decisions/activities and posts them on its website as well as notifies the Stock Exchanges as and when deemed necessary.

b. Conference call with Investors

Participates in conference calls to discuss the quarterly/annual financial performance of the Company and prior intimation thereof is given to the Stock Exchanges and Chittagong is also hosted on the website of the Company. No unpublished price-sensitive information is discussed in the meeting/ presentation with institutional investors and financial analysts.

c. News Releases

Official press releases, detailed presentations made to Media/ Analysts/ Institutional Investors, etc. are displayed on the Company's website.

d. Website

The Company's website www.lub-rref.com provides a separate Section for Investors where all information like the Annual Reports, Shareholding Pattern, Notice of Board Meetings/ AGM, Window Closure Notices, Details of Dividends/ Shares transferred to personal Authority, formats for Investors, Corporate Governance Report, Investors Relation Handbook etc. is available in a user-friendly manner.

The Company's website also displays official news releases and other disclosures pursuant to Brandied.

e. Annual Report:

The Annual Report containing, inter alia, Audited Financial Statements, Consolidated Audited Financial Statements, Boards' Reports, Auditors' Reports, and other important information is circulated to members and others entitled thereto. The Company's Annual Report is also available in downloadable form on the Company's website.

f. AGM/EGM

The Annual General Meeting of the Company is being organized regularly for which adequate advance notice is given to all shareholders of the Company.

g. Others

All periodical compliance filings like Shareholding Patterns, Corporate Governance Reports, Media Releases, and Statement of Investor Complaints, amongst others, are filed electronically on the DSE & CSE platform within the stipulated timelines.

Further, the Company addressed various investor-centric letters/ emails to its shareholders during the year. This includes reminders for claiming unclaimed/ unpaid dividends from the Company, Dematerialization of shares, Updating of email IDs, Bank details, etc.

Ensuring Participation of Shareholders at the AGM

Ensuring full participation of shareholders in the AGM is one of the main objectives of Lub-rref(Bangladesh) Limited and, to this extent, it delivers the Annual Report at least 3 weeks prior to the AGM date. Regarding the AGM date, time, and venue, this information is communicated well in advance to shareholders. Print and digital media are channels through which notices to shareholders are published. Compliance with regulatory bodies being compulsory, Lub-rref (Bangladesh) PLC. affirms publishing of the AGM notice in two widely circulated newspapers, with copies, also sent to the stock exchanges and BSEC.

Communication with shareholders

Regular communication with shareholders is made through;

- Annual Report
- Annual General Meeting
- Quarterly Update on Financial Statements

The communication is made by the Company to meet the best interests of the shareholders. Exhibition of best practices is further made by providing comprehensive information on the Company's website, assuring investor trust and confidence in the Company. The Company's website acts as the right channel in case of retrieval of any publication. At the AGM, shareholders are offered the chance to ask the Board about the operations and prospects of the Company.

Well-defined Shareholders' Rights

To maintain successful and productive relationships with shareholders, it is essential for the Company to prioritize transparency and accountability in all its dealings. Through the effective role of the Company Secretary, the Board ensures that the rights of shareholders are fully protected and that they are treated fairly in all matters concerning the Company.

The Company Secretary acts as a vital communication bridge between the shareholders and the Board of Directors, ensuring the smooth and timely flow of information. In line with the Company's Articles of Association and applicable laws, the Company Secretary delivers standard services to shareholders, ensuring that their rights are respected and always upheld.

Shareholders are kept well-informed through regular updates on material communications and any significant changes or developments within the Company. This open communication ensures that shareholders are fully aware of all key business decisions, enabling them to make well-informed choices regarding their investments. By fostering a culture of transparency and consistent disclosure, the Company supports shareholders in their decision-making processes and strengthens the trust between the Company and its stakeholders.

Board Commitments

Lub-rref (Bangladesh) PLC. has consistently made significant contributions to the national exchequer, fulfilling its obligations as a responsible corporate entity. As a publicly listed company on both the Dhaka Stock Exchange and Chittagong Stock Exchange, the Company has demonstrated a strong commitment to compliance with national tax laws and regulations. In the fiscal year 2024-2025, the Company contributed 17% of its total revenue in the form of taxes, VAT, Supplementary Duty, and TDS to the Government of Bangladesh, reaffirming its role in supporting national economic development.

Lub-rref (Bangladesh) PLC. takes great pride in its long-standing relationship with the Government of Bangladesh, shareholders, and other stakeholders. The Company is dedicated to upholding the highest standards of ethics and corporate governance, ensuring transparency, accountability, and integrity in all its business practices. Moving forward, Lub-rref (Bangladesh) PLC. will continue to cherish and strengthen these valuable relationships, reinforcing its commitment to responsible business conduct and contributing to the sustainable growth of the nation.

Summary

At Lub-rref (Bangladesh) PLC., we believe that effective governance is a continuous and evolving process that must be integrated across all functions and levels of the organization to achieve corporate objectives. In line with this belief, the Company is committed to maintaining the highest standards of transparency and accountability in its operations, fostering a culture of good governance that benefits not only the Company but also society at large. Our governance framework is built on a strong foundation of ethical conduct, legal compliance, and clear accountability. By driving good governance practices across all functions, we ensure that our business is managed professionally, responsibly, and with integrity. This approach not only enhances the transparency of our operations but also reinforces our commitment to upholding ethical standards and adhering to legal requirements. To maintain a robust governance structure, we implement effective checks and balances that ensure continuous oversight and prevent potential risks, safeguarding the interests of our stakeholders. We recognize that good governance is essential in building trust and creating long-term value for our shareholders and all other stakeholder groups.

At Lub-rref (Bangladesh) PLC., we remain steadfast in our dedication to corporate governance, continually striving to meet the best interests of our shareholders, employees, customers, and society. We pledge to uphold these principles as we work toward achieving sustainable growth and success.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

Awareness

The Board of Directors of Lub-rref (Bangladesh) PLC. acknowledges its critical responsibility to safeguard shareholders' investments and protect the Company's assets. Recognizing the significance of risk management and internal controls, the Board has established a robust control environment and framework, continuously assessing their adequacy, integrity, and competence. The Board is committed

to managing the nature and extent of strategic risks in alignment with the Company's objectives, ensuring a balanced approach to risk-taking that does not compromise its long-term goals. While the Board is aware of the competitive and dynamic nature of the industry in which the Company operates, it strives to minimize risk at an optimal level rather than allowing excessive risk exposure. The management, under the direction of the Board, is tasked with identifying, evaluating, and managing risks, while also designing, implementing, and monitoring effective internal controls to mitigate these risks. It is essential to note that while internal controls help reduce risk, they cannot eliminate it, as the complete eradication of risk could hinder the Company's ability to achieve its business objectives. Therefore, internal controls offer reasonable assurance but not absolute certainty against material misstatements or losses. The Company's internal control system encompasses financial, operational, and compliance controls, alongside comprehensive risk management procedures. The Company has implemented an ongoing process for identifying, evaluating, monitoring, and managing significant risks. This process includes continuous updates to the internal control system, considering changes in the regulatory, business, and external environment. The Board regularly reviews this process through the Audit Committee, whose responsibilities are detailed in the Audit Committee Report section of this Annual Report. The Company's Standards of Business Conduct form a vital component of its governance framework, promoting ethical business practices. These Standards require all employees to adhere to the highest standards of integrity, comply with applicable laws and regulations, and uphold business ethics, ensuring that results are never achieved at the expense of ethical conduct.

The Standards of Business Conduct are accessible to all stakeholders and employees via the Company's corporate website at www.lub-rref.com reinforcing our commitment to good corporate behavior and maintaining transparency in our operations.

Enterprise Risk Management Framework

Risk Management is a fundamental pillar for the sustainability of Lub-rref (Bangladesh) PLC. and the creation of long-term shareholder value. As such, it is deeply embedded in the Company's management system and strongly enforced across all operations. The Risk Management Framework is strategically aligned with Lub-rref's operating model and follows a comprehensive approach that integrates the three lines of defense. This structure promotes open communication and ensures the escalation of risk-related issues and control matters throughout the organization. The Board of Directors holds the ultimate responsibility for the Company's strategy, including the determination of its risk appetite. The Risk Management Committee is tasked with overseeing the operational aspects of risk management, ensuring that all relevant internal controls are in place and addressing risks at every level. The Committee plays a pivotal role in aligning risk management strategies with the Company's overall goals and ensuring effective mitigation of potential risks.

The core risk areas identified by the Company include:

- Financial Risk – Associated with financial operations, including liquidity, credit, and market risks.
- Regulatory Risk – Involves compliance with laws, regulations, and industry standards that may impact operations.
- Transformation Risk – Relates to changes within the organization, such as new processes or systems, that could disrupt normal operations.
- Operational Risk – Includes risks arising from daily business activities, such as supply chain disruptions, production issues, and human resource challenges.
- Policy Change Risk – The risk that new or changing policies may impact business operations or profitability.

The IT function plays a crucial role in ensuring that the Company's business plans align effectively with its strategic objectives. It supports the operational performance and management of risks across various functions. The responsibility for risk management lies with the respective business units and functional

management, who are tasked with achieving the Company's goals while adhering to established policies and standards.

The Management Committee leads the functional and divisional structures, facilitating the continuous process of identifying, evaluating, managing, and mitigating significant risks. This enables the Company to address both actual and emerging risks promptly and effectively. The management teams ensure that these risks are appropriately managed to safeguard the achievement of the Company's objectives while also exploring opportunities that may arise from managing those risks effectively. This approach allows for timely identification and proactive responses to mitigate impacts and realize potential benefits, ensuring the Company's long-term success.

Risk Management Process

Company's Enterprise Risk Management Objectives;

- Preserve the safety, security, and health of its employees.
- Ensure the continuity of its supply of products to consumers and customers.
- Protect its assets, investments, and reputation.
- Ensure that the Company's operations do not impact negatively the community in which it operates and the environment.
- Protect the interests of all other stakeholders
- Promote an effective risk awareness culture where risk management is an integral aspect of the Company's management systems.
- Ensure compliance with BSEC Codes of Corporate Governance and all applicable laws.

Risk Management Team and Responsibilities

Management operates a Risk Management Team comprised of senior managers from all functions of the Company and led by the CFO. It meets formally at least three a year to:

- Review and update the risk register; and
- Assess the status of risk mitigation action plans.

The Audit Committee is briefed by annually by the Enterprise Risk Manager on the Company's Risk Management Program and its activities in the Audit Committee meeting.

The following are some of the responsibilities of the Risk Management Team:

- Steer the Company's enterprise risk management program
- Promote a proactive risk awareness culture in the Company.
- Conduct a bi-annual review of the business risks.
- Coordinate the development and implementation of risk mitigation action plans.
- Develop and update business continuity plans (BCPs) for key business risks.
- Plan and coordinate the testing of BCP

Business Continuity and Crisis Management

Business continuity is the process of developing a strategy to identify and address threats and risks that may disrupt a company's operations. Its goal is to protect personnel, assets, and ensure the organization can continue functioning effectively during and after a disaster. Business Continuity Planning (BCP) involves identifying potential risks, analyzing their operational impacts, implementing safeguards and response procedures, testing their effectiveness, and periodically reviewing and updating the plan to ensure relevance and reliability. To address potential disruptions—such as manufacturing contingencies or IT-related service disruptions—the Company has established six comprehensive BCPs. These plans are tested regularly through desktop reviews, simulations, or live activations. These activities are carried

out by plan owners in collaboration with dedicated response teams, with the support of Business Continuity Management (BCM) facilitators, following a structured cyclical testing schedule.

Additionally, the Company employs a well-defined Crisis Management framework. This ensures timely leadership decisions and effective handling of crises to minimize impact and facilitate swift recovery. This structured approach is critical for maintaining operational resilience and safeguarding stakeholder interests during challenging situations.

Risk Profile

The risk assessment conducted as part of the business planning process indicates minimal changes compared to the previous year. The likelihood and impact of identified risks remain largely consistent.

A key risk continues to stem from the Company's involvement in the lubricants sector, where market dynamics can have a significant influence on operational performance and financial outcomes. Additionally, the Company faces the ongoing risk posed by competitor actions, which require vigilance and strategic response. To address these challenges, the Company places a strong emphasis on proactive risk management. Anticipating potential threats, implementing effective mitigation strategies, and developing measures to neutralize adverse impacts are central to the Company's approach. This ensures resilience, competitive positioning, and sustained value creation for stakeholders.

Risk Management Activities in 2024-2025

Review of the Company's Risks

To ensure effective risk management and alignment with business objectives, the Risk Management Team meets bi-annually to evaluate the Company's risk landscape. During these meetings, senior managers collaborate to update the risk register and develop actionable mitigation plans. The discussions include the identification and evaluation of new risks, along with their corresponding mitigation strategies. Additionally, the meetings review the status of the Business Continuity Plans, ensuring they remain relevant and effective against emerging threats.

System of Internal Control

The Self-Assessment of Controls (SAC) process forms a cornerstone of the Company's internal control system. At its core lies the Control Navigator, which outlines essential controls and process requirements across all functions. Managers are tasked with annually assessing the effectiveness of these controls, identifying gaps or weaknesses, and agreeing on corrective actions with defined timelines.

SAC findings, along with trend analyses, are reported annually to the Audit Committee for oversight. To enhance the robustness of this process, the Company has implemented a new SAP-enabled tool that provides a standardized, centralized solution for monitoring and automating key risks and controls. This tool integrates workflows, certifications, manual controls, and interactive reporting capabilities, enabling improved visibility across the organization. The enhanced transparency in issue management and streamlined reporting processes have strengthened compliance activities, ensuring a more robust control environment.

Financial Reporting Controls

The Company maintains a comprehensive framework of policies, practices, and controls to manage financial reporting and consolidation risks, including those arising from business changes or updates to accounting standards.

Key elements of this framework include:

1. **CFO Confirmation:** The Chief Financial Officer (CFO) is required to confirm annually that all information relevant to the Company's audit has been shared with the Board of Directors via the Audit Committee. This ensures transparency and completeness in responding to external auditor queries.

2. **Account Reconciliation Reviews:** The CFO conducts biannual reviews of account reconciliations to maintain financial accuracy and integrity.
3. **Control Navigator Integration:** Financial reporting controls are assessed as part of the SAC process, ensuring alignment with broader internal control mechanisms.

The Company's commitment to the integrity of public financial reporting is further reinforced through comprehensive review processes. These include detailed assessments and recommendations by the Audit Committee, followed by final approval from the Board of Directors. Together, these measures provide assurance over the completeness and accuracy of the Company's financial disclosures, bolstering stakeholder confidence in its reporting practices.

Internal Audit

The Internal Audit function of the Company is designed to align with both local legal requirements and the global audit standards of Lub-rref. It operates with a high degree of independence and incorporates specialized expertise, particularly in Information Technology (IT), to enhance its effectiveness beyond the resources typically available within the organization.

The annual audit planning process is directly informed by the Company's risk register and input from the Audit Committee. The Audit Committee formally approves the annual audit plan, including its scope and priorities. Additionally, the Head of Internal Audit and Compliance, with Audit Committee approval, can request additional resources or assistance when necessary to address specific concerns.

The Internal Audit and Compliance function follows a risk-based approach to audit planning and execution, consistent with the Group's framework for designing, implementing, and monitoring internal control systems. The audits primarily focus on key business areas, including:

- Commercial processes
- Factory and Supply Chain operations
- IT systems and processes
- Projects and Programs involving major business transformation initiatives

In addition to scheduled audits, the function undertakes ad hoc reviews at the request of Management or the Audit Committee, ensuring responsiveness to emerging risks or operational concerns.

The detailed findings and activities conducted by Internal Audit during the year are documented in the Audit Committee Report, which is included in this Annual Report. This structured and comprehensive approach underscores the Company's commitment to robust internal controls, risk management, and governance practices.

External Audit

As part of the annual statutory audit of the Company's financial statements, the external auditors review and, where appropriate, highlight significant audit, accounting, and internal control matters to the Board and the Audit Committee. Upon completing the year-end audit, a detailed report is provided to the Audit Committee and Management, addressing key findings and recommendations.

The external auditors also participate in quarterly Audit Committee meetings, offering their perspectives on relevant matters when applicable. These interactions ensure a continuous flow of insights into areas requiring attention. To maintain independence and objectivity, the Audit Committee convenes at least once annually with the external auditors in a private session, excluding Executive Directors and Management. This year, the Audit Committee held two such meetings with the external auditors.

During the statutory audit, the external auditors conducted reviews of the controls and processes impacting financial reporting. The findings indicated no significant issues with material financial implications. However, the auditors provided recommendations for enhancing certain processes and controls, which were shared with the Board and Audit Committee for consideration.

This structured engagement with external auditors underscores the Company's commitment to maintaining robust financial governance, transparency, and adherence to best practices in corporate oversight.

Key Elements of Internal Control and Risk Management System

In addition to the previously described frameworks, the Company's internal control and risk management system includes the following key components, reviewed and approved by the Board:

Policies, Procedures, and Limits of Authority

- **Delegation of Responsibilities:** Responsibilities are clearly delegated to Board committees and Management, supported by defined organizational structures and authority levels.
- **Documented Policies:** Comprehensive internal policies, standards, and procedures are maintained and regularly updated to address evolving risks and operational challenges. The Board approves all policies, and cases of noncompliance are reported to the Board and Audit Committee on an exception basis.

Immediately Reportable Incidents

The Company adheres to a control protocol termed "Immediately Reportable Incidents" (IRIs) to identify and address significant control breakdowns promptly. This procedure enhances transparency in the control environment and ensures early visibility of potential issues to relevant management. Timely awareness enables appropriate discussions and supports a culture of control consciousness within the organization.

Triggering Events for IRIs Include:

- Control issues in financial reporting processes.
- Weaknesses in IT general controls for significant systems.
- Failures in basic financial or IT controls and noncompliance with IT policies.
- Significant control issues in non-financial business processes exposing the Company to material risks.
- Suspected or actual fraud incidents.

Strategic Business Plan, Budget, and Performance Review

- **Performance Monitoring:** Management provides regular, comprehensive updates on performance against the strategic plan, including key financial and operational metrics. Performance reviews are conducted quarterly by the Finance Team and presented to the Board, highlighting significant issues.
- **Budgeting Process:** An annual budgeting process is undertaken to establish financial plans, followed by monthly reviews comparing actual performance against the budget to identify variances and take corrective action.
- **Asset Protection:** The Company maintains robust insurance coverage and physical security measures to safeguard its assets, minimizing exposure to material losses.

Written Declarations

- **Standards of Business Conduct:** All management personnel submit written declarations confirming compliance with the Company's Standards of Business Conduct, with any conflicts of interest disclosed where applicable.
- **Standards of Internal Control:** Written confirmations from the Chief Financial Officer (CFO) and Managing Director affirm compliance with the Company's internal control standards.

These practices collectively ensure a strong governance framework, fostering operational integrity, risk mitigation, and adherence to ethical standards.

Written confirmation of due diligence by the CEO and CFO as required under the BSEC guidelines

Board Assessment

In addition to the measures outlined, it is acknowledged that external factors such as political instability, violence, social unrest, and potential terrorist activities may pose challenges to the Company's ability to operate smoothly and effectively.

Nevertheless, the Board is confident that the Company's comprehensive risk management framework and internal control systems are functioning adequately and effectively. This confidence is supported by formal assurances from both the Managing Director and the Chief Financial Officer.

The Board affirms that the risk management process, including the identification, evaluation, and mitigation of significant risks, has been consistently applied throughout the financial year 2022–2023 and up to the date of approval of this statement. Furthermore, the Board believes that the internal control system is robust, providing sufficient safeguards to detect any material losses, contingencies, or uncertainties that would require disclosure in the Company's Annual Report.

This statement has been prepared and approved in accordance with the resolution of the Board of Directors dated 27 November 2025.

AUDIT COMMITTEE



Mohammed Rafiqul Alam, FCAM
INDEPENDENT DIRECTOR
Chairman of Audit Committee



Lieutenant Colonel MD Imran Azad SGP SUP G (Retired)
NOMINATED DIRECTOR
Member of Audit Committee



Masuda Sultana, FCS, ACA
Proposed Independent Director
Member of Audit Committee



Mr. Kabir Hossain
Secretary

REPORT OF THE AUDIT COMMITTEE – 2025

Throughout the year, the Audit Committee of Lub-rref (Bangladesh) PLC remained focused on ensuring the integrity of the Company's financial reporting, the effectiveness of internal controls, and the robustness of risk management processes. The Committee closely monitored compliance, transparency, and financial discipline in light of the Company's prevailing challenges, and worked with management and auditors to uphold sound corporate governance and protect stakeholders' interests.

— Chairman of the Audit Committee

REPORT OF THE AUDIT COMMITTEE – 2025

This Audit Committee Report, presented in compliance with Condition 5 of the **Bangladesh Securities and Exchange Commission (BSEC) and Corporate Governance Code 2018**, outlines the activities and functions of the Audit Committee during the financial year 2024-2025. The Audit Committee of Lub-rref, a key sub-committee of the Board, plays a vital role in supporting the Board's governance responsibilities. Established in accordance with the BSEC Corporate Governance Code, the Committee operates under clearly defined Terms of Reference.

As of 2018, the Audit Committee is composed of the following members:

- Mohammad Rafiqul Alam, FCMA – Independent Director and Chairman of the Audit Committee
- Mrs. Masuda Sultana, FCS, ACA, Proposed Independent Director
- Lieutenant Colonel (Retd.) Imran Azad – Nominated Director representing Companigonj Agro Industries Ltd.

Additionally, Mr. Kabir Hossain, the Company Secretary, serves as the Secretary to the Audit Committee. All members of the Committee are non-executive Directors, with the Chairman being an Independent Director, ensuring independence and objectivity in the Committee's operations.

As stipulated by the BSEC Corporate Governance Code, all members of the Audit Committee are financially literate, possessing the expertise to analyze and interpret financial statements. This capability enables them to effectively fulfill their duties and responsibilities in overseeing the organization's financial reporting and control systems.

Purpose of the Audit Committee

The Audit Committee serves a critical role in maintaining alignment with the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC). Its primary purpose is to safeguard the integrity of the Company's financial reporting while providing oversight in areas such as business risks, internal controls, compliance, and audits. The Committee is tasked with ensuring that robust internal control systems are in place to identify and mitigate business risks effectively. It ensures that the Company operates in a prudent, compliant, and financially sound manner. Through diligent review and analysis, the Audit Committee supports the Board of Directors in guaranteeing that the financial statements present a true and fair view of the Company's financial position and that an effective monitoring framework is upheld. Accountable directly to the Board of Directors, the responsibilities of the Audit Committee are clearly outlined in writing. This structured mandate empowers the Committee to play an instrumental role in supporting the Board in achieving strong corporate governance and operational integrity.

Responsibilities and Duties of the Audit Committee

The Audit Committee is entrusted with the following responsibilities and duties, aimed at ensuring effective oversight and governance:

1. Financial Reporting

Review of Financial Statements: Examine the quarterly and annual financial statements of the Company, with a focus on:

- Significant changes to accounting policies and practices.
- Adjustments resulting from audits.
- Compliance with applicable financial reporting standards and regulatory requirements.
- The appropriateness of the going concern assumption.

2. Related Party Transaction

Oversight of Related Party Transactions: Assess related party transactions and conflict-of-interest situations, including those that may raise concerns about management integrity or governance.

3. Audit Committee Report

Preparation of Reports: Compile the annual Audit Committee Report for submission to the Board, which includes:

- Composition and terms of reference of the Audit Committee.
- Details of meetings held and attendance.
- Summaries of activities, performance of internal audits, and actions for inclusion in the Annual Report.

Review of the Board's statements on compliance with BSEC's Corporate Governance Codes for inclusion in the Annual Report.

4. Internal Control

- **Risk Management:** Annually review the Company's risk management framework to ensure effective identification, analysis, and mitigation of risks, enabling minimization of losses and maximization of opportunities.
- **Internal Control Systems:** Ensure internal control systems are well-designed, effectively implemented, and regularly monitored.
- **Policy Compliance:** Monitor adherence to internal policies, standards, and procedures, such as the Company's Standards of Business Conduct.
- **Change Management:** Obtain assurance of adequate internal control plans prior to significant organizational changes.
- **Recommendations:** Advise the Board on improvements to internal controls based on internal and external audit findings.

5. Internal Audit

- **Audit Plans:** Review and ensure consistency of internal audit plans with the risk management framework and adequacy of coverage.
- **Competency Assurance:** Confirm the Internal Audit team's qualifications and capacity to fulfill its mandate.
- **Audit Status:** Review internal audit reports and ensure timely implementation of recommendations.
- **Special Audits:** Initiate broader or special audits as required to address concerns.
- **Access to Information:** Ensure Internal Audit has unrestricted access to records, property, and personnel needed for effective functioning.

6. External Audit

- **Audit Oversight:** Review the external auditor's plan, audit report, evaluation of internal controls, and overall coordination of the audit process.
- **Risk Management Review:** Collaborate with external auditors on the Company's Statement on Risk Management and Internal Control for the Annual Report.
- **Auditor Independence:** Evaluate the independence of external auditors and their engagement in non-audit services to prevent conflicts of interest.
- **Audit Findings:** Review management's responses to audit findings and ensure necessary corrective actions.
- **Appointment and Fees:** Assess matters related to the appointment, reappointment, fees, and potential resignation or dismissal of the external auditor.

7. Other Matters

- Additional Responsibilities: Address any other matters as directed by the Board.

By fulfilling these duties, the Audit Committee strengthens the Company's governance framework, ensuring transparency, accountability, and compliance.

Reporting of the Audit Committee

Reporting to the Board of Directors

The Audit Committee reports on its activities to the Board of Directors

The Audit Committee immediately reports to the Board of Directors on the following findings, if any:

- Report on conflicts of interests;
- Suspected or presumed fraud irregularity or material defect identified in the internal audit and compliance process or in the financial statements;
- Suspected infringement of laws, including securities-related laws, rules, and regulations;
- Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately

The Audit Committee further ensures that in compliance with condition no. 5 of the Corporate Governance Code of Bangladesh Securities and Exchange Commission Notification No. SEC/CMRRCD/2006-158/207/ Admin/80 dated 3 June 2018, the Managing Director and Chief Financial Officer (CFO) of the Company have certified before the Board that they have thoroughly reviewed the Financial Statements of the Company for the year ended 30 June 2024, and they state that;

(i) They have reviewed the financial statements for the year ended on 30 June 2021 and to the best of their knowledge and belief:
   (a) these statements do not contain any materially untrue statement omit any material fact or contain statements that might be misleading;
   (b) these statements collectively present a 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 their knowledge and belief, no transactions entered into by the Company during the year which is fraudulent, illegal, or in violation of the code of conduct of the Company's Board of Directors or its members. Such joint certificates of the CEO and CFO are thoroughly reviewed by the Audit Committee before submission to the Board

Such joint certificate of the MD and CFO is thoroughly reviewed by the Audit Committee before submission to the Board.

Reporting to the Authorities

The Audit Committee is responsible for informing the Board of Directors about any matters that may have a significant impact on the Company's financial condition and operational results. It also engages in discussions with the Board and management regarding necessary rectifications. If the Committee determines that required corrective actions have been unreasonably ignored, it escalates the matter to the Bangladesh Securities & Exchange Commission (BSEC). Such an escalation occurs after the Committee has reported the issue to the Board three times or six months have elapsed since the first report to the Board, whichever comes first.

Reporting to the Shareholders and General Investors

Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition No. 5(6)(a)(i) of the BSEC Corporate Governance Code above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the Annual Report of the Company.

Authority

The Audit Committee is authorized by the Board to review any activity within the business as per its terms of reference. It is authorized to seek any information or attendance it requires from any Director or member of management at any of its meetings. All employees are expected to cooperate with any request made by the Committee. The Committee is also authorized to have information and advice from the Company's legal advisor, tax consultant, and statutory auditor if required. The terms of reference of the Audit Committee may be amended from time to time as required for the business, in line with BSEC notifications, subject to approval by the Board.

Meeting Attendance

The Audit Committee met 6 times during the year 2024-20254. All the members were present in all meetings of the Committee. The details of attendance of each member at the Audit Committee meetings during 2024-2025 are as follows:

Members of the Audit Committee	Number of meetings held	Attended	Attendance (%)
Mohammad Rafiqul Alam, FCMA Independent Director, Chairman of Audit Committee	1	1	100%
Mrs. Masuda Sultana, FCS, ACA, Proposed Independent Director,	1	1	100%
Lieutenant Colonel (Retd) Imran Azad, Nominated Director by Companigonj Agro Ind. Limited.	1	1	100%
Kabir Hossain, Secretary, Audit Committee	1	1	100%

The Audit Committee of Lub-rref (Bangladesh) PLC. regularly invited the Managing Director, Chief Financial Officer, Head of Internal Audit & Compliance, and representatives of the External Auditor to attend its meetings. Additionally, other relevant stakeholders and senior members of management were invited to participate in meetings as deemed necessary by the Committee. To ensure independence and objectivity, the Audit Committee held separate meetings with the External Auditors and the Internal Auditors annually, without the presence of any Executive Directors. The Company Secretary, in their capacity as Secretary to the Audit Committee, played a pivotal role in supporting the Chairman and Committee members. They ensured the effective functioning of the Committee in alignment with its terms of reference and the corporate governance code prescribed by the Bangladesh Securities and Exchange Commission (BSEC).

Summary of Activities during the Year

In 2024-2025 the Audit Committee reviewed its terms of reference, in line with the requirements of the BSEC Corporate Governance Code. The Committee performed its duties in accordance with the Terms of Reference of the Audit Committee and carried out the following activities in 2024-2025:

Financial Reporting

- Reviewed the quarterly and annual financial statements of the Company with the Chief Financial Officer and Managing Director, focusing particularly on significant changes to accounting policies and practices, adjustments arising from the audit compliance with accounting standards and other legal requirements before recommending them to the Board of Directors for approval, and concluded that the financial statements presented a true and fair view of the Company's financial performance.

Internal Control

- Reviewed the Company's Risk Management Process Outcome, including a deep dive into the key functional risks for the Company and Risk Management mitigation plans.
- Reviewed and recommended to the Board steps to improve the Company's changes to accounting policies and practices, and adjustments arising from the audits.
- Received updates on breaches of the Standards of Business Conduct and whistle-blowing incidents

Internal Audit

- Reviewed internal audit plans as to their consistency with the risk management framework used and adequacy of coverage.
- Reviewed status reports from internal audit to ensure that appropriate actions had been taken to implement the audit recommendations.
- Reviewed and enhanced internal control processes. Where appropriate, the Audit Committee was instructed to rectify and improve the internal control processes based on the internal audit.

External Audit

- Reviewed with the external auditor the Company's quarterly and annual financial statements along with the Chief Financial Officer and Managing Director, focusing on findings arising from audits, particularly comments and responses in the management letter, as well as assistance given by the employees of the Company before recommending them to the Board of Directors for approval.
- Reviewed the external auditor's audit plan, including its nature and scope, audit report, evaluation of internal controls, and coordination between the internal and external auditors.
- Reviewed the external auditor's findings arising from audits, particularly comments and responses in management letters, as well as the assistance given by employees of the Group in order to be satisfied that appropriate action is being taken.
- Exercised its right to hold meetings with the external auditor (private audience with the statutory auditor), without the presence of the Executive Directors or the management. These private sessions help to reinforce the independence of the external auditor. Reviewed the overall performance of the external auditor for the year 2024-2025.

Related Party Transactions

- Reviewed reports of related party transactions and possible conflicts of interest transactions ensure that all related party transactions are undertaken on an arm's length basis and on normal commercial terms, consistent with the Company's usual business practices and policies, which are generally not more favorable than those generally available to the public and other suppliers and are not detrimental to the minority shareholders.
- Periodically reviewed recurrent related party transactions to ensure that they are undertaken on an arm's length basis and on normal commercial terms.
- Reviewed the estimated recurrent related party transactions mandate for the ensuing year, and recommended to the Board to seek shareholders mandated at the upcoming Annual General Meeting of the Company

Ethical and Integrity Areas

- Deliberated reports on whistle-blowing
- Deliberated on security and safety matters and loss reports.
- Deliberated on the environmental, health, and safety review reports.

Annual Report

Reviewed disclosures required by the statement on corporate governance, audit committee report, standards of business conduct, and a statement on risk management and internal control for the financial year ended 30 June 2023 for inclusion in the Annual Report, 2023, and recommended their adoption to the Board.

Internal Audit

The Internal Audit function at the Company is structured to align with local legal and regulatory requirements, as well as international standards. The Audit team comprises experienced professionals sourced from leading Chartered Accountancy Firms, ensuring a high degree of independence and access to specialized expertise beyond the internal resources of the Company. To reinforce compliance, a cross-functional review mechanism is also established in line with the Corporate Governance Code.

The Internal Audit adopts a risk-based approach to planning and conducting audits, consistent with the Group's framework for designing, implementing, and monitoring control systems. Audits primarily focus on key areas such as commercial processes, factory and supply chain operations, IT systems, and strategic projects involving significant business changes. Additionally, Internal Audit undertakes reviews based on specific requests from Management or the Audit Committee.

When required, Lub-rref (Bangladesh) PLC. supports the Audit Committee in assessing the effectiveness of the Company's internal control systems, ensuring an optimal balance between risk and control measures to meet business objectives. Any undue restrictions on audit scope are promptly reported to the Audit Committee.

Internal Audit provides an independent evaluation of the efficiency and effectiveness of internal controls through a robust audit methodology and tools. This helps the Company maintain a comprehensive and effective risk management framework, offering assurance on strategy execution and change management initiatives. The scope of Internal Audit extends to all units and operations across the organization.

Summary of Audit Committee Findings

The Audit Committee concluded that:

- The financial statements were prepared in accordance with financial reporting standards.
- Related party transactions were conducted at arm's length under normal business conditions.
- Risk management, internal control, and internal audit systems were adequate and effective.

The Company complied fully with all applicable laws and regulations governing its operations.

Looking Ahead

In 2026, the Committee's priorities will include:

- Maintaining oversight of risk management and internal control processes.
- Strengthening the organization's culture of risk awareness and proactive mitigation.
- Monitoring the impact of climate change on key business assumptions.
- Preparing for potential legislative or regulatory changes affecting internal controls and reporting.

Closing Remarks

This report aims to provide shareholders with a clear understanding of the Committee's operations and activities during the year. We welcome feedback and comments from shareholders on the report. Thank you for your continued support.

Report Authorization

This Audit Committee Report is made in accordance with the resolution of the Board of Directors on 27th November 2025.

Kabir Hossain
Secretary, Audit Committee

Mohammed Rafiqul Alam, FCAM
INDEPENDENT DIRECTOR
Chairman of Audit Committee

NOMINATION & REMUNERATION COMMITTEE -2025



Masuda Sultana, FCS, ACA
Proposed Independent Director
Chairman of NRC



Mohammed Rafiqul Alam, FCAM
INDEPENDENT DIRECTOR
Member of NRC



Lieutenant Colonel
MD Imran Azad SGP SUP G (Retired)
NOMINATED DIRECTOR
Member of NRC



Mr. Kabir Hossain
Secretary

REPORT OF THE NOMINATION & REMUNERATION COMMITTEE -2025

Lub-rref (Bangladesh) PLC.

The Board of Directors of Lub-rref (Bangladesh) PLC. has duly constituted a Nomination and Remuneration Committee (NRC), as per the requirements of the BSEC Code of Corporate Governance-2018. The NRC assists the Board in formulating the nomination criteria or policy for determining qualifications, positive attributes, experiences, and independence of Directors and other top-level executives. The NRC also assists the Board to formulate policy for the formal and continued process of considering the remuneration/honorarium of Directors and top-level executives. The NRC has a guiding role to the management to identify the Company's needs for employees at different levels and determine their selection, transfer or replacement, and promotion criteria.

The Report of the Nomination and Remuneration Committee is prepared according to the requirements of the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC). This Report covers nomination and remuneration policies, evaluation criteria, and activities of the NRC.

1. Overview of the Nomination and Remuneration

Policies:

The Company follows nomination and remuneration policies, the benchmark of which relies on standards recognizable in the market context and sufficient to meet the current and future needs of the Company. The broad criteria in that respect for Directors and top-level executives and all other employees of the Company are as follows;

(a) Nomination Criteria

(i) Following the Company policies as well as guidelines and applicable country regulations

(ii) Following a selection process that is transparent in all respects

(iii) Following a process that is compatible with international standards and local best practices

(iv) Recognize core competencies of the respective personnel for the different levels of management and employees of the Company

(v) Follow diversity in age, maturity, qualification, expertise, and gender disciplines

(b) Recruitment and Selection Guidelines

The NRC draws a broad outline of the Company's needs for employees at different levels, as ascertained by the management. The recruitment and selection of Directors, top-level executives, and other employees of the Company are made according to the following guidelines:

- **Executive Director:** The NRC recommends the candidate(s) for Executive Director(s), based on nomination by the majority shareholders. The Board of Directors appoints the Executive Director/s upon nomination and recommendation of the NRC.
- **Non-Executive Director:** The NRC recommends candidate(s) for Non-Executive Director(s), based on nomination by the majority shareholders, the Government shareholders, and other general shareholders. The Board of Directors appoints the Non-Executive Directors upon nomination and recommendation of the NRC
- **Independent Director:** The Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements, and corporate laws that can make a meaningful contribution to the business. The Independent Director should have competence relevant to the sector in which the Company operates, and necessarily should have the qualifications as required by the regulations of BSEC. The Board of Directors appoints Independent Directors upon nomination and recommendation of the NRC, which is then approved by shareholders at the Annual General Meeting of the Company.
- **Top-level Executives:** The NRC identifies and recommends candidate(s) for top-level executives upon thorough scrutiny by the Managing Director, Executive Committee, and Human Resources Department (HRD), considering relevant qualifications, experience, skills, and leadership, as required for the respective positions based on the Company's internal selection process.

Explanation: 'Top-level executives of the Company include the Managing Director, the Finance Director, the Head of Human Resources, the Head of Legal & External Affairs, all the Executive Committee Members (head of functions), the Company Secretary, the Head of Internal Audit & Compliance, and same level/ ranked/ salaried officials of the Company.

➢ **Other Employees:** The NRC sets a guideline to identify the Company's need for employees at different levels, and empowers the relevant management of the Company's HRD for the selection, transfer, replacement, and promotion of respective employees based on the Company's internal processes

(C) Remuneration Criteria

(i) The structure, scale, and composition of remuneration/ honorarium is reasonable and sufficient to attract, retain and motivate suitable Directors, top-level executives, and other employees to run the Company efficiently and successfully;

The context of packages, including remuneration/ benefits monthly, yearly, and in the long run for all the employees are categorically laid down and meets the appropriate performance benchmarks;

(ii) There is a clear balance in benefits between fixed and incentive pay of Executive Directors and senior management, reflecting short and long-term performance goals and objectives of the Company

(iii) The remuneration, including bonuses, compensation, benefits (or in whatever form) payable to the Executive Directors, top-level executives, and other employees are determined by the NRC based on the respective Company policies and guidelines, which shall be ratified by the Board as and when required;

(iv) The remuneration to be paid to the Executive Directors is in accordance with the Company's policies and guidelines

(a) Increments (if any) to the existing structure of remuneration are determined by the NRC based on the Company's policies and guidelines, which are ratified by the Board as and when required

(v) The NRC will recommend the Board meeting attendance fees, honorarium, including incidental expenses if any; and

(vi) No member of the NRC receives, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the Company

2. Evaluation Criteria

(a) Executive Directors

The respective line authority of the Executive Director(s) sets the performance measurement criteria based on the respective role profile and responsibilities through a Company appraisal process at the beginning of each calendar year. The Executive Director(s) prepare the performance document (half-year and year-end). The respective line authority then evaluates the performance of the Executive Director(s) according to the measurement criteria

(b) Independent Director & Non-Executive Director

The evaluation of the performance of the Independent Directors (IDs) and Non-Executive Directors are carried out at least once a year by the Board of Directors, according to the following criteria:

(i) Attendance at the Board meetings and committee meetings

(ii) Participation in the Board meetings and committee meetings

(iii) Contribution to improving the corporate governance practices of the Company

© Top-level Executives & other Employees

The respective line authority of top-level executives and other employees sets the performance measurement criteria based on the respective roles and responsibilities to achieve people and business objectives through Company appraisal processes at the beginning of each calendar year. The employees concerned prepare the performance document (half-year and year-end). The respective line authority then evaluates the performance of the employee(s) according to the measurement criteria

3. Activity Summary of Nomination and Remuneration Committee during the year

(a) Formation of the NRC Committee and its Meeting

The Board formed the Nomination and Remuneration Committee (NRC) on 1 January 2025, as per the requirements of the BSEC Corporate Governance Code with the following composition:

(i) Mrs. Masuda Sultana, FCS, ACA
Chairman, Proposed Independent Director

(ii) Mohammad Rafiqul Alam, FCMA,.
Member, Independent Director
(iii) Lieutenant Colonel (Retd.) Imran Azad
Nominated Director by Companygonj Agro Industries Ltd.

In 2024-2025, the Committee met once. The Managing Director, Chief Financial Officer, and Head of HR attended the meeting by invitation of the Committee. Mrs. Masuda Sultana, FCA, ACA, guided the newly formed Committee in its nomination and remuneration initiatives, ensuring standards and compliance

The activities of the NRC during the year were as follows:

i) Considered the terms of reference of NRC, as approved by the Board
ii) Formulated a policy relating to the remuneration of the Directors, top-level executives, and all employees of the Company
iii) Formulated the criteria for determining qualifications, positive attributes, and independence of a director
iv) Formulated the criteria for evaluation of the performance of Independent Directors and the Board Members
v) Identified criteria for selection, transfer or replacement, and promotion at different levels of the Company
vi) Adopted a code of conduct for the Chairman, Directors, and Top-level executives of the Company

Kabir Hossain
Member Secretary

Mrs. Masuda Sultana, FCS, ACA
Chairman & Proposed Independent Director



LUB-RREF(BANGLADESH) PLC's DIVIDEND DISTRIBUTION POLICY

Lub-rref (Bangladesh) PLC (the "Company") has formulated a dividend distribution policy in line with Directive No. BSEC/CMRRCD/2021-386/03 dated January 14, 2021, of the Bangladesh Securities and Exchange Commission (BSEC).

DISTRIBUTION TIME:

Lub-rref (Bangladesh) PLC shall pay off the annual or final dividend to the entitled shareholder within 30 (thirty) days of approval. Provided that the interim dividend shall be paid off to the entitled shareholder within 30 (thirty) days of the record date.

CASH DIVIDEND

Cash dividends shall be distributed in the following manner and procedures, namely:

i) Within 10 (Ten) days of the declaration of a cash dividend by the board of directors, an amount equivalent to the declared cash dividend payable for the concerned year shall be kept in a separate bank account of Lub-rref (Bangladesh) PLC's, dedicated for this purpose.

ii) The company shall pay off cash dividend directly to the bank account of the entitled shareholder as available in the Beneficiary Owner (BO) account maintained with the depository participant (DP), or the bank account as provided by the shareholder in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN):

Provided that the Company may pay off such cash dividend through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible to pay off through BEFTN;

iii) Company, upon receiving the claim on cash dividend from a stock broker or a merchant banker or a portfolio manager for the margin client or customer who has debit balance or margin loan, or as per intention of the client of stock broker or merchant banker or portfolio manager, shall pay off such cash dividend to the Consolidated Customers' Bank Account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN:

Provided that upon receiving the cash dividend, the stockbroker or merchant banker or portfolio manager shall immediately account for such dividend in the individual client's portfolio account:

Provided further that the stock broker or merchant banker or portfolio manager shall provide detailed information (e.g., BO account number, code number, bank account number, intention, etc. of the client or customer including CCBA of stock broker or separate bank account of merchant

banker or portfolio manager) to Lub-rref (Bangladesh) PLC for such claim;

iv) The Company, in case of non-availability of bank account information or not possible to distribute cash dividends through BEFTN or any electronic payment system, shall issue a cash dividend warrant and shall send it by post to the shareholder;

v) The company shall pay off cash dividends to non-resident sponsors, directors, shareholders or foreign portfolio investors (FPI) through the security custodian in compliance with the rules or regulations in this regard;

vi) Company, immediately after disbursement of cash dividend and issuance of a certificate of tax deducted at source, if applicable, shall intimate to the shareholder through a short message service (SMS) to the mobile number or email address as provided in the BO account or as provided by the shareholder;

vii) Company shall maintain detailed information of unpaid or unclaimed dividend and rationale thereof, as per BO account number-wise or name-wise or folio number-wise of the shareholder; and shall also disclose the summary of aforesaid information in the annual report and shall also report in the statements of financial position (quarterly/annually) as a separate line item 'Unclaimed Dividend Account': Provided that Lub-rref(Bangladesh)Limited shall publish the year-wise summary of its unpaid or unclaimed dividend in the website: www. Lub-rref.com

viii) Provided further that any unpaid or unclaimed cash dividend including accrued interest (after adjustment of bank charge, if any) thereon, if remains, shall be transferred to a separate bank account of the company as maintained for this purpose, within 1 (one) year from the date of declaration or approval or record date, as the case may be.

STOCK DIVIDEND

LUB-RREF shall credit stock dividend directly to the BO account or issue the bonus share certificate of the entitled shareholder, as applicable, within 30 (thirty) days of declaration or approval or record date, as the case may be, subject to clearance of the exchange(s) and the Central Depository Bangladesh Limited (CDBL);

The company, the CDBL, and the exchange(s) shall follow the provisions of Depository Providanmala (প্রবিধানমালা), 2003 for the issuance of bonus shares;

Provided that the Company shall maintain a Suspense BO Account for undistributed or unclaimed stock dividend or bonus shares and shall also follow the under-mentioned procedures for ensuring the rightful ownership;

- Lub-rref shall send at least 3 (three) reminders to the entitled shareholder;
- The Suspense BO Account shall be held under the Block Module and such undistributed or unclaimed stock dividend or bonus shares shall not be transferred in any manner except for the purpose of allotting the bonus shares as and when the allottee approaches the LUB-RREF.

  Provided that any corporate benefit in terms of shares accrued on such undistributed or unclaimed stock dividend or bonus shares shall be credited to the Suspense BO Account.
- Company shall, upon receiving an application from the allottee and after proper verification of identity and his entitlement, credit the bonus shares lying with the Suspense BO Account to the BO account of the allottee, or issue bonus shares to the allottee, as applicable, within 15 (fifteen) days of receiving application with an intimation to the BSEC and the exchange(s);
- Any voting rights on such undistributed or unclaimed stock dividend or bonus shares shall remain suspended till the rightful ownership claim of the shareholder is established

COMPLIANCE REPORT REGARDING DIVIDEND DISTRIBUTION

Lub-rref (Bangladesh) PLC shall submit a compliance report to the BSEC and the exchange(s) in a specified format at Annexure-A within 7 (seven) working days of completion of dividend distribution:

Provided that **LUB-RREF** shall publish the compliance report on its website; www.lub-rref.com

FORFEITURE OF UNCLAIMED CASH OR STOCK DIVIDEND

Lub-rref (Bangladesh) PLC shall not forfeit any unclaimed cash dividend or stock dividend till the claim becomes barred by the law of land in force.

TRANSFER TO THE FUND FOR UNPAID OR UNCLAIMED OR UNSETTLED CASH DIVIDEND:

If any cash dividend remains unpaid or unclaimed or unsettled including accrued interest (after adjustment of bank charge, if any) thereon for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be, shall be transferred by Lub-rref (Bangladesh) PLC to the Fund as directed or prescribed by the BSEC:

Provided that the Company shall provide detailed information to the manager of the Fund during the transfer of cash dividends as directed or prescribed by the BSEC:

Provided further that if any shareholder claims his cash dividend after transfer of such dividend to the Fund, within 15 (fifteen) days of receiving such claim, the Company shall, after proper verification of the claim, recommend to the manager of the Fund to pay off such dividend from the Fund and the manager of the Fund shall pay off such cash dividend to the claimant in accordance with the provisions and procedures as directed or prescribed by the BSEC.

TRANSFER TO THE FUND FOR UNPAID OR UNCLAIMED OR UNSETTLED STOCK DIVIDEND:

If any stock dividend or bonus shares remain unclaimed or unsettled including corporate benefit in terms of bonus shares thereon for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be, shall be transferred in dematerialized form to the BO Account of the Fund as mentioned above:

Provided that **Lub-rref (Bangladesh) PLC** shall provide detailed information to the manager of the Fund during the transfer of stock dividend or bonus shares as directed or prescribed by the BSEC:

Provided further that if any shareholder claims his stock dividend or bonus shares after transfer of such dividend or bonus shares to the BO Account of the Fund, within 15 (fifteen) days of receiving such claim, **Lub-rref (Bangladesh) PLC** shall, after proper verification of the claim, recommend to the manager of the Fund to pay off or transfer such stock dividend or bonus shares from the BO Account of the Fund and the manager of the Fund shall pay off or transfer such stock dividend or bonus shares to the claimant's BO Account in accordance with the provisions and procedures as directed or prescribed by the BSEC.

MAINTAINING DETAILED INFORMATION OF THE SHAREHOLDER FOR THE PURPOSE OF PROPER DISTRIBUTION OF CASH DIVIDENDS OR STOCK DIVIDENDS:

Lub-rref (Bangladesh) PLC, by itself or by appointing an agent, shall maintain detailed information on the BO account, bank account, mobile phone number, email, and address of the shareholder for the

purpose of proper distribution of cash dividend or stock dividend:

Provided that Lub-rref (Bangladesh) PLC or its agent or the CDBL or its DP shall keep confidentiality of information;

Provided further that the Company shall collect detailed updated information on BO account, bank account, mobile number, email address, and contact address of shareholder from the CDBL from time to time when needed for the purpose of proper distribution cash dividend or stock dividend and other compliances:

In case of holding paper shares, Lub-rref (Bangladesh) PLC shall update the information at least once in a year.

DISCLOSURE OF THE POLICY

This Policy shall be disclosed in the annual report and official website.

Annexure-A

Dividend Distribution Compliance Report

Under Clause (6) of the Directive No. BSEC/CMRRCD/2021-386/03, dated: 14/01/2021

1	Name of the Issuer/Securities/Mutual Fund	
2	Particulars of Issuer DP	
3	Type of Dividend (Annual /Interim) (Put tick mark (a) on the recommended option)	a) Annual ☐ b) Interim ☐
4	Whether audited or not for Interim Dividend (Put tick mark (a) on the recommended option)	a) Audited ☐ b) Unaudited ☐
5	Date of recommendation of Dividend by the Board of Directors/Trustee: (Enclose copy of PSI)	
6	Whether a Dividend recommended other than directors or sponsors or any other classes (Put tick mark (a) on the recommended option)	a) Yes ☐ b) No ☐
7	The record date for entitlement	
8	Rate of Dividend recommended by the Board of Directors/Trustee	
9	Dividend recommended-Type (Put tick mark (a) on the recommended option)	a) Cash ☐ b) Stock ☐
10	Securities/mutual funds traded under which categories (Put tick mark (a) on the recommended option)	a) A ☐ b) B ☐ c) G ☐ d) N ☐ e) Z ☐
11	Date of transfer to a separate bank account (Pls. mention bank details) or provisional credit of shares/units by CDBL	
12	Date of approval of Dividend at AGM	
13	Rate of Dividend approved at AGM- details at Annexure, (if any change)	
14	Date of commencement of disbursement of Cash and Stock Dividend	

15	Mode of disbursement of Cash Dividend (Put tick mark (a) on the recommended option)	a) Bank Transfer ☐ (b) BEFTN ☐ C) MFS ☐ c) Dividend Warrant ☐ d) Any other mode ☐		
16	Date of completion of disbursement of Cash Dividend and Stock Dividend [Enclose Bank statements and Corporate Action Processing Report (DP 70)]			
17	Paid-up-capital of the issuer before corporate action/entitlement	Taka		
18	Numbers of securities/shares outstanding before corporate action/entitlement:			
19	Total cash in taka or stock (nos. shares) dividend as per corporate declaration			
20	Distribution/Disbursement details of Cash & Stock Dividend:	Cash(Tk) Stock (nos.) Annexure		
21	A) Mode of Dividend payment/credit for the concerned year:			
	a) through BEFTN or directly credited to the respective BO			
	b) through Bank Transfer other than entitled BO-Margin loan			
	c) through Bank Transfer			
	d) through Mobile Financial Service (MFS)			
	e) through any other mode as approved by the Bangladesh Bank			
	f) through transfer to Suspense Account for dematerialized Shares (BO-wise detailed with reason should be maintained and submitted)			
	g) through issuance of a Dividend Warrant or issue of shares to Suspense Account for non-dematerialized securities			
	Total Dividend paid/credited for the concerned year			
22	Total unpaid/undistributed Dividend/accrued during the period (20-21)			
23	Total unpaid/undistributed Dividend/accrued as on 1st day of the accounting year (as per Audited Accounts)			
24	Transfer to Suspense Account for Demate Shares or any other reasons during the concerned year			

25	A) Mode of Dividend Receipts/payment/credit for the previous years:			
	a) through BEFTN or directly credited to the respective BO			
	b) through Bank Transfer			
	c) through Mobile Financial Service (MFS)			
	d) through any other mode as approved by the Bangladesh Bank			
	e) through transfer to/from Suspense Account for Demate Shares or any other reasons			
	1. through the issuance of a Dividend Warrant or issue of shares to Suspense Account for non-dematerialized securities/shares/units			
26	transfer of cash or stocks to the Fund as prescribed or directed by the Commission after 3 years or forfeit of share to Suspense Account for non-dematerialized securities			
27	Total Dividend paid/credited for previous years:			
28	Total unpaid/undistributed Dividend for previous years (23+24-25) Taka/Nos			
29	Total unpaid/undistributed Dividend for previous years (23+24-25) Taka/Nos			
30	Grand Total of unpaid/undistributed Dividend (22+26)			
31	Aging of grand Total of unpaid/undistributed Dividend for previous years:			
32	Aging of grand Total of unpaid/undistributed Dividend for previous years			
33	Aging of grand Total of unpaid/undistributed Dividend for previous years			
34	More than 3 years; balance More than 4 years; balance More than 5 years & above; balance Total of unpaid/undistributed Dividend for previous year years			
35	Note: Issuer shall maintain BO-wise detailed information for all transfers/credit to suspended Accounts			
36	with reasons and submit it along with bank statements and other supporting documents. The issuer shall fill up all the applicable fields.			


POWER
PERFORMANCE
PASSION
BNO
BIKE 4T
BNO
Bike
4T
High Performance Motorcycle Engine Oil
BNO
LUBRICANTS
Passion to Perform
High Performance
Motorcycle Engine Oil


BNO
LUBRICANTS
Passion to Perform
POWER THAT DELIVER
TRANSFORMER
THAT DOMINATE
BNO
Transformer Oil
BNO
Transformer Oil
BNO
Transformer Oil
HIGH PERFORMANCE TRANSFORMER OIL



Code of Business Conduct and Ethics
Lub-rref (Bangladesh) PLC (LRBDPLC)

A. Objective

Lub-rref (Bangladesh) PLC (referred to hereafter as "LRBDPLC" or "the Company") is committed to conducting business with the highest ethical standards, guided by values of integrity, professionalism, and compliance with applicable laws. This Code of Business Conduct and Ethics (the "Code") underscores LRBDPLC's dedication to ethical conduct, legal compliance, and fair practices throughout its operations.

The Code's objectives are to:

1. Reinforce LRBDPLC's commitment to ethical conduct and legal compliance.
2. Set clear standards for ethical behaviour and conduct across all levels of the company.
3. Provide avenues for reporting ethical or legal violations.
4. Prevent and detect wrongdoing within the organisation.

Given the complexity of ethical dilemmas in business operations, this Code serves as a general framework. Employees, directors, and managers are encouraged to consult appropriate personnel when uncertain about ethical decisions, ensuring all actions align with LRBDPLC's core values.

B. Ethical Standards

1. Conflicts of Interest

Employees must avoid situations where personal interests conflict with professional responsibilities or the Company's interests. Actual or potential conflicts should be disclosed promptly to supervisors or relevant authorities within the Company. Key executives must disclose material relationships or transactions that may create conflicts to the Chairman.

2. Corporate Opportunities

Employees are prohibited from personally benefiting from opportunities discovered through corporate resources or information. Company resources must be used to further legitimate corporate interests.

3. Fair Dealing

All employees should engage in ethical practices when dealing with competitors, suppliers, customers, and colleagues. Use of confidential information for unfair advantage is prohibited. Gifts and entertainment should be modest, reasonable, and not intended to gain improper influence.

4. Insider Trading

Confidential or non-public information must not be used for personal stock trading or inappropriate purposes. Such information is only for legitimate business use.

5. Confidentiality

Employees must maintain confidentiality of non-public information about the Company and its partners, even after employment ends.

6. Discrimination and Harassment

Discrimination or harassment on any unlawful basis is strictly prohibited. Respectful and inclusive behaviour is required at all times.

7. Protection and Proper Use of Company Assets

Employees must safeguard the Company's physical and intellectual property and avoid misuse of assets. Proprietary information must be protected; misuse may lead to legal penalties.

8. Health and Safety

A safe work environment is essential. Employees should report unsafe conditions or incidents immediately. Workplace violence, threats, or being under the influence of substances at work is prohibited.

9. Compliance with Laws and Regulations

All employees must comply with relevant laws and regulations, including those in Bangladesh, when conducting Company business.

10. Timely and Truthful Public Disclosure

All reports and filings with regulatory authorities (e.g., Bangladesh Securities and Exchange Commission, stock exchanges) must be complete, accurate, and timely.

11. Financial Reporting and Internal Controls

Senior financial personnel must promptly report significant deficiencies in internal controls or fraud affecting financial reporting to the Board of Directors.

12. Corporate Governance and Board Conduct

Directors and senior management must adhere to high standards of governance, ensure accountability, and communicate effectively with shareholders and stakeholders. This includes oversight of corporate policies and ethical practices by management.

C. Waivers

Waivers of this Code for executive officers or directors may be granted only by the Board of Directors and must be promptly disclosed if required by law or regulation.

D. Violations of Ethical Standards

1. Reporting Violations

Employees are encouraged to report known or suspected violations of this Code through appropriate internal channels. Directors, the Managing Director, CFO, and Chief Legal Officer must promptly report violations to the Chairman.

2. Accountability for Violations

Violations may lead to disciplinary actions, including termination. Depending on the nature of the violation, legal action may be pursued against involved individuals or the Company.

E. Compliance Procedures

To ensure consistent application of this Code:

- Gather Relevant Facts: Fully understand the situation before making decisions.
- Clarify Roles and Responsibilities: Discuss with colleagues if needed.
- Consult Supervisors: Seek guidance from supervisors to ensure compliance.
- Confidential Reporting: Report concerns confidentially; retaliation for good-faith reports is prohibited.
- Seek Guidance Before Acting: When uncertain, consult relevant personnel before taking action.

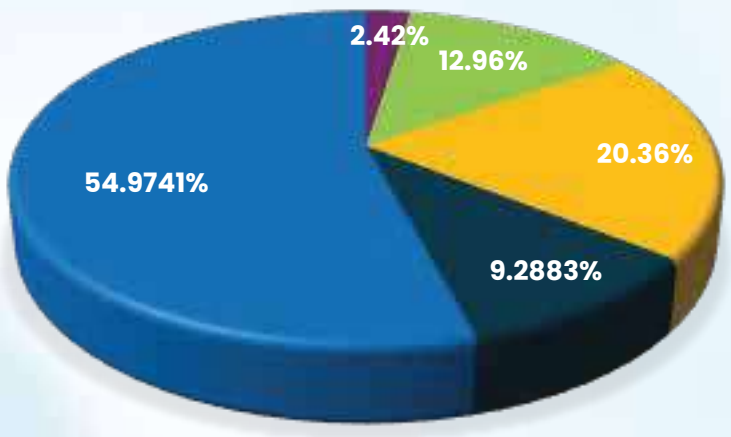
F. Policy Accessibility & Updates

This Code is published on LRBDPLC's corporate website and in the Annual Report, ensuring transparency and accessibility to employees, shareholders, and stakeholders. It may be reviewed and updated periodically in response to legal or regulatory changes and best practices.

PATTERN OF SHAREHOLDING

Names of the shareholders along with their position of the shares are listed below:

Name of Shareholders	Share Held	% of Holding
(i)! Parent/Subsidiary/associate related parties:		
Companigonj Agro Industries Limited	3,509,300	2.42
(ii)! Sponsor & Promotor	18,825,538	12.96
(iii)! CS/CFO/ Audit Head and their spouses and minor children	Nil Nil	Nil Nil
(iv)! Executives (HoD)	Nil	Nil
(v)! Shareholders, who hold 10% or more	29,567,544	20.36
(vi)! Institutional Shareholders	13,490,574 79,846,088	9.2883
(vii)! General Shareholder	Nil	54.9741
(viii)! Government	Nil	Nil
(ix)! Foreigner		Nil
Total	**145,343,144**	**100%**



- Parent/Subsidiary/associate related parties:
- Companigonj Agro Industries Limited
- Sponsor & Promotor
- CS/CFO/ Audit Head and their spouses and minor children
- Executives (HoD)
- Shareholders, who hold 10% or more
- Institutional Shareholders

BOARD MEETINGS

The Board of Directors convened seven (7) meetings during the financial year 2024-2025. Each meeting was attended by the Company Secretary and the Chief Financial Officer, ensuring comprehensive discussions and effective decision-making. Below is the detailed attendance record for each Director:

Present Director Name's	Designation	No. of Attendance
Mohammed Yousuf	Managing Director	7/7
Rubiya Nahar	Chairman	7/7
Md. Salauddin Yousuf	Director	7/7
Dr. Israt Jahan	Director	7/7
Lieutenant Imran Azad, Rtd.	Nominated Directors	7/4
Mr. Mohammed Rafiqul Alam, FCMA	Independent Directors	7/4
Masuda Sultana, FCS, ACA		7/2

Company Website

The company's official website serves as a comprehensive resource for stakeholders, offering detailed information about the Board of Directors, Top Management, and Key Financial Data, including Price-Sensitive Disclosures. Additionally, the website highlights the company's commitment to sustainability through its initiatives for green projects, showcasing efforts to promote environmental responsibility. It also features a dedicated section for career opportunities, providing potential applicants with information on available positions and the application process. This platform reflects the company's commitment to transparency, sustainability, and attracting top talent.

Investors Relations

Local and international investors, financial analysts, and other professionals in the financial community seeking additional insights into the company's financial performance are encouraged to explore the Investor Relations section on our official website: www.lub-rref.com. This dedicated section provides comprehensive financial information, including reports, disclosures, and updates, ensuring transparency and fostering informed decision-making for all stakeholders.

Shareholder Services

For any inquiries regarding your shareholding, please feel free to reach out to us at +88 01977-266193 or email our Share Department at cs@lub-rref.com.

We are committed to providing prompt assistance and addressing your concerns effectively.

Annexure-2

CERTIFICATE OF DUE DILIGENCE BY MD & CFO
(AS REQUIRED UNDER THE BSEC GUIDELINES)

To
The Board of Directors
Lub-rref (Bangladesh) PLC.

Pursuant to condition no. 1(5)(xxvi) imposed vide the Commission's Notification No BSEC/CMRRCD/2006-158/207/Admin/80 Dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance 1969, we do hereby declare that:

1. The Financial Statements of Lub-rref (Bangladesh) PLC. for the year ended on June 30, 2025, have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh and any departure therefrom has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent 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 been reasonably and fairly presented in its financial statements;
4. To ensure the 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 30th June 2025 and 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 a 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 is fraudulent, illegal, or in violation of the code of conduct for the company's Board of Directors or its members.

(Mohammad Yousuf)
MANAGING DIRECTOR

(Md. Mofijur Rahaman, CGIA, CMA)
CHIEF FINANCIAL OFFICER

Annexure-C

[As per condition No. 1 (5) (xxvii)]

STATUS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

of the Company Lub-rref (Bangladesh) PLC**.** for the year ended 30 June 2025.

Status of Compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9)

Condition No.	Title	Compliance Status		Remarks
		Complied	Non-Complied	
1.0	**Board of Directors**			
1.1	Board's Size: Board members shall not be less than 5 (Five) and more than 20 (Twenty)	✓		The Board is comprised of 7 (Seven) members including Two Independent Director
1.2	**Independent Directors: Representation of ID in Board**			
1.2(a)	Number of Independent Director: At least 2(two) directors or one-fifth (1/5) of the total number of directors in the company's Board, whichever is higher, shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s): Provided that the Board shall appoint at least 1(one) female independent director in the Board of Directors of the company;	✓		There are currently 2 (Two) Independent Director including 1 (One) Female Independent Director whose documents were submitted to BSEC on 10th September 2025 and still awaiting BSEC's approval
1.2(b)	**Without contravention of any provision of any other laws, for the purpose of this clause, an "Independent Director" means a director -**			
1.2(b)(i)	Who do not hold any share or less than 1% (one) percent share of total paid-up shares of the company	✓		

1.2(b)(ii)	Who is not connected with the company' sponsor or director or shareholder who holds 1% or more share	✓		
1.2(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years	✓		
1.2(b)(iv)	Who do not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated company	✓		
1.2(b)(v)	Who are not the members or TREC holder, directors or officers of any stock exchange	✓		
1.2(b)(vi)	Who is not the shareholder, directors excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market	✓		
1.2(b)(vii)	Who are/were not the partners or executives during preceding three years of any statutory audit firm	✓		
1.2(b)(viii)	Who are not an independent director in more than 5 (five) listed companies	✓		
1.2(b)(ix)	Who has not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for nonpayment of any loan or advance or obligation to a bank or a financial institution;	✓		
1.2(b)(x)	Who is not been convicted for a criminal offence involving moral turpitude	✓		
1.2(c)	The Independent Directors shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting: Provided that the Board shall appoint the Independent Director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company;		✓	The company following the recommendation of its NRC applied to BSEC for approval of the appointment of Female Independent Director's
1.2(d)	The post of Independent Directors cannot remain vacant for more than 90 days	✓		

1.2(e)	The tenure of office of an Independent Directors shall be for a period of three years which may be extended for one term only & Independent Director shall not be subject to retirement by rotation as per companies Act, 1994.After completing two term e.g., six (6) years, a time gap of one (1) tenure e.g., three (3) years independent director may be considered for reappointment.	✓		
1.3	**Qualification of Independent Director (ID)**			
1.3(a)	Independent Director shall be knowledgeable individual with integrity	✓		
1.3(b)	**Independent Director shall have the following qualification:**			
1.3(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk.100.00 million or any listed company or a member of any national or international chamber of commerce or registered business association; or,	✓		
1.3(b)(ii)	Corporate leader who is or was a top-level executive not lower than CEO or MD or DMD or CFO or Head of Finance or Accounts or company secretary or head of internal audit and compliance or head of legal service or a candidate with equivalent position of an unlisted company having minimum paid up capital of 100 million or of a listed company; or,	✓		
1.3(b)(iii)	Former or existing official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law: Provided that in case of appointment of existing official as independent director, it requires clearance from the organization where he or she is in service; or,	-	-	N/A
1.3(b)(iv)	University teacher who has an educational background in economics or commerce or business studies or law; or,	-	-	N/A
1.3(b)(v)	Professional or who is or was an advocate practicing at least in the high court division of supreme court or	✓		The Independent Director **Mr. Mohammed**

	a CA or CMA or CFA or CCA or CPA or CMA or CS or equivalent position.			**Rafiqul Alam, FCMA** and the Proposed Female Independent Director **Mrs. Masuda Sultana, FCS, ACA** possesses requisite qualification.
1.3(c)	The Independent Director shall have at least 10 years of experience in any field mentioned in clause (b)	✓		
1.3(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the commission	-	-	No such event occurred
1.4	**Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:**			
1.4(a)	The Chairman of the Board and the Managing Director (MD) and /or Chief Executive Officer (CEO) shall be different individuals.	✓		**Mrs. Rubiya Nahar** is the Chairman of the board and **Mr. Mohammed Yousuf** is the MD
1.4(b)	The MD and/or CEO of a listed company shall not hold the same in another listed company	✓		
1.4(c)	The Chairman of the board shall be elected from among the non-executive Directors of the company	✓		
1.4(d)	The board shall clearly define respective roles & responsibilities of chairperson and MD and/or CEO	✓		
1.4(e)	In the absence of chairperson of the board, remaining members may elect one of themselves from non-executive directors as chairperson & the reason of absence shall be duly recorded in the minutes	✓		
1.5	**The Directors' Report to Shareholders**			
1.5 (i)	Industry outlook and possible future developments in the industry	✓		
1.5 (ii)	Segment-wise or product-wise performance	✓		
1.5 (iii)	Risk and Concern including external & internal risk factors threat to sustainability & negative impact on environment, if any	✓		

1.5 (iv)	A discussion on cost of goods sold, gross profit margin and net profit margin, where applicable;	✓		
1.5 (v)	A Discussion on continuity of an Extra-ordinary activities and their implications (gain or loss)	-	-	No such event occurred
1.5 (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1.5 (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	-	-	No such event occurred
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing etc.;	-	-	No such event occurred
1.5 (ix)	An Explanation on significant variance occurs between quarterly financial performance and Annual Financial Statements	✓		
1.5 (x)	A statement of Remuneration to Directors including independent director	✓		
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly state its affairs, the result of its operation, cash flows and changes in equity	✓		
1.5 (xii)	Proper books of account of the issuer company have been maintained	✓		
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	✓		
1.5 (xiv)	A statement that International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	✓		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored	✓		

1.5 (xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1.5 (xvii)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with the reasons thereof should be disclosed.	✓		
1.5 (xviii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reason thereof should be explained	-	-	No such event occurred
1.5 (xix)	Key operating and financial data of at least preceding five years shall be summarized	✓		
1.5 (xx)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given	✓		No dividend was declared and the reasons were mentioned
1.5 (xxi)	No bonus shares or stock dividend has been or shall be declared as interim dividend	✓		
1.5 (xxii)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	✓		
1.5 (xxiii)	**Report on the pattern of shareholding disclosing the aggregate number of shares held by-**			
1.5(xxiii)(a)	Parents/Subsidiary/ Associated companies and other related parties (name wise details)	✓		
1.5 (xxiii)b	Directors, Chief Executive Officer, Company secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details)	✓		
1.5 (xxiii) c	Executives	✓		
1.5 (xxiii)d	Shareholders holding ten percent or more voting interest in the company (name wise details)	✓		
1.5 (xxiv)	**Disclosure on the appointment /reappointment of directors-**			
1.5 (xxiv)a	A brief resume of the director	✓		

1.5 (xxiv)b	Nature of his/her expertise in specific functional areas	✓		
1.5 (xxiv)c	Names of companies in which the person also holds directorship and the membership of committees of the board than this company	✓		
1.5 (xxv)	**A management discussion and analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statement, among others focusing on-**			
1.5(xxv)(a)	Accounting policies & estimation for preparation of financial statements	✓		
1.5(xxv)(b)	Changes in accounting policies & estimation, if any clearly describing the effect on financial performance or results and financial position as well as cash flows in the absolute figures	✓		
1.5(xxv)(c)	Comparative analysis (including effect of inflation) of financial performance or results and financial position as well as cash flows in the absolute figures	✓		
1.5(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	✓		
1.5(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe	✓		
1.5(xxv)(f)	Risks & concerns issued related to the financial statements, explaining such risk and concerns mitigation plan of the company	✓		
1.5(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with jurisdiction thereof, i.e., actual position shall be explained to the shareholders in the next AGM	✓		
1.5(xxvi)	Declaration or certification by the CEO and the CFO to the board as required under condition No:.3.3 shall be disclosed as per Annexure-A;	✓		
1.5(xxvii)	The report as well as certificate regarding compliance of conditions of the code as required under condition No.9 shall be disclosed as per Annexure-B & Annexure-C;	✓		

1.5 (xxviii)	The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality.	✓		
1.6	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with BSS as adopted by the Institute of Chartered Secretaries of Bangladesh	✓		
1.7	**Code of Conduct for the Chairperson, other Board members and Chief Executive Officer**:			
1.7(a)	The board shall lay down a code of conduct based on the recommendation of the NRC at condition No.6 for the chairperson of the board, other board members & CEO of the company	✓		
1.7(b)	The code of conduct as determined by the NRC shall be posted in the website of the company among others prudent conduct & behavior; confidentiality; conflict of interest; compliance with laws, rules & regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency	✓		
2	**Governance of Board of Directors of Subsidiary Company:** (The company does not own any subsidiaries)			
2 (a)	Provisions relating to the composition of board of holding company shall be made applicable to the composition of the board of subsidiary company	-	-	N/A
2 (b)	At least one (1) independent director of the board of the holding company shall be a director in the board of subsidiary company	-	-	N/A
2 (c)	The minutes of the subsidiary company shall be placed for review at the following board meeting of the holding company	-	-	N/A
2 (d)	The minutes of the respective board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	-	-	N/A
2 (e)	The audit committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	-	-	N/A
3.	**Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):**			
3 (1)	**Appointment**			

3.1(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC):	✓		
3.1(b)	Position of MD, CFO, HIAC and CS shall be filled by different individuals. The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals:	✓		
3.1(c)	The MD or CEO, CFO, HIAC and CS shall not hold any executive position in any other company at the same time: Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission: Provided further that the remuneration and	✓		
3.1(d)	The Board shall clearly define their respective roles, responsibilities and duties of CFO, HIAC & CS	✓		
3.1(e)	The MD or CEO, CFO, HIAC and CS shall not be removed from their position without approval of Board as well as immediate dissemination to the commission & stock exchange(s).	✓		
3.2	**Requirements to attend BOD's Meetings**-The MD or CEO, CFO, HIAC and CS shall attend Board of Directors meeting The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters	✓		
3.3	**Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO):**			
3.3(a)	The MD or CEO and CFO shall certify to the board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	✓		

3.3(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
3.3(b)	These statements together present a true and fair view of the company's affairs are in compliance with existing accounting standards and applicable laws	✓		
3.3(c)	The certification of the MD or CEO and CFO shall be disclosed in the annual report	✓		
4	**Board of Directors' committees:** For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee	✓		
4 (ii)	Nomination and Remuneration Committee	✓		
5	**Audit Committee**			
5.1	**Responsibility to the Board of Directors**			
5.1(a)	Audit Committee shall be the sub-committee of the Board of Directors	✓		
5.1(b)	The committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	✓		
5.1(c)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing	✓		
5.2	**Constitution of the Audit Committee:**			
5.2(a)	The Audit Committee shall be composed of at least three (3) members	✓		
5.2(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		The Committee is Comprised of 2 Independent Directors and 1 Non-executive
5.2(c)	All members of the audit committee should be financially literate and at least one member shall have accounting or related financial management experience and 10 (ten) years of such experience.	✓		

5.2(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 60 (sixty) days from the date of vacancy in the	✓		
5.2(e)	The company secretary shall act as the secretary of the committee	✓		
5.2(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) Independent Director.	✓		
5(3)	**Chairperson of the Audit Committee**			
5.3(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		**Mr. Mohammad Rafiqul Alam FCMA** is the Chairperson of the Audit
5.3(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
5.3(c)	Presence of Chairman of the Audit Committee in the Annual General Meeting	✓		
5.4	**Meeting of the Audit Committee:**			
5.4 (a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;		✓	Audit Committee held 1 (One) Meeting during the year

5.4 (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
5.5	**Role of Audit Committee:**			
5.5 (a)	Oversee the financial reporting process	✓		
5.5 (b)	Monitor choice of accounting policies and principles	✓		
5.5 (c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5.5 (d)	Oversee hiring and performance of external auditors	✓		
5.5 (e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5.5 (f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5.5 (g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5.5 (h)	Review the adequacy of internal audit function	✓		
5.5 (i)	Review the Management's discussion and analysis before disclosing in the annual report	✓		
5.5 (j)	Review statement of significant related party transactions submitted by the management	✓		
5.5 (k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		

5.5 (l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external	✓		
5.5 (m)	Oversee proceeds raised through initial public offering/ repeat public offering/rights issue the company shall disclose to the audit committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital etc.), on a quarterly basis, as a part of their quarterly declaration of financial results oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in	-	-	No such event occurred
5.6	**Reporting of the Audit Committee:**			
5.6 (a)	**Reporting to the Board of Directors:**			
5.6 (a) (i)	The audit committee shall report on its activities to the board of directors	✓		
5.6 (a) (ii)	**Audit committee immediately report to the Board on the following findings-**			
5.6 (a) (ii) (a)	Report on conflict of interest	✓		
5.6 (a) (ii)(b)	Suspected or presumed fraud or irregularity or material defect in the internal audit & compliance process or in the financial statement	-	-	No such event occurred
5.6 (a) (ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	-	-	No such event occurred

5.6 (a) (ii)(d)	Any other matter which deems necessary shall be disclosed to the board of directors immediately	-	-	No such event occurred
5.6 (b)	Reporting to the authorities: If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and discussed accordingly with the Board and management but they unnecessarily ignored, then inform to commission regarding the findings, upon reporting of such matters to the Board for 3 times or completion of 6(six) months from the date of first reporting to Board, whichever is earlier.	-	-	No such event occurred
5.7	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
6	**Nomination and Remuneration Committee (NRC)-**			
6.1(a)	Nomination committee is a sub-committee of the Board	✓		
6.1(b)	NRC shall assist the board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors & top-level executives as well as considering remuneration of directors, top level executive	✓		
6.1(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6.5(b).	✓		
6.2	**Constitution of the NRC**			
6.2(a)	The committee shall comprise of at least 3 members including an independent director	✓		

6.2(b)	At least 02 (two) members of the Committee shall be non-executive directors;	✓		The NRC is Comprised of 2 Independent Directors and 1 Non-executive Director
6.2(c)	Members of the committee shall be nominated and appointed by the board	✓		
6.2(d)	The board shall have authority to remove and appoint any member of the committee	✓		
6.2(e)	In case of death, resignation, disqualification, or removal of any member of the committee or any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) of occurring	✓		
6.2(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the	✓		
6.2(g)	Company secretary shall act as the secretary of the committee	✓		
6.2(h)	Quorum of the NRC shall not constitute without attendance of at least an independent director	✓		
6.2 (i)	No member of the NRC shall receive any remuneration other than Directors' fees or honorarium from the company	✓		
6.3	**Chairperson of the NRC:**			
6.3(a)	The board shall select one member of the NRC to be chairperson of the committee who shall be an Independent Director	✓		The proposed Female Independent Director **Mrs. Masuda Sultana, FCS ACA** is the Chairperson of the
6.3(b)	In the absence of chairperson of NRC, the remaining members may elect one of themselves as chairman of the meeting.	✓		

6.3(c)	The chairperson of NRC shall attend the AGM and in the absence of regular chairperson, any member from the NRC shall be selected to attend in AGM	✓		
6.4	**Meeting of the NRC**			
6.4(a)	The NRC shall conduct at least 1 meeting in a financial year	✓		
6.4(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	✓		
6.4(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6.2(h);	✓		
6.4(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		
6.5	**Role of the NRC**			
6.5(a)	NRC shall be independent and responsible or accountable to the board and shareholders	✓		
6.5(b)	**NRC shall oversee among others the following matters and make report with recommendation to the Board-**			
6.5(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of director and recommend policy to Board relating to remuneration of the directors, top level executive considering the following-	✓		
6.5(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully	✓		
6.5(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓		

6.5(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of company and its goals	✓		
6.5(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		
6.5(b)(iii)	Identifying persons who are qualified to become directors and top-level executive in accordance with the criteria laid down and recommend their appointment and removal to the board	✓		
6.5(b)(iv)	Formulating the criteria for evaluation of independent directors and the board	✓		
6.5(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement or promotion criteria; and	✓		
6.5(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training	✓		
6.5(b)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report	✓		
7	**External or Statutory Auditors-**			
7.1	**The Company shall not engage its external or statutory auditors to perform the following services-**			
7.1(i)	Non-engagement in appraisal or valuation services or fairness opinions	✓		
7.1(ii)	Non-engagement in financial information systems design and implementation	✓		
7.1(iii)	Non-engagement in Book-keeping or other services related to the accounting records or financial statements	✓		
7.1(iv)	Non-engagement in Broker-dealer services	✓		
7.1(v)	Non-engagement in Actuarial services	✓		
7.1(vi)	Non-engagement in Internal audit or special audit services	✓		
7.1(vii)	Non-engagement in any other service that the audit committee determines	✓		

7.1(viii)	Audit or certification services on compliance of corporate governance as required under condition: 9(1) and	✓		
7.1(ix)	Non-engagement any other service that creates conflict of interest.	✓		
7.2	No partner or employees and family members of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	✓		
7.3	Representative of external or statutory auditors shall remain present in the shareholders meeting (AGM or EGM) to answer the queries of the shareholders	✓		
8	**Maintain a Website by the Company-**			
8.1	The company shall have an official website linked with the websites of the stock exchange	✓		lub-rref.com
8.2	The company shall keep the website functional from the date of listing	✓		
8.3	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s)	✓		
9	**Reporting and Compliance of Corporate Governance-**			
9.1	Obtaining Certificate from a professional accountant/ Secretary regarding compliance of conditions of Corporate Governance Guidelines of the BSEC on a yearly basis and disclose it in the Annual Report	✓		
9.2	The professional who will provide the certificate on compliance of the code shall be appointed by the shareholders in Annual General Meeting	✓		
9.3	The directors of the company shall state, in accordance with the **Annexure-C** attached, in the directors' report whether the company has complied with these conditions	✓		

MNA ASSOCIATES

Chartered Secretaries (Enrollment No. 015)

ANNEXURE-B
[(Certificate as per condition No. 1(5)(xxvii)]

Report to the Shareholders of LUB-RREF (Bangladesh) PLC. on Compliance status to the Corporate Governance Code 2018;

We have examined the compliance status to the Corporate Governance Code by Lub-rref (Bangladesh) PLC. for the year ended on 30 June 2025. This Code relates to the Notification No.BSEC/CMRRCD/2006 -158/207/ Admin/80, dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any conditions of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission except those mentioned in the statement of compliance status;

b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;

c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the Securities Laws and other relevant laws; and

d) The governance of the company is satisfactory.

MNA Associates
Chartered Secretaries

M Nurul Alam FCS
Chief Executive Officer

Place: Dhaka
Dated: December 3, 2025

MNA Associates
Tropical Molla Tower 4th Floor| Sha-15/1-4 Pragati Sarani (Gulshan Link Road Badda end) | Middle Badda, Dhaka-1212
Mob: +880 1880887760 | Email: info@mnaassociates.org | Website: http://mnaassociates.org



VALUE ADDED STATEMENT

Particulars	Year-2024-2025		Year-2023-2024	
	Amount (TK)	%	Amount (TK)	%
Gross Turnover	646,091,029	100	623,463,997	
Less: Purchase of materials & service	**(377,557,226)**	**(58)**	**(273,859,117)**	
Value Added	**268,533,803**	**32%**	**349,874,880**	**100%**
Application:				
Government as Direct and Indirect Tax	**83,967,952**	**–33.33%**	**105,184,407**	**29.89%**
Remuneration and other benefits to Employees	**125,350,208**	**–49.76%**	**126,263,645**	**35.89%**
Shareholders' dividend	**0.00**	**0.00%**	**14,524,315**	**4.13%**
Depreciation	**200,838,083**	**–79.72%**	**212,719,520**	**60.45%**
Value retained in Business	**(662,072,647)**	**262.81%**	**(106,819,901)**	**-30.36%**
Total	**(251,916,404)**	**100%**	**351,871,986**	**100%**



ECONOMIC VALUE -ADDED(EVA) STATEMENT-2025

Particulars	Year-2024-2025 (Amount in BD)	Year-2023-2024 (Amount in BD)
Net operating profit/loss after tax (NOPAT)	(662,670,921)	(107,457,522)
Total capital Investment	6,160,007,057	6,160,007,057
Cost of capital (in %)	12%	29.82
Cost of capital (COC)	739,200,847	2,085,330,398
EVA = NOPAT - COC	(1,401,871,768)	(1,977,872,875)

MARKET VALUE-ADDED STATEMENT-2025

Particulars	Year-2024-2025 (Amount in BD)	Year-2023-2024 (Amount in BD)
Market value of shares outstanding	2,047,928,330	2,541,755,020
Book value of shares outstanding	1,452,431,440	1,452,431,440
Market value-added	595,496,890	1,089,323,580

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Renewed Certificate

This is to certify that

LUB-RREF (BANGLADESH) PLC.

is an Ordinary Member of Bangladesh Association of Publicly Listed Companies and is entitled to all the rights and privileges appertaining thereto.

This certificate remains current until 31st December, **2025**

Ref. No: **CM-2025/275**

Date of issue : **December 2, 2025**

BAPLC

Secretary General

CRISL
Credit Rating Information and Services Limited
Nakshi Homes (1st, 4th & 5th Floor), 6/1/A, Segun Bagicha, Dhaka-1000, Bangladesh
Tel : 88-02-953 0891-3,Fax : 88-02-953 9895,E-mail : info@crisibd.com,Web : www.crisibd.com

First ISO 9001 : 2015 Certified Credit Rating Company in Bangladesh Operating Since 1995

Setting global standard at national level

August 04, 2025

CRISL/Com/ 3880 /25

Managing Director
Lub-rref (Bangladesh) PLC
B-6 (part) 9-10 & 23-24, BSCIC Industrial Estate, Block-A, Sagarika Road
Chattogram-4219, Bangladesh
Email: k.hossain@lub-rref.com

Sub: Announcement of Credit Rating for Public Listed Companies

Sir,
Pursuant to the Credit Rating Companies Rules, 2022, this is to inform you that the Rating Committee of Credit Rating Information and Services Limited (CRISL) has assigned the following rating to **"Lub-rref (Bangladesh) PLC"** on 04.08.2025 in consideration of its audited financials up to 30th June, 2024 also unaudited financials up to 31st March, 2025 and other relevant quantitative as well as qualitative information up to the date of rating declaration:

Long Term	Short Term	Outlook	Rating Date	Rating Validity
BB	ST-6	Developing	04.08.2025	03.08.2026

The above is reported as price sensitive information as per guidance in clause 8 A (b) of chapter III of Credit Rating Companies Rules 2022 by BSEC.

Thanking you,

With best regards

Md. Asiful Huq
Chief Rating Officer


হেভি ইঞ্জিনের
জন্য তৈরি
এক অতুলনীয়
শক্তি ও সুরক্ষা!
ইঞ্জিন রাখে ঠান্ডা ও পরিষ্কার
কমায় ঘর্ষণ, বাড়ায় মাইলেজ
নিশ্চিত করে সর্বোচ্চ ইঞ্জিন লাইফ
BNO
LUBRICANTS
Passion to Perform
BNO
DIESEL
SUPER
15W-40
Nanotechnology Fortified
Engine Oil
BNO DIESEL SUPER
15W-40


BNO
LUBRICANTS
Passion to Perform
HEAT, PRESSURE,
AND TIME TESTED
PROTECTION!
Keep your engine young,
mile after mile.
BNO
GOLD
BNO
GOLD


BNO
LUBRICANTS
Passion to Perform
Friction কমান
Performance বাড়ান
• Engine Protection Guaranteed
• Smooth Ride
• Heat Resistant
BNO
BIKE 1
10W-40
BNO BIKE1
10w-40

Independent Auditor's Report
To the Shareholders of Lub-rref (Bangladesh) PLC.
Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Lub-rref (Bangladesh) PLC. (the "Company"), which comprise the Statement of Financial Position as at 30 June 2025 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 30 June 2025 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act-1994, the Bangladesh Securities and Exchange Commission Rules-2020 and other applicable laws and regulations in Bangladesh.

Basis for Qualified Opinion

1. The Company's prospectus for its Initial Public Offering (IPO) issued on 28 December 2020, outlined the specific purpose for the utilization of the proceeds. As on date an amount of 13.10 Crore from the IPO proceeds remains unspent and held in Social Islami Bank PLC which has outstanding balance of 19.87 Crore including profit accrued thereon. This non-utilization of funds is a material non-compliance with the stated purpose of the IPO as disclosed in Paragraph-a of chapter-XXII of the said prospectus. This matter represents a departure from the Company's stated financial strategy and exposes the Company to potential regulatory action and reputational risk.

2. As per para no 2 of Directive No. BSEC/CMRRCD/2021-386/03, Dated, 14 January 2021, "The issuer shall pay off the annual or final dividend except the dividend on any scheme of a mutual fund to the entitled shareholder, within 30 (thirty) days of approval." As per para no 3(i) Within 10 (ten) days of declaration of cash dividend by the board of directors or board of trustee of the issuer, as the case may be, an amount equivalent to the declared cash dividend payable for the concerned year shall be kept in a separate bank account of the issuer, dedicated for this purpose. The Company has outstanding dividend payable as on 30 June 2025 amounting to Taka 15.92 Crore out of which Tk. 1.42 Crore was for the year ended 30 June 2024 which is still not paid till date. This matter represents a departure from the said Directives and exposes the Company to potential regulatory action and reputational risk.

3. As disclosed in Note 3.00 to the financial statements, the Company shown Property, Plant and Equipment (PPE) amount of Taka 584.40 Crore as at 30 June 2025. During our physical verification of Fixed Asset with the presence of company's shift engineer, we observed that some of the fixed asset could not be traced out from the factory Plant for the estimated total amount of Tk. 114.92 Crore.

4. As disclosed in Note 3.04 to the financial statements, the Company has recorded a material balance of Taka 212.26 Crore of Capital Work-in-Progress (CWIP) as at 30 June 2025, which includes Project Expansion – New Site and Expansion of Business – BMRE (IPO Phase). During the current year, the Company recognized additions of Tk. 46.73 Crore to CWIP. The Company did not provide books of accounts or detailed supporting records for the CWIP balance.

Furthermore, during our physical verification at the factory premises and Julda Project site, we did not find any construction activities or work in progress. In addition to above, the Company capitalized the interest expenses of Tk. 05 Crore in CWIP which actually should have been charged in profit or loss as financial expense due to non-existence of CWIP.

5. As disclosed in Note 19 to the financial statements, the Company has recorded a material balance of Taka 14.30 Crore Other Payable under "Accounts Payable," which represents a liability carried forward from prior periods. The company did not provide us the Subsidiary Ledger of Other Payable with mail address. Due to lack of information, we were unable to send third party verification letter to Other payable. As an alternative audit procedure, we sought subsequent three-month period ledger to observe the movement. But the company did not provide us the same. As a result, we were unable to confirm the Other payable amount of Tk. 14.30 as on 30 June 2025.

6. As disclosed in notes 24.01 and 24.02 to the financial statements raw material and packing material purchased during the year amount of Tk. 22.59 Crore and Tk. 1.74 Crore respectively; in total Tk. 24.33 Crore. In contrast, actual purchase as per Mushak 9.1 (Raw Materials and Packing Materials) during the year found amounting to Tk. 31.75 Crore. Resulted variance between accounting record and Mushak 9.1 record for the amount of Tk. 7.42 Crore. We did not find reconciliation between above reported amount and Mushak 9.1.

7. As disclosed in note # 7.01.01, the company adjusted Advance Income Tax for the amount of Tk. 10.48 crore during the current year. But we did not find corresponding adjustment to the Liability for current tax (note #20.00) for the same amount to the financial statements. Also Liability for current tax has not been recognized properly.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and rules and regulations issued by Bangladesh Securities and Exchange Commission (BSEC), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye-Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matters

Without modification of our opinion for the following respects, we draw attention to:

1. Refer to note no. 9.02 to the Financial Statements, the Company has total deposited amount of Taka 20.68 crore with Social Islami Bank PLC. (SIBL) and amount of Taka 23,204 with EXIM Bank PLC. which are doubtful & uncertain to recover due to recent liquidity crisis and on-going merging issue with 05 (five) Islami Banks including SIBL and EXIM Bank PLC.

2. Refer to note no. 4.00 to the Financial Statements, the depreciation method of Right of use Assets has been changed during the year to straight-line method from reducing balance method.

3. Refer to note no. 22.01 to the Financial Statements, the VAT authority has outstanding VAT Claim total amounting to Tk 30.24 Crore through Ten (10) notices from time to time, which are under appeal.

4. Refer to note no. 2.01 to the Financial Statements, the Company disclosed its going concern assessment.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significant in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statement as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

Description of key audit matters	Our response to key audit matters
Cash and Cash Equivalents	
Refer to note no. 9 to the financial statements	
As at 30 June 2025, the Company's financial statements disclose a significant balance of cash and cash equivalents amounting to BDT 217,203,795. Cash and cash equivalents are significant to the financial statements due to the materiality of the balance and the inherent risks associated with the existence and valuation of cash, particularly cash in hand and bank balances held at various locations. There is also a risk of misappropriation or unauthorized transactions, especially given the involvement of multiple banking institutions and foreign currency accounts, if any. Further, judgment is involved in determining whether certain deposits qualify for classification as cash equivalents based on maturity and liquidity criteria per IFRS 9. Accordingly, this was considered to be a key audit matter.	Our audit procedures included, among others: ➢ Understanding and evaluating the internal control environment relating to cash handling and bank reconciliations; ➢ Obtaining confirmations from all banks where the Company holds accounts, including foreign currency accounts; ➢ Performing cash counts at selected locations; ➢ Reviewing bank reconciliations as at year-end and testing reconciling items for appropriateness and subsequent clearance; ➢ Evaluating the classification of term deposits and short-term investments as cash equivalents in accordance with IFRS 9. ➢ Testing the foreign currency translation of balances, where applicable. We also assessed the adequacy of the disclosures made in the financial statements in respect of cash and cash equivalents.
Valuation of closing inventories	
Refer to note no. 5 to the financial statements	
Closing inventories aggregating to BDT 310,713,035 was recognized in the statement of financial position as on 30 June 2025. Compared with previous year, this has been decreased by BDT 186,864,129. Closing inventories were all held at factory premises of the Company. Since determining valuation of these inventories involves management judgments which results in estimation uncertainty, we considered this an	Our audit responses comprise the following procedures: ➢ Evaluating the design and implementation of key inventory control operating across factory premises. ➢ Attending and observing the physical inventory at the reporting date. ➢ Evaluating compliance with instructions of management count procedures during the count.

Description of key audit matters	Our response to key audit matters
area of significant audit attention to be emphasized during the audit.	➢ Inspecting physical stock counting report as on 30 June 2025 and reconciling count results to closing inventories listings and performing test count on selected items to test completeness, accuracy and existence of inventories. ➢ Reviewing composition of cost of inventories comprising raw materials, finished goods and comparing net realizable value on selected samples to test their valuation.
Bank Loan	
Refer to note no. 14 and note no. 17 to the financial statements	
As refereed note no 14 & 17 in the financial statements the company recognized Long Term Loan of BDT 3,343,471,084 and Short-term Loan of BDT 584,694,224 respectively total 3,928,165,308 at the reporting date. Loan liability borrowings from bank were considered as key audit matter because this external form of credit facilities availed by the company require fulfillment of several terms and require fulfillment of several terms and conditions as mentioned in loan sanction letter issued by lending bank.	Our audit responses comprise the following procedures: ➢ Our substantive audit procedure adopted during the audit includes the following test or details. ➢ Inspecting relevant board minutes in support of bank loan reported in the financial statement. ➢ Agreeing outstanding balances with confirmation letter received from the bank. Agreeing finance costs charged by the company with loan statements provided by bank to test accuracy and completeness of expenses in relation to bank loan.
Revenue recognition	
Refer to note no. 23 to the financial statements	
During the year, the Company recognized Revenue of BDT 646,091,029 which has been increased by BDT 22,627,032 as compared with previous year. Sales revenue recognized by the Company as per IFRS: 15, 'Revenue from Contracts with Customers' and Company Policy. Revenue is recognized based on point of delivery and when relevant performance obligations are satisfied, the company adopted IFRS: 15 'Revenue from Contracts with Customers' as continued from last year. We considered sales revenue as an item of significant audit areas during our audit because	Our audit procedures included the following test the design and operating effectiveness of key control focusing on: ➢ Segregation of duties in invoice creation and modification. ➢ Timing of revenue recognition considering step by step procedure. Our substantive procedures in relation to revenue recognition and measurement comprise the following: ➢ Obtaining understanding and documenting the process of revenue recognition and measurement followed

Description of key audit matters	Our response to key audit matters
of its predominance in determining the financial performance of the Company.	by the Company. ➢ Tracing performance obligations stipulated and contract value in the contract with invoice and delivery challan issued to evaluate point of recognition and measurement. ➢ Assessing accuracy and comparing revenue recognized during the year with VAT returns submitted to VAT authority; Finally assessing the appropriateness and presentation of disclosure notes with IFRS 15: Revenue from contracts with customers.

Other Matter

The financial statements of the Company as at and for the year ended 30 June 2024 were audited by M/s. ARTISAN Chartered Accountants, who expressed an unmodified opinion on these financial statements on 15 December 2024.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and those Charged with Governance for Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, the companies Act 1994 requires the management to ensure effective internal audit, internal control and risk management factions of the company.

In preparing the financial statements, management is responsible for assessing Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assessed the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances. we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

We report that the financial statements comply with the Companies Act, 1994, the Securities and Exchange Rules 2020, and other applicable laws and regulations. we also report that:

i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof except for the effect of the matter described in the basis of qualified opinion section of our report;

ii. in our opinion, proper books of account as required by law have been kept by the Entity so far as it appeared from our examination of those books except for the effect of the matter described in the basis of qualified opinion section of our report;

iii. the Statement of Financial Position and Statement of Profit or Loss & Other Comprehensive Income of the Company together with the annexed notes dealt with by the report are in agreement with the books of account and returns except for the effect of the matter described in the basis of qualified opinion section of our report;

iv. the expenditures incurred and payments made were for the purpose of the Company's business for the year;

v. the financial statements of the Company have been drawn up in conformity with prevailing rules, regulations and accounting standards except for the effect of the matter described in the basis of qualified opinion section of our report.



S.M. Abdul Hamid, FCA
Partner
ICAB Enrollment No. 0675
Islam Jahid & Co.
Chartered Accountants
Firm Registration No: CAF-001-131
Auditor's FRC Enlistment No: CA-001-237
DVC: 2512060675AS158412

Place: Dhaka
Date : 6 December 2025

Lub -rref (Bangladesh) PLC.
Statement of Financial Position
As at 30 June 2025

Particulars	Notes	Amounts in Taka	
		30-Jun-25	30-Jun-24
ASSETS			
Non-Current Assets (Net)		**7,967,240,218**	**7,701,403,241**
Property, Plant and Equipment	**3.00**	5,843,965,358	6,035,580,268
Capital Work-in-Progress	**3.04**	2,122,574,888	1,655,184,482
Right of Use Assets	**4.00**	699,973	10,638,490
Current Assets		**1,484,918,218**	**2,051,994,314**
Inventories	**5.00**	310,713,035	497,577,164
Receivables	**6.00**	512,141,772	467,722,903
Advances, Deposits & Prepayments	**7.00**	444,859,616	680,215,240
Cash and Cash Equivalents	**9.00**	217,203,795	406,479,007
TOTAL ASSETS		**9,452,158,436**	**9,753,397,555**
SHAREHOLDER'S EQUITY AND LIABILITIES			
Shareholders' Equity		**4,751,641,273**	**5,435,706,092**
Share Capital	**10.00**	1,452,431,440	1,452,431,440
Share Premium	**11.00**	1,447,589,777	1,447,589,777
Revaluation Reserve	**12.00**	576,065,065	579,455,285
Retained Earnings	**13.00**	1,275,554,991	1,956,229,590
Non-current Liabilities		**2,997,241,982**	**2,361,372,363**
Long-Term Loan-Non Current Portion	**14.00**	2,719,012,840	2,074,138,869
Lease Liabilities-Non Current Portion	**15.00**	-	3,137,861
Deferred Tax Liability	**16.00**	278,229,142	284,095,634
Current Liabilities		**1,703,275,180**	**1,956,319,100**
Long-Term Loan-Current Portion	**14.00**	624,458,244	534,586,944
Lease Liabilities- Current Portion	**15.00**	871,949	1,310,473
Short-Term Bank Loan	**17.00**	584,694,224	972,534,980
Unclaimed Dividend	**-**	151,576	151,576
Liability for WPPF	**18.00**	-	-
Accounts Payables	**19.00**	152,010,182	150,457,692
Liability for Current Tax	**20.00**	162,603,844	144,700,268
Liability for Expenses	**21.00**	19,242,860	7,254,742
Dividend Payable	**22.00**	159,242,301	145,322,426
TOTAL SHAREHOLDERS EQUITY & LIABILITIES		**9,452,158,436**	**9,753,397,555**
NET ASSET VALUE PER SHARE (NAV) with Re-Valuation	**34.00**	**32.72**	**37.42**
NET ASSET VALUE PER SHARE (NAV) without Re-Valuation		**28.75**	**33.44**

The annexed notes from 1 to 46 form an integral part of these financial statements.

Rubaya Nahar	**Mohammad Yousuf**	**Md. Salauddin Yousuf**	**Kabir Hossain**	**Md. Mofijur Rahman**
Chairman	Managing Director	Director	Company Secretary	Chief Financial Officer

This is the statement of financial position referred to in our separate of even date.

S.M. Abdul Hamid, FCA
Partner
ICAB Enrollment No. 0675
Islam Jahid & Co.
Chartered Accountants
Firm Registration No: P-51964/2023
FRC Enlistment No: CAF-001-131
DVC: 2512060675AS158412

Place: Dhaka
Date : 6 December 2025

Lub -rref (Bangladesh) PLC.
Statement of Profit or Loss & Other Comprehensive Income
For the year ended 30 June 2025

Particulars	Notes	Amount in Taka	
		01 Jul 2024 To 30 Jun 2025	01 Jul 2023 To 30 Jun 2024
Net Revenues	23.00	646,091,029	623,463,997
Cost of Goods Sold	24.00	(615,954,973)	(496,708,779)
Gross Profit		**30,136,056**	**126,755,218**
Operating Expenses		**(249,695,048)**	**(52,702,136)**
General and Administrative Expenses	25.00	(175,861,303)	(111,776,371)
Selling and Distribution Expenses	26.00	(88,126,124)	(76,088,939)
Operating Income from Lab	27.00	14,292,379	135,163,173
Operating Profit for the period		**(219,558,992)**	**74,053,081**
Other Non Operating Income		**(434,000,871)**	**(172,599,728)**
Financial Expenses on Loan	28.00	(444,944,713)	(188,705,384)
Financial Expenses on Lease	29.00	(340,558)	(912,799)
Financial Income	30.00	10,363,661	16,359,763
Income from Others	31.00	920,738	658,692
Profit Before WPPF & Income Tax		**(653,559,863)**	**(98,546,647)**
Less: Contribution to WPPF		-	-
Profit Before Income Tax for the Period		**(653,559,863)**	**(98,546,647)**
Provision for Income Tax		**(9,111,058)**	**(8,910,876)**
Current Tax	32.01	(14,379,276)	(11,664,808)
Deferred Tax	32.02	5,268,218	2,753,932
Net Profit After Tax for the Period		**(662,670,921)**	**(107,457,522)**
Other Comprehensive Income		**598,274**	**637,621**
Deferred Tax (Expenses)/Income of Revaluation Reserve		598,274	637,621
Total Comprehensive Income for the Period		**(662,072,647)**	**(106,819,902)**
Earnings Per Share (EPS) Basic	33.00	**(4.56)**	**(0.74)**

The annexed notes from 1 to 46 form an integral part of these financial statements.

Rubaya Nahar	Mohammad Yousuf	Md. Salauddin Yousuf	Kabir Hossain	Md. Mofijur Rahman
Chairman	Managing Director	Director	Company Secretary	Chief Financial Officer

This is the statement of Profit or Loss & Other Comprehensive Income referred to in our separate report of even date.

S.M. Abdul Hamid, FCA
Partner
ICAB Enrollment No. 0675
Islam Jahid & Co.
Chartered Accountants
Firm Registration No: P-51964/2023
FRC Enlistment No: CAF-001-131
DVC: 2512060675AS158412

Place: Dhaka
Date : 6 December 2025

Lub -rref (Bangladesh) PLC.
Statement of Changes in Equity
For the year ended 30 June 2025

Particulars	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total
Balance as at 01 July 2024	**1,452,431,440**	**1,447,589,777**	**579,455,286**	**1,956,229,590**	**5,435,706,092**
Dividend Paid for the year 2024	-	-		(14,524,314)	**(14,524,314)**
Transfer from Revaluation Surplus	-	-	(3,988,494)	3,988,494	-
Deferred Tax on Revaluation Reserve	-	-	598,274	-	**598,274**
Net profit/ (Loss) after tax for the Year	-	-	-	(662,670,921)	**(662,670,921)**
Previous year adjustment-ROU	-	-	-	(7,467,858)	**(7,467,858)**
Balance as at 30 June 2025	**1,452,431,440**	**1,447,589,777**	**576,065,065**	**1,275,554,991**	**4,751,641,273**

Statement of Changes in Equity
For the period ended 30 June 2024

Particulars	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total
Balance as at 01 July 2023	**1,452,431,440**	**1,447,589,777**	**583,068,473**	**2,088,484,933**	**5,571,574,623**
Dividend Paid for the year 2023	-	-		(29,048,629)	**(29,048,629)**
Transfer from Revaluation Surplus	-	-	(4,250,807)	4,250,807	-
Deferred Tax on Revaluation Reserve	-	-	637,621	-	**637,621**
Net profit/ (Loss) after tax for the Year	-	-	-	(107,457,522)	**(107,457,522)**
Balance as at 30 June 2024	**1,452,431,440**	**1,447,589,777**	**579,455,286**	**1,956,229,590**	**5,435,706,092**

The annexed notes from 1 to 46 form an integral part of these financial statements.

Rabaya Nahar	**Mohammad Yousuf**	**Md. Salauddin Yousuf**	**Kabir Hossain**	**Md. Mofijur Rahman**
Chairman	Managing Director	Director	Company Secretary	Chief Financial Officer

Place: Dhaka
Date : 6 December 2025

Lub -rref (Bangladesh) PLC.

Statement of Cash Flows

For the year ended 30 June 2025

Particulars	Note	Amount in Taka	
		01 July 2024 To 30 Jun 2025	01 July 2023 To 30 June 2024
A. Cash Flows From Operating Activities:			
Receipts from Customers	**43.00**	615,964,539	812,095,455
Receipts from Other Non-Operating Income		10,099,028	16,274,466
Payments to Suppliers	**44.00**	(262,117,663)	(215,612,961)
Payments for Employee	**45.00**	(131,608,081)	(159,909,701)
Payments to Operating Expenses	**46.00**	67,840,746	329,350
Income Tax Paid		(14,379,276)	(11,664,808)
Net Cash (Used In) / Generated By Operating Activities		**285,799,292**	**441,511,801**
B. Cash Flows From Investing Activities:			
Purchase of Property, Plant & Equipment		(6,893,984)	(238,296,757)
Addition in Capital Work-In-Progress		(362,572,901)	(1,157,219,799)
Finance Expenses Capitalized			-
Interest from FDR		1,185,371	743,990
		(368,281,514)	**(1,394,772,567)**
C. Cash Flows From Financing Activities:			
Financial Expenses Paid-Loan		(444,944,713)	(188,705,384)
Financial Expenses Paid-Lease		(340,558)	(912,799)
Payment of Dividend		(604,439)	(13,718,956)
Repayment of Short-Term Loan		(387,840,756)	277,073,624
Increase of Long-Term Loan		730,513,860	674,713,460
Repayment of Lease		(3,576,384)	(4,151,312)
Net Cash (Used In) / Generated By Financing Activities		**(106,792,989)**	**744,298,633**
D. Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)		**(189,275,211)**	**(208,962,132)**
E. Opening Cash and Cash Equivalents		406,479,007	615,441,139
F. Closing Cash And Cash Equivalents (D+E)		**217,203,796**	**406,479,007**
Net Operating Cash Flow Per Share (Basic)	**35.00**	**1.97**	**3.04**

The annexed notes from 1 to 46 form an integral part of these financial statements.

Rubaya Nahar	Mohammad Yousuf	Md. Salauddin Yousuf	Kabir Hossain	Md. Mofijur Rahman
Chairman	Managing Director	Director	Company Secretary	Chief Financial Officer

Place: Dhaka

Date : 6 December 2025

Notes to the Financial Statements
As at and for the year ended 30th June 2025

1. 00 Status of the Reporting Entity

1.01 Legal Status:

Lub-rref (Bangladesh) PLC, was incorporated as a public company limited by shares on 18 November, 2001 under the Companies Act, 1994. The company started its commercial operation in 2006. The registered office of the company is located at Plot No.-B-6 (part), 9, 10 BSCIC Industrial Estate, Sagarika Road, Chittagong, Bangladesh. The Company listed with Dhaka and Chittagong Stock Exchange Limited on 2021.

1.02 Nature of Business

The principal activities of the Company are to manufacture of lubricants & allied products in its factory at Plot No.-B-6 (part), 9, 10 BSCIC Industrial Estate, Sagarika Road, Chittagong. The Lubricant manufacturing plant has modern and latest machinery to produce various types and categories of lubricants, Automotive, Industrial, Marine lubricants and Grease as well as laboratory Services and marketing same conforming to latest claims like of API, ACEA, VOLVO, BMW, MB, Wartsila, MTU, DIN, MAN, Waukesha, Denison, Vickers, AFNOR, etc. and the project also envisages further expansion, producing the specialty products in near future with foreign technical assistance through its divisional Sales Points through the country.

2.00 Significant Accounting Policies and Basis of Preparation of the Financial Statements

The accounting policies set out below have been applied consistently (otherwise as stated) to all periods presented in these financial statements:

2.01 Going Concern Assumption

The Board of Directors of Lub-Rref (Bangladesh) PLC has assessed the company's ability to continue as a going concern. Based on its assessment of cash flows, current liabilities, available financing, and future business prospects as at the reporting date of 30 June 2025, the Board is optimistic that the company will be able to continue its operations for at least the next twelve months.

However, certain material uncertainties exist arising from lower revenue, lower gross profit, negative EPS, increasing loan liabilities and interest expense thereon, market volatility, political instability, merging of our lead Bank (SIBL) that may cast doubt on the company's ability to continue as a going concern.

The Board is taking the following steps to mitigate these risks:

- Rescheduling of existing loan liability
- Cost reduction measures and operational efficiency improvements
- Implementing appropriate cash flow management strategies

Accordingly, these financial statements have been prepared on a **going concern basis**. The Board of Directors believes that the financial position, operations, and plans of Lub-Rref (Bangladesh) PLC are sufficient to ensure the company will continue to operate for at least the next twelve months.

2.02 Use of Estimates and Judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the Financial Statements. The account judgments, estimates and assumptions are been used in the following heads of Accounts for the preparation of Financial Statements:

Note: 2.10.1 Recognition, Measurement and Disclosure of Property, Plant and Equipment
Note: 2.10.2 Depreciation on Fixed Assets
Note: 2.10.7 Impairment of Assets
Note: 2.10.6 Revaluation of Property, Plant & Equipment
Note: 2.13 Inventories (Provision for Damage & Obsolete)
Note: 2.15 Provision, Contingent Liabilities and Contingent Assets
Note: 2.14.3 Accounts receivables (Trade Debtors)
Note: 2.14.4Trade Payables and Accruals
Note: 2.17 Revenue recognition
Note: 2.20 Foreign Currency Transactions and Translations
Note: 2.21 Employees Benefits
Note: 2.22 Finance Income and Expenses
Note: 2.33 Income Taxes (Current and Deferred Tax)

2.03 Principal Accounting Policies

The financial statements have been prepared and the disclosure of information made in accordance with the requirements of the Companies Act 1994 and International Accounting Standards (IASs) and International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). The Board of Directors is responsible for preparing and presenting the financial statements including adequate disclosure, which approved and authorized for the issue of these financial statements. The Statements of Financial Position and Statement of Profit or Loss and other Comprehensive Income have been prepared according to IAS-1"**Presentation of Financial Statements**" based on an accrual basis of accounting following going concern assumption and Statement of Cash Flows according to IAS 7 "**Statement of Cash Flows**".

2.04 Applicable Accounting Standards

The following International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) is applicable to the financial statements for the year under review:

IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Statement of Cash Flows
IAS 8	Accounting Policies, Changes in Accounting Estimates & Errors
IAS 10	Events after the Reporting Period
IAS 12	Income Taxes
IAS 16	Property, Plant & Equipment
IAS 19	Employee Benefits
IAS 21	The Effects of Changes in Foreign Exchange Rates
IAS 23	Borrowing Costs
IAS 24	Related Party Disclosures
IAS 33	Earnings Per Share
IAS 37	Provision, Contingent Liabilities and Contingent Assets
IFRS 7	Financial Instruments: Disclosures
IFRS 8	Operating Segments
IFRS 9	Financial Instruments
IFRS 13	Fair Value Measurement
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases

2.05 Changes in Significant Accounting Policies

Except the changes following, the Company has consistently applied the accounting policies to all periods presented in these financial statements. The Company has initially adopted IFRS 16 Lease from 1 July 2019. There is no impact on financial statements on initial application of these standards.

2.06 IFRS 16 Leases

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. IFRS 16 replaces existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard is effective for annual periods beginning on or after 1 January 2019. Although early adoption is permitted, the company has not early adopted IFRS 16 in preparing these financial statements. The Company has initially adopted IFRS 16 Lease from 1 July 2019. Previously, the company recognized finance lease and recognized liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognized. As a result, there is no impact on financial statements on initial application of these standards.

2.07 Regulatory and Legal Compliance

The company is also required to comply with the following major laws and regulations in addition to the Companies Act, 1994:
The Income Tax Act, 2023
The Income Tax Rules, 1984
The Value Added Tax and Supplementary Duty Act, 2012
The Value Added Tax and Supplementary Duty Rules, 2016
The Customs Act, 1969
Bangladesh Labor Law, 2006
The Securities & Exchange Ordinance, 1969
The Securities and Exchange Rules, 2020
Dhaka and Chittagong Stock Exchange Listing Regulation 2015.

2.08 Reporting Period

The financial period of the company covers twelve months from July 01, 2024, to June 30, 2025.

2.09 Functional and Presentational Reporting Currency

The financial statements are prepared and presented in Bangladeshi currency (Taka), which is the company's functional currency.

2.10 Property, Plant and Equipment

2.10.1 Recognition, Measurement and Disclosure

Property, plant and equipment except land and building are measured at cost less accumulated depreciation and impairment losses if any. Land and buildings are measured at fair value. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable inward freight, duties and non-refundable taxes. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. The Company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the entity and the cost of the item can be measured reliably. All other costs are recognized in the income statement as an expense as incurred. In accordance with the allowed alternative treatment of ***IAS 23 "Borrowing Cost*** "finance costs have been capitalized for qualifying assets.

2.10.2 Depreciation on Fixed Assets

Depreciation on fixed assets is computed using the reducing balance method so as to write off the assets over their expected useful life. After considering the useful life of assets as per IAS-16 Property, Plant & Equipment the annual depreciation rates applied under which is considered reasonable by the management. Depreciation rates varying from 2.5% to 20%. Depreciation of an asset begins when it is available for use i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management. The cost and accumulated depreciation of depreciable assets retired or otherwise disposed of are eliminated from the assets and accumulated depreciation and any gain or loss on such disposal is reflected in operations for the period.

Category	Rate (%)
Land & Land Development	0%
Office Building	2.5%
Air Conditioner	10%
Computer & Computer Accessories	10%
Fire Extinguisher	10%
Furniture & Fixture	10%
Vehicles	20%
Office Equipment	10%
Plant & Machineries	10%
Electricity Installation	10%
Factory Building & Shed	2.5%
Factory Equipment	10%
Gas Installation	10%
Generator	10%
Weighing Scale	5%
Interior Decoration	15%
Kitchen Equipment	10%
Ware House, Dhaka	10%
Ware House, Barishal	10%

The Company used branded plant and machinery in its production process which was procured from Germany, USA, & other European countries. With a small maintenance, the life of the assets can be strengthened and can be modified as per the requirement of the Company. That is why the depreciation on plant and machineries are 10%. The factory buildings life time are also considered 40 years which is very reasonable. That is why, the rate is 2.5%. Another reason is that the main factory building is built with RCC structures and other factory buildings were built with pre-fabricated structures. Other Fixed Asset's lifetime is considered 10 years (Motor Vehicle 5 years) which is very reasonable.

2.10.3 Disposal of Fixed Assets

An asset is derecognized upon disposal or when no future economic benefits are expected from its use and subsequent disposal. Gains or losses arising from the retirement or disposal of an asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset is recognized as gain or loss from the disposal of asset under other income in the statement of comprehensive income.

2.10.4 Maintenance Activities

The company incurs maintenance costs all its major items of property, plant, and equipment. Repair and Maintenance costs are charged as expenses when incurred.

2.10. 5 Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the profit and loss account as incurred.

2.10.6 Revaluation of Property, Plant & Equipment

As per **IAS16: Property, Plant and Equipment** paragraph 34, "the frequency of revaluations depends upon the changes in fair vales of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from it carrying amount, a further revaluation is required. Some items of property, plant and equipment experience significant and volatile changes in fair value, thus necessitating annual revaluation. Such frequent revaluations are unnecessary for items of property, plant and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item only every three of five years.

To comply with the above paragraph The Company made its first valuation of Land and Land Development, Plant and machineries and building and other construction on 31 December 2013 and Secondly on 30 June 2017 by an independent valuer to reflect fair value (Market Approach) thereof following 'Current Cost Method' as per IFRS-13 'Fair Value Measurement'.

Particulars of Assets	Name of Valuer	Qualification of the Valuer	Date of Revaluation	Carrying amount of Assets	`Value of the assets after revaluation	Revaluation Surplus in 31.12.13	Revaluation Surplus in 30.06.2017
Land and Land Development	Ahmad & Akhtar	Chartered Accountants	07.12.17	512,848,032	107,5273,891	230,225,920	332,199,939
Building and other construction				322,337,791		-	-
Plant and machineries				1,037,285,372	1,157,584,903	120,299,531	-

The increase in the carrying amount of revalued assets is recognized in the separate component of equity as Revaluation Surplus. However, the increase recognized in the statement of Profit or Loss and Others Comprehensive Income for year ended June 30, 2018.

Other Non-Current Assets were kept outside the scope of the revaluation works. These are expected to be realizable at written down value (WDV) as mentioned in the statement of Financial Position of the company.

The Company revalued its only land and land development as per valuation guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC) dated on 18 August 2013 clause 09 of Part A. For better understanding, a table showing below;

Name of PPE	At Cost as on 30 June 2017	Revalued amount as on 30 June 2017	Revaluation Surplus on 31 Dec. 2013	Revaluation Surplus on 30 June 2017	Remarks
Land and Land Development	512,848,032	1,075,273,891	230,225,920	332,199,939	As per (BSEC) valuation guideline dated on 18

					August 2013 clause-8 Time-lag between two valuations for the same class of assets shall not be less than three years; provided that no upward revaluation of an asset shall be made within two years of its acquisition;
Office Building, Factory Building and Ware House	322,337,791	322,337,791	-	-	As per (BSEC) valuation guideline dated on 18 August 2013 clause-9(iii) upward revaluation of the asset are not allowed 'Tin-shed buildings, buildings having remaining economic life of less than 50% of its total useful life, as estimated at construction''

Plant & Machineries	1,037,285,372	1,119,993,956	120,299,531		As per (BSEC) valuation guideline dated on 18 August 2013 clause-9(iii) upward revaluation of the asset are not allowed 'Plant & machineries acquired in second in hand condition, acquired in brand new condition but having remaining economic life of less than 50% of its total useful life, as estimated at acquisition''
All other assets	31,699,365	-	-	-	As per (BSEC) valuation guideline dated on 18 August 2013 clause-9(iv) upward revaluation of the asset are not allowed 'Vehicles, furniture &

					Fittings, office equipment, loose tools and intangible assets''

Depreciation on Right of Use Assets

Depreciation on Right of use Assets (Finance Lease) is computed using the straight line method from this year which were being charged using the reducing balance method in previous year. so as to write off the assets over their expected useful life. After considering the useful life of assets as per IAS-16 Property, Plant & Equipment the annual depreciation rates applied under which is considered reasonable by the management. Depreciation of an asset begins when it is available for use i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management. The estimated useful lives for depreciation are as follows:

Category	Rate (%)
Plant & Machineries	10%
Vehicles	20%

2.10.7 Impairment of Assets

The management of the Company takes physical stocks periodically and recognition of the assets was made accordingly considering the usable condition, wear and tear of the assets as follows:

i. The valuation of Property, Plant & Equipment has been made on the basis of the useable condition of the assets as per IAS-36 Impairment of Assets.

ii. The management of the Company has conducted physical verification of Property, Plant & Equipment on 30 June 2025.

Property, Plant & Equipment are consisting of Office Building, Air Conditioner, and Computer & Computer Accessories, Fire Extinguisher, Furniture & Fixture, Vehicles, Office Equipment, Plant & Machineries, Electricity Installation, Factory Building & Shed, Factory Equipment, Gas Installation , Generator, Weighing Scale, Interior Decoration, Kitchen Equipment and Ware House are valued at lower of cost and net realizable value as per IAS 16: Property, Plant & Equipment Costs include expenditure incurred in acquiring the assets and other costs incurred in bringing them to their existing location and condition.

Impairment of assets are made as and when assets became obsolete or unusable for which the management of the company is giving decisions from time to time. The

management of the Company reviews the carrying amounts of its assets (Balance Sheet Date) to determine whether there is any indication of impairment in accordance with IAS-36: 'Impairment of Assets'. During the year at Balance Sheet date, there was no indication of impairment of assets; as such, no adjustment was given in the Financial Statements for impairment.

2.11 Intangible Asset

The Company has no Intangible assets during the year.

2.12 Capital Work in Progress

Property, Plant and Equipment under construction/ acquisition are accounted for as capital work-in-progress until construction/ acquisition is complete and measured at cost. In Addition, As per IAS 23, the Interest expense on the bank loan taken for acquisition of plant and machinery has been capitalized since the assets could not make ready for use during the reporting period.

2.13 Inventories

Inventories consisting of raw materials, work in progress, finished goods are valued at lower of cost and net realisable value as per IAS 2: Inventory. Cost of inventories include expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Cost of inventories is determined by using the weighted average cost formula. Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying amount of inventories to the lower of cost and net realisable value. Net realisable value is based on estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Impairment of Inventories

Impairment of inventory is made as and when inventory became obsolete or unusable or for slow moving items for which the management of the company is giving decisions from time to time. Based on sales cycle of slow moving items, the sales prices of the products may decreases over time. The management of the Company reviews the carrying amounts of its inventory (Balance Sheet Date) to determine whether there is any indication of impairment In accordance with IAS-2: 'Inventories'. When the sales price moves below the inventory cost prices, the loss on sales is recognized immediately in the Financial Statements. However, there was no indication of impairment of inventory during the year; and as such, no adjustment was given in the Financial Statements for impairment.

2.14 Financial Instruments

2.14.1 Derivative

According to **IFRS 7 "Financial Instruments Disclosure",** the company was not a party to any derivative contract (Financial instruments) at the Balance Sheet date, such as forward exchange contracts, currency swap agreement or contract to hedge currency exposure related to import of capital machinery to be leased to leases in future.

2.14.2 Non-Derivation Financial Instruments

Non-derivative financial instruments comprise trade receivables, trade payables, cash and cash equivalents and share capital

2.14.3 Accounts Receivables

Trade receivables are recognized initially at invoice value and subsequently measured at the remaining amount less allowance for doubtful receivable at the year end, if any. Receivables from foreign currency transactions are recognized in Bangladeshi Taka using exchange rates prevailing on the date of transaction.

2.14.4 Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand and with banks on current and deposit accounts and short-term investments which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

2.14.5 Accounts Payables

Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the company.

2.14.6 Share Capital

Ordinary shares are classified as equity.

2.15 Provision, Contingent Liabilities and Contingent Assets

The financial statements are prepared in conformity with IAS 37 "Provision, contingent Liabilities and Contingent Assets", which requires management to ensure that appropriate recognition criteria and measurement bases are applied to provision for outstanding expenses, contingent liability, assets and that sufficient information is disclosed in the notes to the accounts to enable its users for their understanding about its nature, timing and amount. In accordance with the guidelines as prescribed by IAS-37 provisions were recognized in the following situations:

- When the company has a present obligation as a result of the past event.
- When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and
- Reliable estimate can be made about the sum of the obligation.

We have shown the provision in the statement of financial position at an appropriate level with regard to an adequate provision for risks and uncertainties. The sum of provision estimated and booked represents the reliable estimate of the probable expenses incurred but not paid, which is required to fulfill the current obligation on the Balance Sheet Date.

2.16 Loans and Borrowing

Principal amounts of loans and borrowings are stated at their outstanding amounts. Borrowings repayable after twelve months from the reporting date are classified as non-current liabilities whereas the portion payable within twelve months, unpaid interest and other charges are classified as current liabilities.

2.17 Revenue Recognition

"As per IFRS-15: "Revenue from Contracts with Customers" an entity shall account for a contract with a customer only when all of the following criteria are met:	
(a)	The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to performing their respective obligations;
(b)	The entity can identify each party 's rights regarding the goods or services to be transferred;
(c)	The entity can identify the payment terms for the goods or services to be transferred;
(d)	The contract has commercial substance (i.e. the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and
(e)	It is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer."

Considering the five steps model, the Company recognizes revenue at the time of when (or as) the Company satisfies a performance obligation by transferring a promised good to a customer. Goods are considered as transferred when (or as) the customer obtains control of those goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer when the buyer provides assurance by giving acceptance on the delivery of goods. Revenue represents the invoice value of goods supplied to the customers measured at the fair value of the consideration received or receivable.

In addition, prior year Financial Statements were prepared (up to 30 June 2018) in accordance with Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs). The management has made an assessment of the difference between IFRS and BFRS (mainly IFRS-15 'Revenue from contract with Customers' and IAS-18 'Revenue') and concluded that there are no differences that would impact any numerical amount and disclosures in the financial statement. For better presentation, the management reconciled Statement of Profit or Loss and Other Comprehensive Income as well as Statement of Financial Position of the company with the effect of IFRS-15 para c(8) which is shown below:

2.18 Financial instruments

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale. The adoption of IFRS 9 has not had a significant effect on the company's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortized cost; Fair Value through Other Comprehensive Income (FVOCI)–debt investment; Fair Value through Other Comprehensive Income (FVOCI)–equity investment; or Fair Value through Profit or Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

a. it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
b. Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

a. it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
b. Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. All financial assets not classified as measured at amortized cost or FVTOCI as described above are measured at FVTPL. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss. Trade receivables are classified as financial assets measured at amortized cost.

Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVTOCI, but not to investments in equity instruments. The financial assets at amortized cost consist of trade receivables, cash and cash equivalents, and corporate debt securities. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on The Company's historical experience and informed credit assessment and including forward-looking information. The company considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the company in full, without recourse by The company to actions such as realizing security (if any is held).

Measurement of Expected Credit Losses (ECL)

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive). ECLs are discounted at the effective interest rate of the financial asset. At each reporting date, the company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Company expected that they have no credit losses on Trade Receivables.

Presentation of impairment

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVTOCI, the loss allowance is recognized in OCI, instead of reducing the carrying amount of the asset. Impairment losses related to trade receivables and others, including contract assets, are presented separately in the notes to the financial statement if any.

2.19 Impairment

i) Financial assets

The Company recognizes loss allowances for Expected Credit Losses ECLs on:

- financial assets measured at amortized cost;
- debt investments measured at FVTOCI; and
- Contract assets.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. Except for the following, which are measured at 12-month ECLs?

- debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly

since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

ii) Non-financial assets

The carrying amounts of the Company's non-financial assets (other than inventories) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of impairment loss (if any). Where it is not possible to determine the recoverable amount of an individual asset, the Company estimates the recoverable amount of the Cash Generating Unit (CGU) to which the asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its recoverable amount. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. Impairment losses are recognized in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation if no impairment loss had been recognized.

2.20 Foreign Currency Transactions and Translations

These Financial Statements are presented in Bangladeshi Taka which is the functional and presentation currency of the company. The import activities of the company were carried out in foreign currency but recorded and reported in Bangladesh Taka as the reporting Currency. Foreign exchange differences (if any) arising on translation are recognized in the Statement of Comprehensive Income in accordance with IAS 21 "The Effects of Changes in Foreign Currency Rates."

2.21 Employees Benefits

The Company has accounted for and disclosed employee benefits in compliance with the provisions of IAS 19: Employee Benefits. The cost of employee benefits is charged off as revenue expenditure in the period to which the contributions relate. The Company's employee benefits include the following:

Short-term employee benefits

Short-term employee benefits include wages, salaries, bonuses, house rent, medical fees etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

Provident Fund

The Company has established and maintains Contributory Provident Fund. Permanent employees of the Company contribute 8.33% of their basic salary to the provident fund and the Company also contributes the same.

Workers' Profit Participation Fund (WPPF)

The Company provides 5% of its profit before tax after charging contributions to WPPF in accordance with Bangladesh Labor Act, 2006 (as amendment upto date).

The company made provision for WPPF in line with section 234 (a) chapter-XV (Workers 'participation in Companies Profits) of Bangladesh Labor Act-2006 and complied with section 234 (b). Transfer of the amount to a separate bank account is under process. The management of the company tried to disburse the amount to workers through banking channel but in fact, it was very hard to find a separate bank account of all the workers. Considering circumstance and requirement for compliance with chapter-XV section 234 (a) 7 (b) of Bangladesh Labor Act-2006, the management of the Company decided to pay out the benefit in cash basis.

Gratuity:

As per the Bangladesh Labor Act, 2006, who have completed minimum 10 (ten) years of continuous service from the date of joining are eligible to gratuity payment at the time of separation of employment with the Company. The Company have not yet established gratuity fund. The Management of the Company has a plan to establish gratuity fund in near future.

2.22 Finance Income and Expenses

Finance Income

Finance Income comprises interest income on funds invested Interest Income is recognized on maturity.

Finance Expenses

Finance Expenses comprise interest expenses on loan, overdraft and bank charges. All borrowing costs are recognized in the profit and loss account using the effective interest method except to the extent that they are capitalized during the constructions period of the plants in accordance with IAS-23 "Borrowing Cost".

2.23 Earnings Per Share (EPS)

The Company calculates its Earning per Share (EPS) in accordance with ***IAS 33 "Earnings per Share"*** which has been shown on the face of Statement of Profit or Loss and Other Comprehensive Income and the computation of EPS.

Basic Earnings

This represents earnings for the period attributable to the Ordinary Shareholders. As there are no preference dividends, minority interest or extra ordinary items, the net profit for the period has been considered as fully attributable to Ordinary Shareholders.

Basic Earnings Per Share

Basic EPS is calculated by dividing the profit or loss attributable to Ordinary Shareholders of the company by the weighted average number of Ordinary Shares outstanding during the year.

Diluted Earnings per Share

Diluted EPS is determined by adjusting the profit or loss attributable to Ordinary Shareholders and weighted average number of Ordinary Shares outstanding, for the effect of all dilutive potential Ordinary Shares. However, dilution of EPS is not applicable for these Financial Statements as there were no potential Ordinary Shares during the relevant year.

Weighted Average Number of Ordinary Shares outstanding during the period

The basis of computation of number of shares in line with the provisions of IAS-33: Earnings per share. Therefore, the total number of shares outstanding at the period multiplied by a time-weighting factor which is the number of days the specific shares were outstanding as proportion of total number of days in the year.

2.24 Statement of Cash Flows

Statement of Cash Flows is prepared in accordance with IAS 7 "Statement of Cash Flows". The cash flow from the operating activities have been presented under Direct Method as prescribed by the Bangladesh Securities and Exchange Rules 2020 and considering the provisions of Paragraph 19 of IAS 7 which provides that "Entities are encouraged to report Cash Flows from Operating Activities using the Direct Method" as well as the indirect method in the notes to the Financial Statements.

2.25 Responsibility for Preparation and Presentation of Financial Statements:

The Management is responsible for the preparation and presentation of Financial Statements under Section 183 of the Companies Act, 1994 and as per the Provision of "The Framework for the preparation and presentation of Financial Statements" issued by the International Accounting Standard Board (IASB) as adopted by the Institute of The Chartered Accountants of Bangladesh (ICAB).

2.26 Risk Exposure

Financial Risk Management Policies

The company management has overall responsibility for the establishment and oversight of the company's risk management framework. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company has exposure to the following risks its use of financial instruments.

Currency Risk

The Company is exposed to foreign currency risk relating to purchases which are denominated in foreign currencies. The company primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases, denominated in foreign currencies, for the subsequent period.

Credit Risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the company as and when they fall due. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to a large number of parties comprising the group's customer base, Management does not anticipate material losses from its debt collection.

Liquidity Risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the company operations and to mitigate the effects of fluctuations in cash flows.

Market risk

Market risk is the risk that any change in market prices such as foreign exchange rates and interest will affect the company's income or the value of its holdings financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Interest rate risk:

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. There was no foreign currency loan which is subject to floating rates of interest. Local loans are, however, not significantly affected by fluctuations in interest rates. The company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date

Fair Values

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of trade and other short-term receivables are taken to approximate their carrying value. The fair value of financial assets and liabilities approximate their carrying value.

2.27 Risk and Uncertainties for the use of Estimates in Preparing Financial Statements.

Preparation of Financial Statements in conformity with the Bangladesh Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statement and revenues and expenses during the period reported. The actual result could differ from those estimates. Estimates are used for accounting of certain items such as depreciation and amortization, taxes, reserves and contingencies.

2.28 Events after the Reporting Period

Events after the reporting period that provide additional information about the company's positions at the balance sheet date are reflected in the financial statements if any. Events after the reporting period that are non-adjusting events are disclosed in the notes when material.

2.29 Related Party Transactions

The company, in the normal course of business, has carried out a number of transactions with other entities that fall within the definition. The objective of Related Party Disclosure IAS 24 is to ensure that an entity's Financial Statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances with such parties. Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operating decisions. The Company transacts with related parties and recognize as per IAS 24 'Related Party Disclosures'. Related party transactions have been disclosed under Note – 36.

2.30 Contingent Liabilities and Assets

Contingent liabilities and assets are current or possible obligations or assets, arising from past events and whose existence is due to the occurrence or non occurrence of one or more uncertain future events that are not within the control of the company.

2.31 Components of Financial Statements

According to the International Accounting Standards (IAS)-1 as adopted by ICAB "Presentation of Financial Statements" the complete set of financial statements includes the following components.

i. Statement of Financial Position as of June 30, 2025;
ii. Statement of Profit or Loss and Other Comprehensive Income for the year ended on June 30, 2025;
iii. Statement of Changes in Equity for the year ended on June 30, 2025;
iv. Statement of Cash Flows for the year ended on June 30, 2025;
v. Notes, comprising a summary of significant accounting policies and other explanatory information for the year ended on June 30, 2025.

2.32 Comparative Amounts

Certain comparative amounts have been re-classified & rearranged to conform to the current year's presentation and all numerical information in the current financial statements as below:

- Statements of Financial Position as of the end of the preceding financial year
- Statements of Comprehensive Income for the comparable of the preceding financial year.
- Statements of Changes in Equity for the comparable of the preceding financial year
- Statement of Cash Flows for the comparable if the preceding financial year

Narrative and descriptive information for comparative information has also been disclosed whenever it is relevant for the understanding of the current period's financial statements.

Rearrangement of Financial Statement:

The previous year's figure has been rearrangement whenever considered necessary to ensure comparability with the current year presentation.

2.33 Income Taxes

Income tax on the profit or loss for the Period comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

2.33.1 Current Tax

Current tax is the expected tax payable on the taxable income for the period/year and any adjustment to tax payable in respect of previous years as per the provisions of the Income Tax Act 2023 and duly amended by the Finance Act from time to time.

The effective tax rate of the Company is provided as follows:

Particulars	Rate
* Corporate Tax Rate of the Company	22.50%
Tax Rate on Other Income	22.50%
Taxes on Interest on FDR	22.50%
Taxes on Dividend Income	20.00%
Export/ deemed export income (if any)	10.125%

Policy of tax collection by the government

The Government has collected the tax, which that calculated tax is higher among the Corporate Tax, Minimum Tax and Tax Deducted at source.

2.33.2 Deferred Tax

Deferred tax is recognized using (in accordance with the IAS-12) the Balance Sheet method. Deferred tax arises due to temporary difference deductible or taxable for the events or transaction is recognized in the income statements. A temporary difference is the difference between the tax bases of an asset or liability and its carrying amount/reported amount in the Balance Sheet. Deferred tax assets or liability is the amount of income tax recoverable or payable in the future period(s) recognized in the current period. The deferred tax liability/expenses do not create a legal liability/recoverability to and from the income tax authority.

2.34 Operating Segments

No segmental reporting is applicable for the company as required by "IFRS-8: 'Operating Segments' as the company operates in a single industry segment and within as geographical segment.

2.35 Advance, Deposits and Prepayments

Advances are initially measured at cost. Since initial recognition advances are carried at cost fewer deductions, adjustments or charges to other account heads such as Property, Plant and Equipment, inventory or expenses. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to the profit and loss account.

2.36 Cash and Cash Equivalents

According to IAS-7 "Statement of Cash Flows" cash comprises cash in hand, demand deposits and cash equivalent which are short-term highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of change balances and call deposits, Bank Balances in Value. IAS -1 "Presentation of Financial Statements" provides that cash and cash equivalents are not restricted in use. Consideration the provisional of IAS-7 and IAS-1, Cash in Hand and Bank Balances has been treated as Cash and Cash Equivalents.

2.37 Investment in FDR

Investment in FDR includes fixed deposits held with various banking and non-banking financial institutions in the name of Lub-rref (Bangladesh) PLC. The fixed deposits are renewed upon maturity at the option of the company.

2.38 Other Current Assets

Other current assets (if any) have a value on realization in the ordinary course of the company's business which is at least equal to the amount at which they are stated in the Statement of Financial Position.

2.39 Authorization Date

The financial statements have been authorized for issuance by the Board of Directors on 27th November 2025.

2.40 General

i. Wherever considered necessary, previous Period's figures have been rearranged for the purpose of comparison.
ii. Figures appearing in the financial statements have been rounded off to the nearest Taka.

			Amounts in Taka	
			30-Jun-25	30-Jun-24
3.00	**Property, Plant and Equipment (Note: 3.00+3.02)**		**5,843,965,358**	**6,035,580,268**
	A. Cost			
	Opening Balance		7,150,891,896	5,495,856,568
	Add: Addition during the year		6,893,984	238,296,757
	Add: Transfer from Capital Work in Progress			1,416,738,570
	Total Cost		**7,157,785,880**	**7,150,891,896**
	B. Accumulated Depreciation			
	Opening Balance		1,717,622,431	1,511,349,288
	Add: Charged during the year (Note 3.03)		194,520,401	206,273,143
	Less: Adjustment during the year (Note 3.03)			
	Total Charged		**1,912,142,832**	**1,717,622,431**
	C. Written Down Value Cost (A-B) as on 30 June, 2025		**5,245,643,048**	**5,433,269,465**
	A schedule of property, plant and equipment is given in Annexure - A			
3.02	**Revaluation Reserve**			
	A. Revaluation			
	Opening Balance Restated as on 01.07.2016		**682,725,390**	**682,725,390**
	Closing Balance		**682,725,390**	**682,725,390**
	B. Accumulated Depreciation on Revaluation			
	Opening Balance		80,414,586	76,163,779
	Add: Prior year adjustment for depreciation on Revaluation Reserve		-	-
	Add: Charged during the year (Note 3.03)		-	-
	Opening Balance Restated as on 01.07.2016		**80,414,586**	**76,163,779**
	Add: Charged during the year (Note 3.03)		3,988,494	4,250,807
	Closing Balance		**84,403,080**	**80,414,586**
	C. Written Down Value of Revaluation (A-B) as on 30 June, 2025		**598,322,310**	**602,310,804**
3.03	**Allocation of Depreciation Charges**			
	Factory Overhead @ 70%	Note-24.03	138,956,227	147,366,765
	General and Administration Overhead @ 15%	Note-25	29,776,334	31,578,593
	Selling and Distribution overhead @ 15%	Note-26	29,776,334	31,578,593
			198,508,895	**210,523,950**
3.04	**Capital Work-in-Progress**			
	Opening Balance		1,655,184,482	1,914,703,253
	Add: Addition made during the year		276,990,406	1,133,143,524
	Add : Addition made during the year (BMRE)		140,400,000	24,076,275
	Add. Interest Capitalization during the year		50,000,000	-
	Less: Transferred to Fixed Asset during the year		-	(1,416,738,570)
			2,122,574,888	**1,655,184,482**
	The make-up of the Closing Balance			
	1 Grease Laboratory Services		-	-
	2 Project Expansion new site		1,487,776,506	1,169,524,758
	3 Expansion of Business-BMRE (IPO Phase)		634,798,382	494,398,382
			2,122,574,888	**1,663,923,140**
4.00	**Right of Use Assets**			
	A. Cost			
	Opening Balance		8,400,000	22,484,000
	Add: Addition during the year		-	-
	Less: Transfer to Fixed Assets		-	-
	Total Cost		**8,400,000**	**22,484,000**
	B. Accumulated Depreciation			
	Opening Balance		6,020,021	9,649,940
	Add: Charged during the year		1,680,006	2,195,570
	Less : Transfer to Acc. Depreciation		-	-
	Total Charged		**7,700,027**	**11,845,510**
	C. Written Down Value Cost (A-B) as on 30 Jun, 2025		**699,973**	**10,638,490**
	N.B.: Depreciation was previously calculated using the reducing balance method. This year, depreciation has been calculated using the straight-line method. As a result, the opening balances of cost and accumulated depreciation show a variance.			
5.00	**Inventories**			
	Raw Materials - note 5.01		236,472,469	371,931,876
	Packing Materials - note 5.02		10,185,459	8,970,052
	Finished Goods - note 5.03		64,055,107	116,675,236
			310,713,035	**497,577,164**
5.01	**Raw Materials - note 5.00 & 24.01**			
	Base Oil		120,204,958	305,950,849
	Additives & Chemicals		111,615,187	64,267,591
	ULO, RVF, LRF		4,652,324	1,713,436
			236,472,469	**371,931,876**

		Amounts in Taka	
		30-Jun-25	30-Jun-24
5.02	**Packing Materials - note 5.00 & 24.02**		
	Empty Drum, Pail & Container	4,081,522	3,715,897
	Carton	2,904,493	2,187,747
	Stickers	1,886,345	2,068,313
	PVC Shrinks & Others	1,313,099	998,095
		10,185,459	**8,970,052**
5.03	**Finished Goods - note 5.00 & 24**		
	Lubricating Oil	64,055,107	116,675,236
		64,055,107	**116,675,236**
6.00	**Trade & Others Receivables (Note: 6.01+6.02)**	**512,141,772**	**467,722,903**
6.01	**Trade Receivables**		
	Opening Balance	446,370,681	509,507,490
	Add: Addition during the year	646,091,029	623,463,997
		1,092,461,710	**1,132,971,487**
	Less: Realized during the year	532,211,484	686,600,805
	Less: Bad Debt during the year	59,116,584	-
		501,133,642	**446,370,681**
	Disclosure as per schedule-XI, Part-1, of the Company Act, 1994		
	Dues over 6 Months	122,261,575	108,901,055
	Dues within 6 Months	378,872,068	337,469,626
	Total	**501,133,642**	**446,370,681**
	Receivable considered good & secured	400,235,542	345,472,581
	Receivable considered good without security	100,898,100	100,898,100
	Receivable considered doubtful or bad	-	-
	Receivables due by directors or other officers	-	-
	Receivables due from companies under same management	-	-
	Maximum debt due by Directors or officers at any time	-	-
		501,133,642	**446,370,681**
6.02	**Other Receivables**		
	Other Receivable-Lab Test	11,008,129	21,352,221
		11,008,129	**21,352,221**
7.00	**Advances, Deposits and Prepayments**		
	Advances - note 7.01	421,993,979	657,847,876
	Deposits - note 7.02	22,865,637	22,367,364
		444,859,616	**680,215,240**
7.01	**Advances**		
	Advance against L/C	735,069	172,131,160
	Advance against VAT	20,709,914	20,706,995
	Advance Against Salary & Allowance	6,080,432	456,265
	Advance Against Procurement	47,344,427	26,987,500
	Advance Travelling & Conveyance	744,866	632,100
	Advance Income Tax (7.01.1)	26,044,084	116,482,313
	Advance against Office Expenses	596,244	398,770
	Advance against Selling & Distribution Expenses	306,500	620,330
	Advance against Land & Land Development	319,432,443	319,432,443
		421,993,979	**657,847,876**
7.01.01	**Advance Income Tax**		
	Opening Balance	116,482,313	104,817,505
	Add: Addition during the year	14,379,276	11,664,808
		130,861,589	**116,482,313**
	Less: Adjustment during the year	(104,817,505)	-
	Closing Balance	**26,044,084**	**116,482,313**
7.02	**Deposits (Security)**		
	Bangladesh Railway	900,211	900,211
	Linde Bangladesh Ltd.	212,000	212,000
	PDB- Pahartali	253,800	253,800
	Bakhrabad Gas System Ltd.	12,755,187	12,755,187
	Chittagong Port Authority	579,244	589,244
	Bangladesh Telephone and Telegraph Board-BTTB	24,000	24,000
	Chittagong WASA	100,000	100,000
	Van Omran Tank Terminal -VOTT	2,390,000	2,420,000
	Speed Track (Pvt) Ltd. -Ctg.	10,000	10,000
	Rural Power Company Limited -RPCL	445,400	445,400
	Chittagong Chamber of Commerce	96,000	96,000
	Al-Haj Karim Ullah for Dhaka Warehouse	300,000	300,000
	PDB- Raujan, Chittagong	42,000	42,000
	Mayor Rajshahi City Corporation	32,291	32,291
	Anduip CNG Filling Station, Dhaka	40,000	40,000
	PUFFL	8,610	8,610
	General Electric Manufacturing Co. Ltd	179,665	179,665

		Amounts in Taka	
		30-Jun-25	30-Jun-24
	Chittagong City Corporation	200,000	200,000
	Shiddirgonj Power	35,000	35,000
	Rostan State Atomic Energy Corporation.	67,668	67,668
	Rajshahi City Corporation	65,000	65,000
	Standard Asiatic Company Limited	200,000	200,000
	KAPCO	-	111,038
	Public Fund,Senasadar,ST Paridaptar	500,000	500,000
	Haripur 412 MW Combined Cycle power plant	65,550	57,050
	Siddhirganj 335MW	50,000	191,550
	Siddhirganj 335MW	330,390	-
	Abu Sadat Muhammad Sayem Bin Sayeed-Dhaka Gueast House.	68,000	68,000
	Sector Sadar Doptor,Rajshahi Oxidetion Plant	20,000	20,000
	Siddhirganj 2*120 MW Pealing Power Plant,Siddirgonj,Naryanganj	72,000	20,800
	Kodda 150MW Duel Fuel Power Plant	61,500	61,500
	BEPZA	200,000	200,000
	BRTC Bus Depot,Gazipur	236,721	88,817
	BRTC Depot-02	290,082	290,082
	Rampal,Begerhat	52,000	52,000
	Bangladesh Army - Dhaka Cantonment	500,000	500,000
	Bangladesh Nevy-Chittagong	530,542	630,452
	Shaikh Golam Rasul (Owner of Dhaka New Office)	500,000	500,000
	DGDP	187,776	100,000
	Dhaka Power Distribution Company Ltd. (DPDC)	265,000	-
		22,865,637	**22,367,364**
7.03	**Additional disclosure in line with schedule 11 part 1 of the Companies Act 1994**		
	Advance Outstanding for a period exceeding six months	368,342,164	138,849,677
	Advance Outstanding for a period not exceeding six months	76,517,452	541,365,563
	Advance considered good	444,859,616	680,215,240
	Advance to Director & Offices of the common Management Company	-	-
	These include dues realizable/ adjustable within one year next from the reporting date	-	-
	Advance include aggregate amount due by the officers of the company	-	-
	The maximum aggregate amount due by the officers of the company at the end of any month during the year	-	-
8.00	**Related Party Current Account**	**0.00**	**0.00**
8.01	**Companygonj Agro Industries Limited**		
	Opening Balance	0.00	0.00
	Add: Addition during the year	-	-
		0.00	**0.00**
	Less: Adjustment/Paid off during the year	-	-
	Closing Balance	**0.00**	**0.00**

*****Interest was Charged @ 6% p.a on balance of accounts which was carried forward for more than a year as per decision of Board dated: 12th November, 2017***

9.00	**Cash and Cash Equivalents**		
	Cash in Hand Note- 9.01	1,001,544	6,901,513
	Cash at Bank Note- 9.02	199,678,309	383,843,572
	FDR Investment Note- 9.03	16,523,942	15,733,921
		217,203,795	**406,479,007**
9.01	**Cash in Hand**		
	Cash at Head Office (Ctg)	999,130	3,659,870
	Cash at Dhaka Office	2,414	3,241,643
		1,001,544	**6,901,513**

9.02 Cash at Bank

		Branch	Types		
1	Southeast Bank Limited (18039)	Jubilee Road	Current	31,356	169,151
2	Southeast Bank Limited (00470)	Donia	Current	663	1,419
3	Southeast Bank Limited (30092)	Jubilee Road	Current	-	-
4	Islami Bank Bangladesh Limited (5083)	Agrabad	AW-Current	113,273	63,934
5	Dutch Bangla Bank Limited (10936)	O.R Nizam	Current	118,472	185,896
6	Pubali Bank Limited (22510)	Pahartali	Current	744	52,405
7	Sonali Bank Limited (19155)	Laldighi	Current	-	3,558
8	Uttara Bank Ltd (21-6345)	Agrabad	Current	2,983	3,962
9	Islami Bank Bangladesh Limited (SND-31)	Pahartali	AW-SND	30,164	30,539
10	EXIM Bank Limited (3787)	Agrabad	Current	23,204	1,935,105
11	Bengle Commercial Bank Limited (1368)	Agrabad I/B	AW-Current	-	-
12	Sonali Bank Limited	Teknaf	Current	-	2,585
13	Southeast Bank Limited (0159)	Banglamotor	Current	1,042	87,149
14	Southeast Bank Limited (014895)	Jubilee Road	SND	3,293	4,396

				Amounts in Taka	
				30-Jun-25	30-Jun-24
15	Southeast Bank Limited (014899)	Jubilee Road	SND	29,508	4,705
16	Southeast Bank Limited (014900)	Jubilee Road	SND	-	0
17	Southeast Bank Limited (294)	Pahartali	SND	230,645	15,916
18	Agrani Bank Limited (18653894)	Wasa Cor.	Current	41,613	1,958
19	Agrani Bank Limited (0200018772117)	Wasa Cor.	STD	9,956	186,366,408
20	Southeast Bank Limited (14915)	Jubilee Road	SND	-	1,512,106
21	Social Islami Bank Limited (33097)	Agrabad	Current	12,821	1,153,140
22	Social Islami Bank Limited Escrew A/c-3464	Agrabad	Current	19,733	
22	Social Islami Bank Limited (4111)	Agrabad	MND	51,487	59,964
23	Brac Bank PLC. (2043822920002)	Pahartali	Current	18,225	-
24	Social Islami Bank Limited (4122)	Agrabad	MND	197,988,865	192,021,241
25	Southeast Bank Limited (14867)	Jubilee Road	SND	161,049	161,660
26	Southeast Bank Limited (00114)	Jubilee Road	FCA-USD	782,741	6,376
27	Southeast Bank Limited (00001)	Jubilee Road	FCA-GBP	-	-
28	Southeast Bank Limited (00001)	Jubilee Road	FCA-EUR	-	-
29	Southeast Bank Limited (14984)	Jubilee Road	SND	6,471.18	-
	All the bank balances were confirmed by the respective bank.			**199,678,309**	**383,843,572**

9.03 FDR Investment

24500013791	SEBL Jubilee Road Branch	229,920	222,936
24500015854	SEBL Jubilee Road Branch	389,783	378,672
24500025572	SEBL Jubilee Road Branch	1,442,649	1,398,212
24500027123	SEBL Jubilee Road Branch	164,070	158,825
24500027746	SEBL Jubilee Road Branch	864,081	837,772
24500027747	SEBL Jubilee Road Branch	98,759	95,697
24500027748	SEBL Jubilee Road Branch	21,982	21,300
24300030045	SEBL Jubilee Road Branch	-	-
24300003787	SEBL, Pahartali Branch	263,969	246,908
24500027827	SEBL Jubilee Road Branch	656,596	635,506
0045320026273	SIBL, Agrabad Branch	801,474	751,817
0045320026396	SIBL, Agrabad Branch	205,202	191,558
0045330039493	SIBL, Agrabad Branch	123,493	114,771
0045330040584	SIBL, Agrabad Branch	4,452,274	4,122,476
0045330040641	SIBL, Agrabad Branch	2,562,800	2,562,800
0045330040988	SIBL, Agrabad Branch	319,357	296,800
1003251000003901	IPDC Finance Ltd.	1,166,267	1,098,936
1003251000003948	IPDC Finance Ltd.	1,166,267	1,098,936
1003251000006568	IPDC Finance Ltd.	797,500	750,000
1003251000006569	IPDC Finance Ltd.	797,500	750,000
		16,523,942	**15,733,921**

10.00 Share Capital

Authorized Capital

250,000,000 Ordinary Shares of Tk 10 each	**2,500,000,000**	**2,500,000,000**

Paid up Capital

145,243,144 Ordinary Shares of Tk 10 each are fully paid in cash	1,452,431,440	1,452,431,440
Add: Addition during the year	-	-
	1,452,431,440	**1,452,431,440**

The Issued, Subscribed and Paid-up Capital is Tk. 1,452,431,440 divided into 145,243,144 ordinary shares of Taka 10.00 each fully paid.
The Shareholding position of the company as on 30 June 2025 is as follows:

Sl.	Name of Shareholders	Number of Shares held	% of Shareholding	Amounts in Taka	
				30-Jun-25	30-Jun-24
1.	Mohammed Yousuf	29,567,544	20.36%	295,675,440	295,675,440
2.	Mrs. Rubiya Nahar	3,455,140	2.38%	34,551,400	34,551,400
3.	Md. Salauddin Yousuf	3,247,520	2.24%	32,475,200	32,475,200
4.	Mrs. Israt Jahan	3,123,495	2.15%	31,234,950	31,234,950
5.	Companygonj Agro Industries Ltd	3,509,300	2.42%	35,093,000	35,093,000
6	Md. Mosharaf Hossain	10	0.00%	100	100
7	Md. Jashim Uddin	144,373	0.10%	1,443,730	1,443,730
8	Nusrat Nahar	8,800,000	6.06%	88,000,000	88,000,000
		51,847,382	**35.70%**	**518,473,820**	**518,473,820**
9	**Other Shareholders:**				
	Public	79,567,652	54.78%	795,676,520	798,460,420
	Institute	13,828,110	9.52%	138,281,100	134,335,380
	Foreign	-	0.00%	-	1,161,820
	Total	**145,243,144**	**100.00%**	**1,452,431,440**	**1,452,431,440**

	Amounts in Taka	
	30-Jun-25	30-Jun-24

The range of shareholdings are shown below:

SL #	Shareholding Range	No of Shareholders	No of Shares	Percentage (%)
1	Upto 100 Shares	1,772	97,027	0.0668
2	From 101 to 500 Shares	8,910	2,270,205	1.5630
3	From 501 to 1,000 Shares	2,816	2,346,792	1.6158
4	From 1,001 to 10,000 Shares	6,555	24,264,349	16.7060
5	From 10,001 to 20,000 Shares	853	12,538,704	8.6329
6	From 20,001 to 50,000 Shares	544	17,135,864	11.7981
7	From 50,001 to 1,00,000 Shares	162	11,796,374	8.1218
8	From 1,00,001 to 10,00,000 Shares	99	20,322,736	13.9922
9	From 10,00,001 to 50,00,000 Shares	6	16,103,549	11.0873
10	From 50,00,001 to 1,00,00,000 Share	1	8,800,000	6.0588
11	From 1,00,00,001 and above shares	1	29,567,544	20.3573
	Total	**21,719**	**145,243,144**	**100.00**

11.00 Share Premium

30,000,000 Ordinary Shares @ per Share Tk. 15.28 each	458,500,000	458,500,000
22,621,544 Ordinary Shares @ per Share Tk. 29.3084044 each	663,001,360	663,001,360
22,621,600 Ordinary Shares @ per Share Tk. 17.00 each	384,567,200	384,567,200
Total	**1,506,068,560**	**1,506,068,560**
Opening Balance	**1,447,589,777**	**1,447,589,777**
Less: Adjustment of IPO Expenses	-	-
Total	**1,447,589,777**	**1,447,589,777**

12.00 Revaluation Reserve

Opening Balance	579,455,285	583,068,472
Add. Revaluation made during the year	-	-
Less. Adjustment for depreciation on Revaluation	-	-
Less. Adjustment for depreciation on Revaluation	(3,988,494)	(4,250,807)
Deferred Tax Expenses/(Income)	598,274	637,621
Closing Balance	**576,065,065**	**579,455,285**

The Management of the company restated its assets as per BSEC Guidelines vide its Notification No. SEC/CMRRCD/2009 - 193/150/Admin/51, dated: 13/08/2013 and IVS guideline which was Audite of valuation by Ahmad & Akhtar. Chartered Accountants. The Accounts for the year ended 30 June,2017 was restated due to adjustment of revaluation, as per IAS 8 para 42. Details are given on Note No. 3.02, 2.28 & 42.00

13.00 Retained Earnings

Opening Balance	1,956,229,590	2,088,484,934
Add: Net Profit /(Loss) during the year	(662,670,921)	(107,457,522)
Add: Current year depreciation on revalued amount of fixed assets	3,988,494	4,250,807
Less: Previous Year adjustment	(7,467,858)	-
Less: Dividend Paid for the year 2024	(14,524,314)	(29,048,629)
Closing Balance	**1,275,554,991**	**1,956,229,590**

14.00 Long-Term Loan

Opening Balance	**2,608,725,813**	**1,934,012,352**
Add: Addition During the year Interest.	305,048,099	145,603,919
Add: Addition During the year Principal	402,594,146	502,004,124
Add: Addition During the year Principal+Interest (Bay Leasing)	27,103,026	27,105,417
Less: Adjustment/Paid during the year	-	-
Closing Balance	**3,343,471,084**	**2,608,725,813**
Less: Current portion of Long term Loan	624,458,244	534,586,944
Non Current Portion of Long Term Loan	**2,719,012,840**	**2,074,138,869**

Brief details of Long term Loan:

1	***Bank Name:***	Social Islami Bank Limited, Agrabad Branch, Ctg.
	Tenure:	10 (year)
	Limit:	230.00 Crore
	Security:	Land 892.59 Decimal & Factory Building
	Interest Rate:	9% per year
	Sanction Date:	12.03.2019

			Amounts in Taka	
			30-Jun-25	30-Jun-24
15.00	**Lease Liabilities**			
	Opening Balance		**4,448,334**	**8,599,646**
	Add: Addition During the year (Principal + Interest)		623,526	878,191
	Less: Adjustment during the year		(4,199,910)	(5,029,503)
			871,949	**4,448,334**
	Less: Current Portion of Lease Liabilities		(871,949)	(1,310,473)
	Non Current Portion of Lease Liabilities		**-**	**3,137,861**
16.00	**Deferred Tax**			
	Adjusted Opening Balance as on 30.06.2024		**284,095,634**	**287,487,187**
	Adjustment of Revaluation Reserve Note 16.01		(598,274)	(637,621)
	Expenses/(Income) During the Year Note 16.02		(5,268,218)	(2,753,932)
	Deferred Tax Liability/(Assets)		**278,229,142**	**284,095,634**
16.01	**Adjustment of Deferred Tax on Revaluation Reserve**			
	Deferred Tax Liability on Revaluation Surplus (Closing)	Note 16.01.a	22,257,243	22,855,518
	Deferred Tax Liability on Revaluation Surplus (Opening)		22,855,518	23,493,139
	Deferred Tax Expenses/(Income)		**(598,274)**	**(637,621)**
16.01.a	**Adjustment of Deferred Tax on Revaluation Reserve**			
			30-Jun-25	**30-Jun-24**
	Carrying amount on Land & Land Development		562,425,859	562,425,859.00
	Carrying amount on Plant & Machinery		35,896,451	39,884,944.90
	Deferred tax on revaluation of Land & Land Development	Tax Rate 3%	16,872,776	16,872,776
	Deferred tax on revaluation of Plant & Machineries	Tax Rate 15%	5,384,468	5,982,742
			22,257,243	**22,855,518**
16.02	**Deferred Tax Expenses/(Income) Excluding Revaluation**			
	Deferred Tax Liability Excluding Revaluation Surplus (Closing)		255,971,898	261,240,116
	Deferred Tax Liability Excluding Revaluation Surplus (Opening)		261,240,116	263,994,048
	Deferred Tax Expenses/(Income)-A		**(5,268,218)**	**(2,753,932)**
	Deferred Tax Expenses/(Income)-B		**-**	**-**
	Total Deferred Tax Expenses/(Income)		**(5,268,218)**	**(2,753,932)**
16.02.a	**Deferred Tax Expenses/(Income) Calculation**			
	Deferred Tax Expenses/(Income) Calculation on Lease liability			
	Payment of Lease		4,199,910	5,029,503
	Less: Depreciation of ROU Assets		(1,806,129)	(2,195,570)
	Less: Interest on Lease Liability		(340,558)	(912,799)
	Net Temporary difference		**2,053,223**	**1,921,134**
	Tax Rate		22.50%	22.50%
	Deferred Tax Liability/(Assets)		**461,975**	**432,255**
	Opening Balance		432,255	342,500
	Deferred Tax Expenses/(Income) Calculation on Lease liability-B		**29,720**	**89,755**
	Carrying amount Except Land & ROU asset		1,985,194,632	2,173,158,868
	Tax base		849,594,974	1,014,012,822
	Taxable/ (Deductible) temporary difference		**1,135,599,658**	**1,159,146,047**
	Tax rate		22.50%	22.50%
	Closing deferred tax liabilities /(assets)		**255,509,923**	**260,807,861**
17.00	**Short-Term Loan**			
	Social Islami Bank Limited-TR		-	62,234,914
	SIBL Baim(Com) Working Capital-CSPR		-	106,765,657
	SIBL Bai-Muazzal (Commercial) Trading		-	191,136,641
	Bai-Muazzal(Com) WC		-	52,341,429
	Bai-Salam (Special/Other than PSI)		-	37,954,101
	Baim WES Bills		541,616,929	483,765,903
	Agrani Bank PLC-Wasa Corporate		-	20,640,925
	IPDC (IDF & Reverse Factoring)		16,359,998	17,695,410
	Forced Baim TR		26,717,297	-
			584,694,224	**972,534,980**

Brief details of Short term Loan:

Bank Name:	**Social Islami Bank Limited**
Tenure:	**0-1 Year**
Limit:	**50.00 Crore**
Security:	**Land 892.59 Decimal & Factory Building**
Interest Rate:	**9% per year**
Renewal date:	**10-Dec-21**

		Amounts in Taka	
		30-Jun-25	30-Jun-24
18.00	**Liabilities for Workers Profit Participation Fund**		
	Opening Balance	-	13,997,734
	Add: Addition during the year	-	-
	Less: Payment made during the year	-	(13,997,734)
	Closing Balance	-	-
19.00	**Accounts Payables**		
	Alam Hardware	3,599	-
	Al-Baraka Enterprise	931,772	931,772
	Astech Limited	439,041	607,926
	Bhai Bhai Metal Works	2,004,370	596,370
	Banani Drum Suppliers	50,000	50,000
	Dana Engineers International Ltd.	-	143,718
	Favorite Traders	52,746	52,746
	Jamuna Drum Suppliers	446,185	1,101,523
	M.B Enterprise	32,550	61,250
	Pioneer Scientific Stores	-	-
	Rubel Steel Mills Ltd.	2,849,833	2,098,683
	Shorna Ad Communication	604,861	444,000
	Rupsha Trading	22,470	22,470
	Other Payable**	142,963,026	142,963,026
	Yousuf Printers	1,609,729	1,384,208
	Total	**152,010,182**	**150,457,692**
	All Creditors were paid on regular Basis		
	** Trade payable has been renamed to other payable		
20.00	**Liabilities for Current Tax**		
	Opening Balance	144,700,268	133,035,460
	Add: Provision for the year	9,357,210	11,664,808
	Add: Prior year tax (Note 20.05)	8,546,367	-
		162,603,844	**144,700,268**
	Less: Adjustment/paid during the year	-	-
		162,603,844	**144,700,268**

20.01	**Income Tax Liability as per accounts**		
	Net Profit before tax		(653,559,863)
	Less: Non-operating income		(11,284,399)
	Net Profit before tax without non-operating income		**(664,844,262)**
	Add: Accounting depreciation		198,508,895
			(466,335,367)
	Less: Tax Base depreciation		(170,974,012)
	Applicable Tax Rate (22.5%)		**(637,309,379)**
20.02	**Calculation of minimum Tax U/S 156/ITA/2023**		
	Net Turn Over for the year		681,821,975
	Minimum Tax rate (1%)		6,818,220
	Minimum Tax		**6,818,220**
20.03	**Income Tax on non-operating Income**		
	Financial Income@22.5%	10,363,661	2,331,824
	Income from others@22.5%	920,738	207,166
			2,538,990
20.04	**Income Tax liability to be provided for**		
	Minimum Tax (Note 20.02)		6,818,220
	Income Tax on non-operating income (20.03)		2,538,990
	Current Tax Provission for the year		**9,357,210**

20.05 Tax expenses status

ACCOUNTING YEAR	Tax Liability	Remarks
2011-2012	352,435.00	Assessment Completed
2012-2013	-	Assessment Completed
2013-2014	6,535,503.00	Assessment Completed
2014-2015	448,038.00	Assessment Completed
2015-2016	2,761,819.00	Assessment Completed
2015-2016	3,725,760.00	Assessment Completed
2016-2017	-	Assessment Completed
2017-2018	21,878,118.00	Assessment Completed
2018-2019	26,223,022.00	Assessment Completed

			Amounts in Taka	
			30-Jun-25	30-Jun-24
2019-2020	10,658,219.00	Assessment Completed		
2020-2021	2,933,985.00	Assessment Completed		
2021-2022	23,112,451.00	Assessment Completed		
2022-2023	42,952,476.75	Assessment Completed		
2023-2024	11,664,808.00	Assessment Pending		
2024-2025	9,357,209.60	Return to be filed		
	162,603,844			

Tax penalty would be imposed amounting Tk. 9.86 Crore u/s-275 of ITA Act-2023 as per letter ref no. TIN : 392238202647/SA-8(CO)/KAA-1(CHATTO)/2024-25/ due to non-submission of Assessed tax from Assessment year 2012-2013 to Assessment year 2022-2023.

21.00 Liabilities for Expenses

Wages, Salary & Allowances	14,695,386	4,183,416
Directors' Remuneration	2,450,000	1,300,000
Audit and professional Fees	575,000	500,000
Liabilities for Other Expenses	578,980	560,240
Recognized Provident Fund	498,394	265,986
Withholding Tax Liabilities (TDS)	445,100	445,100
	19,242,860	**7,254,742**

22.00 Dividend Payable

Opening Balance	145,322,426	130,144,329
Add: Provision for the year	14,524,314	29,048,629
Less: Adjustment/paid during the year	(604,439)	(13,718,956)
Less: Unclaimed Dividend	-	(151,576)
	159,242,301	**145,322,426**

22.01 Contintgent Liability

VAT Claim total Tk 30.24 Crore through 10 demand notices from time to time among them four (04) under Appellate Division of Hon'ble High Court, three (03) are under writ petition to Hon'ble High Court, the rest three (03) are under appeal to Commissioner of VAT (Appellate).

		01 Jul 2024 To 30 Jun 2025	01 Jul 2023 To 30 Jun 2024
23.00	**Revenues**		
	Mono Grade	293,330,664	297,016,021
	Multi Grade	91,068,088	91,306,381
	Industrial Grade	244,281,949	229,283,727
	Marine Grade	11,484,540	5,199,175
	Others	5,925,787	658,692
	Total	**646,091,029**	**623,463,997**
24.00	**Cost of Goods Sold**		
	Raw Materials Consumed- note 24.01	361,366,480	252,286,190
	Packing Materials Consumed- note 24.02	16,190,746	21,572,927
	Total Consumption	**377,557,226**	**273,859,117**
	Factory Overhead Note-24.03	185,777,617	206,941,245
	Cost of Goods Manufactured	**563,334,843**	**480,800,362**
	Opening Finished Goods	116,675,236	132,583,653
	Cost of Goods Available for Sale	**680,010,080**	**613,384,015**
	Closing Finished Goods	(64,055,107)	(116,675,236)
	Cost of Goods Sold	**615,954,973**	**496,708,779**
24.01	**Raw Materials Consumed**		
	Opening Inventory	371,931,876	381,297,806
	Purchase during the period	225,907,073	242,920,260
	Raw Materials available for use	**597,838,949**	**624,218,066**
	Closing Inventory	(236,472,469)	(371,931,876)
		361,366,480	**252,286,190**
24.02	**Packing Materials Consumed**		
	Opening Inventory	8,970,052	8,384,843
	Purchase during the period	17,406,153	22,158,136
	Packing Materials available for use	**26,376,205**	**30,542,979**
	Closing Inventory	(10,185,459)	(8,970,052)
		16,190,746	**21,572,927**
24.03	**Factory Overheads**		
	Salary, wages and allowances	23,433,734	31,091,496
	Festival Bonus	6,415,774	6,513,964
	Depreciation - note 3.3	138,956,227	147,366,765
	Depreciation of ROU Assets	-	199,865
	Carriage inward	649,182	487,660
	MD's Remuneration & Others Executive Directors	-	-
	Electricity & Power	2,226,648	2,672,260
	Entertainment	412,330	265,240
	Factory general expenses	470,862	385,268
	Gas & Power, Fuel	1,474,611	2,632,047
	Insurance Premium	8,657,196	8,657,196
	Laboratory Expenses	1,121,810	4,670,707
	Medical Expenses	23,784	32,720
	Repairs and Maintenance	1,353,194	1,530,243
	Travelling and Conveyance	582,266	435,813
		185,777,617	**206,941,245**
25.00	**General and Administrative Expenses**		
	Salary and allowances	44,520,416	47,664,859
	Festival Bonus	4,873,279	2,569,123
	Depreciation - note 3.3	29,776,334	31,578,593
	Depreciation of ROU Assets	840,003	997,852
	Audit fees	575,000	575,000
	Board Meeting Fees	208,000	376,000
	Canteen expenses	749,476	1,122,522
	MD's Remuneration & Others Executive Directors	14,700,000	17,421,000
	AGM Related Expenses	1,965,745	298,650
	EGM Related Expenses	-	-
	Gas & Water expenses	1,393,443	213,245
	Entertainment	1,037,728	336,293
	Legal & professional fees	3,747,860	53,500
	Miscellaneous expenses	728,150	55,000
	Motor Vehicle Upkeep	2,389,486	1,985,885
	Newspapers & periodicals	5,500	6,200
	Office General Expenses	410,944	862,179
	Bad debt Epx.	59,116,584	-
	Office rent, rates & renewal fees	3,217,060	636,246

		01 Jul 2024 To 30 Jun 2025	01 Jul 2023 To 30 Jun 2024
	Office supplies & stationery	452,118	259,752
	Loss of inventory due to obsolence	-	-
	Postage & courier	477,824	422,540
	Repairs and maintenance	1,808,466	1,378,890
	Telephone and Mobile Bill	315,625	322,928
	Recognized Provident Fund	1,031,031	1,622,409
	Travelling and conveyance	1,519,830	997,485
	Cleaning expenses	1,400	20,220
		175,861,303	**111,776,371**
26.00	**Selling and Distribution Expenses**		
	Salary and Allowances	42,696,058	38,424,203
	Depreciation - note 3.3	29,776,334	31,578,593
	Depreciation of ROU Assets	840,003	997,852
	Advertisement	1,630,522	1,018,669
	Carriage Outward	5,811,920	1,026,939
	Marketing Expense	3,851,815	871,654
	Rent, Rates & Taxes	3,285,609	1,538,766
	Repairs & Maintenance	233,863	632,263
		88,126,124	**76,088,939**
27.00	**Operating Income from Lab**		
	Income from Lab Testing	35,730,946	135,163,173
	Less: Expenses	(21,438,568)	-
	Net Operating Income	**14,292,379**	**-**
	Depreciation	(9,102,137)	-
	Salary and Allowances	(9,718,874)	-
	Reagents	(2,617,556)	-
		(21,438,568)	**-**

In the earlier years the expenditure of lab were claimed in the Admin & general expenditure, current year we claimed seperately avobe expenditure with the receipt of Lab Income as per management decision.

28.00	**Financial Expenses**		
	Interest on Long Term Loan	376,675,583	129,674,570
	Interest on Short Term Loan	32,534,340	28,112,488
	Interest on Force Loan	3,078,935	
	Interest on Wes Bill	32,392,075	
	Interest on Bank Over Draft	-	30,787,007
	Interest on LTR	-	-
	Bank Charges & Commission	263,779	131,319
		444,944,713	**188,705,384**
29.00	**Finance Expenses for Lease**		
	Interest on Lease Finance	340,558	912,799
30.00	**Financial Income**		
	Interest on FDR	1,185,371	743,990
	Interest on SND	9,178,290	15,615,774
		10,363,661	**16,359,763**
31.00	**Income from Others**		
	Wastage Sales	920,738	658,692
		920,738	**658,692**
32.00	**Income Tax Expenses**	**9,111,058**	**8,910,876**
32.01	**Current Tax for the period ended 30 June,2025**		
	Calculation of Current Tax as per 82 C(Minimum Tax)		
	Revenue during the year @ 1%	6,603,834	4,551,763
	Income Tax Provision the period ended 30th June,2025		
	Other Income including Financial Income @ 22.5%	(97,650,196)	(38,834,939)
	A) Current Tax as per 82 C(Minimum Tax)	**(91,046,362)**	**(34,283,176)**
	B) Advance Income Tax Paid During the year	**14,379,276**	**11,664,808**
	C) Calculation of Current Tax as per Corporate Rate		
	Profit Before Tax during the year	(653,559,863)	(98,546,647)

	01 Jul 2024 To 30 Jun 2025	01 Jul 2023 To 30 Jun 2024
Add: Accounting Depreciation	198,508,895	210,523,950
Add: Depreciation of right of use Asset	1,806,129	2,195,570
Add: Interest on Lease Liability	340,558	912,799
Add : WPPF	-	-
Less: Capital Allowance	(170,974,012)	(207,784,206)
Less : WPPF (Previous)	-	13,997,734
Less : Payment of Lease (Principle+Interest)	(4,199,910)	(5,029,503)
	(628,078,202)	**(83,730,302)**
Effective Rate	22.50%	22.50%
Current Tax as per Corporate Rate	**(141,317,596)**	**(18,839,318)**
Total Current tax for the year	**(141,317,596)**	**(18,839,318)**
Out of the above calculation, the higher one (C) is applicable for Current Tax for the year.	**14,379,276**	**11,664,808**

32.02 Deferred Tax Expenses/Income (Attributable to Profit or Loss)

Deferred Tax during the year	255,971,898	261,240,116
Less: Opening Balance	(261,240,116)	(263,994,048)
Deferred Tax Expenses(/Income) (Attributable to Profit or Loss)	**(5,268,218)**	**(2,753,932)**

32.03 Deferred Tax Expenses/Income (other Comprehensive Income or Equity)

Deferred Tax during the year	22,257,243	22,855,518
Less: Opening Balance	22,855,518	23,493,139
Deferred Tax Expenses/(Income) (other Comprehensive Income or Equity)	**(598,274)**	**(637,621)**

33.00 Earnings Per Shares

Net Profit After Tax for the Period	(662,670,921)	(107,457,522)
Number of weighted average shares outstanding at the end of the Period	145,243,144	145,243,144
Basic Earnings Per Share	**(4.56)**	**(0.74)**

EPS declined mainly due to banking restrictions, working capital shortage, high procurement cost, and increased financial burden.

Calculation of Weighted Average Number of Shares:

Particulars	No of Share	Report Date	% of use	Amount
Allotted Share	**145,243,144**	**30-Jun-25**	**100.0%**	**145,243,144**
Total				**145,243,144**

34.00 A) Net Assets Value per Share (NAV) with Revaluation

The Composition of Net Assets Value per share is given below :	30-Jun-25	30-Jun-24
Net Assets Value during the year	4,751,641,273	5,435,706,092
Total Outstanding Share	145,243,144	145,243,144
Net Assets Value per Share (NAV) with Revaluation	**32.72**	**37.42**

NAV with revaluation decreased due to the fallen of EPS and reduced retained earnings.

B) Net Assets Value per Share (NAV) without Revaluation

The Composition of Net Assets Value per share is given below :	30-Jun-25	30-Jun-24
Net Assets Value during the year without Revaluation	4,175,576,208	4,856,250,807
Total Outstanding Share	145,243,144	145,243,144
Net Assets Value per Share (NAV) without Revaluation	**28.75**	**33.44**

NAV with re-revaluation decrease due to the fallen of EPS and reduced retained earnings.

35.00 Net Operating Cash Flow per Share (NOCPS) Basic

The Composition of Net Operating Cash Flows per share is given below :	30-Jun-25	30-Jun-24
Net Operating Activities Cash Flows	285,799,292	441,511,801
Number of weighted average shares outstanding at the end of the Year	145,243,144	145,243,144
Net Operating Cash Flow this year (NOCPS)	**1.97**	**3.04**

The main reasons of fallen NOCPS due to reduce of cash receipt from the customer and increase payments for operating expenses.

36.00 Tax Litigation

Following are the details of the pending issue related to litigation regarding Taxation filed for the assessment years 2014-2015 bearing ITRA No. 535/2017 for 2013-2014 & 537/2017 for 2014-2015 dated 16.10.2017 which are pending in the High Court. But the Company recognised tax liability for the year 2020-21 in the Financial Statements.

Accounting Year	Assessment Year	Status	Provision Made on Accounts	Assessment Made by DCT	Assessment Made by DCT
31-Dec-13	2014-2015	Assessment Completed by DCT but pending in the High Court	1,591,315	10,303,295	10,303,295
Total			**1,591,315**	**10,303,295**	**10,303,295**

	01 Jul 2024 To 30 Jun 2025	01 Jul 2023 To 30 Jun 2024

37.00 Related Party Transactions

Name of party	Types of Relationship	Nature of Transactions	Opening Balance	Addition	Adjustment	Closing Balance (30.06.2025)
Companygonj Agro Industries Limited	Common Directorship & Shareholder of the Company	Overhead Exp. & Working Capital Management	0.00	-	-	-
Julda Shipyard Limited	Common Directorship		-	-	-	-
Mohammed Yousuf	Managing Director	Remuneration fees & Board meeting fees	3,406,738	9,000,000	(8,250,000)	4,156,738
Rubiya Nahar	Chairman		-	56,000	(56,000)	
Md. Salauddin Yousuf	Director		2,600,000	4,800,000	(4,400,000)	3,000,000
Dr. Israt Jahan	Director		575,000	1,800,000	(1,650,000)	725,000
Lieutenant Imran Azad, Rtd.	Nominated Director		-	72,000	(72,000)	-
Mr. Mohammed Rafiqul Alam, FCMA	Independent Director		-	48,000	(48,000)	-
Masuda Sultana, FCS, CA (Final)			-	32,000	(32,000)	-
Total			**6,581,738**	**15,808,000**	**(14,508,000)**	**7,881,738.00**

38.00 Attendance Status of Board Meeting of Directors

During the period ended June 30, 2025, there 7 (Seven) Board Meetings were held. The attendance status of all the meetings is as follows:

Sl. No	Name Of Directors	Position	Meeting Held	Attendance	Fees Per Meeting	31-06-2025
1	Mohammed Yousuf	Managing Director	7	7	Tk. 8,000.00	-
2	Rubiya Nahar	Chairman	7	7		56,000
3	Md. Salauddin Yousuf	Director	7	7		-
4	Dr. Israt Jahan	Director	7	7		-
5	Lieutenant Imran Azad, Rtd.	Nominated Director	7	7		56,000
6	Mr. Mohammed Rafiqul Alam, FCMA	Independent Director	7	4		32,000
7	Masuda Sultana, FCS, ACA		7	2		16,000
Total						**160,000**

During the year ended June 30, 2025, the following Audit Committee Meetings were held. The Attendance status of the meetings is as follows;

Sl. No.	Name of the Directors	Position	Meeting held	Attendance	Fee for meeting	30-Jun-25
1	Mr. Mohammed Rafiqul Alam, FCMA	Independent Director	1	1	8,000	8,000
2	Masuda Sultana, FCS, ACA	Proposed Independent Director	1	1	8,000	8,000
3	Lieutenant Imran Azad, Rtd.	Independent Director	1	1	8,000	8,000
Total						**24,000**

During the year ended June 2025, the following National Remuneration Committee (NRC) Meetings were held. The Attendance status of the meetings is as follows;

Sl. No.	Name of the Directors	Position	Meeting held	Attendance	Fee for meeting	30-06-25

					01 Jul 2024 To 30 Jun 2025	01 Jul 2023 To 30 Jun 2024
1	Mr. Mohammed Rafiqul Alam, FCMA	Independent Director	1	1	8,000	8,000
2	Masuda Sultana, FCS, ACA	Proposed Independent Director	1	1	8,000	8,000
3	Lieutenant Imran Azad, Rtd.	Independent Director	1	1	8,000	8,000
Total						**24,000**

39.00 As per Company Act, 1994 part-II, Schedule-XI (4) The profit and loss account will give by way of a note detailed information, showing separately the following payments provided or made during the financial year to the directors, including managing

Particulars	**30-Jun-25**	**30-Jun-24**
Managerial Remuneration paid or payable during the period to the directors, including managing directors, a managing agent or manager	(14,508,000)	(17,421,000)
Expenses reimbursed to Managing Agent		
Commission or Remuneration payable separately to a managing agent or his associate		
Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company		
The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial period.		
Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.		
Other allowances and commission including guarantee commission Pensions etc.		
(i) Pensions		
(ii) Gratuities		
(iii) Payments from a provident funds, subscription and interest thereon		
iv) Share Based payments		

As per IAS- 24 Para-17:

An entity shall disclose key management personnel compensation in total and for each of the following benefits:

(a) Short-term employee benefits;	14,700,000	17,421,000
(b) Post-employment benefits;	-	-
(c) Other long term benefits;	-	-
(d) Termination benefits; and	-	-
(e) Share- based payment	-	-
	14,700,000	**17,421,000**

As per IAS- 24 Para-18:

Disclosure requirements of IAS 24, Para 18 minimum disclosure shall include:

a) The amount of transaction	14,700,000	17,421,000
b) The amount of outstanding balance, including commitments	(13,000,000)	10,150,000
i) Their terms & condition, including whether they are secured, and the nature of the consideration to be provided in settlement	Remuneration, Meeting Fee & Overhead Exp. & Working Capital Management	
ii) details of any guarantee given or received	Nil	Nil
c) Provisions for doubtful debts related to the amount of outstanding balance	Nil	Nil
d) The expenses recognized during the period in respect of bad or doubtful debts due from related parties	Nil	Nil

40.00 Aggregated amount of Remuneration, Fess, Salary & Wages of employees are given below :

Directors Remuneration	14,700,000	17,421,000
Board Meeting Attendance Fees	208,000	376,000
Wages & Allowance	23,433,734	31,091,496
Salary & Allowance	87,216,474	86,089,062
	125,558,208	**134,977,558**

		Amounts in Taka	
		30-Jun-25	30-Jun-24
41.00	**The Requirement of Schedule XI Part-II, Para-3 (a) Turnover**		
	Turnover in (BDT)	646,091,029	623,463,997
	Turnover in Quantity (M.Ton)	4,227	2,346
	The Requirement of Schedule XI Part-II, Para-3 (b) Raw Material Consumed		
	Raw Material Consumed in (BDT)	361,366,480	252,286,190
	Raw Material Consumed in Quantity (M.Ton)	2,359	2,809
	The Requirement of Schedule XI Part-II, Para-3 (b) Packing Material Consumed		
	Packing Material Consumed in (BDT)	16,190,746	21,572,927
	Packing Material Consumed in Quantity (Pcs)	501,260	312,015
	The Requirement of Schedule XI Part-II, Para-3 (b) Finished Goods		
	Finished Goods in (BDT)	64,055,107	116,675,236
	Finished Goods in Quantity (M.Ton)	846	716

42.00 Reconciliation of Net Profit with Cash Flow from Operating Activities (Notification No. BSEC/ CMRRCD/ 2006-158/ 2008/Admin/81, dated: 20 June 2018.

Particulars	Note		30-Jun-25	30-Jun-24
Net Profit for the year (Before Tax)			**(653,559,863)**	**(98,546,647)**
Adjustment:				
Depreciation	3.00		200,188,901	212,719,520
Financial Expenses	28 & 29		445,285,270	189,618,183
Other Income (Interest)	29		(1,185,371)	(743,990)
Interest on Related Party Current Account	30		-	-
(Increase)/Decrease in Inventory	5		186,864,129	24,689,138
(Increase)/Decrease in Accounts Receivable	6		(44,418,869)	53,468,285
Increase/(Decrease) in Trade Payable & Others	19		1,552,490	46,236,295
Increase/(Decrease) in Liabilities for Expense	21		11,988,118	(819,094)
(Increase)/Decrease in Advance & Prepayment	7.00		153,463,763	40,552,651
Liability for Contribution to WPPF	18		-	(13,997,734)
Payment of Income Tax	7.01.01		(14,379,276)	(11,664,808)
			285,799,292	**441,511,801**

43.00	**Receipts from customers:**		-	-
	Sales during the year		646,091,029	623,463,997
	Opening Recivable		446,370,681	509,507,490
	Closing Receivable		(501,133,642)	(446,370,681)
	Other Operating Income		14,292,379	135,163,173
	Other Receivable Opening		21,352,221	11,683,698
	Other Receivable Closing		(11,008,129)	(21,352,221)
			615,964,539	**812,095,455**
44.00	**Payments to Suppliers**			
	Purchase during the period		243,313,226	265,078,396
	Opening Advances Procurement		(26,987,500)	(30,216,640)
	Closing Advances Procurement		47,344,427	26,987,500
	Opening Trade Payable		150,457,692	104,221,397
	Closing Trade Payable		(152,010,182)	(150,457,692)
			262,117,663	**215,612,961**
45.00	**Payments for Employee**			
	Salary		137,878,292	145,683,054
	Paid to WPPF		-	13,997,734
	Open. Advance Salary		(456,265)	(759,630)
	Closing Advance Salary		6,080,432	456,265
	Open. Liability for Expenses		5,749,402	6,281,680
	Closing Liability for Expenses		(17,643,780)	(5,749,402)
			131,608,081	**159,909,701**
46.00	**Payments to Operating Expenses**			
	Operating Exp.		311,886,752	249,123,500
	Open.Advances to others		(536,289,162)	(573,309,309)
	Closing Advances to others		356,844,305	536,289,162
	Open. Liability for Expenses		1,505,340	1,792,156
	Closing Liability for Expenses		(1,599,080)	(1,505,340)
	Depreciation - note 3.3		(200,188,901)	(212,719,520)
			(67,840,746)	**(329,350)**

LUB-RREF (BANGLADESH) LIMITED
Schedule of Property, Plant and Equipment
As at 30 June 2025
12 Months

Annexure-A

Particulars	At Cost					Rate %	Depreciation				Written Down Value as on 30.06.2025
	Balance as on 01.07.2024	Addition	Total	Transferred from CWP	Balance as on 30.06.2025		Balance as on 01.07.2024	Charged during the period	Disposal during the period	Balance as on 30.06.2025	
Land & Land Development	3,260,110,596	337,820	3,260,448,416	-	3,260,448,416	0%	-	-	-	-	3,260,448,416
Office Building	220,605,535	-	220,605,535	-	220,605,535	2.50%	54,143,563	4,161,549	-	58,305,113	162,300,423
Air Conditioner	7,275,483	-	7,275,483	-	7,275,483	10.0%	4,466,487	280,899	-	4,747,386	2,528,097
Computer & Computer Accessories	6,641,181	328,500	6,969,681	-	6,969,681	10.0%	3,464,983	340,965	-	3,805,948	3,163,734
Fire Extinguisher	2,434,046	-	2,434,046	-	2,434,046	10.0%	1,360,465	107,358	-	1,467,823	966,224
Furniture & Fixture	10,509,525	-	10,509,525	-	10,509,525	10.0%	6,676,538	383,299	-	7,059,837	3,449,688
Vehicles	37,692,804	521,375	38,214,179	-	38,214,179	20.0%	32,378,133	1,103,787	-	33,481,920	4,732,259
Office Equipment	11,654,652	-	11,654,652	-	11,654,652	10.0%	6,264,515	539,014	-	6,803,529	4,851,123
Plant & Machineries	3,286,778,746	5,329,714	3,292,108,460	-	3,292,108,460	10.0%	1,484,096,300	180,589,517	-	1,664,685,817	1,627,422,643
Electricity Installation	11,705,536	-	11,705,536	-	11,705,536	10.0%	9,117,476	258,805	-	9,376,282	2,329,254
Factory Building & Shed	203,945,414	-	203,945,414	-	203,945,414	2.50%	52,541,603	3,785,095	-	56,326,698	147,618,716
Factory Equipment	31,448,520	-	31,448,520	-	31,448,520	10.0%	20,314,040	1,113,448	-	21,427,489	10,021,031
Gas Installation	1,216,213	-	1,216,213	-	1,216,213	10.0%	895,450	32,076	-	927,527	288,686
Generator	32,563,748	194,250	32,757,998	-	32,757,998	10.0%	23,942,190	880,197	-	24,822,388	7,935,610
Weighing Scale	5,305,677	182,325	5,488,002	-	5,488,002	5.00%	2,799,165	133,942	-	2,933,107	2,554,895
Interior Decoration	17,035,340	-	17,035,340	-	17,035,340	15.0%	12,511,764	678,536	-	13,190,300	3,845,040
Kitchen Equipment	86,576	-	86,576	-	86,576	10.0%	65,522	2,106	-	67,627	18,948
Ware House, Dhaka	3,527,907	-	3,527,907	-	3,527,907	10.0%	2,575,377	95,253	-	2,670,630	857,277
Ware House, Barishal	354,396	-	354,396	-	354,396	10.0%	8,860	34,553	-	43,413	310,983
Total	**7,150,891,896**	**6,893,984**	**7,157,785,880**	**-**	**7,157,785,880**	**-**	**1,717,622,431**	**194,520,401**	**-**	**1,912,142,832**	**5,245,643,048**

Particulars	At Revaluation					Rate %	Depreciation				Written Down Value as on 30.06.2025
	Balance as on 01.07.2024	Addition/ Adjustment	Total	Transferred from CWP	Balance as on 30.06.2025		Balance as on 01.07.2024	Charged during the year	Disposal during the year	Balance as on 30.06.2025	
Land & Land Development	562,425,859	-	562,425,859	-	562,425,859	0%	-	-		-	562,425,859
Office Building	-	-	-	-	-	2.50%	-	-	-	-	-
Plant & Machineries	120,299,531	-	120,299,531	-	120,299,531	10.0%	80,414,586	3,988,494	-	84,403,080	35,896,451
Total	**682,725,390**	**-**	**682,725,390**	**-**	**682,725,390**		**80,414,586**	**3,988,494**	**-**	**84,403,080**	**598,322,310**

Balance as on 31.03.2025	**7,833,617,286**	**6,893,984**	**7,840,511,270**	**-**	**7,840,511,270**	**-**	**1,798,037,017**	**198,508,895**	**-**	**1,996,545,912**	**5,843,965,358**

LUB-RREF (BANGLADESH) LIMITED
Schedule of Property, Plant and Equipment
As at 30 June 2024
12 Months

Annexure-A

Particulars	At Cost					Rate %	Depreciation				Written Down Value as on 30.06.2024
	Balance as on 01.07.2023	Addition	Total	Transferred from CWP	Balance as on 30.06.2024		Balance as on 01.07.2023	Charged during the period	Disposal during the period	Balance as on 30.06.2024	
Land & Land Development	1,609,020,552	234,351,474	1,843,372,026	1,416,738,570	3,260,110,596	0%	-	-	-	-	3,260,110,596
Office Building	220,605,535	-	220,605,535	-	220,605,535	2.50%	49,916,168	4,227,395	-	54,143,563	166,461,972
Air Conditioner	6,861,983	413,500	7,275,483	-	7,275,483	10.0%	4,200,541	265,945	-	4,466,487	2,808,997
Computer & Computer Accessories	6,376,781	264,400	6,641,181	-	6,641,181	10.0%	3,147,297	317,686	-	3,464,983	3,176,198
Fire Extinguisher	2,434,046	-	2,434,046	-	2,434,046	10.0%	1,246,046	114,419	-	1,360,465	1,073,581
Furniture & Fixture	10,500,633	8,892	10,509,525	-	10,509,525	10.0%	6,268,764	407,774	-	6,676,538	3,832,987
Vehicles	37,692,804	-	37,692,804	-	37,692,804	20.0%	31,167,782	1,210,351	-	32,378,133	5,314,671
Office Equipment	11,519,237	135,415	11,654,652	-	11,654,652	10.0%	5,701,012	563,504	-	6,264,515	5,390,137
Plant & Machineries	3,285,066,418	1,712,328	3,286,778,746	-	3,286,778,746	10.0%	1,292,132,616	191,963,684	-	1,484,096,300	1,802,682,445
Electricity Installation	11,705,536	-	11,705,536	-	11,705,536	10.0%	8,834,550	282,927	-	9,117,476	2,588,060
Factory Building & Shed	203,945,414	-	203,945,414	-	203,945,414	2.50%	48,696,618	3,844,985	-	52,541,603	151,403,811
Factory Equipment	30,392,168	1,056,352	31,448,520	-	31,448,520	10.0%	19,183,028	1,131,012	-	20,314,040	11,134,480
Gas Installation	1,216,213	-	1,216,213	-	1,216,213	10.0%	861,264	34,186	-	895,450	320,763
Generator	32,563,748	-	32,563,748	-	32,563,748	10.0%	23,022,131	920,059	-	23,942,190	8,621,557
Weighing Scale	5,305,677	-	5,305,677	-	5,305,677	5.00%	2,669,823	129,342	-	2,799,165	2,506,512
Interior Decoration	17,035,340	-	17,035,340	-	17,035,340	15.0%	11,764,511	747,253	-	12,511,764	4,523,576
Kitchen Equipment	86,576	-	86,576	-	86,576	10.0%	63,278	2,244	-	65,522	21,054
Ware House, Dhaka	3,527,907	-	3,527,907	-	3,527,907	10.0%	2,473,859	101,518	-	2,575,377	952,530
Ware House, Barishal	-	354,396	354,396	-	354,396	10.0%	-	8,860	-	8,860	345,536
Total	**5,495,856,568**	**238,296,757**	**5,734,153,326**	**1,416,738,570**	**7,150,891,896**	**-**	**1,511,349,288**	**206,273,143**	**-**	**1,717,622,431**	**5,433,269,465**

Particulars	At Revaluation					Rate %	Depreciation				Written Down Value as on 30.06.2024
	Balance as on 01.07.2023	Addition/ Adjustment	Total	Transferred from CWP	Balance as on 30.06.2024		Balance as on 01.07.2023	Charged during the year	Disposal during the year	Balance as on 30.06.2024	
Land & Land Development	562,425,859	-	562,425,859	-	562,425,859	0%	-	-		-	562,425,859
Office Building	-	-	-	-	-	2.50%	-	-	-	-	-
Plant & Machineries	120,299,531	-	120,299,531	-	120,299,531	10.0%	76,163,779	4,250,807	-	80,414,586	39,884,945
Total	**682,725,390**	**-**	**682,725,390**	**-**	**682,725,390**		**76,163,779**	**4,250,807**	**-**	**80,414,586**	**602,310,804**

Balance as on 30.06.2024	**6,178,581,958**	**238,296,757**	**6,416,878,716**	**1,416,738,570**	**7,833,617,286**	**-**	**1,587,513,067**	**210,523,950**	**-**	**1,798,037,017**	**6,035,580,268**

LUB-RREF (BANGLADESH) LIMITED
Schedule of Right of Use Asset
As at June 30, 2025
12 Months

Annexure-B

Particulars	At Cost				Rate %	Depreciation				Written Down Value as on 30.06.2025
	Balance as on 01.07.2024	Addition	Transfer to Fixed Assets	Balance as on 30.06.2025		Balance as on 01.07.2024	Charged during the period	Disposal during the period	Balance as on 30.06.2025	
Vehicle	8,400,000	-	-	8,400,000	20%	6,020,021	1,680,006	-	7,700,027	699,973
	-	-	-	-		-	-	-	-	-
Total	**8,400,000**	**-**	**-**	**8,400,000**		**6,020,021**	**1,680,006**	**-**	**7,700,027**	**699,973**

LUB-RREF (BANGLADESH) LIMITED
Schedule of Right of Use Asset
As at Jun 30, 2024
12 Months

Annexure-B

Particulars	At Cost				Rate %	Depreciation				Written Down Value as on 30.06.2024
	Balance as on 01.07.2023	Addition	Transfer to Fixed Assets	Balance as on 30.06.2024		Balance as on 01.07.2023	Charged during the period	Disposal during the period	Balance as on 30.06.2024	
Plant & Machineries	3,500,000	-	-	3,500,000	10%	1,424,816	199,865	-	1,624,682	1,875,318
Vehicle	18,984,000	-	-	18,984,000	20%	8,225,124	1,995,704	-	10,220,828	8,763,172
	-	-	-	-		-	-	-	-	-
Total	**22,484,000**	**-**		**22,484,000**		**9,649,940**	**2,195,570**	**-**	**11,845,510**	**10,638,490**

CORPORATE GOVERNANCE CHECKLIST

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	➢ Ensure the independence of external auditors	
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Lub-rref (Bangladesh) PLC.

Head Office Address: B-6 (Part) 9-10 & 23-24, BSCIC Industrial Estate, Block-A, Post Office: Custom Academy Sagarika Road, Chittagong -4219.

Proxy Form

I / We.....(Name) of .....(Address) being Member of **Lub-rref (Bangladesh) PLC.** hereby appoint ..... Mr./Mrs.....(name) of..... .....(Address) as my/ our proxy to attend and vote for me/ us and on my/ our behalf at the 23rd Annual General Meeting of the Company to be held on Sunday, 28 December 2025 at 12.30 P:M by using a Hybrid System and/or at any adjournment thereof;

As witness my hand this ..... day of 2025.,

Signature of Shareholder

Folio/BO No															
Mobile Number															

Signature of shareholder

Folio/BO No															

Revenue Stamp Tk.100.00

Note:

1. A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his / her behalf. The proxy form duly completed must be sent through email to the Registered Office at cs@lub-rref.com or info@lub-rref.com not later than 72 hours before the time fixed for the meeting.
2. The signature of the shareholder(s) should be in accordance with the specimen signature recorded with the Company.

PROXY ATTENDANCE SLIP

I, hereby record my attendance at the 23rd AGM of the Company to be held on December 28, 2025 (Sunday) at 12.30 PM and at any adjournment thereof.

Name of the Shareholder																
Number of shares																
Folio Number																
BO ID No.																
Name of Proxy (if any)																

Signature of Shareholder/ Proxy

Signature verified by

BNOLubricantsbd
www.lub-rref.com



Lub-rref (Bangladesh) PLC.

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