



সিভিও পেট্রোক্যামিকেল রিফাইনারী লিমিটেড

CVO Petrochemical Refinery Limited

Report of the Board of Directors to the Shareholders

Bismillahir Rahmanir Rahim

Dear Valued Shareholders,
Assalamualaikum Warahmatullahi Wabarakatuh,

Alhamdulillah, I, on behalf of the Board of Directors of CVO Petrochemical Refinery Limited would like to very warmly welcome you all to the 38th Annual General Meeting (AGM) of the Company. At the same time, I express my heartfelt thanks and gratitude to all of you for your continuous support and trust reposed on us. I take this opportunity to share with you the highlight of the business performance of the Company.

It is an honor for the Board of Directors to present the Directors' Report together with the Audited 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, 2023.

Petroleum Product Market in Bangladesh

The commencement of hostilities between Russia and Ukraine on February 24, 2022, has introduced a new dimension of uncertainty to the global economy, presenting war-induced challenges on multiple fronts. The ongoing conflict has coincided with a time when the world was beginning to recover from the profound economic repercussions of the COVID-19 pandemic. This recovery has been further complicated by inflationary pressures resulting from supply shortages amid surging demand, as countries strive to expand their economic activities. In this period the petroleum product market has been growing very rapidly driven by strong demand from the industrial sector, agricultural division, and the increase of automobiles for vehicular transport. This is evident from the under-mentioned table showing year-wise sales of petroleum products of BPC from the last 05 (five) years:

Particulars	Financial Year				
	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Total Sales of BPC (in MT)	6,549,597	5,503,091	6,299,730	6,887,344	7,346,095
Increase/(Decrease) (in %)	-5.74%	-15.98%	14.48%	9.33%	6.24%

After all, this growth in the economy has led to an increase in the number of vehicles for personal as well as commercial use. The fast-growing industrial sector which includes the power, energy, agricultural, manufacturing and processing sectors is accelerating the demand for Petroleum Products.

Industrial Outlook & Possible Future Developments

CVO Petrochemical Refinery Limited is the only listed company among the other private Condensate Fractionation plants in Bangladesh. The Company has applied Naphtha (raw materials) to produce SBPS as per BSTI standards. Bangladesh Petroleum Corporation has already signed a 5-year agreement with CVOPRL to supply of Naphtha and signed a 3-year agreement to sell SBPS to BPC and from 15th September 2022 the Company has started its sales procedure.

The Management of CVO Petrochemical Refinery Limited has introduced the new product line without major changing in the existing Condensate Fractionation plant operation procedures. The Condensate Fractionation plant remains unchanged.

As per the agreement, CVO Petrochemical Refinery Limited (CVOPRL) was procuring raw materials locally from various Gas fields of Bangladesh Oil, Gas & Mineral Corporation (PETROBANGLA) and the finished products are sold to Bangladesh Petroleum Corporation (BPC) through Padma Oil Company Limited, Meghna Petroleum Limited, and Jamuna Oil Company Limited. But due to the quality issue of BSTI, the Energy and Mineral Resources Division (EMRD) under the Ministry of Power, Energy and Mineral

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Resources of Bangladesh has suspended the supply of raw materials (Condensate) to all Government and Private Condensate Fractionation Plant including CVOPRL from 1st July 2020 to till now. The main products of the Company were MS (Motor Spirit), HSD (High-Speed Diesel), and MTT (Mineral Turpentine).

Energy and Mineral Resources Division of Govt. of Bangladesh, Bangladesh Petroleum Corporation (BPC) has approved to import **DIESEL RICHD CONDENSATE** to restart the production of all Condensate Fractionation plants and uninterrupted supply of raw materials (Condensate) as per company-production capacity. Bangladesh Petroleum Corporation (BPC) & PRAB (Petrochemical Refiners Association of Bangladesh) have already started the infrastructure development work to start the import and distribution work. Hopefully, this work will be implemented soon.

Product-wise Performance

Supply of Condensate from PETROBANGLA has been suspended to all Condensate Fractionation Plants including CVOPRL from 1st July 2020 till now due to quality issues from the Energy and Mineral Resources Division of Govt. of Bangladesh. On this financial period, we didn't receive any raw materials in the financial year 2022-2023.

The company is currently engaged in the production and sale of Hydrocarbon Solvent (SBPS) from new raw material Naphtha with the existing plant. The installed production capacity is 100 MT per day. Its selling activities have started from 15th September 2022.

There is a huge unidentified market vacant in Bangladesh for SBPS which depends on imported materials. This product is mainly used in the Solution Gum Industry, Paint Industry, Washing Plant Industry, Grease Industry, Lubricant Industry, Sanitizer Industry, and Insecticides Industry.

Risks & Concerns

Details are discussed in Note No. 4.0 of the Financial Statements (Page No. 64).

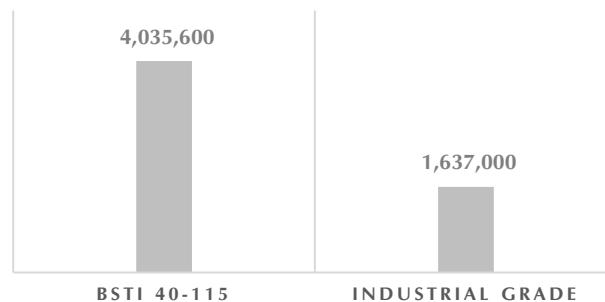
Business Performance

The company is currently engaged in the production and sale of Hydrocarbon Solvent (SBPS) from Naphtha with the existing plant. The installed production capacity is 100 MT per day. Its selling activities have started from 15th September 2022.

Utilization of Capacity		
Financial Year	Actual Capacity Utilized (MT)	Capacity Utilization (%)
2022-23	5787	19.29%
2021-22	450	0.90%

The Company is producing 02 types of Hydrocarbon Solvent (SBPS) from Naphtha supplied by BPC. One is BSTI Grade 40-115 the other one is Industrial Grade Solvent. Sales details are given below:

PRODUCT WISE SALES



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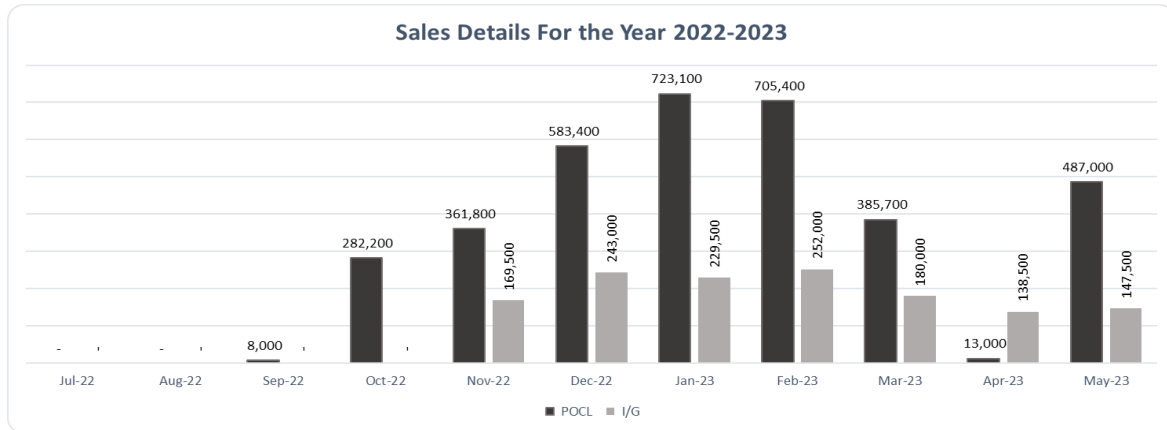
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S.N	Month	BSTI Grade 40-115	Industrial Grade
1	Jul-22	-	-
2	Aug-22	-	-
3	Sep-22	8,000	-
4	Oct-22	282,200	-
5	Nov-22	361,800	169,500
6	Dec-22	583,400	243,000
7	Jan-23	723,100	229,500
8	Feb-23	705,400	252,000
9	Mar-23	385,700	180,000
10	Apr-23	13,000	138,500
11	May-23	487,000	147,500
12	Jun-23	486,000	277,000
	Total	4,035,600	1,637,000



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

Particulars	2022-23 (Tk.)	Ratio	2021-22 (Tk.)	Ratio (%)	Growth %
Net Turnover	390,140,916	-	-	-	-
Cost of Goods Sold	331,773,462	85.04%	33,008,033	-	-
Gross Profit/(Loss)	58,367,454	14.96%	(33,008,033)	-	-
Net Profit/(Loss)	12,901,586	3.31%	(72,971,044)	-	-

Cost of Goods Sold (COGS)

The Cost of Goods Sold is the cost of manufacturing the products that a Company sells during the period, so the only costs included in the measure are those that are directly tied to the production of the products. It includes the purchase price of the raw materials, Carrying cost, Fuel, and factory overhead. COGS vary directly with sales and production; the more finished goods we produce, the more stock or components we need to buy.

During the financial year 2022-23, the ratio of Cost of Goods Sold is 85.04% and the previous year's figure and growth has not been compared due to turnover was nil in the last financial year. The ratio is higher due to the high cost of raw materials.

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Gross Margin Ratio

Gross Profit is the difference between Net Turnover and the Cost of Goods Sold.

Gross Profit = Net Turnover - Cost of Goods Sold.

The gross margin is one indicator of the financial health of a business. Larger gross profit margins are better for business, the higher the percentage, the more the business retains each Taka of sales for other expenses and net profit.

Gross Profit Margin % = (Gross Profit / Net Turnover) X 100

During the financial year 2022-23, Gross Profit Margin is 14.96 % and the previous year's figure and growth has not been compared due to turnover was nil in the last financial year. Gross Profit Margin has increased during the year for restarting sales of new product Hydrocarbon Solvent (SBPS) with the use of new raw material Naphtha.

Net Profit Margin Ratio

Net profit is calculated by subtracting expenses, including tax and WPPF from the gross profit, showing what the business has earned in a given period. It is the most important indicators of a company's overall financial health.

Net Profit/(Loss) = Gross Profit – Operating Expenses with Tax & WPPF

During the financial year 2022-23, Net Profit Margin is 3.31% and the previous year's figure and growth has not been compared due to turnover was nil and net loss in the last financial year. Net Profit Margin has increased during the year for restarting sales of new product Hydrocarbon Solvent (SBPS) with the use of new raw material Naphtha.

Extra-Ordinary Gain/Loss

There was an extra-ordinary gain that occurred during the reporting year due to the restart of the production process in the existing plant from New Raw Materials Naphtha supplied by BPC.

Related Party Transactions

The related party's transaction is given below during this financial year:

Related Party Name	Opening Balance (Tk.)	Received/Adj. during the year (Tk.)	Payment/Adj. during the year (Tk.)	Closing Balance (Tk.)	Nature of Transaction
Mr. Shamsul Alam Shamim, Chairman of the Board of Directors	750,000	900,000	(1,425,000)	225,000	Office Rent/Security money of Dhaka Office
Mr. Shamsul Alam Shamim, Chairman of the Board of Directors	35,422,000	87,430,000	(51,885,389)	70,966,611	Short Term Loan
Mr. Shamsul Alam Shamim, Chairman of the Board of Directors	1,523,919	-	(1,523,919)	-	Interest on Director's Loan

Internal Control System

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The internal audit team monitors and evaluates the efficacy and adequacy of internal control systems in the company on a regular basis. Based on the report of the internal audit team the management undertakes necessary action in their respective functions.

Directors' Remuneration

The company has not given any remuneration to the Directors' during the financial year. Details are given in **Note No. 34.1.3** in the Financial Statements (Page No. 81)

Management Discussion & Analysis

Details are discussed in **Annexure-E**.

Protection of Minority Shareholders' Interest

The Board of Directors of the Company always gives the highest level of priority to protect the interest of the minority shareholders. Considering the greater interest of the minority shareholders, the Board proposed the decision and the shareholders approved the proposal by their voting power. They reserve the right to give their vote, dividend, collect information, and review any kind of changes in the Memorandum and Articles.

Significant Variance between Quarterly & Annual Financial Statements

Particulars	1 st Quarter	2 nd Quarter	3 rd Quarter	Annual
Net Revenue	521,739	107,530,209	271,465,152	390,140,916
Gross Profit/(Loss)	(12,108,286)	6,272,785	25,143,945	58,367,454
Net Profit/(Loss)	(23,816,351)	(20,532,386)	(16,673,704)	12,901,586
EPS	(0.86)	(0.74)	(0.60)	0.46
NAV	6.90	7.06	7.21	8.27
NOCFPS	(1.69)	(2.21)	(1.20)	1.42

Corporate & Financial Reporting Frame Work

The Board of Directors complies with the Bangladesh Securities & Exchange Commission's notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated: 03 June 2018, and confirm compliance with the financial reporting framework for the following:

- The financial statements prepared by the management of CVO Petrochemical Refinery Limited present fairly its state of affairs, the result of operations, cash flows & changes in equity.
- The company has been maintaining proper books of accounts.
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements.
- International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as applicable in Bangladesh have been applied in the preparation of financial statements and disclosures have been given properly.
- There is no significant doubt about the issue of the company's ability to continue as a going concern.

Going Concern



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The company has adequate resources to continue its operation for the foreseeable future. For this reason, the financial statements have been prepared on a going-concern basis. As per management assessment, there is no material uncertainty related to events or conditions which may cast significant doubt upon the company's ability to continue as a going concern.

Significant Deviation in Operating Results Compared to Previous Year

A significant deviation in operating results has occurred during the year compared to same period of the previous year for starting sales of new product Hydrocarbon Solvent (SBPS) with the use of new raw material Naphtha in the existing condensate fractionation plant. In this respect the Turnover as well as Net Profit of the company has been significantly increased during the year.

Code of Conduct

The Board of Directors of the company has adopted a Code of Conduct for the Chairperson, other Board members, and MD/CEO of the Company based on the recommendation of the Nomination and Remuneration Committee (NRC). All the Directors have signed as acceptance to its compliance.

Key Operating and Financial Data of Last 05 (five) years

Particulars	Financial Year				
	2022-23	2021-22	2020-21	2019-20	2018-19
Authorized Capital	1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000
Paid up Capital	277,695,000	277,695,000	252,450,000	252,450,000	252,450,000
Net Turnover	390,140,916	-	34,376,509	685,254,896	729,643,930
Gross Profit/(Loss)	58,367,454	(33,008,033)	(30,910,792)	49,463,563	46,587,881
Operating Profit/(Loss)	41,676,617	(47,718,659)	(44,464,963)	(1,220,618)	13,496,404
Profit Before Tax	17,462,546	(70,666,980)	(62,627,650)	(1,893,603)	15,871,677
Net Profit/(Loss) after Tax	12,901,586	(72,971,044)	(62,946,210)	(12,865,301)	3,141,737
Non-Current Assets	476,808,841	451,128,384	439,031,866	451,683,228	475,413,409
Current Assets	386,999,707	177,936,949	147,433,754	215,891,165	214,130,775
Current Liabilities	581,436,940	362,207,723	249,375,446	272,014,427	283,991,294
Shareholders' Equity	229,598,356	215,003,773	291,638,408	350,943,401	367,807,309
Dividend	5% Cash	No Dividend	10% Stock	No Dividend	2% Cash
EPS	0.46	(2.63)	(2.49)	(0.51)	0.12
NAV Per Share	8.27	7.74	11.55	13.90	14.57
NOCF Per Share	1.42	(3.31)	0.91	1.64	(1.08)
Number of Shares	277,695,000	277,695,000	25,245,000	25,245,000	25,245,000
Market Price (DSE)	191.00	186.80	88.20	115.40	159.40
Market Price (CSE)	189.60	188.20	88.10	115.50	158.60
Sponsors'/Directors'	45.31	45.31	45.31	50%	50%
Others	54.69	54.69	54.69	50%	50%

Board Meeting & Attendance

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Name of Directors	Position	No. of Board Meeting	
		Held	Present
Mr. Shamsul Alam Shamim	Chairman	05	05
Mr. A.H.M. Habib Ullah	MD & CEO		05
Mr. Md. Amin	Director		05
Mr. Md. Ali Mortuza	Director		05
Mr. Md. Emranul Hoq	Director		05
Mr. Mohammad Mohsin Saky	Director		05
Mr. Nure Habib Noman	Director		05
Mrs. Jubeda Khanam Safi	Director		05
Mr. Engr. A.F.M. Ishaque	Independent Director		05
Mr. Engr. Md. Mizbahur Rahman	Independent Director		05

Shareholders Pattern

The Shareholders pattern of the Company at the year ended on June 30, 2023, is shown as follows:

Name of the Shareholders	Status	Share Held	% of Shareholding
A) Sponsors & Directors			
Mr. Shamsul Alam Shamim	Chairman	2,585,184	9.31
Mr. A.H.M. Habib Ullah	MD & CEO	1,943,866	7.00
Mr. Md. Amin	Director	1,319,049	4.75
Mr. Md. Ali Mortuza	Director	1,319,049	4.75
Mr. Md. Emranul Hoq	Director	1,319,049	4.75
Mr. Mohammad Mohsin Saky	Director	1,319,050	4.75
Mr. Nure Habib Noman	Director	1,319,051	4.75
Mrs. Jubeda Khanam Safi	Director	590,101	2.12
Mr. Md. Mansur Alam	Sponsor	149	0.00
Mrs. Joynab Rifat	Sponsor	590,101	2.12
Mrs. Fazilatun Nahar	Sponsor	277,695	1.00
Mr. Engr. A.F.M Ishaque	Independent Director	-	-
Mr. Engr. Md. Mizbahur Rahman	Independent Director	-	-
Total Sponsors & Directors (A)		12,582,344	45.31
B) Others			
General Public		10,483,923	37.75
Institutions		4,593,133	16.54
Foreign (NRB)		110,100	0.40
Total Others (B)		15,187,156	54.69
Total Shareholdings (A+B)		27,769,500	100.00

Name of the Shareholders	Status	Share Held	% of Shareholding
i) Parent/Subsidiary/Associated Companies & Other Related Parties			

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NOT APPLICABLE			
ii) Sponsors & Directors	Details are mentioned at above table	12,582,344	45.31
iii) Chief Financial Officer, Head of Internal Audit & Company Secretary			
Mr. Ahmadul Haq Hasan	ED & Chief Auditor	0	0
Mr. Khwaza Mowin Uddin Hossain	DMD & Company Secretary	0	0
Mr. Mohammad Abu Taleb	Acting CFO	0	0
iv) Executives (Top Five Employees other than CFO, HIA & CS)			
Mr. Md. Abdus Samad	DGM – Shares	0	0
Mr. Mohammed Faruk	Manager – F&A	0	0
Mr. Mr. Md. Serajul Islam	Manager – PR	0	0
Mr. Md. Iqbal Hossain Chowdhury	Manager – Factory Admin	0	0
Mr. Md. Arifur Rahman	Manager – VAT	0	0
Mr. Sontu Kumar Sen	Manager – P&O	0	0
Mr. Billal Hossain	Deputy Manager – F&A	0	0
v) Shareholders holding 10% or more			
NOT APPLICABLE			

Contribution to the National Exchequer

The Company is regularly paying VAT and Tax on time. The deposit of VAT and Tax to the National Exchequer for the last 02 (two) years are shown below:

Particulars	Financial Year	
	2022-23 (Tk.)	2021-22 (Tk.)
Sales VAT	58,687,021	-
Income Tax	3,604,817	67,149
Total	62,291,838	67,149

During the financial year, the Company has contributed an amount of Tk. 62,291,838 (Including VAT & Tax) to the national exchequer as against Tk. 67,149 in the previous financial year.

Contribution to the national exchequer has increased by Tk. 62,291,838 during the financial year 2022-23 due to the turnover of the company has been increased during the year for starting sales of new product Hydrocarbon Solvent (SBPS) with the use of new raw material Naphtha from 15 September 2022.

Dividend

The Board of Directors is continuously making efforts to uphold and protect the interests of the valued shareholders. The Board has expressed satisfaction to observe that the Turnover of the Company has increased during the year due to the supply of raw materials (Naphtha) by BPC and the company could make a profit obtaining permission from BPC to sell our finished product SBPS from Naphtha as well as the Earnings Per Share (EPS) of the Company has been increased and resulted positive due to incurring net profit by the Company.

Considering the company's financial result for the financial year 2022-23 the Board of Directors have therefore decided to recommended **5% CASH DIVIDEND only for the General Shareholders**

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(except sponser & Directors) subject to approval by the shareholders in the 38th Annual General Meeting (AGM).

Unclaimed Dividend

Year wise unclaimed Dividend:

Financial Year	Declaration(%)	Types of Dividend	Taka (2023)	Taka (2022)
1990-1991	8%	Interim	18,072	18,072
1990-1991	5%	Final	12,920	12,920
1991-1992	10%	Final	31,860	31,860
1993-1994	12%	Final	52,980	52980
1994-1995	10%	Final	35,800	35,800
1995-1996	15%	Final	226,650	226650
1999-2000	8%	Interim	421,760	421,760
1999-2000	3%	Final	228,194	228194
2002-2003	5%	Final	85,905	85905
2004-2005	6%	Final	93,297	93,297
2013-2014	5%	Final	502,587	502587
2014-2015	15%	Final	2,684,717	2,684,717
2015-2016	25%	Final	3,542,821	3,542,821
2016-2017	2% (Stock)	Fraction of Stock	181,079	181,079
2017-2018	2%	Final	98,590	98,590
2018-2019	2%	Final	109,777	110800
2020-2021	10% (Stock)	Fraction of Stock	75,090	75,090
Total =			8,402,098	8,403,121

The company has transferred Unclaimed Dividend from beginning to 2019 to Capital Market Stabilization Fund (CMSF) according to Bangladesh Securities and Exchange Commission's Directive No. BSEC/CMRRCD/2021-386/03- dated 14 January 2021 and the Bangladesh Securities and Exchange Commission (Capital Market Stabilization Fund) Rules, 2021 & BSEC letter No. SEC/SRMIC/165-2020/PART-1/166, dated 06 July 2021, SEC/SRMIC/165-2020/PART-1/182, dated 19 July 2021.

Details of unclaimed dividends has disclosed on the company's website www.cvopetro.com.

Dividend Policy

Ethics refers to principles by which to evaluate behaviour as right or wrong, good or bad. Good corporate governance is an aspect of ethics related to the systems, principles, and processes governed by public service organizations.

"Ethics" invokes the management of the environment within which we function from a perspective broader than, but inclusive of, the current cohort. Since the corporate environment is, in theory, an infinitely lived entity owned by finitely lived shareholders, a governance ethic must represent a system that serves the current owners' needs while preserving the corporation's ability to sustain itself and benefit future cohorts.

The corporate ethic must necessarily promote efficiency simultaneous with the environment to generate the quality of life for a current fellow and provide equity that does not disadvantage a future cohort by the decisions of a contemporary cohort. As an environmental ethic analogy, those living today naturally believe in dividend payouts with less regard for tomorrow's consequences.

Regarding Business Ethics, the Board of Directors of CVO Petrochemical Refinery Limited has always maintained transparency in every aspect of the business. Commitment, Goodwill, Reliability, and Transparency is own main strength. For a clear understanding of the company dividend policy &

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CVO Petrochemical Refinery Limited

betterment to be decided by the shareholder, the management has furnished the Dividend Disbursement Policy on the company website www.cvopetro.com.

Based on the above concept, the company is committed to showing a stable policy of distribution (cash outlay) of the accretional wealth (profits) between the current and the future generation of shareholders. This would enable the company to enhance its capital wealth and sustain its existence, benefiting both present and progeny.

Rotation of Directors

The Board of Directors of the Company now consists of 10 (ten) members including 02 (two) Independent Directors. As per Article 119 of the Articles of Association of the Company one-third (1/3) of the number of directors retire by rotation from the Board every year at an Annual General Meeting (AGM).

Accordingly, the 03 (three) directors Mr. Md. Ali Mortuza, Mr. Mohammad Mohsin Saky & Mr. Nure Habib Noman retiring from the Board this year in 38th Annual General Meeting (AGM) who has been the longest in office since their last election and being eligible offers themselves for re-election. Their short resume is stated in **Annexure-D**.

Audit Committee

The Audit Committee has been constituted by the Board of Directors of the Company with the following members:

Mr. Engr. Md. Mizbahur Rahman, Independent Director	- Chairman
Mr. Engr. A.F.M Ishaque, Independent Director	- Member
Mrs. Jubeda Khanam Safi, Director	- Member
Mr. Khwaza Mowin Uddin Hossain, DMD & Company Secretary	- Member Secretary

The detailed roles & responsibilities, activities carried out and the number of the meetings of the Audit Committee have been provided in the Report of Audit Committee enclosed in **Annexure-G**.

Nomination & Remuneration Committee (NRC)

The Nomination and Remuneration Committee (NRC) has been formed by the Board of Directors of the Company with the following members:

Mr. Engr. A.F.M Ishaque, Independent Director	- Chairman
Mr. Engr. Md. Mizbahur Rahman, Independent Director	- Member
Mrs. Jubeda Khanam Safi, Director	- Member
Mr. Khwaza Mowin Uddin Hossain, DMD & Company Secretary	- Member Secretary

The detailed roles & responsibilities, activities carried out and the number of the meeting of the NRC has been provided in the Policy of NRC enclosed in **Annexure-H**.

Appointment of Independent Director

As per provision of Corporate Governance Guidelines Notification No: BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 by Bangladesh Securities and Exchange Commission (BSEC), Mr. Engr. Md. Mizbahur Rahman was appointed as an Independent Director of the Company for one next term, subject to the approval of shareholders in the AGM. The short bio-data of the said director is enclosed herewith in **Annexure-D**.

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In pursuance of the Corporate Governance Code of BSEC Notification Mr. Engr. Md. Mizbahur Rahman shall act as Chairperson of the Audit Committee of the Company & member of the NRC Committee.

Appointment of Statutory Auditors

The existing statutory auditors of the company, **M/S. Khan Wahab Shafique Rahman & Co., Chartered Accountants** retire in the ensuing Annual General Meeting (AGM) on completion of their audit works for the year ended on 30 June 2023 as per BSEC rules. In the meantime, **M/S. K. M. Hasan & Co., Chartered Accountants** has expressed their interest for rendering as Statutory Auditors for the financial year 2023-24. The Board of Directors of the Company was satisfied with their profile and recommended to appoint as Statutory Auditors **M/S. K. M. Hasan & Co., Chartered Accountants** for the next financial year 2023-24 subject to approval by the shareholders in the ensuing 38th Annual General Meeting (AGM).

Appointment of Compliance Auditors

Company's existing Compliance Auditor **M/S. Rahman Mostafa Alam & Co., Chartered Accountants** shall retire at 38th Annual General Meeting (AGM). The firm, has expressed its interest in reappointment. The Board of Directors of the Company recommended their appointment for the financial year 2023-24 subject to approval by the shareholders in the 38th Annual General Meeting (AGM).

Certificate on the compliance of Corporate Governance Code issued by the Compliance Auditor **M/S. Rahman Mostafa Alam & Co., Chartered Accountants** as required under condition No. 9(1) enclosed in **Annexure-B**.

Certification by the CEO & the CFO

Declaration or certification by the CEO and the CFO to the Board of Directors of the Company as required under condition No. 3(3)(c) enclosed in **Annexure-A**.

Status of Compliance

The directors hereby report that the conditions imposed by the BSEC's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated: 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 have been duly complied with as per status of Compliance outlined in **Annexure-C**.

Website

The company maintains an official website namely www.cvopetro.com which is linked with the websites of the stock exchanges and the Company keeps its website functional from the date of listing. All detailed disclosures of the Company are available on its website according to the listing regulations of the concerned stock exchanges.

Appreciation

The Board of Directors of the Company expressed their deepest gratitude to the respected shareholders and all stakeholders of the Company for continuing their support which has paved the way for the success of the Company. The Board is grateful to the Government of Bangladesh, Ministry of Power, Energy & Mineral Resources, Board of Investment (BOI), National Board of Revenue (NBR), Bangladesh Petroleum Corporation (BPC), Padma Oil Company Limited (POCL), Department of Environment (DOE), Department of Explosive, Bangladesh Fire Service & Civil Defense, Department of Inspection for Factories and Establishments (DIFE), Bangladesh University of Engineering & Technology (BUET), Chittagong University

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of Engineering & Technology (CUET), Eastern Refinery Limited (ERL), Bangladesh Energy Regulatory Commission (BERC), Bangladesh Standard and Testing Institute (BSTI), Bangladesh Securities & Exchange Commission (BSEC), Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange Limited (CSE), Central Depository Bangladesh Limited (CDBL), The Registrar of Joint Stock Companies & Firms (RJSC), our bankers, auditors and legal advisors and many more.

On behalf of The Board of Directors

Shamsul Alam Shamim
Chairman