



সিভিও পেট্রোক্যামিকেল রিফাইনারী পিএলসি

CVO Petrochemical Refinery PLC

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 PLC, would like to warmly welcome you all to the Company's 39th Annual General Meeting (AGM). At the same time, I express my heartfelt thanks and gratitude to all of you for your continuous support and trust in us. I would like to take this opportunity to share with you the highlights of the Company's business performance.

It is an honour for the Board of Directors to present the Directors' Report with the Audited Financial 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 ending June 30, 2024.

Petroleum Product Market in Bangladesh

After two major incidents, the Russia and Ukraine wars and the COVID-19 pandemic, the world is beginning to recover from the profound economic repercussions of this crisis period. This recovery has been compounded by inflationary pressures from supply shortages amid growing demand as countries try to expand their financial activity. During this period, the petroleum product market has increased, driven by the strong demand from the industrial sector, the agricultural industry, and the growth of automobiles for vehicle transportation. However, due to the political unrest and dollar crisis, petroleum product sales were comparatively less than last year. This is evident from the below-mentioned table showing the year-wise sales of petroleum products of BPC for the last 05 (five) years:

Particulars	Financial Year				
	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Total Sales of BPC (in MT)	5,503,091	6,299,730	6,887,344	7,346,095	6,727,601
Increase/ (Decrease) (in %)	-15.98%	14.48%	9.33%	6.66%	-8.42%

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

Industrial Outlook & Possible Future Developments

CVO Petrochemical Refinery PLC 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 signed a 5-year agreement with CVOPRL to supply Naphtha and a 3-year agreement to sell SBPS to BPC. From September 15, 2022, the Company has started its sales procedure.

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

As per the agreement, CVO Petrochemical Refinery PLC (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. The Bangladesh Petroleum Corporation (BPC) under the Ministry of Power, Energy and Mineral Resources of Bangladesh supplied one consignment of Diesel Riched Condensate for test purposes on January 28 2024, to verify the plant's overall capacity & capability to get the BSTI standard product. Alhamdulillah, we have successfully run the plant, produced BSTI standard products, and supplied them to Padma Oil Company Limited.

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Product-wise Performance

The Bangladesh Petroleum Corporation (BPC), under the Ministry of Power, Energy and Mineral Resources of Bangladesh, supplied one consignment of diesel reached condensate to produce diesel. We have received the 1st consignment on January 28 2024. Bangladesh Petroleum Corporation has given us the permission to import 20,000 MT of Diesel Riched Condensate per year. On this purpose the company will import the 2nd Consignment by its own arrangement very soon.

The Company is currently engaged in producing and selling Hydrocarbon Solvent (SBPS) from Naphtha in the existing plant. The installed production capacity is 100 MT per day. Its selling activities started on September 15, 2022.

A huge unidentified market vacant in Bangladesh for SBPS depends on imported materials. This product is mainly used in the Solution Gum Paint, Washing Plant, Grease, Lubricant, Sanitizer, and insecticide industries.

Risks & Concerns

Business Risk

Raw Materials: Risks associated with sourcing of Naphtha which is our only raw material for producing Hydrocarbon Solvent. ERL Unit -1 is the only supplier of the raw materials. In case of any reason if ERL unit-1 closed its production we may have face the problem to receive the raw materials.

Though there is no possibility to stop the production of the only Govt. own and the largest refinery in the company.

Energy Risk: Energy is a vital for any kind of industry. We are using dual-fuel burner that is gas and diesel. In case of any shortage in Supply in gas we have to run the equipment's by diesel which is very expensive.

Though the Govt. has given the highest priority to give un-interrupted gas supply to the industrial zone.

Market Risk:

Interest Rate: We are enjoying a flat rate which is suitable and sustainable for our company if the rate will go high we may have to face some problems.

International fuel price: Our raw materials price based on global benchmark prices, such as Platt's rates, making the company vulnerable to price volatility driven by geopolitical events, supply-demand dynamics, and international fuel price fluctuations which is not in our control.

Political Risk: For any kind of blockade in the highways we may face Delivery problems and if the unrest continue for a long period of time we may effected for this un-controllable reason.

Seasonal Risk: Basically our hydro carbon solvent is used in different industry for compact their finished products. At winter & rainy seasons due to the uncontrollable weather our sales activities may fallen.

Details are discussed in Note No. 4.0 of the Financial Statements (Page No. 67).

Business Performance

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

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Utilization of Capacity		
Financial Year	Actual Capacity Utilized (MT)	Capacity Utilization (%)
2023-24	6615	22.72%
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:

S.N	Month	40/115 Grade Qty/Ltr	Industrial Grade Qty/Ltr
1	Jul-23	458,000	99,000
2	Aug-23	515,000	174,500
3	Sep-23	502,000	177,000
4	Oct-23	516,000	179,000
5	Nov-23	254,000	319,500
6	Dec-23	249,000	580,500
7	Jan-24	248,000	460,500
8	Feb-24	152,000	394,000
9	Mar-24	43,600	535,500
10	Apr-24	-	751,500
11	May-24	33,000	733,500
12	Jun-24	36,000	865,100
Total		3,006,600	5,269,600

Financial Result at a Glance

The Company's key financial results for the year ended on June 30, 2024, compared to the previous year, are summarized below:

Particulars	2023-24 (Tk.)	2022-23 (Tk.)	Growth %
Gross Turnover	704,923,440	448,827,937	57.06%
Net Turnover	612,976,904	390,140,916	57.12%
Cost of Goods Sold	496,914,193	331,773,462	49.78%
Gross Profit	116,062,711	58,367,454	98.85%
Net Profit	64,997,172	12,901,586	403.79%
Gross Profit Margin	18.93%	14.96%	26.56%
Net Profit Margin	10.60%	3.31%	220.65%
EPS (Earnings Per Share)	2.34	0.46	403.79%

Turnover

Turnover is the total sales made by the Company during the reporting period. The turnover of the Company has been increased during the financial year 2023-24 compared to same period of the previous year. Growth of the gross and net turnover during the year 57% (Approx.)

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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 2023-24, the Cost of Goods Sold has increased by 49.78% compared to the previous financial year 2022-23. Mention that in the financial year 2023-24 the turnover of the Company has increased by 57%.

Gross Profit Margin

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

Gross Profit = Net Turnover - Cost of Goods Sold.

The gross profit 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 2023-24, Gross Profit Margin has increased by 26.56% compared to the previous financial year 2022-23 which is indicating the better result of the Company.

Net Profit Margin

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.

Net Profit = Gross Profit – Operating Expenses with Tax & WPPF

Net profit margin of the Company during the financial year 2023-24 has increased by 220.65% compared to the previous financial year 2022-23.

Earnings per Share (EPS)

The Earnings per Share (EPS) stood of Tk. 2.34 from Tk. 0.46 in 2022-23 representing 403.79% increase over the previous year. The EPS is computed by using the current outstanding 27,769,500 ordinary shares of Tk. 10 each.

Extra-Ordinary Gain/Loss

There was no extra-ordinary gain/loss occurred during the reporting period.

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	225,000	967,500	(967,500)	225,000	Office Rent/Security money of Dhaka Office
Mr. Shamsul Alam Shamim, Chairman of the Board of Directors	70,966,611	-	(42,100,000)	28,866,611	Short Term 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.

Remuneration of Directors Including Independent Directors

Name	Position	Attendance Fees (tk)	Remuneration (tk)	Total Paid
Mr. A.H.M. Habib Ullah	Managing Director	-	1,00,000/-	1,00,000/-
Mr. Md. Amin	Director	-	1,00,000/-	1,00,000/-
Mr. Md. Ali Mortuza	Director	-	1,00,000/-	1,00,000/-
Mr. Md. Emranul Hoq	Director	-	1,00,000/-	1,00,000/-
Mr. Mohammad Mohsin Saky	Director	-	1,00,000/-	1,00,000/-
Mr. Nure Habib Noman	Director	-	1,00,000/-	1,00,000/-
Mr. Engr. A.F.M. Ishaque	Independent Director	20,000/-	-	20,000/-
Mr. Engr. Md. Mizbahur Rahman	Independent Director	20,000/-	-	20,000/-

The details of the remuneration paid to the Directors during the financial year 2023-24 are given in **Note No. 28.1** in the Financial Statements (Page No. 81)

Management Discussion & Analysis

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

Protection of Minority Shareholders' Interest

The Company's Board of Directors always gives the highest 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 with their voting power. They reserve the right to give their vote, dividend, collect information, and review any 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	145,367,391	159,760,305	140,281,739	612,976,904
Gross Profit	48,676,128	31,464,882	27,181,855	116,062,711
Net Profit	30,617,859	18,191,664	12,696,697	64,997,172
EPS	1.10	0.66	0.46	2.34
NAV	9.37	9.74	10.20	10.31
NOCFPS	3.57	0.78	2.18	2.77

Note: Significant variance between quarterly & Annual Financial Statements has occurred due to increase/decrease of buying price of raw materials, selling price of finished goods, sales volume, adjustment/provision of revenues and expenses, assets and liabilities.

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: June 03 2018, and confirm compliance with the financial reporting framework for the following:

- i) The Financial Statements prepared by the management of CVO Petrochemical Refinery PLC present fairly its state of affairs, the result of operations, cash flows & changes in equity.

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- ii) The Company has been maintaining proper books of accounts.
- iii) Appropriate accounting policies have been consistently applied in the preparation of the Financial Statements.
- iv) 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.
- v) There is no significant doubt about the issue of the Company's ability to continue as a going concern.

Going Concern

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 due to increase of selling price as well as sales volume.

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.

Particulars	Financial Year				
	2023-24	2022-23	2021-22	2020-21	2019-20
Authorized	1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000
Paid up	277,695,000	277,695,000	277,695,000	252,450,000	252,450,000
Net Turnover	612,976,904	390,140,916	-	34,376,509	685,254,896
Gross	116,062,711	58,367,454	(33,008,033)	(30,910,792)	49,463,563
Operating	96,728,144	41,676,617	(47,718,659)	(44,464,963)	(1,220,618)
Profit Before	74,040,082	17,462,546	(70,666,980)	(62,627,650)	(1,893,603)
Net	64,997,172	12,901,586	(72,971,044)	(62,946,210)	(12,865,301)
Non-Current	465,453,472	476,808,841	451,128,384	439,031,866	451,683,228
Current Assets	355,384,793	386,999,707	177,936,949	147,433,754	215,891,165
Current	483,479,447	581,436,940	362,207,723	249,375,446	272,014,427
Shareholders'	286,294,550	229,598,356	215,003,773	291,638,408	350,943,401
Dividend	10% Cash	5% Cash	No Dividend	10% Stock	No Dividend
EPS	2.34	0.46	(2.63)	(2.49)	(0.51)
NAV Per Share	10.31	8.27	7.74	11.55	13.90
NOCF Per	2.77	1.42	(3.31)	0.91	1.64
Number of	27,769,500	27,769,500	27,769,500	25,245,000	25,245,000
Market Price	142.90	191.00	186.80	88.20	115.40
Market Price	142.30	189.60	188.20	88.10	115.50
Sponsors'/Directors'	45.31%	45.31%	45.31%	45.31%	50%
Other shareholders	54.69%	54.69%	54.69%	54.69%	50%

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

Board Meeting & Attendance

Name of Directors	Position	No. of Board Meeting	
		Held	Present
Mr. Shamsul Alam Shamim	Chairman	08	08
Mr. A.H.M. Habib Ullah	MD & CEO		08
Mr. Md. Amin	Director		08
Mr. Md. Ali Mortuza	Director		08
Mr. Md. Emranul Hoq	Director		08
Mr. Mohammad Mohsin Saky	Director		08
Mr. Nure Habib Noman	Director		08
Mrs. Jubeda Khanam Safi	Director		08
Mr. Engr. A.F.M. Ishaque	Independent Director		08
Mr. Engr. Md. Mizbahur Rahman	Independent Director		08

Shareholders Pattern

The Shareholders pattern of the Company at the year ended on June 30, 2024, 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	37.11

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Institutions		4,593,133	17.15
Foreign (NRB)		110,100	0.43
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			
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	Chief Financial Officer	0	0
iv) Executives (Top Five Employees other than CFO, HIA & CS)			
Mr. Md. Abdus Samad	DGM – Shares	0	0
Mr. Mohammed Faruk	AGM – F&A	0	0
Mr. Md. Serajul Islam	Manager – Public Relation	0	0
Mr. Md. Arifur Rahman	Manager – VAT	0	0
Mr. Sontu Kumar Sen	Manager – Process & Op	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	
	2023-24 (Tk.)	2022-23 (Tk.)
Sales VAT	91,946,536	58,687,021
Income Tax	6,212,069	3,604,817
Total	98,158,605	62,291,838

During the financial year, the Company has contributed an amount of Tk. 98,158,605 (Including VAT & Tax) to the national exchequer as against Tk. 62,291,838 in the previous financial year.

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 increase of selling price and sales volume as well the Earnings Per Share (EPS) of the Company has been increased and resulted positive due to increasing profit by the Company. Note that, for the year ended on June 30, 2024 retained earnings of the Company has stood negative.

Considering the Company's financial condition for the financial year 2023-24 the Board of Directors have therefore decided to recommend **10% CASH DIVIDEND** declaration from the current year profit to the shareholders subject to approval by the shareholders in the 39th Annual General Meeting (AGM). The company did not issue any interim dividend for its Shareholder.

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Unclaimed Dividend

Year wise unclaimed Dividend:

Financial Year	Declaration (%)	Types of Dividend	Taka (2024)	Taka (2023)
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
2022-2023	5%	Final	295,065	
Total =			8,697,163	8,402,098

The Company has transferred Unclaimed Dividend for the period from '1990-91 to 2020-21 to "Capital Market Stabilization Fund (CMSF)". According to Bangladesh Securities and Exchange Commission's Directive No. BSEC/CMRRCD/2021-386/03- dated January 14 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 July 06 2021, SEC/SRMIC/165-2020/PART-1/182, dated July 19 2021. Details of unclaimed dividends has disclosed on the Company's website www.cvopetro.com.

Dividend Policy

Ethics refers to principles that evaluate behavior 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 company'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 PLC has always maintained transparency in every aspect of the business. Commitment, Goodwill, Reliability. and Transparency is our main strength. For a clear understanding of the company dividend policy & betterment to be decided by the shareholder, the management has furnished the Dividend Disbursement Policy on the company website www.cvopetro.com.

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Dhaka Share Office: "Anima Vista" 3rd Floor, Flat No # A-3, 30 Topkhana Road, Paltan, Dhaka – 1000.

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সিভিও পেট্রোক্যামিকেল রিফাইনারী পিএলসি

CVO Petrochemical Refinery PLC

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 Company's Board of Directors 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 directors retire by rotation from the Board every year at an Annual General Meeting (AGM).

Accordingly, the Managing Director, Mr. A.H.M Habibullah & the 02 (two) directors Mr. Md. Emranul Hoq, & Mrs. Jubeda Khanam Safi, are retiring from the Board this year in 39th Annual General Meeting (AGM) who have 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 Statutory Auditors

K.M. Hasan & Co., Chartered Accountants, has completed its 1st year services with the Company as a statutory auditor. As per BSEC rules, they shall retire at the 39th Annual General Meeting (AGM). **K.M. Hasan & Co., Chartered Accountants**, has expressed interest in being re-appointed as Statutory Auditors for the financial year 2024-25. The Company's Board of Directors was satisfied with their profile and recommended to appoint as Statutory Auditor **K.M. Hasan & Co., Chartered Accountants** for the next financial year 2024-25, subject to approval by the shareholders in the 39th Annual General Meeting.

Appointment of Compliance Auditors

Rahman Mostafa Alam & Co., Chartered Accountants has completed 2023-2024 financial year compliance audit services with the Company as compliance auditor. **Rahman Mostafa Alam & Co., Chartered Accountants** has expressed their interest to be re-appointed as Compliance Auditors for the financial year 2024-25. The Board of Directors of the Company was satisfied with their profile and recommended to appoint as Compliance Auditor **Rahman Mostafa Alam & Co. Chartered Accountants** for the next financial year 2024-25 subject to approval by the shareholders in the 39th Annual General Meeting (AGM).

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CVO Petrochemical Refinery PLC

Certificate on the compliance of Corporate Governance Code issued by the Compliance Auditor **Rahman Mostafa Alam & Co., Chartered Accountants** 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: June 03, 2018 issued under section 2CC of the Bangladesh 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 Company's Board of Directors 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), Meghna Petroleum Limited (MPL), Jamuna Oil Company Limited (JOCL), 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), Eastern Refinery Limited (ERL), Bangladesh Energy Regulatory Commission (BERC), Bangladesh Standard and Testing Institute (BSTI), Bangladesh Securities & Exchange Commission (BSEC), Dhaka Stock Exchange PLC (DSE), Chittagong Stock Exchange PLC (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

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