



DIRECTORS' REPORT

For the year ended 30 June 2024

DEAR SHAREHOLDERS,

The Board of Directors of **Ring Shine Textiles Ltd.** has the pleasure of welcoming you to the 27th Annual General Meeting of the company. On behalf of the Board of Directors and Management, we hereby present the Directors' Report and Auditor's Report together with the Audited Financial Statements of your company for the year ended on 30 June 2024.

The Directors' report has been prepared in compliance with Section 184 of the Companies Act, 1994 and Corporate Governance Code No. BSEC/CMRRC/2006-158/207/Admin/80; issued by Bangladesh Securities and Exchange Commission dated: 03 June 2018.

WORLD ECONOMY

Overview

The latest World Economic Outlook (WEO) of the International Monetary Fund (IMF) expects the world economy to maintain a modest but steady growth pace of 3.2% in 2024 and 2025, mirroring the performance of 2023. The US economy is expected to expand by 2.7% in 2024, and the Eurozone by under 1%. India is projected to grow by 6.8% in 2024-25 and China by 4.6%.

The US economy grew slower in the first quarter of 2024, raising concerns about its future trajectory. Gross Domestic Product (GDP) only increased at a 1.6% annualized rate, missing Wall Street's projections of 2.4% growth. Adding to the economic woes, inflation peaked in the first quarter, with service-sector inflation jumping by 5.1%. Despite the challenges, the World Trade Organization (WTO) forecasts a 2.6% expansion in global trade volumes for 2024, following a 1.2% contraction in 2023. In value terms, world merchandise trade had declined by 5% in 2023.

While acknowledging that the recent Israel-Palestine conflict adds uncertainty, the IMF believes its impact on global supply and demand will be less severe than that of the war in Ukraine. It remains cautiously optimistic about the overall global economic situation.

BANGLADESH ECONOMY

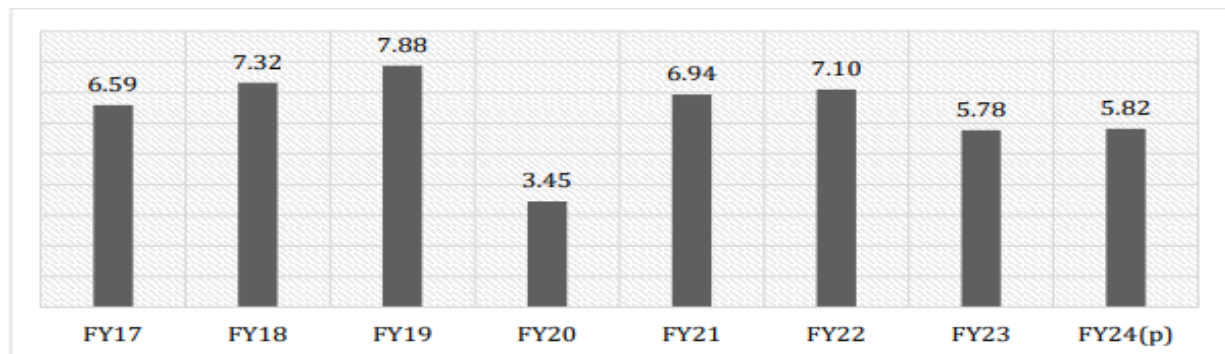
Overview

Ongoing macroeconomic instability and consequent policy adjustments, largely influenced by the International Monetary Fund (IMF) conditionality, surely affected the country's economic growth prospects. The debate concerning the trade-off between economic growth and macroeconomic stability has returned in this context. While stabilizing the macroeconomic situation with corrective measures might entail some adverse impacts in the short term, they ultimately prove to be beneficial in the medium to long term if supported by complementary macro-management policies. It must also be mentioned that stabilization packages prescribed by multilateral agencies such as the IMF often prioritize stability over growth. However, as was observed from the past experiences of developing countries, there are divergences in the results of such packages.

In Bangladesh, it is a matter of regret that it has become customary to set targets concerning the macroeconomic framework that are inconsistent with ongoing realities (CPD, 2023). For FY2024, the government initially targeted a gross domestic product (GDP) growth of 7.5 percent despite existing distresses in the macroeconomic scenario. As per the Monetary Policy Statement (MPS) of the Bangladesh Bank, released in January 2024, this target was revised down to 6.5 percent. Several multilateral agencies were less optimistic regarding Bangladesh's GDP growth prospects. For instance, the Asian Development Bank (ADB) projected Bangladesh's GDP growth in FY2024 to be 6.1 percent (ADB, 2024). Similarly, the IMF and World Bank projected the corresponding figure to be 5.7 percent and 5.6 percent, respectively (IMF, 2024; World Bank, 2024).

GDP Growth

The provisional estimates of the Bangladesh Bureau of Statistics (BBS) predicted a GDP growth rate to 5.82 percent in FY2024 – a marginal increase from the growth recorded in FY2023.



Source: Author's compilation from BBS data.

Note: 'P' denotes provisional estimates.

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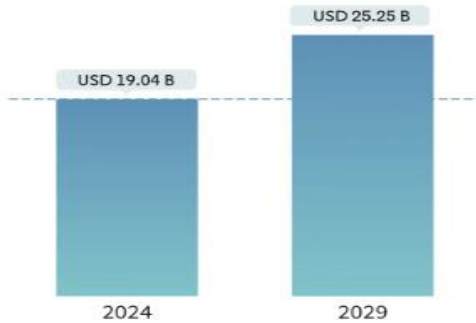
INDUSTRY OUTLOOK

Overview of the Bangladesh Textiles Market Analysis

The manufacturing intensity in the textile market is projected to amount to 4.3% in 2024. The number of enterprises in the textile market is projected to amount to 16.29 k in 2024. A compound annual growth rate of 2.60% is expected (CAGR 2024–2029). The Bangladesh Textile Manufacturing Market size is estimated at USD 19.04 billion in 2024 and is expected to reach USD 25.25 billion by 2029, growing at a CAGR of 5.81% during the forecast period (2024-2029).

Bangladesh Textile Manufacturing Market

Market Size in USD Billion
CAGR 5.81%



Study Period 2019 - 2029

Base Year For Estimation 2023

Market Size (2024) USD 19.04 Billion

Market Size (2029) USD 25.25 Billion

CAGR (2024 - 2029) 5.81 %

Market Concentration Low

Major Players



- The textile sector contributes more than 13% of Bangladesh's GDP. Over 84% of the export earnings come from textiles and textile-related products. The country invested around USD 15 billion in the primary textile sector. The Primary Textile Sector (PTS) meets approximately 85-90% of the yarn demand for knit RMG and 35-40% for woven RMG.
- According to statistics from the Export Promotion Bureau of the Government of Bangladesh, RMG exports were up by 13.4% from July to September 2022, at USD 10.27 billion from USD 9.06 billion a year earlier. The figure beat Bangladesh's export target of USD 10.02 billion for the quarter. Knitwear exports were up by 9.4% to reach USD 5.65 billion from USD 5.16 billion, beating a target of USD 5.5 billion. Exports of woven garments jumped by nearly 19% to reach USD 4.62 billion, up from USD 3.9 billion a year earlier. This trend greatly benefited the country's textile manufacturing sector. However, Bangladesh RMG exporters are facing hurdles with declining shipments to and payments from Russia due to the ongoing Russia-Ukraine war.
- Many garment suppliers are not receiving export receipts as several Russian banks have been banned from using SWIFT, the global payments messaging network. Around 150 apparel exporters from Bangladesh have been keenly tapping the emerging Russian market. Bangladesh-Russia trade is valued at more than USD 1 billion and is growing.

COMPANY'S OPERATIONS

Ring Shine Textiles Ltd is one of the long-established textile manufacturers in operation for 26 years, which manufactures worsted spun Acrylic and Acrylic Wool blended yarns and supplies dyed yarns for 100% export-oriented sweater manufacturing industry composed of Acrylic, Cotton, Viscose, Nylon, Cotton blends, Wool blends, Polyester blends, as well as, various Fancy Yarns and Space Dyed yarns.

The company also manufactures and supplies dyed knit fabrics to the ready-made-garments textile industry, such as, Polar Fleece, Micro Fleece, CVC/TC/Cotton Fleece, Terry Fabric, Single Jersey, Interlock Fabrics with peached, brushed, anti-piling and functional finishing.

In addition, the comprehensive range of yarn and fabric includes sustainable and eco-friendly products, namely, BCI, Organic, Re-cycle (Cotton and Polyester) etc. which are more value-added with higher export value.

CAPACITY/PRODUCTION

Product Capacity Installed		in Kg
Product	2023-24	2022-23
# working days	280	284
Dyed Yarn	19,600,000	19,880,000
Dyed Fabric	9,800,000	9,940,000
Total	29,400,000	29,820,000

Actual Production		
Product	2023-24	2022-23
Dyed Yarn	3,354,227	4,554,297
Dyed Fabric	645,974	2,008,937
Total	4,000,201	6,563,234

Capacity Utilization		
Product	2023-24	2022-23
Dyed Yarn	17.11%	22.91%
Dyed Fabric	6.59%	20.21%
Average	13.61%	22.01%

COST OF PRODUCTION

The cost of production has varied during the past years primarily due to wide fluctuations in the cost of energy and power which were beyond the control of the Management.

The level of costs and their incidence are given below:

in Ton		
Particulars	2023-24	2022-23
Yarn Production	3,354	4,554
Fabric Production	646	2,009
Total Production	4,000	6,563

Cost of Major Items in BDT '000		
Product	2023-24	2022-23
Raw Material	1,117,386	1,888,099
Utilities	479,830	500,097
Depreciation	162,928	229,457
Other Overhead	691,122	86,650
Total Cost	2,451,266	2,704,303

Unit Cost/Kg.

Product	2023-24	2022-23
Raw Material	279.33	287.68
Utilities	119.95	76.20
Depreciation	40.73	34.96
Other Overhead	172.77	13.20
Total Unit Cost	612.78	412.04
Raw Material Cost		
% of Total Cost	45.58%	69.82%

The above figures reveal that the total unit cost increased by 1.35% in the year 2022-23 over the year 2021-22 despite the decrease in raw material cost per unit by 3.04% and depreciation by 5.05% because the unit cost has increased for utility cost by 24.06% and another overhead cost by 13.40% due to gas rate increase.

MARKETING OPERATIONS

Sales quantity decreased by 40.14% and sales revenue decreased by 43.40% in the year 2023-24 over the year 2022-23, as depicted hereunder:

Quantity Sold	in Kg. '000	
Particulars	2023-24	2022-23
Yarn Export	3,087	4,356
Fabric Export	672	1,922
Total Export	3,758	6,278

Sales Revenue	in BDT '000	
Product	2023-24	2022-23
Yarn Export	1,294,405	1,989,478
Fabric Export	279,080	790,493
Total Export	1,573,484	2,779,971

Unit Selling Prices Attained

The selling prices (BDT/kg) have changed over the years, as shown below:

Unit Selling Prices Attained	in BDT/Kg	
Product	2023-24	2022-23
Yarn Export	419	457
Fabric Export	415	411
Average	419	443

The above indicate that selling price decreased by 5.45% in year 2023-24 over year 2022-23 due to foreign currency exchange rate increase.

CAPITAL EXPENDITURES

During the financial year of 2023-24, the capital expenditures in adjustment of the Right of Use Assets is depicted hereunder:

in BDT '000

Particulars	2023-24	2022-23
Plant & Machinery	9,885	759
Other Fixed Assets	-	
Right of Use	-	(2,445)
Total	9,885	(1,686)

LOANS AND GUARANTEES

Details of loans granted and guarantees given during the year under review are depicted in Note No. 5, 13, 16, and 17.

Minority Interest

In Compliance with Condition No. 1(5)(xvi) of the Corporate Governance Code of BSEC, the Board hereby confirms that the 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.

FINANCIAL RESULTS:

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 2023-2024;

Particulars	2023-24	2022-23	in BDT ↑↓ in %
Sales Revenue	1,573,484,421	2,779,971,060	-43.40% ↓
Cost of Goods Sold	(2,078,022,118)	(3,105,711,658)	-33.09% ↓
Gross Profit	(504,537,697)	(325,740,598)	-54.89% ↓
Administrative Expenses	(113,007,808)	(111,126,586)	1.69% ↑
Selling & Dist. Expenses	(24,997,023)	(42,227,712)	-40.80% ↓
Operating Income	(642,542,528)	(479,094,896)	-34.12% ↓
Financial Expenses	(902,244,810)	(823,850,368)	9.52% ↑
Non-Operating Income	3,693,014	32,304,310	-88.57% ↓
Profit Before Tax	(1,541,094,324)	(1,270,640,954)	-21.28% ↓
Current Tax Expense	(10,837,432)	(16,235,891)	-33.25% ↓
Deferred Tax Income	19,068,272	21,995,558	-13.31% ↓
Profit After Tax	(1,532,863,484)	(1,264,881,287)	-21.19% ↓
Gross Profit Margin	-32.06%	-11.72%	-173.65% ↓
Net Profit Margin	-97.42%	-45.50%	-114.11% ↓
Earnings Per Share (EPS)	(3.06)	(2.53)	-21.19% ↓

DECLARATION OF DIVIDEND

During the year that ended on 30 June 2024, the company earned net profit before tax amounting to BDT(1,541,094,324), which stood at BDT (1,532,863,484)after the provision of income tax. Considering the company's performance, the Board of Directors has not recommended any dividend either cash or stock for all shareholders, subject to the Shareholders' approval in the

27th Annual General Meeting. Besides, during 2023-2024, the company has not declared any bonus or stock as an interim dividend.

RESERVE AND SURPLUS

The company's retained earnings in FY 2023-2024 stood at BDT (9,021,683,669) against BDT (7,488,820,184) in FY 2022-2023.

CONTRIBUTION TO NATIONAL ECONOMY

The total contribution to the national exchequer by the company on June 30, 2024, was BDT 19.19 crore in the form of import duty, import VAT, import tax, supplementary duty, and other duties on raw materials, packing materials, spare parts, machinery & other assets, VAT on sales and income tax. The contribution constitutes 1.22% 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 2023-2024.

PRINCIPAL ACTIVITY

Ring Shine Textiles Ltd. engages in the spinning of acrylic yarn, manufacturing, and marketing of gray and finished fleece fabrics of various qualities, as well as different types and qualities of dyed yarn, to the 100% export-oriented garment industry. The company was founded on December 28, 1997, and is located in Dhaka EPZ, Saver, Bangladesh.

RISKS AND CONCERNS

The company is always aware that the business is subject to a variety of risks and uncertainties e.g. industry risk, liquidity risk, market risk, operational risk, interest rate risk, exchange rate risk, and potential changes in global or national policies, etc. In this respect, the company has well-defined its risk management policies and introduced a periodic monitoring system that acts as an effective tool in mitigating various risks to which our businesses are exposed in the course of its day-to-day operations as well as in its strategic actions.

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

The net revenue of the company for the year ended on 30 June 2024 stood at BDT 1,573,484,421 and for the year ended on 30 June 2023 at BDT 2,779,971,060. Net revenue for the year ended on 30 June 2024 has decreased by 43.40% and the related Cost of Goods Sold also decreased by 33.09% compared to last year.

The explanation for the reason for the decrease of revenue during 2023-2024 is stated under the heading of Significant Variance Occurs Between Quarterly Financial Performances and Annual Financial Statements as referred



GROSS PROFIT/LOSS

The company's gross profit for the year ended on 30 June 2024 stood at BDT (504,537,697), a decrease of 55% compared to the last year.

NET PROFIT

Net Profit before Tax and Profit after Tax of the company for the year ended on 30 June 2024 stood at BDT (1,541,094,324) and BDT (1,532,863,484) respectively, which increased by (21.28)% and increased by (21.19)% respectively compared to the last year.

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

An immense event of extraordinary gain or loss that would require adjustment or disclosure in the financial statements occurred during the reported year in note no 25.

RELATED PARTY TRANSACTIONS

Ring Shine Textiles Ltd has not engaged in any related party transactions for the year 2023-24.

UTILIZATION OF IPO PROCEEDS:

Considering the industry outlook and bright prospects, **Ring Shine Textiles Ltd.** raised fund BDT150.00 crore from the Capital Market through the issuing of 150,000,000 ordinary shares. The status of the utilization of IPO proceeds as of 30 June 2024 is given below:

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

In the immediate effect of the Company's raising of the IPO Funds in October 2019, the Covid-19 global pandemic ensued, causing drastic disruption to the textiles sector in Bangladesh and worldwide, which regrettably hardheaded the Ring Shine Textiles Ltd as well. The prevalent and prolonged business downturn caused the Company to fall into operational difficulties. Furthermore, amidst the pandemic outbreak, the then-aligned and ongoing corporate banks assumed a conservative stance in financing the Company. Inevitably, the IPO fund reserves were restricted by the Bangladesh Securities and Exchange Commission (BSEC) and blocked for utilization in 2020. In consideration of all embedded situations and aspects, the Company's financial position deteriorated, and without the support and source of means for project finance, the implementation of the declared BMRE Project as mentioned in the IPO prospectus became infeasible.

The Company was in several factory layoffs between years 2020 to 2022. To recover the operation, the BSEC reconstituted the Board of Directors of Ring Shine Textiles Limited, which led the Company in its restructuring plan for business recovery. At the deliberation of concerned banks and the regulatory authorities of BEPZA and BSEC, consensus was reached in approving the releases of IPO Funds for the utilization purposes essential to suffice the Company's operation, as disclosed in the below appendix.

Approved IPO Fund Releases for Utilization		
BSEC Approval Letter Reference	Approved Purpose for Utilization	Released Amount
BSEC/CFD/93/2019/540 dated 20 May 2021	Workers Retrenchment	BDT 15.0 crore
	BEPZA Liabilities	BDT 3.0 crore
	Titas Gas Liabilities	BDT 3.5 crore
	Premier Bank Liabilities	BDT 10.0 crore
	Dhaka Bank Liabilities	BDT 6.0 crore
	Miscellaneous	BDT 2.5 crore
	Total	BDT 40.0 crore
BSEC/CFD/93/2019/531 dated 27 Apr 2022	Maintenance, etc.	BDT 10.0 crore
BSEC/SRMIC/153-2019/108 dated 18 Apr 2023	Workers Liabilities	BDT 18.4 crore
Total Amount		BDT 68.4 crore

As of June 30, 2024, the remaining IPO funds of the Company's account have a total equivalent Balance of BDT 346,469,231/- held with BRAC Bank PLC under respective currency accounts amounting to BDT 137,053,450/-, USD 1,786,812.77/-, GBP 6,847.14 and EUR 2,706.64.

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:

Amount in BDT					
Particulars	FY 2023-24	30-Jun-24	31-Mar-24	31-Dec-23	30-Sep-23
Balance Sheet					
Non-Current Assets	1,702,378,401	1,702,378,401	1,707,133,605	1,762,251,276	1,816,515,358
Current Assets	2,904,145,028	2,904,145,028	2,290,526,809	2,357,875,316	2,565,771,469
Total Assets	4,606,523,429	4,606,523,429	3,997,660,414	4,120,126,592	4,382,286,827
Equity	(4,018,553,239)	(4,018,553,239)	(3,657,214,053)	(3,179,020,650)	(2,915,898,674)
Non-Current Liabilities	3,583,921,039	3,583,921,039	2,757,565,574	2,777,451,258	2,709,545,234
Current Liabilities	5,041,155,629	5,041,155,629	4,897,308,893	4,521,695,984	4,588,640,266
Net Assets Value per Share	(8.03)	(8.03)	(7.31)	(6.35)	(5.83)
Income Statement					
Revenue	1,573,484,421	649,203,328	394,041,495	257,712,552	272,527,046
Less: Cost of Goods Sold	(2,078,022,118)	(513,902,374)	(702,308,643)	(371,679,546)	(490,131,555)
Gross Profit	(504,537,697)	135,300,954	(308,267,148)	(113,966,994)	(217,604,509)
Less: Administrative Expenses	(113,007,808)	(39,427,226)	(23,788,084)	(25,843,295)	(23,949,203)
Less: Selling & Distribution Expenses	(24,997,023)	(23,362,467)	(837,754)	(466,793)	(330,010)
Operating Profit	(642,542,528)	72,511,261	(332,892,985)	(140,277,081)	(241,883,722)
Financial expenses	(902,244,810)	(415,010,657)	(156,953,231)	(137,612,961)	(192,667,961)
Non-operating income/(expenses)	3,693,014	711,583	513,808	2,050,808	416,815
Profit/(Loss) before Tax	(1,541,094,324)	(341,787,813)	(489,332,409)	(275,839,234)	(434,134,869)
Current Tax Expense	(10,837,432)	(1,827,971)	(1,512,829)	(6,406,524)	(1,090,108)
Deferred Tax Income	19,068,272	4,020,743	5,015,415	5,016,057	5,016,057
Net Profit after Tax	(1,532,863,484)	(339,595,041)	(485,829,823)	(277,229,701)	(430,208,920)
Earnings per Share	(3.06)	(3.06)	(2.39)	(1.41)	(0.86)

Preparation, presentation, and fairness of financial statements; Maintaining books of accounts; Consistency of accounting policy; Prudence 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 2024.

The financial statements present fairly its state of affairs, the result of its operations, cash flows, and changes in equity;

- Proper books of accounts have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment;
- International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in the preparation of the financial statements and any departure from there has been adequately disclosed;
- The system of internal control is sound in design and has been effectively implemented and monitored. The company has a well-defined internal control system to support efficient business operations and statutory compliance. External auditors carry out a concurrent audit of financials, which adds to the stability of the entire internal control system. Suitable internal checks have been built to cover all monetary transactions with proper delineation of authority, providing transparency at every operation stage. Financial performances and efficiency parameters are monitored periodically and actions are taken;
- 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; and;

The company believes in equal rights of all shareholders irrespective of the number of shares they hold. All the shareholders are provided with quarterly financial statements, half-yearly financial statements, and annual reports and are welcome to participate in the shareholders' meeting. At the Annual General Meeting, the adoption of the annual financial statements and the Directors' report, the election of the Board members, and the appointment of the Auditors are decided upon with the participation of the shareholders.

THE DIRECTORS FURTHER CONFIRM THAT

- The CEO/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 CEO/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 CEO/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.

COMPANY'S ABILITY TO CONTINUE AS A GOING CONCERN:

Going concerned is one of the fundamental assumptions of accounting based on which financial statements are prepared. According to the assumption of a going concern, a business will continue its business for the foreseeable future without the need or intention on the part of management to liquidate the entity or to significantly curtail its operational activities. The company has adequate resources to continue its operation for the foreseeable future. Thus, the Directors think that the company is a going concern, and its financial statements are prepared on a going concern basis. A detailed discussion of ongoing concerns and threats is available on note number *** of the company's Audited Financial Statement for the year ended on 30 June 2024.

Qualified Opinion of Auditors' Report

The Auditors M/s **Zoha Zaman Kabir Rashid & Co., Chartered Accountants** carried out the audit on the Financial Statements (FSs) of the Company for the year ended 31 December 2024 and their report thereon along with the FSs, as required by the Companies Act 1994, is given as an integral part of this Report. The Auditor's issued a qualified opinion on the audit report on page no. of the annual report. The management of the Company acknowledged the issues and agreed to take considerable steps to resolve them. Elaborately addressed the issue in the annual report

Various efforts made by the management and strategic decisions were taken to revive the Company's increase the production and revenue.

The strategic decisions and various efforts made by the management have been narrated in the Managing Director's Statement as page referred no. no

THE SYSTEM OF INTERNAL CONTROL

As there is always a degree of uncertainty in our operations, the Board of Directors assures its shareholders that the Company has a competent risk management process to ensure that the system of internal control is sound in design and has been effectively implemented and monitored. Although it is possible that all risks to the business are not known at present, the Company takes reasonable steps to identify material risks that may hamper business results. The Company then systematically reviews these risks in light of the changing internal and external environment to assess that the controls that are in place are adequate to address those risks. This report further encloses a detailed discussion of the internal control framework under the Statement of Internal Control.

SIGNIFICANT DEVIATIONS FROM THE LAST YEAR'S OPERATING RESULTS

The company has deviated in all parameters of operating results compared to the previous year. The basic reasons behind this background are as follows;

Disclosure:

“The extreme reason behind this downturn of financial indicators of the company was that;

- The non-execution of the Shares Purchase Agreement (SPA) for being transfer of sponsors’ shares early in the financial year. Consequently, huge export orders shifted from the company under that contingency in the change of ownership.
- The impact of foreign currency exchange loss for dollar exchange rate difference on BEPZA Utility, Bank loans, trade payable, and trade receivables which amounts to BDT 45,72,69,639.
- The shortage of gas transmission hampered production.
- The carrying of various fixed costs during the year namely BEPZA utility amounting to BDT 57,10,00,049 and depreciation charge amounting to BDT 16,40,51,352 however, the company could not achieve break-even.
- The shortage of raw materials as well as working capital.
- The re-fixation of the bank interest rate charged on huge bank loans results in extra BDT loss. 42,44,36,712.

Nevertheless, the management has been trying with utmost care and due diligence to improve its financial position in the coming days.

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

A summarized statement of the key operating and financial data of the preceding 5 (five) years has been disclosed in this Annual Report. Various financial information in terms of Statement of Profit or Loss and Other Comprehensive Income and Statement of Financial Position, ordinary share-related information, and different financial ratios for the preceding 5 (five) years have been stated under “**Five Years’ Highlights**” of this Annual Report 2023-2024 (Page No. ****).

REASONS FOR NOT DECLARING DIVIDEND (STOCK) FOR THE YEAR

During the year ended on 30 June 2024, the company earned a net profit after tax amounting to BDT (1,532,863,484). Considering the company's performance, the Board of Directors has recommended no dividend for all Shareholders and General Shareholders respectively subject to the approval of the Shareholders in the 27th Annual General Meeting.

DECLARATION OF BONUS SHARES OR STOCK DIVIDENDS AS INTERIM DIVIDENDS,

During 2023-2024, 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, issued by Bangladesh Securities and Exchange Commission, dated: 20th June 2018, no bonus shares or stock dividend was declared as an Interim Dividend.

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

During FY 2023-2024, the Board of Directors held a total of 17(seventeen) meetings. Attendance by the Directors has been summarized under “**Corporate Governance Report 2023-2024**” (Board Meetings during 2023-2024) of this Annual Report 2023-2024 (Page No. ****).

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 2024 are duly stated in the following report.

Parent/ Subsidiary/ Associated company and other related parties

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

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 shares
1.	Mr. Mohammad Moniruzzaman, PhD, FCA, ACMA	Chairman of the Board and Independent Director	Nil
2.	Ms. Sung Wen Li Angela	Additional Managing Director and Sponsor Director	17,179,217
3.	Mr. Sung Wey Min	Chief Operating Officer and Sponsor Director	21,380,397
4.	Mr. Sung Jye Min	Sponsor Director	17,127,812
5.	Mr. Sung Chung Yao	Sponsor Director	17,002,750
6.	Mr. Sheao Yen Shin	Sponsor Director	16,987,570
7.	Dr. Md. Foroz Ali	Independent Director	Nil
8.	Mr. Razu Hawlader Palash	Independent Director	Nil
9.	Mr. Md. Jamil Sharif, PhD, FCMA	Nominated Director – Representative of Universe Knitting Garments Ltd	24,577,250
Total no. of shares held by the Board of Directors			97,267,426

Top Five Executives

Sl.	Name and Particulars	Position	Number of Shareholding
1.	Mr. Auniruddho Piaal	Managing Director	Nil
2.	Mr. Muhammad Abdul Latif	Chief Financial Officer	Nil
3.	Mr. Md. Moshior Rahman, FCS	Company Secretary	Nil
4	Mr. Mehedi Al Amin	HIAC	Nil

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

Sl.	Name and Particulars	Position	Number of holding	Holding ratio
1.	Nil	Nil	Nil	Nil

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

- A brief resume of the Directors;
- nature of his/her expertise in specific functional areas; and
- Name of companies in which the person also holds the Directorship and the Membership of Committees of the Board.

As per clause No. 104 of the Article of Association of the company, the Director of the company will be retired by rotation at the 27th 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 2023-2024** (Page No.***).

MANAGEMENT’S DISCUSSION AND ANALYSIS

During the year ended on 30 June 2024, the company’s Net Revenue decreased by BDT 1,206,486,639 or 43.40% over the previous year’s net revenue of BDT 1,573,484,421. Profit before Taxes stood at BDT (1,541,094,324) which was 21.28% higher than the previous year’s Profit before Taxes of BDT (1,270,640,954). However, the company has been following consistently the accounting policies and estimation for the presentation of financial statements and there are no changes in accounting policies or estimation except as per the 3rd Schedule of Income Tax Act 2023 of Bangladesh which has a material impact on financial statements.

Details of changes in accounting policies and estimation, comparative analysis of financial performance or results and financial position as well as cash flows for the current financial year with immediately preceding five (5) years, comparison with peer industry, and explanation for

the financial and economic scenario of the country and globe are stated in “**Management Discussion and Analysis**” part.

RISKS AND CONCERNS ISSUES RELATED TO THE FINANCIAL STATEMENTS

Ring Shine Textiles Ltd. has exposure to Financial Risk, Credit Risk, Liquidity Risk, and Market Risk arising from the financial statements. A detailed explanation of risks and concerns is explained in note no. *****to the financial statement’s year ended on 30 June 2024. The RSTL has sufficient and effective measures/controls to mitigate the risks and concerns.

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

The Management of the company is very sincere in adopting necessary feasible plans and strategies in respect of sustainability in its performances & financial position and to continue the operations for the foreseeable future. The management set the vision to establish its golden goodwill as one of the top brands across the country and the globe.

Under the new leadership of the reconstructed Board of Directors and Top Management of 2024, the Company is on a positive business rebound and in good prospects. Strategies are being planned and executed to regain the Company’s operational integrity and increase its production efficiencies, entailing wise scope of aspects in the enhancement of financing facilities from concerned banks, lean management in streamlining of the workforce, overhauling and of plant and machinery for optimal production utilization, aggressive marketing schemes to regain market share, etc.

Prudent business management continues to be applied with cost leadership as a priority measure and to implement the essential achievable plans and strategy in terms of sustainability in its performance and financial position, and strive for full-swing business recovery is fast in progress to attain profitability for the foreseeable future

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 statements 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, the Declaration or Certification by the MD and the CFO has been disclosed under **"Statutory Reports and Certifications"** of this Annual Report 2023-2024 (Page No.***).

DIRECTORS' RESPONSIBILITY STATEMENT

Under the requirements of the Companies Act, 1994 concerning the Directors' Responsibility Statement, it is hereby stated that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records per the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BOARD ANNUAL EVALUATION

The Board of Directors has carried out an annual evaluation of its performance, board committees, and individual directors under the provisions of the Act and the corporate governance requirements as prescribed by the Bangladesh Securities and Exchange Commission (Listing Obligations and Disclosure Requirements), Regulations 2015 (Listing Regulations).

The performance of the committees was evaluated by the board after seeking inputs from the committee members based on criteria such as the composition of committees, effectiveness of committee meetings, etc.

The evaluation framework for assessing the performance of Directors comprises the following key areas:

- Expertise;
- Objectivity and Independence;
- Guidance and support in the context of the life stage of the Company;
- Understanding of the Company's business;
- Understanding and commitment to duties and responsibilities;

- Willingness to devote the time needed for effective contribution to the Company;
- Participation in discussions effectively and constructively;
- Responsiveness in approach;
- Ability to encourage and motivate the Management for continued performance and success.

The evaluation involves Self-Evaluation by the Board Member and subsequent assessment by the Board of Directors. A member of the Board will not participate in the discussion of his/her evaluations. Accordingly, a process of evaluation was followed by the Board for its performance and that of its Committees and individual Directors, and also the necessary evaluation was carried out by Nomination and Remuneration Committee and Independent Director at their respective meetings held for the purpose.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company has in place a vigil mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of your Company's Code of Conduct. Under the vigil mechanism of the Company, which also incorporates a Whistle Blower Policy in terms of Regulation of the Listing Regulations, 2015, protected disclosures can be made by a whistle-blower through an e-mail, or dedicated telephone line, or a letter to the Chairman of the Audit Committee. Adequate safeguards are provided against victimization to those who avail of the vigil mechanism.

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 have been under "**Statutory Reports and Certifications**" of this Annual Report 2023-2024 (Page No.***).

DIRECTORS' RE-ELECTION

To comply with the regulatory requirements, one-third of the number of existing Directors shall resign by rotation and appoint the same numbers (new) or be reappointed by same, in the Annual General Meeting.

With the completion of a three-year tenure in appointment, Mr. Mejbah Uddin, Prof. Dr. Mohammed Mizanur Rahman, Prof. Dr. Mohammad Sogir Hossain Khandoker, Dr. Mohammad Moniruzzaman, Dr. Md. Foroz Ali, and Eng. Abdul Razzak, retired on January 25, 2024, from the Board of Directors as Independent Directors.

With effect from January 26, 2024, Universe Knitting Garments Ltd. Dr. Mohammad Moniruzzaman (Independent Director), Dr. Md. Foroz Ali (Independent Director), Mr. A.K.M. Shahidul Islam (Independent Director), and Mr. Md. Razu Howlader Polash (Independent Director) as eligible, or and have been appointed and reappointed for the position taking

approval from the shareholders in the 27th AGM by the Hon'ble High Court order vide the reference of the company matter as **Writ Petition No. 1088 of 2024**.

DIRECTORS' REMUNERATION

The Independent Directors and Non-Executive Shareholders Director have been receiving a Board Honorarium at Tk. 16,000 per person for their attendance in each Board and Committee meeting as recommended by the NRC in its 17th Meeting held on 23rd March 2024 and subsequently the Board of Directors approved in its 93rd Board Meeting held on 25th March 2024.

APPOINTMENT OF MANAGING DIRECTOR

For the necessary role and responsibilities to be executed for the position of Managing Director, Sung Wen Li Angela resigned from the Managing Director post with effect 12 May 2024 and subsequently, she has been positioned as Additional Managing Director of the company as approved by the Board of Directors in its 96th Board Meeting redefining of her monthly salary Tk. 575,000.00.

During the reporting year as disclosed in Notes No. 23, the Executive Directors received monthly remuneration for their operational services in the Company of Mr. Sung Wey Min (Chief Operating Officer); and BDT 575,000/- for Ms. Sung Wen Li Angela (Additional Managing Director).

Thereafter, in consideration of the situation of the company and the skill, experience and other pertinent credentials of Mr. Auniruddho Piaal, the NRC in its 18th Meeting held on 12 May 2024 recommended the Board of Directors to appoint Mr. Auniruddho Piaal as Managing Director in recommending in consolidated Taka 600,000.00 as salary per month subject to a Tax deduction as per Tax Law, and successively, the Board of Directors approved in its meeting 96th Meeting and finally recommended to place and get final approval from the shareholders meeting in the 27th Annual General Meeting to be held 18 December 2024 as per Company Act.1994.

APPOINTMENT OF AUDITORS

As per section 210 of the Companies Act 1994, **M/s. Zoha Zaman Kabir Rashid & Co. Chartered Accountant** is appointed as the company's Statutory Auditors for the financial year 2023-2024. Being eligible as per the Companies Act 1994 and the Bangladesh Securities and Exchange Commission (BSEC) order no SEC/CMRRCD/2009-193/ 104/ Admin; dated: July 27, 2018, the Auditors **M/s. Zoha Zaman Kabir Rashid & Co., Chartered Accountants** has expressed intention to be re-appointed as the Statutory Auditors of the Company for the financial year 2024-2025.

The Audit Committee has recommended appointing **M/s. Zoha Zaman Kabir Rashid & Co. Chartered Accountants** as the company's auditors for the financial year 2024-2025. The Directors have also endorsed the recommendation of the Audit Committee for the appointment of **M/s. Zoha Zaman Kabir Rashid & Co. Chartered Accountants** as the Auditors of the company for

the said year with a remuneration of BDT 345,000.00 (Taka Three lac Forty-Five Thousand only) excluding VAT subject to the approval of the shareholders in the 27th Annual General Meeting (AGM).

APPOINTMENT OF COMPLIANCE AUDITOR

In compliance with the requirement of the Corporate Governance Code 2018 of the Bangladesh Securities and Exchange Commission (BSEC), M/s. Jasmin Associate & Co., Chartered Secretaries may be considered as they are yet to complete three (03) years of their auditing services. For Continuing the Compliance Auditors, the agenda was placed before the 37th meeting of the Audit Committee for their kind review. The Audit Committee has recommended appointing **M/s. Jasmin Associate & Chartered Secretaries** as the Corporate Governance Compliance Auditors of the Company. The Board of Directors subsequently has endorsed the recommendation of the Audit Committee for the appointment of **M/s. Jasmin Associate & Co., Chartered Secretaries** as the Auditors of the company for the financial year ended on 30 June 2025 (2024-2025) with a remuneration of BDT 40,000.00 (Taka Forty Thousand only) excluding VAT subject to the approval of the shareholders in the 27th Annual General Meeting (AGM).

CORPORATE GOVERNANCE

RSTL believes that a nurtured governance regime is essential to success and sustainability. Accordingly, the Board of Directors and Management are pledge-bound to continue the implementation of the highest standards of governance at the Company through a culture of accountability, transparency, ethical business conduct, and well-understood policies and procedures. The Board of Directors of **RSTL** has always played a pivotal role in meeting all stakeholders' interests and is committed to upholding the same in the future as well. It is the responsibility of the Company Secretary, being the highest government official in the Company, to other stakeholders of the Company. Details about the initiatives are discussed in "**Corporate Governance Structure**" 2023-2024" of this Annual Report 2023-2024 (Page No.***).

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

Human Resources is the key to the success of a textile-based business organization like ours. Dynamism in a corporate body has a close relationship with the development of Human Resources. In line with the prevailing perception, the Company has sharpened its focus on human resources through a series of development activities throughout the year.

We believe our human resources are the finest asset to contribute to the Company's growth and success. It follows a structured recruitment policy, service rules as per EPZ guidelines, and compensation packages for its workforce at all tiers. The Company has recruited highly brilliant professional manpower coupled with fresh university graduates from renowned local/international educational institutions and built up the finest team to cope with the growing business competition since its inception. Fresh graduates are recruited through competitive examinations. Recruitment of talented people only from the best Educational Institutions is not enough to ensure quality people. We need to groom these talented people so that they can become future business leaders in the industry. To keep this in mind, RSTL always feels the urge for quality and trained people in its HR portfolio.

The Company also created a sense of community among the employees by encouraging interaction with each other in the Management Committee Meeting and across the Departments and Divisions. Such discussion helped employees learn each other's responsibilities, grow their skills, and develop an understanding of the Company as a whole through interpersonal communication. Regarding employee development, the HR Training & Development wing arranged to develop the Company Officials through training, workshops, seminars, etc., and by helping them to achieve both their personal and professional goals at RSTL and beyond. Training courses are designed through appropriate task analysis for the fresh candidates and through performance analysis for the existing officials. Several relevant and important Training Courses have been participated in by the RSTL's nominated Employees such as the Foundation Course for Sales & Marketing. The operation, Finance & Accounts, VAT & Tax and Customs, HR, Supply Chain Management, Credit Operation, and Management, are conducted and organized by renowned Associations, DEPZ, Dhaka Chamber & Commerce Training Institute, and. Besides the above, several Workshops and Seminars on Risk Management.

MANAGEMENT DISCLAIMER FOR IT SECURITY

RSTL has been using some applications and software packages for its day-to-day activities. To the best of our knowledge, these software packages are fully immune and tested against any external hacking. The in-house Information & Technology Specialist Team periodically checks the Cyber Security platform.

ACKNOWLEDGEMENT

The performance of **Ring Shine Textiles Ltd** in **2023-2024**, even with many challenges confronted, demonstrates the determination of the Board, Management, and the people in the Company. With this conviction, the Board of Directors firmly believes that **Ring Shine Textiles Limited** has the necessary strengths, resources, and commitments to propel the Company to newer heights further. The members of the Board would like to place on record their high appreciation to the valued shareholders and all other stakeholders of the Company for their



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persistent support and guidance. The Board would also like to thank every customer for their continued support and for making the Company's brands their preferred choice. The Board also recognizes that its journey and accomplishments during the year were possible because of the cooperation, positive support, and guidance that it received from the Government of Bangladesh, particularly the Bangladesh Export Processing Zone Authority(BEPZA), Ministry of Labour and Employment, Ministry of Forest & Environment, National Board of Revenue, Bangladesh Investment Development Authority, Bangladesh Securities and Exchange Commission, Stock Exchanges, Central Depository Bangladesh Limited(CDBL), BAPLC and other numerous stakeholders. The Board would also like to appreciate the support from **Ring Shine Textiles Limited**, bankers, Bangladesh Bank insurers and financial institutions, vendors, the press and media, business partners, and all our employees. The Board offers its utmost gratitude to them.

We also extend our warmest thanks to the management and employees for being an essential part of **RSTL** during the year. Their unrelenting commitment, dedication, and diligence throughout the year led the Company to achieve results, certification, and accolades in 2023-2024.

We are proud of you all and look forward to your continued support as we march ahead to take **Ring Shine Textiles Limited** forward as a leading player in Bangladesh's business community.

On behalf of the Board of Directors,

27 October, 2024

Sd/-

Mohammad Moniruzzaman, PhD, FCA, ACMA
Chairman

Sd/-

Auniruddho Piaal
Managing Director