

Annual Report 2018-2019



Ring Shine
Textiles Ltd.

Ring Shine Textiles Ltd.

ACRYLIC YARN - FANCY YARN - COTTON YARN
POLAR FLEECE - MICRO FLEECE - KNIT FABRICS

OUR VISION

Our conception of business germinated from our vision which sees it as a means to the well-being of the investors, stakeholders, employees, customers and members of the society at large by creating wealth in the form of goods and services that go to satisfy the wants of all of them without distributing or damaging the socio-ecological balance of the mother earth and the process of human civilization leading to peaceful Co-existence of all the living beings.



OUR MISSION

Our mission is the pole star of our vision for the wellbeing of all the stakeholders by producing and delivering high quality yarn and fabric for making comfortable, durable, stylish outfits for men & women on ethical and moral standards at minimum costs to the society ensuring optimum benefits to the consumers, the shareholders and other stakeholders.

OUR SPIRIT

We undertake our quest with the enthusiasm of entrepreneurs, excited by the constantly search for innovation. We value performance achieved with integrity. We attain success as world-class leader with each and every one of our people contributing with passion and an unmatched senses of urgency.



OUR OBJECTIVES

- ❑ To promote the use of scientific knowledge in textiles, from fibers to garments.
- ❑ To satisfy and meet customer's expectation by developing and providing products and services on time, which offer value in terms of Quality, Price, Safety & Environmental impact.
- ❑ To promote the development and best use of human talent & equal opportunity employment.
- ❑ To procure the most advanced & sophisticated technology suitable for producing desired product.
- ❑ To attain highest level of competence through continuous development of the professional management system and to ensure complete transparency in all aspects of business.



OUR STRATEGIES

Our strategy is to build long term partnership with the customers. With their support, we aim to maximize the potential of our business through a combination of enhanced quality of product and service, curative marketing, competitive pricing and cost efficiency. We always are striving for delivering value beyond customers' expectation.

THE COMPANY

Ring Shine Textile Ltd. is a public company limited by shares. The Company was incorporated in Bangladesh on 28 December 1997 vide registration No. C-34597(1343)/97 as a private company limited by shares under the Companies Act, 1994. The company converted to public limited company on 8th June, 2017.

The Registered office of the Company is situated in Plot No: 224-260, DEPZ Extension area, Ganakbari, Savar, Dhaka. The factory of the Company is located at Dhaka Export Processing Zone (DPEZ), New Extension Area, covering 60 Plots encompassing 135,484.46 sq. meter or 101.27 bigha land area.

Ring Shine Textiles Limited started its commercial operation in August 1998. Since its inception, Ring Shine Textiles Limited has been growing steadily in every aspects of its business operation. RSTL now the name of a trusted business partner to its customers as well as to its suppliers by employing value driven management approach within the organization. To diversify its operation and capitalize on the reputation it has earned, RSTL is going to expand its operation into denim products by raising capital through initial public offering (IPO). Hence, listed with both the Stock Exchanges of Bangladesh.

The Principal activity of this Company is engaged in Spinning of Acrylic based yarn, manufacturing and marketing of gray and finished fleece fabrics of various qualities and different types and qualities of Dyed yarn to 100% export oriented Garment industry in Bangladesh.

In accomplishing the decision of the Board of the directors, Managing Director oversee day to day's activities to run the company efficiently and to achieve the goal of maximizing wealth of the company for the well-being of shareholders, society at large.

Bangladesh has huge potential global market opportunities to market its product. A diverse team of professionals involved in developing new products in implementing Company's marketing strategies to retain existing customers and creating new customer base for its products by innovative ideas. A group of highly skilled marketing personnel handles the whole marketing system of the company.

OUR PHILOSOPHY

Business is always a combination of dynamism and diversification. We strive to be at the fore front of change in fashion and trend setting while in continuous pursuit of quality and commitments through total customers focus in all operational areas. Delivering world class products ensuring best customer satisfaction through continuous value added services provided by Local and foreign highly professional and committed team. We respect to human values by accepting changes as a way of life along with strict adherence to financial and administrative principles.



Photo Gallery

Photograph of conduction of lottery for IPO



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Transmittal Letter

December 11, 2019

The
Shareholders
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

Subject: Annual Report for the financial year ended on June 30, 2019.

Dear Sir(s),

We are pleased to enclose herewith a copy of the Annual Report containing Directors' Report, Auditors' Report along with the Audited Financial Statements comprising Statement of Financial Position as at 30th June 2019, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the financial year ended on 30th June 2019 along with notes thereon for your information and records.

Thanking You all.

Sincerely Yours,

Sd/-

Asraf Ali

Company Secretary

Notice of the 22nd Annual General Meeting

Notice is hereby given that the 22nd Annual General Meeting of the shareholders of Ring Shine Textiles Limited will be held on December 26, 2019, Thursday at 10:00 a.m. Savar Golf Club, Savar Cantonment Road, Savar, Dhaka to transact the following business:

AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on 30th June, 2019 together with reports of the Auditors and the Directors thereon.
2. To declare 15% stock dividend for the year ended on 30 June 2019 as recommended by the Board of Directors.
3. To consider the election/re-election of Directors.
4. To appoint Auditors for the financial year 2019-2020 and to fix their remuneration.
5. Utilization of IPO fund.
6. To transact any other business of the Company with the permission of the Chair.

By order of the Board,

Place: Dhaka

Dated: November 20, 2019

Sd/-
Asraf Ali
Company Secretary

Notes:

- (1) The Record Date of the Company shall be on December 11, 2019.
- (2) The Shareholders whose name will appear in the Share Register of the Company or in the Depository on the record date i.e. December 11, 2019, will be entitled to attend at the 22nd Annual General Meeting and entitle to the dividend.
- (3) A member entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote in his/her stead. The Proxy Form, duly stamped, must be deposited at the Share Office at Plot # 224 -260, Extension Area, DEPZ, Ganakbari, Savar, Dhaka, Bangladesh, not later than 48 hours before the time fixed for the meeting.
- (4) Admission to the meeting room will be strictly on production of the attendance slip sent with the Notice as well as verification of signature of Member(s) and/or Proxy-holder(s).
- (5) The Annual Report is available in the Company's website at www.ringshine.com.
- (6) No gift or benefit in cash or kind shall be paid to the holders of equity securities as per Bangladesh Securities & Exchange Commission Notification No. SEC/ CMRRCD/ 2009-193/ 154 dated 24 October 2013.

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Chairman	: Mr. Sung Jye Min
Managing Director	: Mr. Sung Wey Min
Director	: Mdm. Hang Siew Lai
Director	: Mr. Hsiao Hai He
Director	: Ms. Sung Wen Li Angela
Director	: Mr. Sung Chung Yao
Director	: Mdm. Sheao Yen Yao
Director	: Mrs. Hsiao Liu Yi Chi
Director	: Mdm. Chuk Kwan
Independent Director	: Md. Neamul Hasan Kamal
Independent Director	: Md. Hussain Shah Jawed
Independent Director	: Mohammad Monirul Hoque

AUDIT COMMITTEE

Chairman	: Mohammad Monirul Hoque
Member	: Hang Siew Lai, Director
Member	: Chuk Kwan, Director
Member Secretary	: Asraf Ali, Company Secretary

NOMINATION & REMUNERATION COMMITTEE (NRC)

Chairman	: Md. Neamul Hasan Kamal
Member	: Ms. Sung Wen Li Angela
Member	: Mr. Sung Wey Min
Member	: Md. Mahfuzar Rahman
Member Secretary	: Asraf Ali

SENIOR CORPORATE OFFICIALS

Chief Executive Officer	: Mr. Sung Wey Min
Director	: Ms. Sung Wen Li Angela
Chief Financial Officer	: Md. Mahfuzar Rahman
Company Secretary	: Asraf Ali
General Manager (Factory)	: Md. Nasir Uddin
Head of Internal Audit	: Mr. ATM Saiful Islam
Commercial Manager	: Golam Moula
Manager HR/Admin	: Md. Tofayel Ahmad

LEGAL ADVISOR

Barrister Mohammad Arife Billah
 The Lawyers Alliance
 M.L. Hotel Tower Ltd.
 10th Floor, 208 Shahid Sayed Nazrul Islam Sarani,
 Bijoy Nagar, Dhaka-1000.
 Phone: +88-02-9511379,
 Email: thelawyeralliance@gmail.com

STATUTORY AUDITORS

ATA KHAN & Co.
Chartered Accountants
67, Motijheel C/A., (1st Floor)
Dhaka-1000, Phones: 9560933, 9560716
Mobile: 01819-228521
E-mail Address: maqbul.ahmed@yahoo.com
Website Address: www.atakhanca.com

CORPORATE OFFICE

Plot # 224 -260, Extension Area, DEPZ, Ganakbari, Savar, Dhaka, Bangladesh
Tel: +88 02 7788980, Fax: +88 02 7788960-61
Email: info@ringshine.com

REGISTERED OFFICE & FACTORY

Plot # 224 -260, Extension Area, DEPZ, Ganakbari, Savar, Dhaka, Bangladesh

WEBSITE

www.ringshine.com

BANKERS

BRAC Bank Limited
City Bank Ltd
Dhaka Bank Ltd.
Dutch Bangla Bank limited
Eastern Bank Limited
HSBC
One Bank Ltd
Premier Bank Ltd
Prime Bank Limited
Standard Chartered Bank Ltd.
Uttara Bank limited
Woori Bank limited
SBAC Bank Ltd.

LISTING WITH

- Dhaka Stock Exchange Ltd. (DSE) on October 16, 2019
- Chittagong Stock Exchange Ltd. (CSE) on October 20, 2019

CORPORATE ACHIEVEMENTS

1. Year of Incorporation: 1997
2. Year of Commercial Operation: 1998
3. Year of Conversion to Public Limited Company: 2017
4. Year of Listing with Dhaka Stock Exchange Ltd. (DSE): 2019
5. Year of Listing with Chittagong Stock Exchange Ltd. (CSE): 2019
6. Authorized Capital: BDT 5,400 Million

PROFILE OF DIRECTORS

Mr. Sung Jye Min, Chairman

Mr. Sung Jye Min is a Singapore national. He is vastly experienced in Textile Industry and Leading RSTL with his innovative idea. He is well-reputed Businessman and highly qualified professional with proven record of success in marketing and project management. He visited many countries in connection with business and has gathered sufficient knowledge required to run a business smoothly and profitably.



Mr. Sung Wey Min, Managing Director

Mr. Sung Wey Min is a visionary entrepreneur investor and philanthropist. He is vastly experienced in the textile and dying sector. He is an Indonesian national with dynamic leadership quality. Under the leadership of Sung Wey Min, Ring Shine Textiles Limited enjoyed huge business growth. Mr. Min's innovative business idea and ability to respond promptly to the contemporary changes in modern era's fashion and tastes are the keys to the success of Ring Shine Textiles Limited. He is energetic and dynamic.



Ms. Hang Siew Lai, Director

Ms. Hang Siew Lai is spouse of Chairman and she is a Singapore national. She obtained her Diploma degree in business from Singapore. She was working with the Chairman for many years early in her career and experienced in the Textile and Garment industry



Mr. Hsiao Hai He, Director

Mr. Hsiao Hai He has proven capability of contributing values in Textile industries. He is 64 years old with dynamic leadership quality. He provides dynamic insights to the company's affairs, which is outstanding to accelerate the performance of RSTL.



Ms. Sung Wen Li Angela, Director

Ms. Sung Wen Li Angela is an Indonesian national. After completion of Graduation she has been working in Ring Shine Textiles Limited for many years. During the period, she gained business techniques in Yarn Dyeing, Spinning & Garments.



Mr. Sung Chung Yao, Director

Mr. Sung Chung Yao is an Indonesian national and Director of Ring Shine Textiles Limited. He has vast knowledge in textiles industry which is about 55 years. He made significant contribution to the development of Ring Shine Textiles Limited. He always hunts for better quality of products and maintain strong relations with the customers. He is an expert in the dyeing industry.

Ms. Sheao Yen Shin, Director

Ms. Sheao Yen Shin is an Indonesian national. She has been working in Ring Shine Textiles Limited for many years where she is contributing for the development of the company.



Mrs. Hsiao Liu Yi Chi, Director

Mrs. Hsiao Liu Yi Chi is a Taiwan national. She obtained her Diploma degree in Accounting from Taiwan. She worked many years early in her career in Textile industry. She has been contributing her gained knowledge in the company.

Mrs. Chuk Kwan, Director

Mrs. Chuk Kwan is spouse of Managing Director and she is a Singapore national. She obtained her BBM degree in business from Singapore. She worked with Managing Director for many years early in her career and experienced in the Textile industry.



**Md. Neamul Hasan Kamal, Independent Director**

Mr. Md. Neamul Hasan Kamal, aged 44, is the Independent Director of the Company. After completing MBA, he started his career in a multinational company engaged in Textiles and Garments industry. He is very much technical and efficient operating person in Textiles and Garments industry's manufacturing and marketing through 18 years of his career. He has visited many countries of the world in connection of business and has bagged to his credit a vast experience and knowledge in modern method, technology, production and Marketing & Management techniques of textiles industries by participating in several courses/seminars and visiting similar industrial concerns of the world.

Md. Hussain Shah Jawed, Independent Director

Mr. Md. Hussain Shah Jawed, aged 47, is the Independent Director of the Company. After completion of MBA, he worked in many reputed industries such as Textile and RMG sector. He is very much technical and efficient operating person in manufacturing and marketing of Textiles and Garments industry. He has gained vast experience and Knowledge in modern method, production and Marketing & Management techniques of textiles industries during his career of 21 years.

**Mohammad Monirul Hoque, Independent Director**

Mr. Mohammad Monirul Hoque, aged 44, is the Independent Director of the Company. After completion of his MBA degree, he engaged himself as internal audit & accounts in Garments and textiles industry. During his service career, he plays important roles in said department. By the course of time he became a department leader of industry with his skill and due leadership behavior. In course of time he became Independent Director of the concern. He is a man of target oriented, problem solving minded and properly equipped with modern tools & technique to challenge business environment and able to attain business object and goal.

AUDIT COMMITTEE REPORT

To:
The Board of Directors

From:
The Audit Committee

Subject: Report of the Audit Committee for the financial year 2018-2019.

Ring Shine Textiles Limited having an Audit Committee as a sub-committee of the Board of Directors in order to assist the Board in ensuring true and fair view of financial statements and a good monitoring system within the business.

The Audit Committee consists of the following persons:

Chairman	: Mohammad Monirul Hoque, Independent Director
Member	: Hang Siew Lai, Director
Member	: Chuk Kwan, Director
Member Secretary	: Asraf Ali, Company Secretary

The committee has worked closely with the company's financial team to ensure that the audit processes adopted in connection with the financial statements are deal with best practice. The committee was empowered to examine the matter related to financial and other affairs of the Company. This committee ensures a sound financial reporting system and updated information to the Board of Directors.

The committee normally meets in the next month of every quarter. During the year 2018-2019, Audit Committee meetings were held, the details of attendance of each member at the Audit Committee meetings are as follows:

Name of The Member	Number of Audit Committee Meeting Held	Attended
Mohammad Monirul Hoque	5	5
Hang Siew Lai	5	5
Chuk Kwan	5	5
Asraf Ali	5	5

The Audit Committee of Ring Shine Textiles Ltd. oversees the financial reporting process on behalf of the Board of Directors of the Company. The committee reviewed and discussed the financial statements and related schedules with the Company management, accounting principles, control procedures, procedure and task of the internal audit and the external auditors' observations in their reports on the draft financial statements and significant judgment on the preparation & presentation of financial reports of the Company for the financial year ended on 30th June, 2019.

In fulfilling its oversight responsibilities, the Committee discussed with the Company's internal Auditors and Statutory Auditors about the overall scope and plans for their respective audit works. The Committee met with internal auditors, external auditors and management to discuss for the results of their examinations and for their evaluation of the Company's internal control and overall quality of the Company's financial reporting.

The Audit Committee is of the view that the internal control and procedures are adequate to present a true and fair view of the activities and financial status of the Company, and did not find any significant material deviation, discrepancies or any adverse findings/observation in the areas of reporting and disclosures.

Dated: Dhaka,
The 25th October 2019

On behalf of the Audit Committee

Sd/-
Mohammad Monirul Hoque
Chairman

DECLARATION BY MD & CFO'S TO THE BOARD OF DIRECTORS

28 October 2019

The Board of Directors
Ring Shine Textiles Limited
Plot # 224-260, East DEPZ,
Ganak Bari, Savar,
Dhaka-1349.

Subject: Declaration on Financial Statements for the year ended on 30 June, 2019.

Dear Sirs,

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

- (1) The Financial Statements of Ring Shine Textiles Limited for the year ended on 30 June, 2019 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no materials uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

- (i) We have reviewed the financial statements for the year ended on 30 June, 2018 and that to the best of our knowledge and belief:
 - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sd/-
Sung Wey Min
Managing Director

Sd/-
Mahfuzar Rahman
Chief Financial Officer

Message from the Chairman

Dear Shareholders,
Good Morning!

On behalf of the Board of Directors of the company, it is my great privilege and honor to present you the Directors' Reports together with the Financial Statements and Auditors' Report thereon for the year ended on 30 June 2019 in this 22nd Annual General Meeting of Ring Shine Textiles Ltd.



During the financial year ended on 30 June 2019, Ring Shine Textiles Limited among other companies in the country's textiles sector experienced a difficult situation. The company equitably achieve its target profit in 2018-19 as compared to the immediate past financial year. The operating results had marginally decreased from the previous financial year ended on 30th June 2018 by 6.25 crore from 55.42 crore to 49.16 crore primarily due to gaining competitive advantage over confronted price cut by competitors' as well as a slight decline in revenue. Though the year of 2018-2019 had a reasonably calm socio-political atmosphere except for a few industrial disasters and worker's agitation having negative impact on financial results of many enterprises. Bangladesh's export earnings from garments reached its peak of \$ 34.13 billion in 2018-19 from \$ 30.61 billion in the fiscal year 2017-18 showing almost 11.50% growth from the most recent financial year. China's share of garment and apparel market counts almost one-third of the Global market leaving it first position in that sector whereas Bangladesh garment and apparel products counts almost 6.50% of global market registering 2nd position indicating a huge potential for capturing new market by attracting entrepreneurs as Chinese businesses are shifting their operation elsewhere around the globe. Ever-changing business environment like, digital disruption, changing customers' need & expectation, climate change and continuous change in cost structure are posing challenges to remain competitive in this era of fourth industrial revolution. Company's sales and profitability have been decreased slightly in the year of 2018-2019 comparing to the previous year because of increasing competitive pressure encountered in national & international market. We hope the current business scenario in Bangladesh will improve if timely, proper and adequate measures can be taken by government to attract & accommodate new investment and facilitating congenial business atmosphere. Though Bangladesh has capitalized least on the benefits of recent trade war between China & U.S.A as compared to competing countries like, Vietnam, Cambodia, Ethiopia, The Philippine, and Myanmar in capturing the market share shifted from China due to relocation of operation from higher cost to lower cost countries, growing trends in export earnings encourage entrepreneurs to take new ventures with the hope of gaining more market share, entering new market places, diversified into more value adding products.

Capitalizing on the management expertise it has gained through its life, Ring Shine Textiles Ltd. will go beyond the horizon by continuous development of existing operation as well as employing diversification strategy by establishing new denim project to retain existing market and to create and capture new market for its products. We are hopeful for better return of our stakeholders in the days to come despite of all the obstacles and challenges to face by converting those into opportunities.

ANNUAL REPORT 2018-2019

I would like to express my sincere thanks to our respected shareholders for extending continuous support and confidence on the Board of Directors of the Company. I would also like to place on record my appreciation of thanks to our bankers and financial institutions, BEPZA, BSEC, DSE, CSE, RJSC, Suppliers, Customers and other stakeholders with whom we have been interacted in course of business for their continuous support throughout these challenging times. The success we have achieved so far was only possible because of the collective efforts of all concerned. Once again, I convey my heartiest thanks to all our stakeholders and look forward their continued support and co-operation in future.

Finally, my gratitude goes out to each and every loyal staff and management team member of the company for their efforts despite adverse external factors, to sustain high service levels and support the company with their hard work, dedication and loyalty.

Thanking you all with wishes of healthy and prosperous life.



Sung Jye Min
Chairman
Ring Shine Textiles Limited

MESSAGE FROM THE MANAGING DIRECTOR & CEO

Dear Shareholders, Ladies & Gentlemen
Good Morning,

Respected Directors, Shareholders, Guests, Media Representatives, it is an admirable indulgence for me to greeting you all to the 22nd Annual General Meeting of your Company and to present the Annual Report before you for the financial year ended on 30th June, 2019.



The Year 2018-2019 has ended with immense expectation and needs for all of us-entrepreneurs, investors, stakeholders and shareholders significantly. It would be our individual as well as group responsibility to fulfill our commitments in our own sphere of activities, that the nation may attain its expected goals leading to extinction of poverty, employment for all, raised bar of living standard for the mass population through our part of contribution to the GDP considering the overall Economy of the Nation.

Now, I would like to highlight some points for your kind information and understanding. The financial period of 2018-2019 was a challenging year for the Company. In the year ended 30th June 2019, the operating results had stayed alike as the previous year. Although the socio political environment has not posed significant vulnerability to the overall business environment, textiles industry has suffered much by confronting price cut by neighboring, competing countries. Strategies in response to those price fluctuation and lightly, the overall competitive market forces, particularly cost of inputs are the key drivers for these financial results in the most recent financial year 2018-19. Facilitation of congenial business environment by government enable us to produce more, market the goods and contribute to the national economy by foreign exchange.

Business Results:

The company's performance metrics emphasize three priorities for improving shareholders value: growth, leverage and returns. The company's priority of growth focus on sales growth; the priority of leverage encompasses the company's metric to increase our operating result at a faster rate than the growth in net sales by growing our operating, selling, general and administrative expenses at a slower rate than the growth of our net sales; and the priority of returns focuses on how efficiently the company employs our assets through return on investment (ROI) and how effectively the company manages working capital through free cash flow. Your company's sales and profitability have been decreased in the year ended on 30th June 2019 comparing to the previous year because of increased production cost by almost 1%, decline in price of goods sold in the marketplace. Details are given elsewhere in this Annual Report; here I will only summarize our business outcome for the year ended on 30th June 2019 where Sales were TK. 982.37 Crore; Gross Profit stood at Tk. 100.67 Crore and Net Profit Tk. 49.17 Crore.

Business Expansion:

Bangladesh has the great potential to be the destination of entrepreneurs for establishing manufacturing facilities and to cater wider market segment around the globe by capitalizing on the benefits expected to arise from the US-China trade war. In pursuit of growth & expansion, Ring Shine textiles Limited is going to expand its operation by diversifying into denim products by investing almost 96.40 crore from the funds just being raised through initial public offering (IPO). I hope RSTL will be the first choice for investing money as management of RSTL is always striving for the better return of its stakeholder's.

Marketing & Promotion:

A dedicated team of highly experienced marketing personnel are engaged in marketing your company's products to the existing market as well as to create new market by promotional activities. Improved network among traders and consumers have made potential for our marketing panel to continue the market base. This has become possible due to our commitment to the customers and continuous effort to improve on quality of products and services. We hope to carry on our endeavor through the year ahead with more speed and competency.

Environmental & Ecological Obligation:

You are entirely aware that maintaining suitable environmental and ecological balance is very important for a healthy society & nationalized improvement. We are evenly concerned and have been patiently pursuing the principle of maintaining appropriate environment, reducing environmental pollution and established a zero tolerance policy in order to make sure that we become environment friendly, not destroyers. We strongly believe that a healthy society can bring out the best for society.

Acknowledgements:

The world economy is struggling hard to rehabilitate and revive financially. As you know, our revenue is generated from exporting, and due to the unbalanced global factors we faced difficulties in marketing our products on a regular basis. However, we have set on a mission of Globalization using all of our experience, expertise and know-how developed in Bangladesh over the years. We are growing our perspective and we can attain this with our spiritual strength on our people and skill.

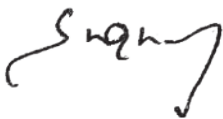
Conclusion:

I would like to express my wholehearted thanks to all of our shareholders, executives and officers for extending their continuous support & contribution and patronize in our future endeavor.

I would also like to thanks to our bankers and financial institutions, BEPZA, BSEC, DSE, CSE, RJSC, Suppliers, Customers and other stakeholders with whom we have been interacted in course of business for their continuous support throughout these challenging times.

I whole heartedly hope and pray to the creator to help us achieving our objects and lead us to a profitable and respectable future.

Thanking you all for your kind participation.



Sung Wey Min
Managing Director
Ring Shine Textiles Limited

DIRECTORS' REPORT

Bismillahir Rahmanir Rahim,
Dear Shareholders,
Assalamu Alykum,

On behalf of the Board of Directors of your company, I welcome you all to the 22nd Annual General Meeting of Ring Shine Textiles Limited. We, the members of the Board are pleased to present Directors' Report, Auditors' Report along with the Audited Financial Statements for the financial year ended on 30th June 2019 before you for your consideration and approval. In terms of provisions of section 184 of the Companies Act 1994, Rule 12 (and the schedule there under) of the Securities and Exchange Rules 1987 and IAS-1 (International Accounting Standards-1) codes as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), these reports have been prepared and being presented before the shareholders for the financial year ended on 30th June 2019.

Principal Activity: The Company is engaged in production of Acrylic yarn, Fancy yarn, and Cotton yarn, Polar Fleece, CVC/TC Fleece, and Cotton Fleece.

Company's Operational Activity:

The Company's production capacity, actual production along with capacity utilization during the last five years of operation are summarized below:

Particulars		2018-2019	2017-2018	2016-2017	2015-16 18 Months	2014
Dyed Yarn- Acrylic & Cotton based	Production Capacity	27,540,000	27,540,000	27,540,000	41,310,000	23,360,000
	Actual Production	22,105,421	22,541,876	19,040,000	26,096,045	17,548,840
	% of Capacity Utilization	80.27%	81.85%	69.14%	63.17%	75.12%
Spinning - Acrylic Yarn	Production Capacity	5,100,000	5,100,000	5,100,000	7,650,000	5,100,000
	Actual Production	4,952,401	4,967,142	4,865,240	6,579,122	4,848,252
	% of Capacity Utilization	97.11%	97.39%	95.40%	86.00%	95.06%
Fleece Fabric Knitting	Production Capacity	12,160,000	12,160,000	12,160,000	18,240,000	11,250,000
	Actual Production	9,405,217	9,354,184	8,955,940	12,720,673	8,485,782
	% of Capacity Utilization	77.35%	76.93%	73.65%	69.74%	75.43%
Fleece Fabric Dyeing & Finishing	Production Capacity	13,000,000	13,000,000	13,000,000	19,500,000	12,500,000
	Actual Production	8,741,564	8,971,542	8,841,268	11,505,792	6,347,552
	% of Capacity Utilization	67.24%	69.01%	68.01%	59%	50.78%

1. COST OF PRODUCTION:

The cost of production has varied during the past years primarily due to wide fluctuations in the price and availability of raw materials, packing materials, fuel & power, and spare parts which were beyond the control of Management. The level of costs and their incidences are given below:

b) Cost of Production (BDT)	2018-2019	2017-2018	2016-2017	2015-16 18 Months	2014
Raw Materials Consumed-yarn	4,317,277,075	4,131,744,110	2,973,081,443	4,238,200,824	3,176,168,321
Raw Materials Consumed-Acrylic Tow	919,098,016	988,540,636	1,198,764,512	1,519,374,440	910,263,158
Raw Materials Consumed-Yarn for Polar Fleece	1,530,898,048	1,611,673,246	1,577,759,856	2,291,978,531	1,228,916,820
Raw Materials Consumed-Chemicals	282,081,873	315,924,748	293,226,454	435,365,837	253,625,294
Raw Materials Consumed-Dyestuff	119,054,666	139,392,326	136,006,932	222,250,834	120,124,387
Packing Materials Consumed	46,431,204	43,696,694	39,116,742	51,831,237	25,937,404
WIP-Opening	127,641,530	125,406,394	143,989,122	136,525,919	148,269,196
WIP-Closing	179,836,405	127,641,530	125,406,394	143,989,122	136,525,919
Manufacturing Overhead (Excluding depreciation)	1,213,390,055	1,195,727,874	1,063,951,349	1,461,394,999	766,272,028
Depreciation	457,723,490	466,810,838	473,079,475	739,427,123	532,595,152
Total	8,833,759,552	8,891,275,336	7,773,569,491	10,952,360,622	7,025,645,841

(i) Industry outlook and possible future developments in the industry:

RMG is the largest contributing sector to the export earnings of Bangladesh counts almost 84% of merchandise export. During the immediate past fiscal year 2018-19 Bangladesh exports merchandise amounting to \$40.53 billion of which \$34.13 billion from this sector. This is also the 2nd largest of the global garment and apparel market, accounts for almost 6.40% of the total. We are next to China, which is the global market leader achieved almost one-third of the global market share. So, there is a huge gap between the highest (China) and the immediate competing country like Bangladesh has potentials to cover up more market share from the benefits of US-China trade war. Textiles sector of Bangladesh is growing year-on-year basis, although it is slower than the other competing countries in this sector. It is expected that the growth trend will continue under the prevailing market conditions and greater growth potential is largely depends upon the capability of gaining competitive advantage from the US-China trade war. As your company is currently engaged in producing and marketing of mainly Sweaters products which is growing up significantly by achieving exports earning of \$ 4.25 billion in the year of 2018-19 from \$ 3.67 billion in the financial year 2017-18 accounts for almost 15.82% increase indicates potential for development in this segment of garment industry of Bangladesh. In the last couple of years Sweater manufacturing wing of this country has upgraded machinery and technology along with significant improvement in safety standard. Beside this, Extended Winter season in the western countries due to climate change creating more demand for winter clothes may impact our Sweater market positively. Despite the historical growth of this industry and its bright prospects, challenges are still there. However, we always believe in building capacities so that challenges can be turned into opportunities. If they are addressed with steely determination and pragmatic steps and such instances are galore in our history.

(ii) Segment-wise or product –wise performance:

The following table indicates revenue of major products and its contribution percentage for the last two comparative periods:

Products	12 months ended 30-06-2019		12 months ended 30-06-2018	
	Taka	Percentage	Taka	Percentage
Acrylic Yarn	7,025,064,268	71.51%	7,085,335,033	70.89%
Polar Fleece	2,798,635,027	28.49%	2,910,006,855	29.11%
Total	9,823,699,295	100.00%	9,995,341,888	100.00%

(iii) Risks and concerns:

As you know your company is producing and marketing intermediary goods for the domestic exporters receiving orders from international retail brands around the globe, demand for our products is largely depend upon the performance of the respective exporters. Beside this, market demand for our products may fluctuate on the basis of change in consumption pattern, taste, fashion and technology. In addition to this, emerging market economies like Vietnam, Cambodia, Indonesia, Myanmar, and Ethiopia etc. posing challenges for us as competitive rivalry which is evidenced in the most recent global market statistics. All sectors of the garments and textile industries face many of the same challenges. The main problems are lack of supply of power and increasing cost of power & energy along with other factors of production which may cause to lose competitiveness in the international market. Labor unrest is another concern for this industry causing disruption of production.

(iv) Analysis of Cost of Goods sold, Gross Profit Margin and Net Profit Margin:**(a) Cost of Goods Sold:**

Cost of Goods Sold (COGS) is the expenses a company incurred in order to manufacture, create or to sell a product. It includes the purchase price of the raw materials as well as the expenses of turning it into a finished product. The Cost of goods sold for the 12 months period ended on 30.06.2019 was Tk. 8,817.03 million as compared to the immediate past 12 months period ended on 30.06.2018 of Tk. 8,879.50 million. Production capacity utilized during the same period ended 30.06.2019 was 80.27% whereas 81.85% during the 12 months ended on 30.06.2018 for Dyeing of yarn – Acrylic and Cotton based, 97.11% from 97.39% for Spinning of Acrylic yarn, the capacity utilization stands at 77.35% from 76.93% for Knitting of Fleece fabric and to 67.24% from 69.01% in the last financial year, 2017-2018 for Dyeing and Finishing of Fleece fabric. More of the 0.70% decrease in Cost of Goods Sold (COGS) from the last financial year mostly accounts for the slight decrease in capacity utilization as compared to the previous year.

(b) Gross Profit:

Gross Profit is the difference between sales and the cost of goods sold.

Gross Profit = (Sales-Cost of Goods Sold)

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

Gross Profit Margin % = (Gross Profit/Sales) X 100

The company has achieved an export turnover of Tk. 9,823.70 million during the 12 months ended 30th June, 2019 which was Tk. 9,995.34 million in the last year. The decrease in turnover is 1.72% compared to the previous year mainly due price competition among its peer companies in the industry as well as increased cost of inputs. The Gross Profit Margin (GP) % has decreased by around 0.92% from 11.16% to 10.25% in respect of immediate past financial year counts for the same reason as the decline in sales. Gross profit earned during the 12 months ended 30th June, 2019 was Tk. 1,006.67 million as compared to last year's gross profit of Tk. 1,115.85 million.

Net Profit:

Net Profit is calculated by subtracting expenses including Tax from the gross profit, showing what the business has earned (or lost) in a given period of time.

Net Profit= Gross Profit-Expenses with Tax

Operating profit is reduced by 1% leaving 0.08% increase in operating expenses to 1.50% from 1.42% of sales as compared to last fiscal year. The Net Profit Margin lightly reduced by 0.54% from 5.54% to 5% of sales in the respective year after offsetting of 0.46% of 1% decline in operating profit due to the reduced financial expenses and impact of non-operating income. The company earned after tax profit for the financial year 2018-2019 is Tk. 491.68 million as compared to last year's Net profit (after tax) of Tk. 554.24 million.

(v) Extra-Ordinary gain or loss:

There is no extraordinary gain or loss occurred during the reporting period.

(vi) Business Transaction with Related parties

Name of related parties	Types of transaction	Total amount
1. Shine Fashion Ltd.	Export	1,506,294,737
2. Avant Garde Fashion Ltd.	Export	911,830,370

Related Party Transactions are depicted in Note No. 32.00 in the Notes of Accounts.

(vii) The Company has no any issue of utilization of proceeds raised through public issues, rights issues and/or any other instruments during the year ended 30 June 2019 except the IPO Expenses as depicted in Note No. 24.00 in the Notes of Accounts, the company is in the process of raising Tk. 150 crore through Initial Public Offering (IPO).

(viii) There is no such scope and event of deterioration of financial results of the company after Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc. in the reporting period because the company could not complete the process of going public by the year ended 30 June 2019.

(ix) Variance between Quarterly Financial performance and Annual Financial Statements:

There is no significant variance between the Quarterly Financial performance and Annual Financial Statements.

(x) Remuneration to directors including independent directors:

The remunerations of Directors for the 12 months period ended 30.06.2019 are as follows:

Name	Status	Remuneration	Board Meeting fees	Total
Mr. Sung Wey Min	Managing Director	1,785,718	8,000	1,793,718
Mr. Sung Jye Min	Chairman	1,135,340	6,000	1,141,340
Ms. Hang Siew Lai	Director	-	6,000	6,000
Ms. Sung Wen Li Angela	Director	2,041,864	7,000	2,048,864
Mr. Sung Chung Yao	Director	-	6,000	6,000
Mrs. Sheao Yen Shin	Director	-	7,000	7,000
Mrs. Hsiao Liu Yi Chi	Director	-	5,000	5,000
Mrs. Chuk Kwan	Director	-	7,000	7,000
Md. Hussain Shah Jawed	Independent Director	-	6,000	6,000
Md. Neamul Hasan Kamal	Independent Director	-	5,000	5,000
Mohammad Monirul Haque	Independent Director	-	5,000	5,000
Total		4,962,922	68,000	5,030,922

Remuneration of Directors including Independent Directors have been shown in Note no. 32 in the Notes of Accounts.

(xi) Statement of Directors on Financial Reports:

- The financial statements of the company prepared by the management 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 that 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 preparation of the financial statements and any departure there-from have been adequately disclosed.
- The management of the company has designed, effectively implemented and monitored a sound system of internal control.
- There are no significant doubts upon the company's ability to continue as a going concern.

(xii) Deviation from the last year's operating results:

The operating results for the year under consideration have been decreased as compared to the last year's financial performance mainly due to responding to the price cut of its peer companies in this industry and increasing trend of cost of inputs used in the production process. Sales revenue stood at Tk. 982.37 crore from Tk. 999.53 in the last year resulting in decline of 1.72%. Gross profit margin declined to 10.25% in 2018-19 from 11.16% in the year ended on 30 June 2018. Net profit margin decreased by almost 0.54% from the last due to the same reason. The Board perceived this deviation is not significant and unusual in the context of current situation in the domestic and international market. On the other hand, cash flow for the year was improved which is reflected in Net Operating Cash Flow Per Share reached to Tk. 1.80 as compared to the previous year of Tk. 0.05. Above all the company would be able to operate more competitively in the coming days by diversifying its operation beyond its existing operation.

(xiii) Key operating and financial data of last preceding 5 (five) years:

Operational Data:

Particulars	Year Ended On				
	30.06.2019	30.06.2018	30.06.2017	30.06.2016 (18 Months)	31.12.2014
Turnover (Tk)	9,823,699,295	9,995,341,888	8,812,496,183	12,494,804,476	7,930,253,516
Gross Profit (Tk)	1,006,672,754	1,115,846,003	1,052,581,321	1,527,271,512	894,254,047
Net Operating Profit (Tk)	574,735,157	647,352,280	595,087,837	822,542,850	412,461,506
Net Profit before tax (Tk)	579,596,328	653,487,166	601,719,854	831,985,675	420,053,514
Net Profit after tax (Tk)	491,684,645	554,237,114	510,135,473	705,299,259	355,337,285
Net Profit for ordinary shareholders	491,684,645	554,237,114	510,135,473	705,299,259	355,337,285
Basic EPS (Tk) – (Restated)	1.72	1.99	1.84	2.55	1.28
Dividend per share (%) (Stock)	15%	0%	0%	0%	0%

(xiv) Key operating and financial data of last preceding 5 (five) years:

Financial Data:

Particulars	Year ended as on				
	30.06.2019	30.06.2018	30.06.2017	30.06.2016 (18 months)	31.12.2014
Authorized Capital (Tk)	4,400,000,000	2,900,000,000	500,000,000	500,000,000	500,000,000
Paid up Capital (Tk)	2,850,548,200	2,850,548,200	99,500,000	99,200,000	99,200,000
Face value per share (Tk)	10	10	10	1,000	1,000
Retained Earnings (Tk)	4,240,497,071	3,754,039,926	3,199,802,812	2,689,667,339	1,984,368,080
Current Assets (Tk)	6,528,023,891	5,932,562,724	5,059,109,254	4,876,797,977	3,862,121,567
Current Liabilities (Tk)	4,925,977,614	4,940,877,235	4,634,798,020	5,019,538,455	5,150,354,069
Current Ratio	1.33	1.2	1.09	0.97	0.75
Quick Ratio	0.69	0.6	0.5	0.47	0.37
Debt-Equity Ratio	0.52	0.57	1.03	1.29	1.68
Time Interest Earned Ratio	3.35	3.25	3.1	2.98	2.39
Return on Assets	3.99%	4.76%	4.57%	6.56%	3.50%
Return on Equity	7.18%	11.19	16.76	28.95%	18.64
Earnings per share	1.72	1.99	1.84	2.55	1.28
Dividend per share	15%	-	-	-	-
Inventory Turnover	2.93	3.17	3.02	5.12	4.34
Asset Turnover	0.8	0.86	0.79	1.16	0.78
Number of Shares	285,054,820	285,054,820	9,950,000	99,200	99,200

(xv) Declaration of Dividend: The Board of directors recommended 15% stock dividend for the year ended 30 June 2019.

(xvi) Interim Dividend: The Board of Directors confirm that no bonus share or stock dividend has been declared as interim dividend and of the opinion that shall not be declared any stock or bonus share as interim dividend in future.

(xvii) Number of Board Meetings:

The Board met 8 times during year ended 30 June 2019. Following table shows the attendance of Directors in the meeting:

Name of the Director	Position	Number of Meeting Held	Number of Meeting Attended
Sung Jye Min	Chairman	8	6
Sung Wey Min	Managing Director	8	8
Hang Siew Lai	Director	8	6
Sung Wen Li Angela	Director	8	7
Sung Chung Yao	Director	8	6
Sheao Yen Shin	Director	8	7
Hsiao Liu Yi Chi	Director	8	5
Chuk Kwan	Director	8	7
Md. Hussain Shah Jawed	Independent Director	8	6
Md. Neamul Hasan Kamal	Independent Director	8	5
Mohammad Monirul Hoque	Independent Director	8	5

The members who could not attend the meeting were granted leave and outside of the country.

(xviii) The pattern of shareholding:

a) Parent/ Subsidiary/ Associated Companies and other related parties

Number of shares held: Ring Shine Textiles Limited (RSTL) has no parent/subsidiary/associated relationship with any other entity except other related party relationship. As RSTL has no investment in other entities and neither entity has investment in RSTL. Other related party relationship exist on account for common management involvement.

b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance and their spouses and minor children:

Name	Position	Number of shares held
Sung Jye Min	Chairman	14,893,750
Sung Wey Min	Managing Director	18,591,650
Hang Siew Lai	Director	14,790,000
Hsiao Hai He	Director	14,651,900
Sung Wen Li Angela	Director	14,938,450
Sung Chung Yao	Director	14,785,000
Sheao Yen Shin	Director	14,771,800
Hsiao Liu Yi Chi	Director	14,883,700

Name	Position	Number of shares held
Chuk Kwan	Director	14,927,970
Md. Neamul Hasan Kamal	Independent Director	-
Md. Hussain Shah Jawed	Independent Director	-
Mohammad Monirul Hoque	Independent Director	-
Asraf Ali	Company Secretary	-
Md. Mahfuzur Rahman	Chief Financial Officer	-
ATM Saiful Islam	Head of Internal Audit and Compliance	-
Other than above, none of the spouse and minor children hold any shares of the company		

c) Executives:

Number of shares held

: Nil

d) Shareholders holding ten (10%) or more voting interest in the company:

Currently none of the shareholders holding ten (10%) or more voting interest in the company.

(xix) Appointment/ re-appointment of directors of the company:

Retirement: Following Directors will retire in the AGM:

1. Mr. Sung Jye Min, Chairman,
2. Mr. Sung Wey Min, Managing Director,
3. MDM Hang Siew Lai, Director and
4. MDM. Chuk Kwan, Director will retire.

Appointment/Re-appointment:

1. Mr. Sung Jye Min, being eligible offering himself for re-election as Director and Chairman.
 2. Mr. Sung Wey Min, being eligible offering himself for re-election as Managing Director.
 3. MDM Hang Siew Lai being eligible offering herself for re-election as Director. and
 4. MDM. Chuk Kwan being eligible offering herself for re-election as Director.
- a) a brief resume of the director- presented elsewhere in the annual report
 - b) Nature of his or her expertise in specific functional areas- presented elsewhere in the annual report.
 - c) Name of companies in which the person also holds the directorship and the membership of committees of the Board:

(xx) Director's involvement in other companies:

Sl.	Name	Designation in RSTL	Directorship/Ownership with Other Companies	
			Companies	Position
1	Sung Jye Min	Chairman	Avant Garde Fashion Ltd.	Chairman
2	Sung Wey Min	Managing Director	Shine Fashion Co. (Pvt.) Ltd.	Director
			Universe Knitting Garments Ltd.	Chairman
3	Hang Siew Lai	Director	Avant Garde Fashion Ltd.	Director
4	Hsiao Hai He	Director	Shine Fashion Co. (Pvt.) Ltd.	Director

(xxi) Auditors:

a) Auditors for the year ended 30th June 2019, ATA KHAN & CO., Chartered Accountants retired after completing the audit for the year ended 30th June 2019 and Shiraz Khan Basak & Co., Chartered Accountants expressed their interest for appointment as Auditors for the year ended 30th June 2020 with an honorarium as per fees structure of the ICAB.

b) Mujibur Rahman & Co., Cost & Management Accountants acted as auditors to audit compliance conditions on the Corporate Governance code for the financial year ended 30th June, 2019 and reported accordingly. Mujibur Rahman & Co., Cost & Management Accountants expressed their interest for re-appointment as auditors to audit compliance conditions on the Corporate Governance code for the financial year ended 30th June, 2020 with an honorarium Tk. 30,000/- (taka thirty thousand) only.

(xxii) Corporate Governance Compliance Report:

In accordance with the requirement of the Bangladesh Securities and Exchange Commission, Corporate Governance Report is annexed.

(xxiii) GOING CONCERN:

The Directors consider that the Company has adequate resources to remain in operation for the foreseeable future and has therefore continued to adopt the going concern basis in preparing the financial statements.

(xxiv) INTERNAL CONTROL SYSTEM:

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Board.

(xxv) MINORITY SHAREHOLDERS' PROTECTION:

The Board is and shall be committed to respect the rights of the minority shareholders to voting, right to information, dividends and appraisal of any alteration in Memorandum and Articles.

(xxvi) MANAGEMENT DISCUSSION AND ANALYSIS:

The Board of Directors converse on issues like decrease in revenue, increase in cost of goods sold, decline in gross and net profit margin. The Board also takes instant actions on the inquiry as required. A detailed report on discussion in the regard is comprised in the report.

(xxvii) SUBSEQUENT EVENTS:

There is no subsequent event after the date of balance sheet and till the date of this report which could affect the ability of the users of these financial statements to make an appropriate evaluation.

(xxviii) AUDIT COMMITTEE:

The Board has constituted the Audit Committee as follows:

Chairman	: Mohammad Monirul Hoque
Member	: Hang Siew Lai
Member	: Chuk Kwan
Member Secretary	: Asraf Ali

During the reporting period under review, the Committee held five meetings. A detailed of the roles and activities of the Audit Committee has been provided in “The Report of The Audit Committee”.

(xxix) NOMINATION AND REMUNERATION COMMITTEE (NRC):

Nomination and Remuneration Committee (NRC) has been formed as follows 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) within 31 December 2018.

Chairman	: Md. Neamul Hasan Kamal
Member	: Ms. Sung Wen Li Angela
Member	: Mr. Sung Wey Min
Member	: Md. Mahfuzar Rahman
Member Secretary	: Asraf Ali

(xxx) CONTRIBUTION TO NATIONAL EXCHEQUER:

Being a responsible business entity, Ring Shine Textiles Limited is contributing and facilitating to Government’s revenue. In the reporting period, we have contributed significant amount in this regards.

(xxxi) CORPORATE SOCIAL RESPONSIBILITY (CSR):

Over the years, your company’s commitment to Corporate Social Responsibility (CSR) activities is part and parcel of the Company’s business model. Your Company has been contributing to the welfare of the community, research and development and protection of environment.

(xxxii) WEBSITE:

Company maintains a website named “www.ringshine.com” which is linked with the websites of the stock exchanges of Bangladesh and it is functional from the date of listing and all disclosures and financials are available in the website of the company.

(xxxiii) HUMAN RESOURCES:

Human Resources are a fundamental asset across the entire business model. The development of the company builds its competitive advantage on the skills and commitment of its employees, promoting and rewarding pro-activity, goal orientation and teamwork. The HR Department of your company operates with specific policy, manual and plan which is approved by the Board of Directors. We provide on-the-job training and development opportunities to enhance our employees’ carrier progression. Through different training, staff’s professional knowledge in corporate operations, occupational and management skills are enhanced. Ring Shine Textiles Limited is an equal opportunity employer and does not discriminate on the basis of personal characteristics.

Company has employee handbooks outlining terms and conditions of employment, expectations for employees' conduct and behavior, employees right and benefits. We establish and implement policies that promote a harmony and respectful workplace.

(xxxv) CODE OF CONDUCT:

The underlying philosophy of Ring Shine Textiles Limited's Code is to conduct the business in an ethical manner as well as to create a work environment that is conducive for members and stakeholders alike, based on the Company's values and beliefs. Code of Conduct for Board of Directors was framed and followed accordingly in discharging their duties and responsibilities.

(xxxvi) DIRECTORS' RESPONSIBILITIES STATEMENT

Pursuant to the BSEC notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 the Directors confirm that:

- i) The financial statements prepared by the management of Ring Shine Textiles Limited fairly present its state of affairs, the result of its operations, cash flows and changes in equity.
- ii) Proper books of Account of the company have been maintained.
- iii) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- iv) International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS) as applicable in Bangladesh have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed.
- v) The system of internal control is sound in design and has been effectively implemented and monitored.
- vi) There are no doubts upon the Company's ability to continue as a going concern and the accounts have been prepared on going concern basis.
- vii) The significant deviations from previous period in the operating results of the company have been highlighted in the report and the reasons thereof have been explained.
- viii) The key operating and financial data of last 5 years have been disclosed in this report.
- ix) The number of Board Meeting held during the reporting period and the attendance by each director have been disclosed in this report.
- x) The pattern of shareholding is disclosed in in this report.
- xi) A compliance status report with requirements of Corporate Governance as required by BSEC is disclosed in Corporate Governance Report and is disclosed in in this report.

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xii) Directors' profile is attached in this report and their directorship and business interest in other organizations have been disclosed adequately.

APPRECIATION:

The board of directors wishes to place on record their appreciation of thanks to shareholders, customers and suppliers for their continued support. Your Directors also wish to place on record their appreciation for the contribution made by the employees at all levels to the continued growth and prosperity of the company.

The Board would also like to thanks all stakeholders including banks, Insurance Companies, BEPZA, BSEC, DSE, CSE, CDBL, RJSC and various government authorities, trade bodies for their extended co-operation.

We look forward to brighter future for all of us.

On behalf of the Board



Sung Jye Min
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW 2018-2019:

Let us present before you a short review on the total operational and financial performance of your company from 01 July 2018 to 30 June 2019.

ECONOMIC OUTLOOK:

RMG sector is the driving force for growth of Bangladesh's economy in respect of merchandise exports. According to Bangladesh Garment Manufacturers and Exporters Association (BGMEA), the RMG sector's contribution to GDP was 11.17% in the fiscal year of 2017-18. But not long before in the fiscal year of 2013-14, the sector contributed 14.17% IN GDP which indicates a decrease by 3%.

In FY2018, Bangladesh's total GDP was TK.22,504,793 million where RMG sector's contribution was TK.2,513,471 million. Although the overall GDP has increased by 7.86% where the service sector contributed the highest to GDP which was 52.11%. RMG sector's sector contribution isn't increasing comparing to the last few years.

Lack of diversified products and sluggish private investments are the root causes of this negative trend in the apparel sector. Export earnings from the textile sector is mainly dependent on four to five basic products such as T-shirts, sweaters and other knit products.

To solve this problem, experts are strongly suggesting to focus on manufacturing value-added products and new foreign investments. Bangladesh won't be able to stay long as a strong competitor in the global market because of its low-cost labor advantage.

Despite all of these problems and challenges, Bangladesh's exports earnings from sweater products have registered 15.82% growth to \$4.25 billion in the last fiscal year.

According to Export Promotion Bureau (EPB) data, in the fiscal year 2018-19, Bangladesh earned \$4.25 billion from sweater export, which is 15.82% higher compared to \$3.67 billion the FY18. Sweater manufacturers and trade analysts have opined that technological upgradation has contributed a lot to increase the exports earnings, while extended winter expedite the growth.

However, the profits margin has slowed down as the production cost went up, while buyers are not increasing prices rather cutting. To achieve the \$50 billion export target Bangladesh will have to earn \$10 billion in the next years as speculated by the industry insiders. Still Bangladesh remains the world's second largest garment exporter.

ACCOUNTING POLICIES AND CHANGES:

The specific accounting policies selected and applied by the company's directors for significant transactions and events that have material effect within the framework of IAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the period and were also consistent with those used in earlier periods.

For a proper understanding, these accounting policies are set out in a detailed statement in Note No: 3.00 of the Accounts.

FY 2019 Financial Performance and Position:

The discussions in this section relate to the financial results pertaining to the year that ended June 30, 2019. The financial statements of Ring Shine Textiles Limited has been prepared in accordance with the International Accounting Standards (referred to as “IAS”), International Financial Reporting Standards (referred to as “IFRS”), as per the Companies Act, 1994, as amended from time to time. Significant accounting policies used in the preparation of the financial statements are disclosed in the notes to the financial statements - 2. The following table gives an overview of the financial results of the Company:

Key operating and financial data of last preceding 5 (five) years:**Operational Data:**

Particulars	Year Ended On				
	30.06.2019	30.06.2018	30.06.2017	30.06.2016 (18 Months)	31.12.2014
Turnover (Tk)	9,823,699,295	9,995,341,888	8,812,496,183	12,494,804,476	7,930,253,516
Gross Profit (Tk)	1,006,672,754	1,115,846,003	1,052,581,321	1,527,271,512	894,254,047
Net Operating Profit (Tk)	574,735,157	647,352,280	595,087,837	822,542,850	412,461,506
Net Profit before tax (Tk)	579,596,328	653,487,166	601,719,854	831,985,675	420,053,514
Net Profit after tax (Tk)	491,684,645	554,237,114	510,135,473	705,299,259	355,337,285
Net Profit for ordinary shareholders	491,684,645	554,237,114	510,135,473	705,299,259	355,337,285
Basic EPS (Tk) – (Restated)	1.72	1.99	1.84	2.55	1.28
Dividend (%)	15%	0%	0%	0%	0%

Key operating and financial data of last preceding 5 (five) years:**Financial Data:**

Particulars	Year ended as on				
	30.06.2019	30.06.2018	30.06.2017	30.06.2016 (18 months)	31.12.2014
Authorized Capital (Tk)	4,400,000,000	2,900,000,000	500,000,000	500,000,000	500,000,000
Paid up Capital (Tk)	2,850,548,200	2,850,548,200	99,500,000	99,200,000	99,200,000
Face value per share (Tk)	10	10	10	1,000	1,000
Retained Earnings (Tk)	4,240,497,071	3,754,039,926	3,199,802,812	2,689,667,339	1,984,368,080
Current Assets (Tk)	6,528,023,891	5,932,562,724	5,059,109,254	4,876,797,977	3,862,121,567
Current Liabilities (Tk)	4,925,977,614	4,940,877,235	4,634,798,020	5,019,538,455	5,150,354,069
Current Ratio	1.33	1.2	1.09	0.97	0.75
Quick Ratio	0.69	0.6	0.5	0.47	0.37
Debt-Equity Ratio	0.52	0.57	1.03	1.29	1.68
Time Interest Earned Ratio	3.35	3.25	3.1	2.98	2.39
Return on Assets	3.99%	4.76%	4.57%	6.56%	3.50%
Return on Equity	7.18%	11.19	16.76	28.95%	18.64
Earnings per share	1.72	1.99	1.84	2.55	1.28
Dividend per share	15%	-	-	-	-
Inventory Turnover	2.93	3.17	3.02	5.12	4.34
Asset Turnover	0.8	0.86	0.79	1.16	0.78
Number of Shares	285,054,820	285,054,820	9,950,000	99,200	99,200

COST OF GOODS SOLD (COGS)**(c) Cost of Goods Sold:**

Cost of Goods Sold (COGS) is the expenses a company incurred in order to manufacture, create or to sell a product. It includes the purchase price of the raw materials as well as the expenses of turning it into a finished product. The Cost of goods sold for the 12 months period ended on 30.06.2019 was Tk. 8,817.02 million as compared to the immediate past 12 months period ended on 30.06.2018 of Tk. 8,879.50 million. Production capacity utilized during the same period ended 30.06.2019 was 80.27% whereas 81.85% during the 12 months ended on 30.06.2018 for Dyeing of yarn – Acrylic and Cotton based, 97.11% from 97.39% for Spinning of Acrylic yarn, the capacity utilization stands at 77.35% from 76.93% for Knitting of Fleece fabric and to 67.24% from 69.01% in the last financial year, 2017-2018 for Dyeing and Finishing of Fleece fabric. More of the 0.70% decrease in Cost of Goods Sold (COGS) from the last financial year mostly accounts for the slight decrease in capacity utilization as compared to the previous year.

(d) Gross Profit:

Gross Profit is the difference between sales and the cost of goods sold.

Gross Profit = (Sales-Cost of Goods Sold)

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

Gross Profit Margin % = (Gross Profit/Sales) X 100

The company has achieved an export turnover of Tk. 9,823.70 million during the 12 months ended 30th June, 2019 which was Tk. 9,995.34 million in the last year. The decrease in turnover is 1.72% compared to the previous year mainly due price competition among its peer companies in the industry as well as increased cost of inputs. The Gross Profit Margin (GP) % has decreased by around 0.92% from 11.16% to 10.25% in respect of immediate past financial year counts for the same reason as the decline in sales. Gross profit earned during the 12 months ended 30th June, 2019 was Tk. 1,006.67 million as compared to last year's gross profit of Tk. 1,115.85 million.

Net Profit:

Net Profit is calculated by subtracting expenses including Tax from the gross profit, showing what the business has earned (or lost) in a given period of time.

Net Profit= Gross Profit-Expenses with Tax

Operating profit is reduced by 1% leaving 0.08% increase in operating expenses to 1.50% from 1.42% of sales as compared to last fiscal year. The Net Profit Margin lightly reduced by 0.54% from 5.54% to 5% of sales in the respective year after offsetting of 0.46% of 1% decline in operating profit due to the reduced financial expenses and impact of non-operating income. The company earned after tax profit for the financial year 2018-2019 is Tk. 491.68 million as compared to last year's Net profit (after tax) of Tk. 554.24 million.

RISK AND CONCERNS

Board of Directors reviews the risk management practices and actions deployed by the Management with respect to identification, impact assessment, monitoring, and mitigation and reporting of key risks while trying to achieve its business objectives.

FORWARD-LOOKING STATEMENTS

Board of Directors and management of the company are looking forward to keep its progress in alignment with industry's growth and have made all preparation to this end. Overall industry is projected to grow in a steady way in next couple of years and your company will be in forefront to be one of the major players in the future booming market.

Sd/-

Sung Wey Min

Managing Director & CEO

Report to the Shareholders of Ring Shine Textiles Ltd. on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Ring Shine Textiles Ltd. for the year ended on June 30, 2019. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Dated: 3 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The governance of the company is satisfactory.

For Mujibur Rahman & Co.



Mohammad Mujibur Rahman FCMA
Cost & Management Accountants

Place: Dhaka
Dated: November 20, 2019

RING SHINE TEXTILES LIMITED

Status of Compliance with the Corporate Governance Guideline (CGC)

Status of compliance with the conditions imposed by the Commission's Notification No.SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9)

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
1	Board of Directors			
1(1)	Size of the Board of Directors			
	The total number of the board members of the company shall not be less than 5 (five) and more than 20 (twenty)	√		
1(2)	Independent Directors			
1(2)(a)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	√		
1(2)(b)	<i>For the purpose of this clause 'independent director' means a director-</i>			
1(2)(b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		
1(2)(b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid up shares of the company on the basis of family relationship and his or her family members shall not hold above mentioned shares in the company;	√		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		
1(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies;	√		
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI);	√		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	√		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	√		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days;	√		

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only.	√		
1(3)	Qualification of Independent Director			
1(3)(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to business;	√		
1(3)(b)	Independent Director shall have following qualifications			
1(3)(b)(i)	Business leader who is or was a promoter or director of an unlisted company having minimum paid up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association;	-	-	-
1(3)(b)(ii)	Corporate leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;	√		
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law;	-	-	-
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	-	-	-
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	-	-	-
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission;			No such issue arose
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director and/ or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		
1(4)(b)	The Managing Director (MD) and/ or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the chairperson and the Managing Director and/ or Chief Executive Officer;	√		
1(4)(e)	In the absence of the chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
1(5)	The Directors' Report to Shareholders:			
	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the companies Act, 1994 (Act No. XVIII of 1994): -			
1(5)(i)	An industry outlook and possible future developments in the industry;	√		
1(5)(ii)	The Segment-wise or product-wise performance;	√		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		
1(5)(v)	A discussion on continuity of any Extra-Ordinary activities and their implications (gain or loss);	√		No such issue arose
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	√		
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc;	√		No such issue arose
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performance and Annual Financial statements;	√		No such matter to explain
1(5)(x)	A statement of remuneration paid to the directors including independent directors	√		Independent Directors have not received any remuneration
1(5)(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1(5)(xii)	Proper books of account of the issuer company have been maintained;	√		
1(5)(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		
1(5)(xiv)	International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
1(5)(xv)	The system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1(5)(xvii)	There is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		No such matter to explain
1(5)(xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	√		
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by: -			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	√		
1(5)(xxiii)(c)	Executives; and	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	√		
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders: -			
1(5)(xxiv)(a)	a brief resume of the director	√		
1(5)(xxiv)(b)	nature of his or her expertise in specific functional areas;	√		
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	√		
1(5)(xxv)	Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	√		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	√		
1(6)	Meetings of the Board of Directors:			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	√		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	√		
2	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	-	-	N/A
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	-	-	N/A
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	-	-	N/A

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	-	-	N/A
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	-	-	N/A
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		
3(2)	Requirement to attend Board of Directors' Meetings:			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board provided that CS, CFO and HIAC shall not attend such part of a meetings of the Board relating to their personal matter.	√		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	√		
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3(3)(a)(ii)	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;	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members	√		
3(3) (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
4	Board of Directors' Committee: - For ensuring good governance in the company, the Board shall have at least following subcommittees:			
4(i)	Audit Committee	√		
4(ii)	Nomination and Remuneration Committee	√		
5	Audit Committee			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	√		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		
5(2)(e)	The company secretary shall act as the secretary of the Committee;	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			No such Incidence arose

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM);	√		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year	√		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5(5)	Role of Audit Committee: The Audit Committee shall: -			
5(5)(a)	Oversee the financial reporting process;	√		
5(5)(b)	monitor choice of accounting policies and principles;	√		
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
5(5)(d)	oversee hiring and performance of external auditors;	√		
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval;	√		
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		
5(5)(h)	review the adequacy of internal audit function;	√		
5(5)(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5)(j)	review statement of all related party transactions submitted by the management;	√		
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		
5(5)(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	√		
5(5)(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	√		
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any: -			
5(6)(a)(ii)(a)	report on conflicts of interests;			No such Incidence arose
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			No such Incidence arose

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;			No such Incidence arose
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			No such Incidence arose
5(6)(b)	Reporting to the Authorities:			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			No such reportable incidence arose
5(7)	Reporting to the Shareholders and General Investors:			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	√		
6	Nomination and Remuneration Committee (NRC)			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	√		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	√		
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	√		
6(2)(b)	All members of the Committee shall be non-executive directors;	√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	√		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			No such Incidence arose

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			No such Incidence arose
6(2)(g)	The company secretary shall act as the secretary of the Committee;	√		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	√		
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			No such Incidence arose
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders.	√		
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	√		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	√		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	√		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	√		
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board;	√		
6(5)(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	√		
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance	√		

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
6(5)(b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	√		
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	√		
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	√		
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	√		
6(5) (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual Report.	√		
7	External or Statutory Auditors			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely: -			
7(1)(i)	appraisal or valuation services or fairness opinions;	√		
7(1)(ii)	financial information systems design and implementation;	√		
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	broker-dealer services;	√		
7(1)(v)	actuarial services;	√		
7(1)(vi)	internal audit services or special audit services;	√		
7(1)(vii)	any service that the Audit Committee determines;	√		
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1);	√		
7(1)(ix)	any other service that creates conflict of interest.	√		No such incident arose
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (AGM or EGM) to answer the queries of the shareholders.	√		
8	Maintaining a website by the Company			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		
8(2)	The company shall keep the website functional from the date of listing.	√		

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF RING SHINE TEXTILES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ring Shine Textiles Limited (the "Company"), which comprise the Statement of Financial Position as at 30 June 2019 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws and regulations

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of key audit matters	Our response to key audit matters
Revenue recognition and valuation of receivables	
At year end the company reported total revenue of BDT 9,823,699,295 and Account Receivable BDT 3,197,542,944. The company generates revenue from sale of goods to export customers. The timing of the revenue recognized and realized increases the risk of exposure of revenue to foreign exchange fluctuations. There is also a risk that revenue may be overstated/understated due to the timing differences between L/C opening and goods exported. We identified revenue recognition as a key audit matter as it is one of the key performance	We have tested the design and operating effectiveness of key controls focusing on the following: - Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting period; - Segregation of duties in invoice creation and modification and timing of revenue recognition; - Assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards; - Obtain supporting documentation for sale transaction

Description of key audit matters	Our response to key audit matters
indicators of the Company, which give risk to an inherent risk of the existence and accuracy of the revenue.	recorded either side of year end to determine whether revenue was recognized in the current period; - Comparing a sample of revenue transactions recognized during the year with the sale invoices and other relevant underlying documentation; - Critically assessing manual journals posted to revenue to identify unusual or irregular items, and finally assessed the appropriateness and presentation of disclosures against relevant accounting standards. Our substantive procedures in relation to assessing the valuation of receivables comprises the following: - Reconciliation of receivables ageing to general ledger; - Conducting cut-off testing at the year-end; - Reviewing subsequent receipt of receivables balance; - Recalculation of provision for trade receivables as required by IFRS 9 and compared against actual write off in the period. <i>[See note number 07 and 18 for details]</i>
Valuation of Inventory	
At year end the company reported Inventory of BDT 3,079,459,679 as at 30th June 2019, held in warehouses and across multiple product lines in the factory. Inventory value is measured as follows: Inventories are stated at the lower of cost and net realizable value in accordance with IAS 2 'Inventories'. As a result, the management apply judgment in determining the appropriate values for value in use, work-in-progress, values for slow moving or obsolete items and need to apply impairment provision. While excess holding of inventories could impact efficient use of working capital similarly lower level of inventories can result in stock outs or irregular supply to the market.	We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by: - Evaluating the design and implementation of key inventory controls operating across the company's factory and warehouse; - Challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow-moving/obsolete stock are valid and complete. - Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year; - Observing physical inventory counts and reviewing the reconciliation process of the count results to the inventory records maintained in the system; - Comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated

Description of key audit matters	Our response to key audit matters
	provision to assess whether inventory provisions are complete; - We discussed with management about their sales forecasting procedures and ordering of inventories, and inquired about remedial action taken in case of excess or shortage of inventories due to difference in forecast and actual results. <i>[See note number 06 for details]</i>
Valuation of Property, Plant and Equipment	
The carrying value (WDV) of the PPE amounted to Tk. 5,959,103,314 as at 30 June 2019. The valuation of PPE was identified as a key audit matter due to the significance of this balance to the financial statements. Expenditures are capitalized if they create new or enhance the existing assets, and expensed if they relate to repair or maintenance of the assets. Classification of expenditures involves judgment. The useful lives of PPE items are based on management's estimates regarding the period during which the asset or its significant components will be used. The estimates are based on historical experience and market practice and take into consideration the physical condition of the assets.	Our audit included the following procedures: - We reviewed the opening balances of PPE which was audited by another auditors including assessed the addition during the year under our audit, checked the related accounting treatment and associated deferred tax as recognized by the company. - We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent; - We obtained a listing of capital expenditures incurred during the year and, on a sample basis, checked whether the items were procured based on internal purchase order that had been properly approved by the responsible individuals; - We inspected a sample of invoices and L/C documents to determine whether the classification between capital and operating expenditure was appropriate; - We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market price; - We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the classification from capital in progress to ready for use, with the date of the act of completion of the work. - We performed physical asset verification at the year end, observed procedures of asset acquisition, depreciation and disposal and finally assessed the appropriateness and presentation of disclosures as per relevant accounting standards. <i>[See note number 04 for details]</i>

Other information

Management is responsible for the other information. The other information comprises all of the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

ANNUAL REPORT 2018-2019

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the company's financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

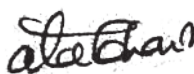
We have not come across any other key audit issue for the year under audit, and as such noting is reportable.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules 1987, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) the statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- d) the expenditure incurred was for the purposes of the Company's business.

Dated, Dhaka
28 October, 2019


ATA KHAN & CO.
Chartered Accountants

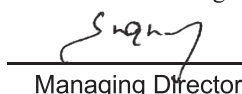
RING SHINE TEXTILES LIMITED
Statement of Financial Position
As at June 30, 2019

	Notes	Amount in Taka	
		30-06-2019	30-06-2018
ASSETS			
Non Current Assets			
Property, Plant & Equipment	4	5,959,103,314	6,067,669,198
Investment	5	75,260,470	78,118,472
Total Non-Current Assets		6,034,363,784	6,145,787,670
Current Assets			
Inventories	6	3,079,459,679	2,935,448,666
Accounts Receivable	7	3,197,542,944	2,854,106,381
Advance, Deposits and Prepayments	8	51,997,709	52,663,788
Advance Income Tax	9	111,287,795	65,983,151
Cash and Cash Equivalents	10	87,735,764	24,360,738
Total Current Asset		6,528,023,891	5,932,562,724
Total Assets		12,562,387,675	12,078,350,394
EQUITY AND LIABILITIES			
Shareholder's Equity			
Share Capital	11	2,850,548,200	2,850,548,200
Retained Earnings	12	4,240,497,071	3,754,039,926
		7,091,045,271	6,604,588,126
Non-Current Liabilities			
Deferred Tax Liability	13	545,364,791	532,885,033
Total Non-Current Liabilities		545,364,791	532,885,033
Current Liabilities			
Accounts Payable	14	983,291,172	929,089,574
Short Term Bank Loan	15	3,695,583,842	3,797,524,748
Provision for Income Tax	16	139,654,015	81,144,589
Outstanding Liabilities	17	107,448,585	133,118,324
Total Current Liabilities		4,925,977,614	4,940,877,235
Total Liabilities		5,471,342,404	5,473,762,268
Total Equity and Liabilities		12,562,387,675	12,078,350,394
Net Asset Value (NAV) Per Share		24.88	23.17

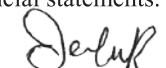
The annexed notes form an integral part of these financial statements.



Chairman



Managing Director



Director



Company Secretary



Chief Financial Officer

SIGNED IN TERMS OF OUR ANNEXED REPORT OF EVEN DATE

Dated: October 28, 2019

Place: Dhaka



ATA KHAN & CO.

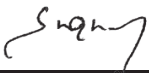
Chartered Accountants

RING SHINE TEXTILES LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2019

Particulars	Notes	Amount in Taka	
		July- June 2018-2019	July- June 2017-2018
Sales (Export)	18	9,823,699,295	9,995,341,888
Less: Cost of goods exported	19	8,817,026,754	8,879,495,885
Gross Profit		1,006,672,541	1,115,846,003
Less: Operating expenses	20	147,370,256	141,894,982
Operating Income		859,302,285	973,951,021
Foreign Exchange gain (loss)		2,408,527	2,751,428
Less: Financial expenses	21	286,975,655	329,350,169
Net operating Profit		574,735,157	647,352,280
Add: Other Income	22	4,861,171	6,134,886
Net profit before tax		579,596,328	653,487,166
Income Tax Expenses	23	87,911,683	99,250,052
Current Tax		75,431,926	81,144,589
Deferred Tax (Income)/ Expenses		12,479,758	18,105,463
Net Profit after tax for the year		491,684,645	554,237,114
Earnings per Share - EPS	26	1.72	1.99

The annexed notes form an integral part of these financial statements.


 Chairman


 Managing Director


 Director


 Company Secretary


 Chief Financial Officer

SIGNED IN TERMS OF OUR ANNEXED REPORT OF EVEN DATE

Dated: October 28, 2019
 Place: Dhaka


ATA KHAN & CO.
 Chartered Accountants

RING SHINE TEXTILES LIMITED
Statement of Changes in Equity
For the year ended June 30, 2019

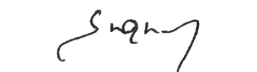
Particulars	Ordinary Share Capital	Retained Earnings	Total
As at July 01, 2018	2,850,548,200	3,754,039,926	6,604,588,126
IPO Expenses	-	(6,150,000)	(6,150,000)
Add: Tax benefit IPO expenses		922,500	922,500
Net Profit after Tax for the year	-	491,684,645	491,684,645
Total	2,850,548,200	4,240,497,071	7,091,045,271

RING SHINE TEXTILES LIMITED
Statement of Changes in Equity
For the year ended June 30, 2018

Particulars	Ordinary Share Capital	Retained Earnings	Total
As at July 01, 2017	99,500,000	3,199,802,812	3,299,302,812
Issuance of new shares	2,751,048,200	-	2,751,048,200
Net Profit after Tax for the year	-	554,237,114	554,237,114
Total	2,850,548,200	3,754,039,926	6,604,588,126



Chairman



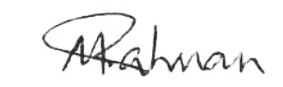
Managing Director



Director



Company Secretary



Chief Financial Officer

Dated: October 28, 2019

Place: Dhaka



ATA KHAN & CO.
Chartered Accountants

RING SHINE TEXTILES LIMITED

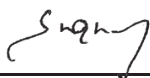
Statement of Cash Flows

For the year ended June 30, 2019

Particulars	Notes	Amount in Taka	
		July- June 2018-2019	July- June 2017-2018
A .Cash Flows From Operating Activities:			
Collection from customers		9,483,903,233	9,369,916,126
Collection from Other Income		4,861,171	8,685,838
Payment to supplier, employee and others		(8,449,880,316)	(8,860,153,158)
Payment for operating Expenses		(168,416,525)	(104,352,567)
Cash generated from operation		870,467,563	414,096,239
Income Tax paid		(61,304,644)	(71,504,854)
Payment for financial expenses		(286,975,655)	(329,350,169)
Net cash generated from operating activities		522,187,264	13,241,216
B. Cash Flows From Investing Activities:			
Investment		2,858,002	1,357,075
Acquisition of Property, Plant & Equipment		(353,781,076)	(482,242,284)
Net cash used in investing activities		(350,923,074)	(480,885,209)
C. Cash Flows From Financing Activities:			
Receive/Paid in Short term loan from bank		(101,940,906)	533,690,854
IPO Expenses		(6,150,000)	-
Received from Share capital		-	80,844,000
Paid in Long term loan from bank		-	(146,893,212)
Net Cash provided (Used) by financing activities		(108,090,906)	467,641,642
D.Increase/(Decrease) cash and cash equivalents		63,173,284	(2,351)
E.Foreign Exchange gain/loss		201,742	200,476
F.Opening cash and cash equivalents		24,360,738	24,162,613
G.Closing cash and cash equivalents		87,735,764	24,360,738
Net Operating Cash Flows Per Share (NOCFPS)	28.00	1.83	0.05



Chairman



Managing Director



Director



Company Secretary



Chief Financial Officer

Dated: October 28, 2019

Place: Dhaka

Ring Shine Textiles Limited
Notes to the Financial Statements
For the year ended June 30, 2019

SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION:

1. Status of the Reporting Entity

1.1. Legal Status:

Ring Shine Textiles Ltd. (the “Company”) is a public company limited by shares. The Company was incorporated in Bangladesh on 28 December 1997 vide registration No. C-34597 as a private company limited by shares under the Companies Act, 1994. The Registered office of the Company is situated in Plot No: 224-260, DEPZ Extension area, Ganakbari, Savar, Dhaka. The factory of the Company is located at Dhaka Export Processing Zone (DPEZ), New Extension Area at Plot No.# 224-260. The company converted into public limited company on 8th June, 2017.

1.2. Nature of business

The Principal activity of this Company is engaged in manufacturing and marketing of gray and finished fleece fabrics of various qualities and Dyed yarn to Garment industry in Bangladesh and International market.

2. Basis of Preparation and presentation of Financial Statements:

2.1. Statement of Compliance

The financial statements of the company have been prepared in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted by ICAB as International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs).

2.2. Other Regulatory Compliances

The company is also complies among others the following rules and regulations,

The Companies Act, 1994

The Income Tax Ordinance, 1984

The Income Tax Rules, 1984

The Value Added Tax Act, 1991

The Value Added Tax Rules, 1991

The Customs Act, 1969

Bangladesh Labor Law 2006 (Amended)

The Securities and Exchange Rules, 1987 and

Bangladesh EPZ related rules & regulations.

2.3. Measurement bases used in preparing the Financial Statements

The financial statements have been prepared on a Going Concern basis. The financial statements have been prepared on "Historical Cost" convention basis, which is one of the most commonly adopted base provided in "the framework for the preparation and presentation of financial statements" issued by the International Accounting Standard Committee (IASC).

2.4. Going Concern

The company has adequate resources to continue in operation for foreseeable future. For this reason the directors continued to adopt going concern basis in preparing the Financial Statements. The current credit facilities and resources of the company provide sufficient fund to meet the present requirements of its existing businesses and operations.

2.5. Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that is not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are reflected in calculation of deferred tax liabilities.

2.6. Functional and presentational currency and level of precision

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the company's functional currency. All financial information presented has been rounded off to the nearest Taka except where indicated otherwise.

2.7. Reporting period

The financial period of the company covers one year from 1 July 2018 to June 30, 2019 and Comparative statement of financial position for the year ended June 30, 2018 cover one year period from July 01, 2017 to June 30, 2018.

2.8. Change in Accounting Policy

During the year the company has not changed its policy to record at "Historical Cost" convention basis, which is one of the most commonly adopted base provided in "the framework for the preparation and presentation of financial statements" instead of measured at fair value. As no accounting policy has been in the current accounting year and had no other material impact on earnings per share for comprehensive income for earlier period.

2.9. Components of the Financial Statements

According to the International Accounting Standard (IAS) 1 as adopted by ICAB "Presentation of Financial Statements" the complete set of financial statements includes the following components:

- i) Statement of Financial Position as at June 30, 2019;
- ii) Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2019;
- iii) Statement of Changes in Equity for the year ended June 30, 2019;
- iv) Statement of Cash Flows for the year ended June 30, 2019 and
- v) Notes to the Financial Statements;

2.10. Compliance with the Requirements of Notification of the Securities and Exchange

Commission dated 04.06.2008 under ref. # SEC/CMMRPC/2008-181/53/Adm/03/28

The financial statements have been prepared in compliance with requirement of IAS & IFRS as adopted and applicable in Bangladesh. The following IASs & IFRS are applicable for the financial statements for the year under review:

Sl. No.	Name of the IAS	IAS's No.
1	Presentation of Financial Statements	1
2	Inventories	2
3	Statement of Cash Flows	7
4	Accounting policies, Changes in accounting Estimates & Errors	8
5	Events after the Reporting Period	10
6	Income Taxes	12
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SL. No.	Name of the IFRS	IFRS No.
1	Financial Instruments: Disclosures	7
2	Operating Segments	8
3	Financial Instruments	9
4	Fair Value Measurement	13
5	Revenue from Contracts with Customers	15

3. Principal Accounting Policies:

The accounting policies set out below have been applied in preparations of these financial statements;

3.1. Property, Plant and Equipment**3.1.1. Recognition and Measurement**

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable inward freight, duties and non-refundable taxes. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. The Company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the entity and the cost of the item can be measured reliably. All other costs are recognized in the income statement as an expense as incurred.

3.1.2. Disposal of Fixed Assets

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the income statement, which is determined with reference to the net book value of the assets and net sales proceeds.

3.1.3. Depreciation on Fixed Assets

Depreciation on fixed assets is charged on reducing balance method. Depreciation continues to be charged on each item of fixed assets until the written down value of such fixed assets is reduced to Taka one. Depreciation on addition to fixed assets is charged for the period after available for utilization, and depreciation has been charged on fixed assets ceases respective of their date of disposal. Rates of depreciation on various classes of fixed assets are as under:

Category of fixed asset	Rate (%)
Leasehold Land Development	3.33
Building	5
Plant and Machinery	10
Transport & Vehicles	10
Office Equipment	10
Furniture & Fixture	20
Electrical Equipment	10
Telephone Line Installation	10
Gas Line Installation	15
Electrical Line Installation	10
Water Line & Tank	10
Fire Extinguisher	20
Lab Equipment	20

3.1.4. Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the profit and loss account as incurred.

3.1.5. Impairment of Assets

No fact and circumstances indicate that company's assets including property, plant and equipment may be impaired. Hence, no evaluation of recoverability of assets was performed.

3.2. Intangible Asset**3.2.1. Recognition and measurement**

Intangible assets are measured at cost less accumulated amortization and accumulated impairment loss, if any. Intangible asset is recognized when all the conditions for recognition as per IAS 38 Intangible Assets are met. The cost of an intangible asset comprises its purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the asset for its intended use.

3.2.2. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in the profit and loss account when incurred.

3.3. Leased Assets

Leases in terms of which the company assumes substantially all the risks and rewards of ownership are classified as operating leases. Land Lease agreement with BEPZA executed to construct building on the land and operation thereof for the lease period 33 years as well as renewal of agreement after expired of agreement. Upon initial recognition these leased assets are measured at an amount equal to the Cost basis. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

3.4. Investment in FDR

Investment in FDR includes fixed deposits held with different bank. The fixed deposits are renewed upon maturity at the option of the company.

3.5. Inventories

Inventories are stated at the lower of cost and net realizable value in accordance with IAS 2 "Inventories". The cost of inventories is based on weighted average principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Adequate allowance is made for obsolete, damaged and slow moving inventories.

3.6. Accounts Receivable /Trade Debtors

Accounts receivable has been stated at its original invoiced amount supported by L/C. This is considered good and is falling due within one year. Related party transactions relating to sales/purchase are made on arm length basis. Rate of sale/purchase of related party transactions are fixed as applicable to other outsider parties. No amount was due by the Director (including Managing Director), Managing Agent, Manager & other Officers of the Company and any of them severally or jointly with any other person.

3.7. Advance, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or charges to other account heads such as PPE or inventory etc. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to profit and loss account.

3.8. Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the entity's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Amount of Cash and Cash Equivalent under USD has been reflected in BDT and exchange rate fluctuation has been recognized accordingly.

3.9. Other Current Assets

Other current assets have a value on realization in the ordinary course of the company's business which is at least equal to the amount at which they are stated in the balance sheet.

3.10. Trade Creditors and Accruals & Provision

Trade and other payables are stated at cost. A provision is recognized in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Trade Creditors under foreign currency has been presented in BDT.

3.11. Loans and Borrowing

Principal amounts of loans and borrowings are stated at their outstanding amount. Borrowings repayable after twelve months from the reporting date are classified as non-current liabilities whereas the portion payable within twelve months, unpaid interest and other charges are classified as current liabilities.

3.12. Revenue Recognition

Revenue is recognized to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services as provided in IFRS 15 “Revenue from contracts with customers”.

The following five steps are applied to recognize revenue;

- identify the performance obligations in the contract. Performance obligations are promises in a contract to transfer to a customer goods or services that are distinct.
- determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. If the consideration promised in a contract includes a variable amount, an entity must estimate the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to a customer
- allocate the transaction price to each performance obligation on the basis of the relative stand-alone selling prices of each distinct good or service promised in the contract.
- recognize revenue when a performance obligation is satisfied by transferring a promised good or service to a customer.

3.13. Financial Instruments

Non-derivative financial instruments comprise trade receivables, trade payables, cash and cash equivalents and share capital.

3.13.1. Trade Receivables

Trade receivables are recognized initially at invoice value and subsequently measured at the remaining amount less allowance for doubtful receivable at the year end, if any. Receivables from foreign currency transactions are recognized in Bangladeshi Taka using exchange rates prevailing on the date of transaction.

3.13.2. Trade Payables

Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the company.

3.13.3. Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand and with banks on current and deposit accounts and short term investments which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

3.13.4. Share Capital

Ordinary shares are classified as equity.

3.14. Foreign Exchange:

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Bangladesh Taka at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognized in the income statement in accordance with IAS 21 “The effects of Changes in Foreign Exchange Rates.”

3.15. Employee Benefits**3.15.1. Worker’s Profit Participation**

In accordance with the requirement of section 234 of Labor Act, 2006(Amended), the company should contribute 5% of net profit before charging the amount to the aforementioned fund. But the company established in Dhaka Export Processing Zone and have to comply only BEPZA rules relating to services matter concerning workers and officers employed in the company operating in the Export Processing Zone Bangladesh, which imposed by BEPZA. There is no provision for Worker’s Profit Participation Fund in company’s profits as per BEPZA rules.

3.15.2 Provident Fund

The Company has established and maintaining Contributory Provident Fund in compliance to the requirement of “The EPZ employees (Contributory) Provident Fund Policy -2012”. The fund is administrated by the 6 members Board of Trustees of which 3 members are nominated from employer’s side and remaining 3 members fulfilled from the representative from Workers Welfare Association. All members of trustee shall hold their position for three years. The member of the trustee board within the limit of the policy shall together hold absolute measure to take any decision for implementation of the provident fund.

3.15.3 Workers Welfare Fund

The company has been paying against “Workers Welfare Fund” to BEPZA since 1st February 2013 in compliance to the requirement of BEPZA rules. The management of the fund is maintained by BEPZA according to the rules & guidelines imposed under the style of ‘Constitution and Operation Procedure of EPZ Worker’s Welfare Fund 2012’.

3.16. Employee Retirement Benefits**Defined Contribution Plan**

Obligations for the Company’s contributions to defined contribution plans are recognized as an expense in the income statement as incurred.

3.17. Finance Income and Expenses

Finance income comprises interest income on funds invested. Interest income is recognized on maturity. Finance expenses comprise interest expenses on loan, overdraft and bank charges. All borrowing costs are recognized in the profit and loss account using effective interest method except to the extent that they are capitalized during constructions period of the plants in accordance with IAS 23 Borrowing cost.

3.18. Earnings per Share (EPS)

The Company calculates Earnings per Share (EPS) in accordance with IAS 33. Earnings per Share, which has been shown on the face of Statement of Comprehensive Income account, and the computation of EPS is stated in related notes.

Basic earnings

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

Weighted average number of ordinary shares outstanding during the year

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of shares issued during the year multiplied by a time-weighting factor. The time weighting factor is the numbers of days the specific shares are outstanding as a proportion of the total number of days in the year.

Basic earnings per share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding for the year.

Diluted earnings per share

No diluted earnings per share are required to be calculated per year as there was no scope for dilution during the year.

3.19. Cash flows statement

Cash Flow Statement is prepared in accordance with IAS 7 “Statement of Cash Flows”. The cash flow from the operating activities have been presented under Direct Method as prescribed by the Securities and Exchange Rules 1987 and considering the provisions of Paragraph 18(a) of IAS-7 which provides that “Enterprises are encouraged to report Cash Flow from Operating Activities using the Direct Method”.

3.20. Responsibility for Preparation and Presentation of Financial Statements:

The Management is responsible for the preparation and presentation of Financial Statements under section 183 of the Companies Act, 1994 and as per the Provision of “The Framework for the preparation and presentation of Financial Statements” issued by the International Accounting Standard Board (IASB) as adopted by ICAB.

3.21. Risk and uncertainties for the use of estimates in preparing financial statements

Preparation of Financial Statements in conformity with the International Accounting Standards, taxes, reserves and contingencies requires management to make estimates and assumption that effect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statement and revenues and expenses during the period reported. Actual result could differ from those estimates. Estimates are used for accounting of certain items such as depreciation and amortization.

3.22. Segment Reporting

No segment wise report is required because the company only engage in textile industry and situated geographically same location at Dhaka Export processing Zone, Dhaka, Bangladesh.

3.23 Taxation**3.23.1 Income tax**

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Provision for corporate income tax is made @ 15% on estimated taxable profit in accordance with the income tax laws

3.23.2 Deferred Tax

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.24. Comparative Amounts

Certain comparative amounts have been re-classified & rearranged to confirm with the current year's presentation.

3.25. Events after the reporting period

Events after the reporting period that provide additional information about the company's positions at the balance sheet date are reflected in the financial statements if any.

3.26. Related Party Transactions

The objective of Related Party Disclosure IAS 24 is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances with such parties. Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operating decisions.

3.27. Contingent Liabilities and Assets

Contingent liabilities and assets are current or possible obligations or assets, arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the company.

Particulars		Amount in Taka	
		30-06-2019	30-06-2018
4.00 Property, Plant & Equipment - WDV			
The balance is made up as follows:			
Leasehold Land Development		74,229,568	78,168,118
Building		2,999,518,518	2,999,749,216
Plant & Machinery		2,725,108,137	2,816,998,042
Transport & Vehicles		19,105,240	21,228,045
Office Equipment		7,468,324	7,684,213
Furniture & Fixtures		2,760,100	2,914,571
Electrical Equipment		30,204,768	33,504,068
Telephone Line Installation		933,129	1,036,810
Gas Line Installation		15,949,984	18,764,687
Electrical Line Installation		52,196,795	51,082,899
Water Line & Tank		21,581,350	23,979,278
Fire Extinguisher		4,929,376	6,161,720
Lab Equipment		5,118,025	6,397,531
Total:		5,959,103,314	6,067,669,198
For details please refer to Annexure-A			
5.00 Investment	<u>Notes</u>		
The balance is made up as follows:			
Investment in FDR	5.01	75,260,470	78,118,472
Total:		75,260,470	78,118,472
5.01 Investment in FDR			
The balance is made up as follows:			
Dutch Bangla Limited, FDR No:0167		3,504,664	3,391,969
Dutch Bangla Limited, FDR No:0250		1,612,292	1,563,738
Dutch Bangla Limited, FDR No:1049		906,837	875,013
Woori Bank Limited, FDR No:923002995		9,801,938	9,479,945
Dutch Bangla Limited, FDR No:1211		316,570	304,128
Dutch Bangla Limited, FDR No:1384		3,322,603	3,220,082
Dutch Bangla Limited, FDR No:2989		2,111,141	1,998,713
Dutch Bangla Limited, FDR No:3050		8,722,279	10,963,627
Dutch Bangla Limited, FDR No:3353		25,230,618	24,460,124
Dutch Bangla Limited, FDR No:3534		6,929,600	9,068,708
Dutch Bangla Limited, FDR No:3627		5,863,591	5,687,009
Prime Bank Limited, FDR No: 11603/5472		6,349,671	6,004,478
Prime Bank Limited, FDR No: 14091/4091		-	545,255
Prime Bank Limited, FDR No: 9003045		588,666	555,683
Total:		75,260,470	78,118,472

Particulars	Amount in Taka	
	30-06-2019	30-06-2018
6.00 Inventories		
The balance is made up as follows:		
Raw Materials-Yarn 19.01	1,715,410,828	1,744,052,184
Raw Materials-Acrylic Tow 19.02	224,864,305	235,419,643
Raw Materials-Yarn for Polar fleece 19.03	478,196,427	421,051,837
Raw Materials-Chemicals 19.04	193,670,512	165,210,518
Raw Materials-Dye Stuff 19.05	118,547,961	90,416,384
Work in process	179,836,405	127,641,530
Packaging Materials 19.06	6,705,427	6,984,215
Stores and Spares 19.07 A	4,973,628	4,150,967
Finished goods	157,254,186	140,521,388
Total:	3,079,459,679	2,935,448,666
7.00 Accounts Receivables		
This represents the amount of		
Bills Receivable	3,197,542,944	2,854,106,381
Total:	3,197,542,944	2,854,106,381

This is considered as fully secured and guaranteed payment by export letter of credit opening bank against export order and is considered good & realizable within the year as per the terms of export letter of credit. The classification of receivables as required by the Para-4, Part-1 of Schedule XI of the Companies Act, 1994 are given below:

Particulars	Amount	
	30-06-2019	30-06-2018
i. Receivables considered good and in respect of which the company is fully secured.	3,197,542,944	2,854,106,381
ii. Receivables considered good for which the company holds no security other than the debtor's personal security.	-	-
iii. Receivables considered doubtful or bad.	-	-
iv. Receivables due by directors or other officers of the company or any of them either severally or jointly with any other person or receivables due by firms or private companies respectively in which any director is a partner or a director or a member.	-	-
v. Receivables due by companies under same management.	-	-
vi. The maximum amount due by directors or other officers of the company at any time during the year.	-	-
Total	3,197,542,944	2,854,106,381

Ageing of the above Receivables is given below:

Particulars	Below 6 Months	Above 6 Months	Total
Customers	3,197,542,944	-	3,197,542,944

Particulars			Amount in Taka	
			30-06-2019	30-06-2018
8.00 Advances, Deposits & Prepayments	<u>Notes</u>			
This is made up of the followings:				
Advances	8.01		587,152	678,815
Deposits	8.02		50,777,444	50,777,444
Prepayments	8.03		633,113	1,207,529
Total:			51,997,709	52,663,788
8.01 Advances				
This is made up of the followings:				
Md. Nasiruddin			587,152	
Sung Cheer			-	678,815
Total:			587,152	678,815
8.02 Deposits				
This is made up of the followings:				
Security Deposit - DEPZ Land			6,758,557	6,758,557
Security Deposit - PDB			501,111	501,111
Security Deposit - EPZ Electricity			4,940,781	4,940,781
DEPZ Advances			2,455,916	2,455,916
Security Deposit - Telephone			774,975	774,975
Security Deposit - Titas Gas			34,873,684	34,873,684
Security-BGIC			440,420	440,420
Security-Sylinder			32,000	32,000
Total:			50,777,444	50,777,444
8.03 Prepayments				
This is made up of the followings:				
Insurance			633,113	1,207,529
Total:			633,113	1,207,529
9.00 Advance Income Tax				
This is made up as follows:				
Income Tax deduction at source -Opening			65,983,151	63,861,646
Add: Tax deduction at source during the year - From Export			45,012,418	65,589,103
Add: Tax deduction at source during the year - From FDR			292,226	394,048
			111,287,795	129,844,797
Less: Adjustment during the year			-	63,861,646
Total:			111,287,795	65,983,151
10.00 Cash and Cash Equivalent	<u>Notes</u>			
This is made up as follows:				
Cash in hand			893,614	867,742
Cash at Bank	10.01		86,842,150	23,492,996
Total:			87,735,764	24,360,738

The Bank balance are in agreement with respective bank statement balances.

Particulars	Amount in Taka	
	30-06-2019	30-06-2018
10.01 Cash at Bank		
Dutch Bangla Bank limited, A/C:122-110-1038	117,757	1,614,359
Dutch Bangla Bank limited, USD A/C:103-111-0496	57,170	56,481
Uttara Bank limited, A/C:81-10	205,857	201,551
Uttara Bank limited, A/C:21-985	223,353	224,653
Woori Bank limited, USD A/C:923-004-281	238,637	1,050,689
Woori Bank limited, USD A/C:923-004-475	10,733	10,533,973
Woori Bank limited, BDT A/C:923-004-306	420,417	1,510,264
Standard Chartered Bank Ltd:USD A/C:01-6134033-02	-	4,651
Standard Chartered Bank Ltd:A/C:01-6134033-01	78,638	15,963
Standard Chartered Bank Ltd:OBU 470-01	1,418	1,413
HSBC, A/C: OBU A/C: 397-005	526,421	470,604
HSBC, A/C: BDT 001-129196-011	598,220	67,495
Brac Bank Limited, A/C:BDT150-120-26001	-	11,262
Dhaka Bank, A/C: USD A/C 1082	8,239,858	1,045,099
Dhaka Bank, A/C: USD A/C 1796	34,182,038	-
Dhaka Bank, A/C: USD A/C 1719	22,065,991	-
Dhaka Bank, A/C: BDT A/C 4555	695,620	507,049
One Bank Ltd, BDT A/C: 20004937	317,341	324,650
Premier Bank Ltd, BDT A/C: 10001551	32,777	29,858
Premier Bank Ltd, USD A/C: 20000889	12,530,715	3,735,620
City Bank Ltd, BDT A/C: 2764001	217,104	217,944
SBAC Bank Ltd, BDT A/C: 7882	202,782	-
Eastern Bank Limited, BDT A/C:27991	626,838	952,075
Eastern Bank Limited, USD A/C: 27415	4,150,000	-
Prime Bank Limited,OBU A/C:11000141	284,356	97,271
Prime Bank Limited, A/C:12451150022108	75,131	74,904
Prime Bank Limited, BDT A/C:12411070015374	742,978	745,168
Total:	86,842,150	23,492,996
11.00 Share Capital:		
	30-06-2019	30-06-2018
11.01 Authorized Share Capital :		
440,000,000 Ordinary Shares of Taka 10/= each.	4,400,000,000	2,900,000,000
Total:	4,400,000,000	2,900,000,000
11.02 Issued, subscribed and paid-up share capital:		
285,054,820 ordinary shares of Tk 10/= each fully paid-up	2,850,548,200	2,850,548,200
Total:	2,850,548,200	2,850,548,200

Name of Shareholder	No. of Share	Percentage	Amount
Mr. Sung Jye Min	14,893,750	5.22%	148,937,500
Mdm. Hang Siew Lai	14,790,000	5.19%	147,900,000
Mr. Hsiao Hai He	14,651,900	5.14%	146,519,000
Ms. Sung Wen Li Angela	14,938,450	5.24%	149,384,500
Mr.Sung Chung Yao	14,785,000	5.19%	147,850,000
Mdm.Sheao Yen Shin	14,771,800	5.18%	147,718,000
Mr. Sung Wey Min	18,591,650	6.52%	185,916,500
Mrs. Hsiao Liu Yi Chi	14,883,700	5.22%	148,837,000
Mdm.Chuk Kwan	14,927,970	5.24%	149,279,700
Other Shareholders	147,820,600	51.86%	1,478,206,000
Total	285,054,820	100.00%	2,850,548,200

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Particulars		Amount in Taka	
		30-06-2019	30-06-2018
12.00 Retained Earnings			
This is made up as follows:			
Opening balance		3,754,039,926.00	3,199,802,812
Less: IPO Expenses		(6,150,000.00)	-
Add: Net profit after tax for the year		491,684,644.64	554,237,114
Add: Tax Benefit on IPO expenses		922,500.00	
Total:		4,240,497,071	3,754,039,926
13.00 Deferred tax liability			
This is made up as follows:			
Opening Balance		532,885,033	514,779,570
Provision for Current year	23.02	12,479,758	18,105,463
Total:		545,364,791	532,885,033
14.00 Accounts Payables			
The balance is made up as follows:			
Accounts Payable		983,291,172	929,089,574
Total:		983,291,172	929,089,574
15.00 Short Term Bank Loan	<u>Notes</u>		
The balance is made up as follows:			
Trust Receipt	15.01	1,214,773,098	958,246,498
Short term - Other	15.02	86,750,783	537,007,601
Bank Overdraft	15.03	725,419,164	726,854,590
Bills Discounted	15.04	1,668,640,797	1,575,416,059
Total:		3,695,583,842	3,797,524,748
15.01 Trust Receipt			
The balance is made up as follows:			
Woori Bank		364,231,965	476,505,895
Dhaka Bank Ltd.		711,238,571	385,092,631
One Bank Ltd.		-	25,252,512
City Bank Ltd		-	69,429,193
Eastern Bank Ltd.		139,302,562	-
BRAC Bank Ltd.		-	1,966,267
Total:		1,214,773,098	958,246,498
15.02 Short term - Other			
The balance is made up as follows:			
Premier Bank - Demand Loan		86,042,315	129,065,859
One Bank Ltd - Time Loan		-	124,652,265
Dhaka Bank Ltd.		-	167,987,137
BRAC Bank Ltd.		708,468	115,302,340
Total:		86,750,783	537,007,601

Particulars	Amount in Taka	
	30-06-2019	30-06-2018
15.03 Bank Overdraft		
The balance is made up as follows:		
Premier Bank Ltd, OBU A/C	301,533,986	291,752,699
Dhaka Bank Ltd, OBU A/C# 0144	242,107,432	218,641,462
Prime Bank Ltd. A/C# 7590000022	-	34,166,183
One Bank Ltd. A/C# 00024	84,245,809	80,752,011
Eastern Bank Ltd, OBU \$ A/C# 27991	37,922,029	41,786,828
BRAC Bank Ltd, OBU \$ A/C#426001	59,609,908	59,755,407
Total:	725,419,164	726,854,590
15.04 Bills Discounted		
The balance is made up as follows:		
Woori Bank	687,666,817	669,001,059
Premier Bank Ltd.	593,420,874	441,598,000
Dhaka Bank Ltd.	285,251,565	464,817,000
Eastern Bank Ltd.	102,301,541	-
Total:	1,668,640,797	1,575,416,059
a) Purpose of Investment: To purchase/ Import of raw materials , payment of utility bill , salary & wages and other working capital for the project.		
b) Period of Investment - 01 (One) year on renewal basis.		
c) i. Rate of Return: From 5.00% to 8% for bills discount per annum or the rate to be determined by the bank time to time.		
ii. Rate of Return: 4.00 % to 8.50% for overdraft per annum or the rate to be determined by the bank time to time.		
iii. Rate of Return: 7.00 % to 10.50% for Trust Receipt per annum or the rate to be determined by the bank time to time.		
d) Security: Factory Buildings, Machineries and all types of inventory.		
16.00 Provision for Income Tax		
The balance is made up as follows:		
Income Tax Payable -opening	81,144,589.00	69,383,349
Add: Charge for the year 23.01	75,431,926	81,144,589
	156,576,515	150,527,938
Less: Adjustment during the year	16,000,000	69,383,349
Less: Tax benefit on IPO expenses	922,500	
Total:	139,654,015	81,144,589
17.00 Outstanding Liabilities		
The balance is made up as follows:		
Staff Salary	4,362,824	4,239,751
Worker's Salary	35,590,521	34,814,218
Gas Bill	47,619,902	66,225,915
Mobile Bill	42,290	7,106
Security Service	567,185	558,850

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Particulars	Amount in Taka	
	30-06-2019	30-06-2018
Electricity Bill	9,137,513	15,208,646
Electricity Bill - Office	21,093	16,942
Telephone Bill	5,018	104,654
DEPZ Medical Bill	123,670	122,180
DEPZ Service Charge	1,692,100	1,915,044
DEPZ Water Bill	7,406,114	9,025,856
Office Gas Bill	2,516	2,516
Office Water Bill	4,139	4,946
Worker's Welfare Expenses	49,800	49,200
Audit Fees	350,000	350,000
Director Remuneration	473,900	472,500
Total:	107,448,585	133,118,324

18.00 Sales (Export)

This is made up as follows:

Sales - Yarn	7,025,064,268	7,085,335,033
Sales - Polar Fleece	2,798,635,027	2,910,006,855
Total:	9,823,699,295	9,995,341,888

19.00 Cost of Goods Exported

This is made up as follows:

Particulars	Notes	30-06-2019	30-06-2018
Raw materials consumed- Yarn	19.01	4,317,277,075	4,131,744,110
Raw Materials consumed- Acrylic Tow	19.02	919,098,016	988,540,636
Raw M. con.- Yarn for Polar fleece	19.03	1,530,898,048	1,611,673,246
Raw Materials consumed- Chemicals	19.04	282,081,873	315,924,748
Raw Materials consumed- Dyestuff	19.05	119,054,666	139,392,326
Packaging Materials	19.06	46,431,204	43,696,694
		7,214,840,882	7,230,971,760
Work in process- opening		127,641,530	125,406,394
Work in process- closing		179,836,405	127,641,530
Change in work in process		(52,194,875)	(2,235,136)
Total consumption		7,162,646,007	7,228,736,624
Add: Manufacturing Overhead	19.07	1,671,113,545	1,662,538,712
Cost of production		8,833,759,552	8,891,275,336
Finished goods - opening		140,521,388	128,741,937
Finished goods - closing		157,254,186	140,521,388
Change of finished goods stock		(16,732,798)	(11,779,451)
Total:		8,817,026,754	8,879,495,885

19.01 Raw materials consumed- Yarn

This is made up as follows:

Opening Stock	1,744,052,184	1,558,141,609
Add: Purchase during the year	4,288,635,719	4,317,654,685
Raw materials available for production	6,032,687,903	5,875,796,294
Less: Closing Stock	1,715,410,828	1,744,052,184

Particulars	Amount in Taka	
	30-06-2019	30-06-2018
Total:	4,317,277,075	4,131,744,110
19.02 Raw materials consumed- Acrylic Tow		
This is made up as follows:		
Opening Stock	235,419,643	198,541,632
Add: Purchase during the year	908,542,678	1,025,418,647
Raw materials available for production	1,143,962,321	1,223,960,279
Less: Closing Stock	224,864,305	235,419,643
Total:	919,098,016	988,540,636
19.03 Raw M. con.- Yarn for Polar fleece		
This is made up as follows:		
Opening Stock	421,051,837	397,514,204
Add: Purchase during the year	1,588,042,638	1,635,210,879
Raw materials available for production	2,009,094,475	2,032,725,083
Less: Closing Stock	478,196,427	421,051,837
Total:	1,530,898,048	1,611,673,246
19.04 Raw materials consumed- Chemicals		
This is made up as follows:		
Opening Stock	165,210,518	175,416,319
Add: Purchase during the year	310,541,867	305,718,947
Raw materials available for production	475,752,385	481,135,266
Less: Closing Stock	193,670,512	165,210,518
Total:	282,081,873	315,924,748
19.05 Raw materials consumed- Dyestuff		
This is made up as follows:		
Opening Stock	90,416,384	81,934,507
Add: Purchase during the year	147,186,243	147,874,203
Raw materials available for production	237,602,627	229,808,710
Less: Closing Stock	118,547,961	90,416,384
Total:	119,054,666	139,392,326
19.06 Packaging materials consumed		
This is made up as follows:		
Opening Stock	6,984,215	5,638,173
Add: Purchase during the year	46,152,416	45,042,736
Consumable Item available for packing	53,136,631	50,680,909
Less: Closing Stock	6,705,427	6,984,215
Total:	46,431,204	43,696,694

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Particulars		Amount in Taka	
		30-06-2019	30-06-2018
19.07 Manufacturing overhead			
This is made up as follows:	<u>Notes</u>		
Salary & Wages		445,216,918	425,046,344
Festival Bonus		37,561,824	35,063,416
Daily Labor		6,152,486	5,782,416
Tiffin Expenses		12,854,163	12,105,361
DEPZ Medical bill		1,484,040	1,466,158
Medical Expenses		1,250,436	730,521
Factory maintenance		24,134,654	23,104,191
Printing & Stationery		2,543,602	2,396,417
Sundry Expenses		3,105,249	2,563,942
DEPZ Land Rent		25,708,254	25,398,517
Electricity bill		186,052,153	212,885,385
Gas bill		212,774,800	243,826,142
Water bill		109,924,321	106,334,506
DEPZ Service Charge		22,244,897	25,240,994
Conveyance		1,152,406	1,052,346
Fuel for vehicles		1,041,528	818,741
Vehicle maintenance		836,102	790,427
Fuel for Generator		54,920,237	5,284,500
Rates & Taxes		1,080,421	2,041,876
Postage & Courier		107,857	618,763
Insurance premium Factory		14,312,930	14,535,113
Welfare expenses		595,710	581,523
Worker's Group Insurance		567,159	558,416
LNG		1,058,421	1,302,105
Other Expenses		1,063,524	788,634
Store & Spare Consumed	19.07 A	45,285,613	45,105,957
License & Renewal		360,350	305,163
Depreciation		457,723,490	466,810,838
Total:		1,671,113,545	1,662,538,712
19.07 A Store & Spare Consumed			
This is made up as follows:			
Opening Stock		4,150,967	4,215,048
Add: Purchase during the year		46,108,274	45,041,876
Store & Spare Item available		50,259,241	49,256,924
Less: Closing Stock		4,973,628	4,150,967
Total:		45,285,613	45,105,957
20.00 Operating Expenses	<u>Notes</u>		
This is made up as follows:			
Distribution & Selling Expenses	20.01	46,627,530	46,025,071
Administrative Expenses	20.02	100,742,726	95,869,911
Total:		147,370,256	141,894,982

Particulars	Amount in Taka	
	30-06-2019	30-06-2018
20.01 Distribution & Selling Exp.		
This is made up as follows:		
Salary & Welfare	6,785,426	6,384,214
Travelling	5,621,089	6,152,487
Business Promotion	2,984,052	2,634,108
Fuel For Vehicles	9,182,416	7,985,641
Carriage outward	15,122,492	16,420,537
Vehicles maintenance	4,589,165	4,210,519
Other Expenses	493,502	351,461
Depreciation	1,849,388	1,886,104
Total:	46,627,530	46,025,071
20.02 Administrative Expenses		
This is made up as follows:		
Salary & allowance	49,538,216	46,268,548
Festival Bonus	6,750,262	6,136,602
Staff Welfare	352,051	315,427
Staff Fooding	3,787,114	3,853,621
Security Service	6,531,950	6,517,200
Office Maintenance	803,516	775,416
Gas bill	32,182	30,192
Water Bill	60,655	98,912
Electricity Bill	245,000	325,000
Fuel For Vehicles	718,361	690,754
Vehicles maintenance	733,741	371,960
Other Expenses	842,063	753,021
Conveyance	2,302,720	1,917,243
Printing & Stationery	1,688,025	816,846
Office Rent	1,974,950	2,217,100
Garage Rent	720,000	839,700
Entertainment	979,758	410,528
License & Renewal	1,387,451	1,241,587
Mobile Bill	1,181,663	1,272,894
Telephone Bill	372,604	463,748
Internet Bill	1,019,462	1,174,519
Postage & Courier	552,917	250,416
Inspection & Testing Charge	5,390,534	6,154,187
Export Clearing Expenses	812,937	750,418
Carrying charge	1,250,418	1,039,758
Legal fees	510,750	351,964
Audit fees	422,000	350,000
Director's Remuneration & fees	5,030,922	5,241,287
Repair & Maintenance	870,150	1,451,876
BTMA Expenses	175,416	149,630
Membership fees	930,856	810,400
Depreciation	2,774,082	2,829,157
Total:	100,742,726	95,869,911

Particulars		Amount in Taka	
		30-06-2019	30-06-2018
21.00 Financial Expenses	<u>Notes</u>		
This is made up as follows:			
Interest on Loan	21.01	256,300,527	299,651,628
Bank Charge		30,675,128	29,698,541
Total:		286,975,655	329,350,169
21.01 Interest on loan			
This is made up as follows:			
Trust Receipt		115,241,867	120,754,152
Long term Loan		-	5,323,926
Short term - Other		11,506,387	20,716,359
Bank Overdraft		35,041,639	35,255,326
Bills Discounted		94,510,634	117,601,865
Total:		256,300,527	299,651,628
22.00 Other Income			
This is made up as follows:			
Sale of wastage		1,936,420	2,193,507
Interest Income		2,924,751	3,941,379
Total:		4,861,171	6,134,886
23.00 Income Tax Expenses	<u>Notes</u>		
This is made up as follows:			
Current tax	23.01	75,431,926	81,144,589
Deferred tax	23.02	12,479,758	18,105,463
Total:		87,911,683	99,250,052
23.01 Current Tax Expenses			
This is made up as follows:			
Minin Tax (A)		45,304,644	65,983,151
Regular Tax (C)		75,431,926	81,144,589
Higher One		75,431,926	81,144,589
A. Minimum Tax			
Minimum Tax on Sales (export) and other income as per tax rate (B)		35,394,484	3,602,040
Tax deduction at source on export and other income		45,304,644	65,983,151
Higher One		45,304,644	65,983,151
B. Minimum Tax on Sales (export) and other income			
Minimum tax on Sales (Export) (B.1)		35,365,317	35,983,231
Minimum tax on Other Income (B.2)		29,167	36,809
		35,394,484	36,020,040

Particulars	Amount in Taka	
	30-06-2019	30-06-2018
(B.1) Minimum tax on sales (export)		
Sales Export	9,823,699,295	9,995,341,888
Minimum Tax {(0.6%/25%)*15%} Rate	35,365,317	35,983,231
(B.2) Minimum Tax on Other Income		
Other Income	4,861,171	6,134,886
Minimum Tax (.6% Rate)	29,167	36,809
C. Regular Tax		
This is made up as follows:		
Net Profit before tax	579,596,328	653,487,166
Less: Other Income	(4,861,171)	(6,134,886)
Less: IPO Expenses	(6,150,000)	-
Add: Depreciation - Accounting Base	462,346,960	471,526,099
Less: Depreciation Tax Base	(545,545,344)	(592,229,186)
	485,386,773	526,649,193
Tax Rate	15%	15%
Current tax on operating income as per tax rate	72,808,016	78,997,379
Current tax on non-operating income as per tax rate	1,701,410	2,147,210
	74,509,426	81,144,589
Add: Tax benefit on IPO Expenses (to be recorded in R/E)	922,500	-
Current tax expense (to be charged in P/L)	75,431,926	81,144,589
C.1 Current tax on non-operation income as per tax rate		
Non-operating income	4,861,171	6,134,886
Tax Rate	35%	35%
Current tax on non-operating income	1,701,410	2,147,210
23.02 Deferred tax		
This is made up as follows:		
Property, Plant & Equipment:		
Carrying amount as Accounting base	5,959,103,314	6,067,669,198
Carrying amount as Tax base	2,323,338,041	2,515,102,309
Difference	3,635,765,273	3,552,566,889
Tax rate	15%	15%
Total deferred tax liability at the end of year	545,364,790.89	532,885,033.34
Total deferred tax liability beginning of the year	532,885,033	514,779,570.35
Deferred tax for the year	12,479,758	18,105,463
Total:		

Particulars	Amount in Taka	
	30-06-2019	30-06-2018
24.00 Initial Public Offer (IPO) Expenses		
This is made up as follows:		
SEC, DSE & CSE Application fees	150,000	-
SEC Consent fees	6,000,000	-
Total:	6,150,000	-
25.00 Reconciliation of cash generated by operations		
This is made up as follows:		
Profit before Income tax	579,596,328	653,487,166
Add: Depreciation charged	462,346,960	471,526,099
Add: Financial Expenses	286,975,655	329,350,169
Add(Less): Foreign Exchange gain or loss	(201,742)	(200,476)
Add(Less): Increase or decrease in trade payable	54,201,598	(201,760,033)
Add(Less): Increase or decrease in inventory	(144,011,013)	(259,898,843)
Add(Less): Increase or decrease in trade receivable	(343,436,563)	(625,425,762)
Add(Less): Increase or decrease in creditors and accrues	(25,669,739)	46,299,029
Add(Less): Increase or decrease in advance,	666,079	718,890
	870,467,563	414,096,239

Particulars	Amount in Taka	
	30-06-2019	30-06-2018
26.00 Earnings Per Share (EPS)		
The above balance is made up as follows:		
Net Profit after Tax (Numerator)	491,684,645	554,237,114
Weighted average No. of Shares (Denominator)	285,054,820	277,856,382
Earnings Per Share Total:	1.72	1.99
26.01 Weighted average No. of Shares		
A) Opening Share for the year	285,054,820	9,950,000
Multiply weight	1	1
Weighted average No. of Opening share	285,054,820	9,950,000
B). i. Share issued during the year from Share Money deposit	-	267,020,420
Multiply weight	0	365/365
Weighted average No. of issued share	-	267,020,420
ii) Share issued during the year	-	8,084,400
Multiply weight	0	40/365
Weighted average No. of issued share	-	885,962
Total (i + ii)	-	267,906,382
(C)Total weighted average No. of shares (a+b)	285,054,820	277,856,382
27.00 Net Asset Value per Share (NAV)		
The above balance is made up as follows:		
Net Asset Value	7,091,045,271	6,604,588,126
No. of Shares Outstanding	285,054,820	285,054,820
Net Asset Value per Share (NAV) Total:	24.88	23.17
28.00 Net Operating Cash Flows per Share		
The above balance is made up as follows:		
Net Operating Cash Flows	522,187,264	13,241,216
No. of Shares Outstanding	285,054,820	285,054,820
Net Operating Cash Flows per Share Total:	1.83	0.05

29.00 Disclosure as per requirement of Schedule XI, part II of the Companies Act, 1994.**29.01 Sales in respect of each class of goods and indicating the quantities**

Particulars	01-07-2018 to 30-06-2019
a) Sales in yarn	
Amount in Taka	7,025,064,268
Quantity in Kg	22,314,764
b) Sales in Polar Fleece	
Amount in Taka	2,798,635,027
Quantity in Kg	8,884,556

29.02 Commission , Brokerage or Discount on Sales:

- a) There was no brokerage or discount against sales during the year.
b) No commission was paid during the year.

29.03 Value of Raw materials consumed and indicating quantities thereof;

Particulars	Quantity	Value
Raw Materials - Yarn	18,250,014 Kgs	4,317,277,075
Raw Materials - Acrylic Tow	6,181,059 Kgs	919,098,016
Raw Materials - yarn for polar fleece	8,367,451 Kgs	1,530,898,048
Raw Materials - Chemicals	3,699,407 Kgs	282,081,873
Raw Materials - Dye Stuff	166,637 Kgs	119,054,666

29.04 Particulars in respect of Opening Stock and Closing Stock of Inventories;

Particulars	Opening Stock		Closing Stock	
	Quantity	Amount in Tk.	Quantity	Amount in Tk.
Raw Materials - Yarn	7,354,060 Kgs	1,744,052,184	7,263,150 Kgs	1,715,410,828
Raw Materials - Acrylic Tow	1,554,028 Kgs	235,419,643	1,513,015 Kgs	224,864,305
Raw Materials - yarn for polar fleece	2,118,074 Kgs	421,051,837	2,613,952 Kgs	478,196,427
Raw Materials - Chemicals	2,171,822 Kgs	165,210,518	2,527,016 Kgs	193,670,512
Raw Materials - Dye Stuff	126,554 Kgs	90,416,384	165,732 Kgs	118,547,961
Finished goods	493,058 Kgs	140,521,388	641,854 Kgs	157,254,186

29.05 Disclosure as per requirement of Schedule XI, part II, note 5 of para 3

Employee Position (as on June 30, 2019)

Salary Range	Officer & Staff		Worker	Total Employee
	Factory	Head Office		
Below 5900	12	3	351	366
Above 5900	58	50	2037	2145
Total	70	53	2388	2511

29.06 Disclosure as per requirement of Schedule XI, part II, para 4 of the Companies Act, 1994

No.	Particulars	1st July 2018 to 30th June 2019	1st July 2017 to 30th June 2018
a)	Managerial Remuneration paid or payable during the year to the directors, including managing director, a managing agent or manager;	5,030,922	5,241,287
b)	Expenses reimbursed to Managing Agent;	Nil	Nil
c)	Commission or other remuneration payable separately to a managing agent or his associate;	Nil	Nil
d)	Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company;	Nil	Nil
e)	The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year;	Nil	Nil
f)	Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable;	Nil	Nil
g)	Other allowances and commission including guarantee commission	Nil	Nil
h)	Pensions etc.	Nil	Nil
	(i) Pensions	Nil	Nil
	(ii) Gratuities	Nil	Nil
	(iii) Payments from provident funds, in excess of own subscription and interest thereon	Nil	Nil

29.07 Disclosure as per requirement of Schedule XI, part II, para 7 of the Companies Act, 1994

Details of Annual Capacity & Capacity Utilization as given below:

Particulars	Installed capacity	Unit	2018-2019	
			Actual Production	% of Capacity Utilization
Dyed Yarn - Acrylic & Cotton based	27,540,000	Kg	22,105,421	80.27%
Spinning - Acrylic yarn	5,100,000	Kg	4,952,401	97.11%
Fleece fabric Knitting	12,160,000	Kg	9,405,217	77.35%
Fleece fabric Dyeing & Finishing	13,000,000	Kg	8,741,564	67.24%

29.08 Disclosure as per requirement of Schedule XI, part II, para 8 of the Companies Act, 1994

a) During the year June, 2019 the value of import including raw materials, spare parts on CIF basis are stated below;

Particulars	Amount
Raw Materials-Yarn	4,288,635,719
Raw Materials-Acrylic Tow	908,542,678
Raw Materials-Yarn for Polar fleece	1,588,042,638
Raw Materials-Chemicals	310,541,867
Raw Materials-Dye Stuff	147,186,243
Packaging Materials	46,152,416
Stores and Spares	46,108,274
Total	7,335,209,835

- b) Value of both imported and indigenous raw materials, spare parts and components consumed and the percentage of each to the total consumption during the year are given below;

Particulars	Total Consumption	Imported Taka.	(%)	Local Taka.	(%)
Raw Materials-Yarn	4,317,277,075	4,317,277,075	100%	0	0.00%
Raw Materials-Acrylic Tow	919,098,016	919,098,016	100%	0	0.00%
Raw Materials-Yarn for Polar fleece	1,530,898,048	1,530,898,048	100%	0	0.00%
Raw Materials-Chemicals	282,081,873	282,081,873	100%	0	0.00%
Raw Materials-Dye Stuff	147,186,243	147,186,243	100%	0	0.00%
Packaging Materials	46,431,204	33,411,894	71.96%	13,019,310	28.04%
Stores and Spares	45,285,613	14,871,795	32.84%	30,413,818	67.16%

30.00 Directors' responsibility of statements with the company :

The Board of Directors is responsible for the preparation and presentation of these financial statements.

31.00 Capital Expenditure Commitment:

The Company has no capital expenditure commitment at the reporting date.

32.00 Related party disclosures:

Director remuneration and fees;

During the year directors remuneration and fees as below,

Name of Party	Relationship with the company	Nature of Transaction	Transacted Amount BDT
Mr. Sung Wey Min	Managing Director	Remuneration	1,785,718
		Board Meeting fees	8,000
Mr. Sung Jye Min	Director	Remuneration	1,135,340
		Board Meeting fees	6,000
Ms. Hang Siew Lai	Director	Remuneration	-
		Board Meeting fees	6,000
Ms. Sung Wen Li Angela	Director	Remuneration	2,041,864
		Board Meeting fees	7,000
Mr. Sung Chung Yao	Director	Remuneration	-
		Board Meeting fees	6,000
Mrs. Sheao Yen Shin	Director	Remuneration	-
		Board Meeting fees	7,000
Mrs. Hsiao Liu Yi Chi	Director	Remuneration	-
		Board Meeting fees	5,000
Mrs. Chuk Kwan	Director	Remuneration	-
		Board Meeting fees	7,000
Md. Hussain Shah Jawed	Independent Director		6,000
Md. Neamul Hasan Kamal	Independent Director		5,000
Mohammad Monirul Haque	Independent Director		5,000
Total	Independent Director		5,030,922

Business Transaction with Related parties:

During the year business transaction with related parties as stated below:

Name of related parties	Types of transaction	Total amount
1. Shine Fashion Ltd.	Export	1,506,294,737
2. Avant Garde Fashion Ltd.	Export	911,830,370

33.00 Events after the reporting period :

No significant event occurred from the date of financial position to the date of authorised to the financial position.

RING SHINE TEXTILES LIMITED
SCHEDULE OF FIXED ASSETS
AS AT JUNE 30, 2019

Annexure-A

Particulars	Cost			Rate of Depreciation (%)	Depreciation			Written Down Value as at 30-06-2019
	Balance as on 1st July 2018	Addition during the Year	Balance as on 30th June 2019		Balance as on 1st July 2018	Charge during the Year	Balance as on 30th June 2019	
Leasehold Land Development	118,274,780	-	118,274,780	3.33%	40,106,662	3,938,550	44,045,212	74,229,568
Building	4,441,751,350	151,652,418	4,593,403,768	5%	1,442,002,134	151,883,116	1,593,885,250	2,999,518,518
Plant & Machinery	6,328,036,585	194,676,820	6,522,713,405	10%	3,511,038,543	286,566,725	3,797,605,268	2,725,108,137
Transport & Vehicles	63,564,007	-	63,564,007	10%	42,335,962	2,122,805	44,458,767	19,105,240
Office Equipment	26,357,975	566,700	26,924,675	10%	18,673,762	782,589	19,456,351	7,468,324
Furniture & Fixtures	14,267,894	450,992	14,718,886	20%	11,353,323	605,463	11,958,786	2,760,100
Electrical equipment	108,691,119	52,417	108,743,536	10%	75,187,051	3,351,717	78,538,768	30,204,768
Telephone Line Installation	2,185,666	-	2,185,666	10%	1,148,856	103,681	1,252,537	933,129
Gas Line Installation	38,994,105	-	38,994,105	15%	20,229,418	2,814,703	23,044,121	15,949,984
Electrical Line Installation	77,799,249	6,381,729	84,180,978	10%	26,716,350	5,267,833	31,984,183	52,196,795
Water Line & Tank	42,599,327	-	42,599,327	10%	18,620,049	2,397,928	21,017,977	21,581,350
Fire Extinguisher	11,757,347	-	11,757,347	20%	5,595,627	1,232,344	6,827,971	4,929,376
Lab Equipment	26,188,824	-	26,188,824	20%	19,791,293	1,279,506	21,070,799	5,118,025
For the year ended 30-06-2019	11,300,468,228	353,781,076	11,654,249,304		5,232,799,030	462,346,960	5,695,145,990	5,959,103,314
For the year ended 30-06-2018	10,818,225,944	482,242,284	11,300,468,228		4,761,272,931	471,526,099	5,232,799,030	6,067,669,198

Allocation of depreciation

Manufacturing overhead	99.00%
Administrative Expenses	0.60%
Distribution & Selling Expenses	0.40%
	100.00%

457,723,490
2,774,082
1,849,388
462,346,960

Ring Shine Textiles Limited

Plot # 224-260, Extension Area, DEPZ, Ganakbari
Savar, Dhaka, Bangladesh.

PROXY FORM

I/We..... of
.....being a shareholder of
Ring Shine Textiles Limited and entitled to vote hereby appoint Mr./Ms as
my/our proxy to attend and vote for me/us on my/our behalf at the 22nd Annual General Meeting of the
Company to be held on Thursday, the 26th December, 2019 at 10.00 A.M. at Savar Golf Club, Savar
Cantonment Road, Savar, Dhaka and at any adjournment thereof.

As witness my/our hand thisday of.....2019.

(Signature of the Shareholder)

(Signature of Proxy)

Affix
Twenty Taka
Revenue
Stamp

Folio No./BO ID No.

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NO. of Shares heldDated

Note :

01. A member entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote in his/her behalf.
02. The Proxy Form, duly stamped, must reach at the share office Located at Plot # 224-260, Extension Area, DEPZ, Ganakbari, Savar, Dhaka, Bangladesh of the company not less than 48 hours before of the meeting.

Ring Shine Textiles Limited

Plot # 224-260, Extension Area, DEPZ, Ganakbari
Savar, Dhaka, Bangladesh.

SEAL

ATTENDANCE SLIP

I/We hereby record my/our attendance at the 22th Annual General Meeting of the company being held on 26th December, 2019 at 10.00 A.M. at Savar Golf Club, Savar Cantonment Road, Savar, Dhaka.

Name of Shareholder/Proxy

Folio No./BO ID No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

NO. of Shares held

(Signature of Proxy)

(Signature of the Shareholder)

(N.B: Please present this slip duly signed at the entrance of the Meeting Hall.)



Corporate Office:

Plot # 224-260, Extension Area, DEPZ, Ganakbari,
Savar, Dhaka, Bangladesh. Tel: +880-2-7788980
Fax: +880-2-7788960-61,
E-mail: info@ringshine.com, www.ringshine.com

Factory:

Plot # 224 - 260, Extension Area, DEPZ
Ganakbari, Savar, Dhaka, Bangladesh