

Directors' Report

Dear Shareholders,

Assalamualaikum,

On behalf of the Board of Directors I welcome you all to 22nd Annual General Meeting. The Board of Directors is pleased to take the opportunity to present you the Audited Financial Statements of the Company for the year ended June 30, 2025, Auditors' report and the Directors' Report thereon along with Company's performance and other matters in terms of Companies Act 1994, International Accounting Standards, the guideline issued by Bangladesh Securities and Exchange Commission, listing regulations of Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. and other applicable rules and regulations.

BACKGROUND

Olympic Accessories Limited (OAL) was incorporated with the Registrar of Joint Stock Companies and Firms (RJSCF) on May 28, 2003 and has been converted into Public Limited Company on July 02, 2014 under the Companies Act, 1994. The Authorized capital of the company is Tk. 2,500.00 million and paid-up capital 1,695.27 million. We are listed to DSE and CSE on 2015.

REVENUE

As you are aware that the Company is 100% deemed exporter, mainly engaged in the business of manufacturing of all kinds of Hanger, Carton, Elastic, Woven Belt, Twill tape, Back board, Tissue paper, Gum tape, Interlining, Label, Poly Bag, Sewing Thread, Sticker, Photo inlay, Bar code, Hangtag etc. and supply to the oriented garments Industries. The revenue stood at 22.47 million for the year 2024-2025 under BTB L/C.

The operating financial results of the Company for the year ended June 30, 2025 as compared to previous year are summarized here under:

Particular	June 30, 2025	June 30, 2024
Revenue	22,468,882	19,882,075
Gross Profit	(75,701,009)	(83,141,383)
Net Profit/Loss Before Tax	(118,359,898)	(131,627,535)
Provision for Taxation	(816,330)	(991,095)
Net Profit/Loss After Tax	(126,575,017)	(136,918,275)
Gross Margin (Revenue)	(336.91%)	(418.17%)
Net Margin (BT)	(526.77%)	(662.04%)
Net Margin (AT)	(563.33%)	(688.65%)
Earnings Per Share (EPS) (Tk.)	(0.75)	(0.81)

Industry outlook and possible future developments in the industry

Olympic Accessories Limited (OAL) is a 100% deemed exporter specializing in manufacturing a wide range of garment accessories, including hangers, cartons, elastic, woven belts, twill tape, backboards, tissue paper, gum tape, interlining, labels, poly bags, sewing threads, stickers, photo inlays, barcodes, and hangtags for export-oriented garments. The industry's competitive edge stems from a low wage rate, a trainable workforce, entrepreneurial skills, expanding supply-side capacity, and supportive government policies. The core strength of this sector lies in its robust backward linkage, ensuring efficiency and sustainability in the supply chain.

Segment Reporting

The company operates in one segment, which is the business of garments accessories.

Risk and concerns

Changes in global or national policies can significantly impact the company, either positively or negatively. A price hike in raw materials due to international policy changes may affect product pricing and profitability. Additionally, political and economic instability, both in Bangladesh and globally, poses risks to the company's performance. Domestic political turmoil can disrupt the economy, further intensifying these challenges. Industry risks also depend on upcoming government policies. However, as the garment sector is a major foreign currency earner, it has consistently received special support from successive governments. This trend is expected to continue, ensuring favorable conditions for the industry's sustainability and growth despite uncertainties in the broader economic and policy landscape.

A discussion on cost of goods sold, gross margin and net profit margin:

Particulars	June 30, 2025		June 30, 2024	
Cost of Goods Sold	(98,169,891)	(436.91%)	(103,023,458)	(518.17%)
Gross Profit	(75,701,009)	(336.91%)	(83,141,383)	(418.17%)
Net Profit/Loss for the year	(126,575,017)	(563.33%)	(136,918,275)	(688.65%)

Discussion on continuity of extra-ordinary gain or loss

There is no significant extra-ordinary gain or loss during the financial year.

Related party transactions

The company had transactions with Chairman, Managing Director, Navana Poly Packaging Ltd., M/s Riverside Apparels Ltd. and Mr. Golam Kibria of same management which have been disclosed in related party transaction in note no. 34.00 of the notes to the financial statements.

Significant deviation of financial statements

The management of the company is making continuous efforts to increase sales and profitability through various methods. Despite the current economic volatility in the country, sales for the year from July 1, 2024, to June 30, 2025, have increased compared to the corresponding period of the previous year. However, the gross profit/(loss) for the year ended June 30, 2025, has decreased when compared to the year ended June 30, 2024. In the current financial year, administrative expenses have risen by Tk. 1,756,873 compared to the previous year. This increase is mainly attributed to the payment of Tk. 1,208,416 as a government audit fee to the Customs Bond Commissionerate. On the other hand, selling expenses have reduced compared to the previous year. In the year ended 30th June 2025, our Net Loss before tax has been decreased by 13,267,637 tk. (10.07%) compared to 30th June 2024. The resultant EPS for the year ended 30th June 2025 has been increased to (0.75) from (0.81) the year ended 30th June 2024. In the financial year 2024-2025, collection from customers has increased by 9,461,626 tk (36.75%), on the other hand, payment to suppliers has decreased by 3,275,926 tk (62.27%) compared to the financial year 2023-2024. As a result, net cash generated from operating activities has decreased tk 9,871,427 (38.71%) compared to the previous year. Hence, the net operating cash flow for the year ended June 30, 2025, per share has increased to (0.09) from (0.15) compared to the year ended June 30, 2024.

Compliance of Notification No BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018.**Board Size:**

The number of members of the Board of Directors consist of 5 members (including one Independent Director and the appoint of a female Independent Director will be complied in due time) as per direction of BSEC.

Independent Directors

As per Bangladesh Securities and Exchange Commission notification the board of directors of Olympic Accessories Ltd. appointed Mr. Nurul Islam Chowdhury, FCA on January 28, 2025 as Independent Directors for three years (2nd term), Subsequently the appointment of Mr. Nurul Islam Chowdhury, FCA will be confirmed in the upcoming 22nd Annual General Meeting (AGM) of the company.

Company Secretary, Chief Financial Officer, and Head of Internal Audit

As per corporate governance of BSEC, the company has allocated the responsibilities as follows:

Company Secretary (Acting)	: Mr. Md. Shahriar
Chief Financial Officer	: Mr. Md. Mamun Hossain
Head of Internal Audit	: Mr. Golam Mostafa

Audit Committee

The Audit Committee, a subcommittee of the Board of Directors, consists of three members, including one Independent Director as Chairman. The Company Secretary serves as the Secretary to the Audit Committee. This committee supports the Board in ensuring that the financial statements accurately reflect the company's true and fair position. The Audit Committee conducts at least four meetings annually.

The quorum for meetings is either two members or two-thirds of the committee members, whichever is higher, with the mandatory presence of an Independent Director. The committee is accountable to the Board, and its roles and responsibilities are clearly defined in the annual Audit Committee report.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC), as a sub-committee of the Board of Director has been constituted of three members from the board of directors with one Independent Director as a Chairman. The company Secretary acts as Secretary to the Nomination and Remuneration Committee. The Nomination and Remuneration Committee assists 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 of the company. NRC is responsible to the Board of Directors and its roles and responsibilities are clearly set forth.

External Statutory Auditors

The BSEC guidelines are being strictly followed in engaging statutory Auditors.

Maintaining a website

The company maintains an official website, www.olympicaccessoriesbd.com, which is linked with the website of the stock exchange.

Subsidiary Company

The company has no subsidiary company.

Duties of CEO & CFO

The provision of BSEC regulations have been compiled in the Annual Report.

Reporting and Compliance of Corporate Governance Code

Requirement of the above are being complied with and is shown as Annexure-C

Directors' Appointment and Re-Appointment

With regard to the appointment, retirement and reappointment of directors, the company is governed by its Articles of Association, the Companies Act, 1994 and other related legislations. Accordingly, the following Director of the Board will retire at the annual general meeting and eligible for reappointment as director.

1. Mr. Md. Golam Kibria
2. Mr. Mesbah Uddin (Nominee Director of Navana Poly Packaging Ltd.)

Md. Golam Kibria and Mesbah Uddin (Nominee Director Navana Poly Packaging Ltd.) will be re-appointed as Director, subject to the approval of the members at the 22nd Annual General Meeting of the company. Mr. Md. Golam Haider Mazumder, who was serving as the Nominee Director of Riverside Apparels Limited, resigned on January 27, 2025, for personal reasons. The Board of Directors of Riverside Apparels Limited has selected Mr. Shah Nawaz as the new Nominee Director, replacing Mr. Md. Golam Haider Mazumder, subject to the approval of the members at the 22nd Annual General Meeting of the company.

Shareholding of Directors

The shareholding of directors at the end of 30th June, 2025 is shown as Annexure-D of this report. Directors involved in other companies are shown as Annexure-E.

Board Meeting and Attendance

5 (Five) Board Meetings were held during the year. The attendance record of the directors is as given below:

Name of Directors	Designations	No. of Meeting	Attendance	Remarks
Mrs. Farida Akhter	Chairman	5	5	
Mr. Md. Golam Kibria	Managing Director	5	5	
Mr. Mesbah Uddin (Nominee Director of Navana Poly Packaging Limited)	Director	5	5	
Mr. Md. Golam Haider Mazumder (Nominated by Riverside Apparels Ltd.)	Director	3	3	
Mr. Shah Nawaz (Nominated by Riverside Apparels Ltd.)	Director	2	2	
Mr. Nurul Islam Chowdhury, FCA	Independent Director	5	5	

Director's remuneration

Director's remuneration is shown in the note no. 23.00 of the notes to the Financial Statements.

Statement of Directors on Financial Reports

In accordance with the Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018, the Directors are pleased to confirm the following:

- ii. Proper books and accounts of the company have been maintained.
- ii. Appropriate accounting policies have been applied consistently in preparation of the Financial Statements and the accounting estimates are based on reasonable and prudent judgment.
- iii. The International Financial Reporting standards, as applicable in Bangladesh, have been followed in the preparation of the financial statements.
- iv. The Financial Statements prepared by the management of the issuer company present fairly its state of affairs, the results of its operation, cash flows and changes in equity.
- v. Internal control system is sound and has been implemented and monitored effectively.
- vi. Minority shareholders have been protected from abusive actions by controlling shareholders acting either directly or indirectly.
- vii. No bonus shares or stock dividend has been or shall be declared as interim dividend.
- viii. The key operating and financial data for the last five years are shown on page 5.
- ix. The pattern of shareholding is provided in Annexure-D of the annual report.

Internal Control

The Board has ultimate responsibilities to establish the effective system of internal control. To ensure internal control regarding risk management, financial control and compliance legislation, the company already has a strong internal audit department.

Going Concern

While approving the Financial Statements, the directors have analyzed the Financials Statements, business operation as well as other indicators for enabling them to understand the ability of the company to continue its operation for a foreseeable period. Directors are convinced and have a reasonable expectation that the company has adequate resources to continue its operation consistently for the foreseeable future.

Significant deviation of Operating Result

Our sales for the period from 1st July, 2024 to 30th June, 2025 has been increased and profit/(loss) after tax has been reduced compare to previous year.

Dividend

The Board of Directors has recommended No Dividend to the all shareholders for the year ended June 30, 2025, subject to the approval in the forthcoming AGM.

Unclaimed or Undistributed or Unsettled Dividend

Bangladesh Securities and Exchange Commission issued a directive no. BSEC/CMRRCD/2021-386/03 dated 14 January, 2021 and Bangladesh Securities and Exchange Commission (Capital Market Stabilization Fund) Rules, 2021 to transfer unclaimed or undistributed dividend to the capital market stabilization fund. In compliance with the circular, Olympic Accessories Ltd. has deposited unclaimed IPO Subscription amount and unclaimed dividend amount for the year up to 2017-2018 to the Capital Market Stabilization Fund. Remaining unclaimed dividend of BDT. 36,48,585 from 2018-2019 to 2024-2025 is kept with the company. Details break up of unclaimed/unpaid dividend including BO wise shareholders list are given in our website: www.olympicaccessoriesbd.com.

Statutory Auditors

Chartered Accountants firm, M/s FAMES & R, Hossain Tower (11th Floor), 116 Nayapaltan, Box Culvert Road, Dhaka-1000 was appointed as External Auditor for the year 2024-2025 of the Company by the shareholders in 21st AGM held on December 19, 2024. M/s FAMES & R, Chartered Accountants has carried out the audit for the year 2022-2023, 2023-2024 & 2024-2025. This is their 3rd year audit in the Company and the firm is ineligible for re-appointment for the year 2025-2026. M/s ARTISAN, Chartered Accountants, Sonargaon Terrace (2nd Floor), House # 52, Road # 13 C, Block # E, Banani Dhaka –1213 expressed their interest to be auditor for the year 2025-2026.

The Audit Committee reviewed the proposals for appointment and conducted a formal assessment and recommended to the board for appointment of M/s ARTISAN, Chartered Accountants as the statutory auditor for the year 2025-2026.

Upon the recommendation of the Audit Committee, the board of directors is proposing the appointment of M/s ARTISAN, Chartered Accountants, Sonargaon Terrace (2nd Floor), House # 52, Road # 13 C, Block # E, Banani Dhaka –1213 as the Statutory Auditor to the shareholders in the 22nd AGM for approval and fix their fees.

Statutory Auditor's opinion in the Financial Statements

Emphasis of matter:

1. The company reported Tk. 3,648,585 as unclaimed dividend out of which Tk. 366,072 has been kept in BRAC Bank Ltd.
2. In the year 2022-2023, the company made provision for an accumulated amount tk. 93,597,357 as doubtful debts as per note no. 07, since this amount was doubtful of recovery.

Our opinion is not modified in these regard.

Professionals for Compliance of Corporate Governance Code

The board has appointed M/s. Mujibur Rahman & Co., Cost & Management Accounts, Saj Bhaban, Suite # C-30 (15th Floor), 27, Bijoynagar, Dhaka-1000 as professional for Report on Compliance Governance Code for the year 2025-2026.

Acknowledgment

On behalf of the Board of Directors, I would like to take this opportunity to express my heartfelt gratitude to our valued shareholders, clients, and well-wishers, both at home and abroad, for their wholehearted cooperation and active support throughout the year. Your trust and belief in our company have been instrumental in enabling us to carry out the responsibilities entrusted to me and the Board.

I would also like to extend my sincere thanks to the Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE), Registrar of Joint Stock Companies (RJSC), Central Depository Bangladesh Ltd. (CDBL), the Government, and all other stakeholders for their continued support and cooperation with our company. Your contributions have played a key role in our progress.

Furthermore, I would like to express my deep appreciation to all the Directors, Executives, Officers, Employees, and Workers of the company at all levels for their hard work, dedication, and loyalty. Without their tireless efforts, we would not have been able to achieve the results we are presenting today.

Finally, I humbly appeal to our esteemed shareholders to kindly accept and approve the Auditors' Report, Audited Financial Statements for 2025, and the Directors' Report placed before you for your approval.

Thanking you,

On behalf of the Board of Directors,



Farida Akhter
Chairman