DIRECTORS REPORT TO SHAREHOLDERS

Dear Owners of Shahjibazar Power Co. Ltd.

Assalamualikum,

Amid another year marked by operational challenges, the Company has closed the fiscal period with less-than-optimal financial results. With the approval of the Board, I am pleased to welcome all shareholders to the 18th Annual General Meeting and to present the Audited Financial Statements for the year ended June 30, 2025.

The Directors' Report has been meticulously crafted in accordance with Section 184 of the Companies Act of 1994, adhering to the Financial Reporting Standards established by the Institute of Chartered Accountants of Bangladesh (ICAB). Additionally, this report complies with the Dhaka and Chittagong Stock Exchange (Listing) Regulations of 2015, as well as the Bangladesh Securities and Exchange Commission's (BSEC) notification (BSEC/CMRRCD/2006-158/207/Admin/80) issued on June 3, 2018, concerning the Corporate Governance Code. This report also fulfills all directives and regulations issued by the Commission over time.

15.14 ECONOMY AT A GLANCE

The global economic landscape remains increasingly complex. According to the IMF's World Economic Outlook (October 2025), global GDP growth is expected to moderate from 3.3 percent in 2024 to 3.2 percent in 2025 and 3.1 percent in 2026. Advanced economies are projected to grow at around 1.5 percent, while emerging markets and developing economies are anticipated to expand slightly above 4 percent. As the year unfolds, earlier divergences among major economies have diminished, influenced by the fading of cyclical factors and a gradual convergence of economic activity toward long-term trends. However, stubbornly high inflation in the services sector continues to delay the full disinflation process. Consequently, monetary tightening has persisted across many regions, heightening the likelihood of prolonged high interest rates amid continued geopolitical tensions, evolving supply-chain configurations, and increased policy uncertainty. In this context, a carefully balanced policy approach remains critical to maintaining macroeconomic stability, rebuilding fiscal buffers, and sustaining growth.

Bangladesh's economic conditions mirror many of these global trends while also facing its own domestic pressures. The country's macroeconomic environment can be characterized as one of 'fragile stability.' Although key indicators such as foreign exchange reserves and remittance inflows have shown resilience, persistent inflation and softer growth have presented challenges, particularly in the wake of recent political transitions and ongoing structural reforms.

Even so, Bangladesh's long-term prospects remain fundamentally sound. Domestic consumption continues to be underpinned by an expanding middle-income demographic and a vibrant labor force. Provisional estimates for FY 2024–25 suggest GDP growth in the range of 3.7 to 4.0 percent, compared to 4.2 percent in FY 2024. The slowdown reflects production disruptions, elevated borrowing costs, and uncertainty within the industrial sector. Looking ahead, growth in FY 2025–26 is expected to recover to approximately 4.8 to 5.0 percent, contingent upon the continued implementation of reforms aimed at improving the investment climate.

15.15 POWER SECTOR SCENARIO OF BANGLADESH

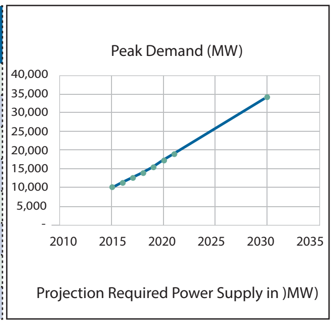
In the years following Bangladesh's independence, the power sector has undergone a substantial transformation. Notably, nearly 90 percent of the sector's cumulative progress has been achieved within the last decade alone. At present, the country's total power generation capacity—including captive and renewable sources—stands at 32,362 MW. The generation mix remains heavily dependent on natural gas, complemented by heavy fuel oil (HFO), while initiatives are underway to position renewable energy as a more prominent component of the national energy portfolio.

According to the Bangladesh Power Development Board (BPDB), the total installed generation capacity, excluding captive and renewable sources, is 28,949 MW. Of this, 52.37 percent is contributed by the public sector, 38.32 percent by the private sector, and 9.31 percent by other sources. Per capita electricity generation has increased to 661 kWh. The power distribution network has expanded to 650,779 km, serving approximately 49 million consumers. Importantly, system losses have been reduced to 9.19 percent as of September FY 2024–25, down from 14.73 percent in FY 2010-11, reflecting significant operational improvements.

In the near term, electricity demand is expected to rise steadily, driven by several structural and socioeconomic factors. The rapid digitization of services across sectors, increased adoption of digital financial solutions, and the integration of advanced mechanized technologies in agriculture will be key contributors. Additionally, evolving lifestyle patterns in rural areas and demographic trends, including population growth, are anticipated to further support the upward trajectory of power demand.

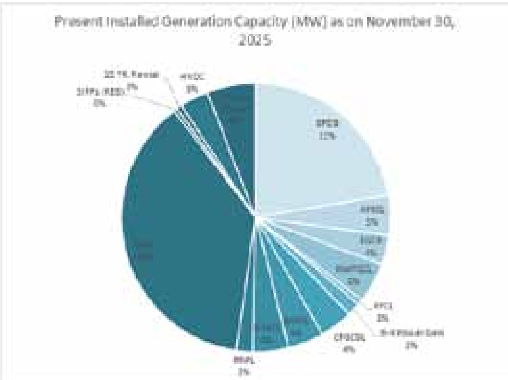
Power System Master Plan by BPDB Assuming 7% GDP Growth Rate

Fiscal Year	Peak Demand (MW)
2015	10,283
2016	11,405
2017	12,644
2018	14,014
2019	15,527
2020	17,304
2021	18,838
2030	33,708



Present Installed Generation Capacity (MW) as on November 30, 2025

BPDB	6461	22.32%
APSCL	1394	4.82%
EGCB	1032	3.56%
NWPGCL	1401	4.84%
RPCL	182	0.63%
B-R Power Gen	472	1.63%
CPGCBL	1150	3.97%
BCPCL	1244	4.30%
BIFPCL	1234	4.26%
RNPL	590	2.04%
Sub Total	15160	52.37%
IPPs	10782	37.24%
SIPPs (REB)	130	0.45%
15 YR. Rental	181	0.63%
HVDC	1000	3.45%
Power Import	1696	5.86%
Sub Total	13789	47.63%
Total	28949	100.00%



Public and private sector is contributing 52.37% and 38.32% respectively followed by Import & JV 9.31% in the total generation of power as of November 30, 2025. Amongst the public sector generation units BPDB is playing the champion role as usual.

15.16 BUSINESS ACTIVITIES INCLUDING ITS OPERATING PERFORMANCE

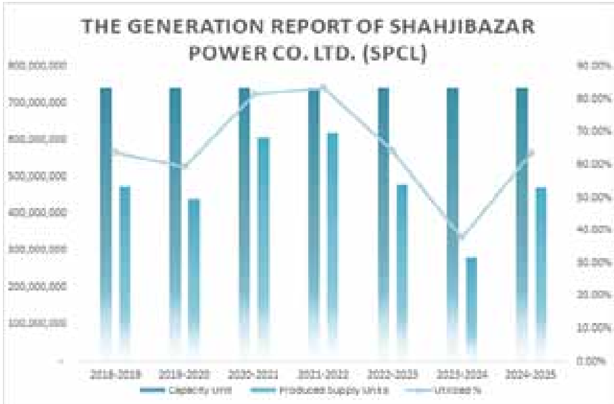
Shahjibazar Power Company Limited (SPCL) entered Bangladesh's power sector after winning a competitive tender from the Bangladesh Power Development Board (BPDB) on February 14, 2008. Subsequently, the Company executed a Gas Supply Agreement (GSA) with Jalalabad Gas Transmission and Distribution System Limited (JGTDSL) on April 9, 2008. Following the expiry of the initial Power Purchase Agreement (PPA) with BPDB on February 11, 2024, the Company successfully renewed the agreement for an additional five-year term, effective from July 9, 2024, under a no-electricity, no-payment arrangement.

In partnership with GE International, SPCL developed an 86 MW power plant to supply electricity to the national grid under its PPA with BPDB. For the fiscal year ended June 30, 2025, the Company operated with a plant load factor (PLF) of 63.37 percent, a significant improvement from 37.65 percent in the previous year. During the year, SPCL generated and transmitted 470,838,576 kWh of electricity to the national grid, demonstrating enhanced operational efficiency and sustained reliability in power generation.

These performance metrics underscore SPCL's strengthened operational capability and its continued contribution to the country's power infrastructure.

Fiscal Year	Capacity Unit	Produced Supply Unit	Utilized %
2018-2019	743,040,000	474,114,000	63.81%
2019-2020	743,040,000	440,517,096	59.29%
2020-2021	743,040,000	605,484,672	81.49%
2021-2022	743,040,000	619,934,136	83.43%
2022-2023	743,040,000	477,095,952	64.21%
2023-2024	743,040,000	279,783,240	37.65%
2024-2025	743,040,000	470,838,576	63.37%

The generation report of Shahjibazar Power Co. Ltd. (SPCL)



The generation report of Shahjibazar Power Co. Ltd. (SPCL)
In the fiscal year 2024–2025 (FY24–25), the Company generated 470,838,576 kWh of electricity for the national grid, demonstrating a strong operational recovery compared to 279,783,240 kWh in FY23–24. This substantial improvement follows the renewal of both the Power Purchase Agreement (PPA) and Gas Supply Agreement (GSA), enabling uninterrupted operations throughout the year. The Bangladesh Power Development Board (BPDB) continued to remain the Company's sole off-taker.

Standalone revenue for FY24–25 amounted to BDT 3,581.23 million, representing a significant rise from BDT 2,337.47 million in FY23–24. Consolidated revenue also increased, reaching BDT 12,330.07 million in FY24–25, compared with BDT 11,164.46 million in the previous fiscal year.

Consolidated Net Profit After Tax (NPAT), including contributions from subsidiary and associate undertakings, totaled BDT 472.63 million in FY24–25, up from BDT 456.12 million in FY23–24, reflecting continued financial resilience.

The oil refinery division delivered 113,286,532 liters of petroleum products during FY24–25, generating revenue of BDT 8,748.83 million, compared with revenues of BDT 8,826.98 million in FY23–24.

The overall operational performance—highlighted by a strengthened plant load factor of 63.37 percent in FY24–25 versus 37.65 percent in the prior year—demonstrates the Company's enhanced asset utilization, improved operational stability, and sustained contribution to the national energy supply.

15.17 SEGMENT WISE PERFORMANCE

Segment/Product	Quantity		Sales in Million Tk.
Power	470,838,576	Kwh	3,581.23
Oil & Gas	113,286,532	Ltr	8,748.83
	Total		12,330.06

15.18 CONTRIBUTION TO THE NATIONAL EXCHEQUER

The backbone of economic growth is a reliable energy supply, and your company plays a pivotal role in this as a key supplier of power and oil nationwide. As of June 30, 2025, your company has contributed Tk. 321.05 million in corporate income tax, while its subsidiary has made a significant contribution of Tk. 1,312.32 million in VAT to the national treasury.

15.19 EXTRA-ORDINARY GAIN OR LOSS

There are no extra ordinary gain or Loss during the reporting period

15.20 DISCUSSION ON RELATED PARTY TRANSACTION

During the year under review, the Company carried out a number of transactions with related parties in the normal course of business The name of related parties, nature of these transactions and their value have been set out in accordance with the provision of IAS 24 "Related Party Disclosure". The related party transactions have been taken place on arm's length basis during the year have been disclosed in the Note-46 of the financial statements.

15.21 SIGNIFICANT VARIANCE BETWEEN QUARTERLY AND ANNUAL FINANCIAL STATEMENTS

In FY2024–2025, Shahjibazar Power Company Limited (SPCL) delivered a strong recovery in its standalone performance. With the renewal of the Power Purchase Agreement (PPA) and uninterrupted plant operations, the Company achieved a plant load factor of 63.37 percent, significantly higher than the 37 percent recorded in the prior fiscal year. This operational stability led to a substantial improvement in standalone earnings, with EPS rising to Tk 3.09 per share in FY2024–2025.

At the consolidated level, SPCL also demonstrated solid financial resilience, reporting consolidated EPS of Tk 2.53 per share, supported by stronger generation at the parent company and improved contributions from associate operations.

The financial performance of the Company's 90%-owned subsidiary, Petromax Refinery Limited (PRL), reflected a temporary setback during FY2024–2025, with EPS declining to Tk (0.15) per share. This decline was primarily driven by a significantly lower allocation of local condensate by the Government as raw material feedstock. Local condensate typically yields higher profit margins due to its superior quality and fixed-price structure. In contrast, the reduced reliance on local condensate forced PRL to depend more heavily on imported condensate, which is subject to international price volatility and is often available only in limited quantities. The shift in feedstock mixes compressed refining margins and impacted subsidiary-level profitability for the year.

To address this challenge and mitigate margin pressures, management undertook several corrective measures. These included a strategic leadership restructuring at the plant, the initiation of multiple cost optimization and efficiency enhancement projects, and an active pursuit of more competitive international sources of condensate to stabilize input costs and improve long-term margin resilience. These initiatives are expected to support a recovery in PRL's profitability in the upcoming fiscal periods.

A significant contributor to the Group's improved consolidated performance in FY2024–2025 was the strong turnaround from SPCL's associate company, which delivered a profit contribution of BDT 257.15 million. This represents a notable improvement compared with the previous year and played a key role in strengthening consolidated earnings.

Overall, FY2024–2025 was a year of regained operational momentum for SPCL, marked by a strong recovery in standalone profitability, stable consolidated earnings, and targeted management actions to address subsidiary-level challenges. The Company enters the next fiscal year with strengthened operational foundations and enhanced strategic alignment across the Group.

15.22 REMUNERATION OF DIRECTORS

Remuneration, performance and other related perquisites/benefits of managing director are disclosed in **Note 30.01** Other directors are not entitled to remuneration and other facilities for their directorship except the Board Meeting Fee.

15.23 MINORITY SHAREHOLDERS:

As of June 30, 2025 the total minority shareholders represent 42.39% of total shareholdings of the Company including Institute and General Public Portion. Every material decision which may affect the profitability of the company has been disclosed by disseminating the same as Material or Price Sensitive Information (PSI) as the case may be. Hence, active participation of the Independent Directors in the board has balanced the interest of Minority shareholders while considering or adopting any operational decision in the board.

15.24 CORPORATE AND FINANCIAL REPORTING FRAMEWORK

As per law the financial statements of your Company have followed International Financial Reporting Standards (IAS) as adopted by ICAB as International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). This has been completely followed to fairly present the financial position and performance of the Company. While preparing the financial statements, the following points were considered –

I. Selection of suitable accounting policies and then applying them consistently,
II. Making judgments and estimates that are reasonable and prudent,
III. Ensuring that the financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS),
IV. Preparing the financial statements in an ongoing concern basis unless it is appropriate to presume that the Company will not continue in business. Proper accounting records have been kept so that at any given point the financial position of the Company is reflected with reasonable accuracy, which will enable them to ensure that its financial statements comply with Companies Act 1994 and other required regulatory authorities.

In compliance with the requirements of the BSEC's Notification No- BSEC/CMRRCD/2006-158/207/Admin/80 dated: June 3, 2018, the Directors are also pleased to make the following declarations in their report:

a. The financial statement prepared by the management of your Company fairly presents its state of affairs, the result of its operations, cash flows and changes in equity;
b. Proper books of accounts of your Company have been maintained;
c. 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;
d. International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements and any discrepancies have been adequately disclosed;
e. The system of internal control is well structured and has been effectively implemented and monitored;
f. There are no significant doubts upon your Company's ability to continue as an ongoing concern basis;
g. Significant deviations from last year in operating results of the Company are highlighted and the reasons have been explained in financial results & profit appropriation;
h. Key operating and financial data has been summarized for the preceding five years;
i. Significant plans and decisions, such as corporate restructuring, business expansion and discontinuation of operations as appropriate, future prospects, risks and uncertainties surrounding the Company has been outlined under the related captions of this report;
j. The number of Board meetings held during the year and attendance of each director has been disclosed;
k. The pattern of shareholding has been reported in **Annexure-3** to disclose the aggregate number of shares.

15.25 FINANCIAL RESULTS AND PERFORMANCE OF THE COMPANY

Consolidated and separate Financial Result compared with last year is detailed below

Particulars	2024		2025		% Change
	(in Million Taka)	% on Sales	(in Million Taka)	% on Sales	
Revenue	11,164.46		12,330.07		10.44%
Cost of Sales	9,883.11	89%	11,146.32	90%	12.78%
Gross Profit	1,281.35	11%	1,183.75	10%	-7.62%
General and Administrative Expenses	165.46	1%	169.97	1%	2.73%
Finance Cost Net	376.26	3%	586.21	5%	55.80%
Operating Profit	739.63	7%	427.57	3%	-42.19%
Other Income Net	74.04	1%	138.69	1%	87.32%
Share of Profit from Associate	-43.00	0%	257.15	2%	698.02%
WPPF	38.74	0%	31.24	0%	-19.36%
Net Profit Before Income Tax	731.93	7%	792.17	6%	8.23%
Income Tax	275.78	2%	321.05	3%	16.42%
Total Comprehensive Income	456.15	4%	472.63	4%	3.61%
Less: Minority Interest	24.77	0%	-1.53	0%	-106.18%
Net Profit (After Tax & Minority Interest)	431.38	4%	471.10	4%	9.21%

Consolidated Summary of Financial Statement of Shahjibazar Power Co. Ltd.

Particulars	2025		2024		% Change
	(in Million Taka)	% on Sales	(in Million Taka)	% on Sales	
Revenue	3,581.23		2,337.47		53.21%
Cost of Sales	2,884.74	81%	1,761.79	75%	63.74%
Gross Profit	696.49	19%	575.68	25%	20.99%
General and Administrative Expenses	73.24	2%	65.88	3%	11.17%
Finance Cost Net	130.25	4%	65.03	3%	100.29%
Operating Profit	493.00	14%	444.77	19%	10.84%
Other Income Net	162.39	5%	22.42	1%	624.31%
Share of Profit from Associate	257.15	7%	-43.08	-2%	696.91%
WPPF	31.20	1%	22.24	1%	40.29%
Net Profit Before Income Tax	881.33	25%	401.93	17%	119.27%
Income Tax	304.89	9%	193.56	8%	57.52%
Total Comprehensive Income	576.44	16%	208.37	9%	176.64%

Separate Summary of Financial Statement of Shahjibazar Power Co. Ltd.

15.26 SIGNIFICANT VARIANCE OF FINANCIAL STATEMENTS

In its independent financial performance for FY2024–2025, Shahjibazar Power Company Limited (SPCL) reported a strong recovery, with standalone Earnings Per Share (EPS) rising to Tk 3.09 per share, a significant improvement from the prior year. This turnaround is primarily attributable to the renewal of the Power Purchase Agreement (PPA) and the restoration of uninterrupted operations, enabling the plant to operate at a 63.37 percent plant load factor, compared to 37 percent in FY2023–2024 when the plant remained shut down for over four months due to the expiry of the initial PPA.

Consolidated performance also strengthened in FY2024–2025, with consolidated EPS increasing to Tk 2.53 per share. This improvement reflects a combination of enhanced power generation at the parent company and a substantial profit contribution of BDT 257.15 million from SPCL's associate company, marking a notable turnaround from the loss reduction position of the previous year.

However, the performance of the Company's 90% owned subsidiary, Petromax Refinery Limited (PRL), experienced a temporary setback. PRL reported an EPS of Tk (0.15) per share, compared to its strong profitability in the previous fiscal year. This decline resulted primarily from a reduced allocation of local condensate as feedstock by the Government. Local condensate typically yields higher refining margins due to better quality and a fixed-price framework, whereas the increased reliance on imported condensate—subject to international price fluctuations and limited availability—compressed margins and impacted profitability.

In response, management implemented several strategic measures to safeguard future performance. These included a leadership restructure at PRL, the initiation of multiple cost optimization initiatives, and a focused effort to identify cheaper and more reliable international sources of condensate. These steps are expected to support margin recovery in the upcoming periods.

Overall, FY2024–2025 reflects a year of operational restoration and financial strengthening for SPCL, driven by strong standalone performance, improved associate contributions, and proactive management actions addressing subsidiary-level challenges.

15.27 A DISCUSSION ON COST OF GOODS SOLD, GROSS PROFIT MARGIN AND NET PROFIT MARGIN

Particulars	2024		2025		% Change
	(in Million Taka)	% on Sales	(in Million Taka)	% on Sales	
Revenue	11,164.46		12,330.07		10.44%
Cost of Sales	9,883.11	89%	11,146.32	90%	12.78%
Gross Profit	1,281.35	11%	1,183.75	10%	-7.62%
Operating Profit	739.63	7%	427.57	3%	-42.19%
Net Profit Before Income Tax	731.93	7%	792.17	6%	8.23%
Total Comprehensive Income	456.15	4%	472.63	4%	3.61%
Net Profit (After Tax & Minority Interest)	431.38	4%	471.10	4%	9.21%

Consolidated

Consolidated revenue continued to expand in FY2025, supported primarily by strong sales performance across the subsidiary operations. However, Gross Profit declined to BDT 1,183.75 million from BDT 1,281.34 million in the previous fiscal year, while Operating Profit decreased to BDT 427.57 million compared to BDT 739.63 million in FY2024, reflecting margin compression driven by higher input costs and less favorable product mix within the refinery business. Despite these pressures, Net Profit after Tax and Minority Interest increased to BDT 471.10 million in FY2025, up from BDT 431.35 million last year, underscoring the resilience of consolidated earnings supported by improved associate contributions. The Gross Profit Margin contracted to 10% from 11% in FY2024, whereas the Net Profit Margin remained broadly stable, standing at 3.82% compared to 3.86% in the prior year.

Particulars	2025		2024		% Change
	(in Million Taka)	% on Sales	(in Million Taka)	% on Sales	
Revenue	3,581.23		2,337.47		53.21%
Cost of Sales	2,884.74	81%	1,761.79	75%	63.74%
Gross Profit	696.49	19%	575.68	25%	20.99%
Operating Profit	493.00	14%	444.77	19%	10.84%
Net Profit Before Income Tax	881.33	25%	401.93	17%	119.27%
Total Comprehensive Income	576.44	16%	208.37	9%	176.64%

Separate

Revenue increased significantly by 53.21% year-over-year, driven by higher plant availability and improved operational continuity compared to the prior period. Gross Profit rose by 20.99%, supported by expanded revenue, although the Gross Profit Margin moderated to 19%, down from 25% in FY2024, reflecting relatively higher cost of sales during the year. Operating Profit increased by 10.84%, with the margin adjusting to 14% from 19% due to increased maintenance and operational expenditures. Net Profit Before Tax more than doubled, rising by 119.27%, as the company benefited from improved operational performance and stronger contributions from associates. Total Comprehensive Income grew sharply by 176.64%, underscoring the overall enhancement in financial outcomes for FY2025.

15.28 PROFIT APPROPRIATION

The Consolidated Net Profit after Tax (NPAT) for the year stood at BDT 471.10 million, compared to BDT 431.38 million in the previous fiscal period, reflecting a steady improvement in bottom-line performance. Despite this progress, the Company continues to face significant liquidity pressures stemming from delayed receivables from BPDB, which have extended beyond normal settlement timelines. Moreover, the prevailing market-wide escalation in the cost of capital, influenced by the central bank's free-floating interest rate regime, has further intensified financing constraints. In view of these external challenges and the Company's financial performance during the fiscal year ended June 30, 2025, the Board is preparing to place the audited financial statements before the shareholders together with its recommendations on the appropriation of profits as follows:

Particulars	Amount in Million Taka
Net Profit for the year 2025	471.10
Profit brought Forward	4,071.35
Profit available for appropriation	4,542.45
Appropriations:	
Proposed Cash Dividend	373.26
Transferred to Retained Earning	4,169.19
Profit available for appropriation	4,542.45

15.29 DIVIDEND

Your Board recommends a final cash dividend of 20% cash dividend for the year 2025 i.e. Taka 2.00 for each Ordinary shares held of Taka 10 on the record date, subject to approval by the shareholders at the 18th Annual General Meeting.

Dividend Type	30-Jun-25	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
Cash Dividend (%)	20%	12%	11%	16%	28%	28%
Stock Dividend (%)	-	-	-	4%	4%	2%
Total	**20%**	**12%**	**11%**	**20%**	**32%**	**30%**

15.30 DIRECTORS' MEETING & ATTENDANCE

During the year ended June 30, 2025 The Board of Directors has attended 4 meetings. Directors who attended the board meetings are shown below:

Name of Directors	Attended
Mr. Anis Salahuddin Ahmad	4
Mr. Faridul Alam	4
Mr. A.K.M Badiul Alam	4
Mr. Shamsuzzaman	4
Mr. Akbor Haider	4
Mr. Faisal Alam	4
Mr. Asgar Haider	4
Mr. Mohammed Nurul Amin	4
Mr. Sharif Wadud	4

THE PATTERN OF SHAREHOLDING

Pattern of Shareholding as on June 30, 2025 Annexure -3

Name of Shareholders	Status	Relation	Share Held	Percentage (%)
i)Parent/Subsidiary/Associated Companies and other related parties				
ii) Directors				
A. Mr. Anis Salahuddin Ahmad	Chairperson		16,630,494	8.91%
B. Mr. A.K.M.Badiul Alam	Director		7,885,259	4.23%
C. Mr. Md. Shamsuzzaman	Director		21,195,091	11.36%
D. Mr. Akbor Haider	Director		12,844,144	6.88%
E. Mr. Faridul Alam	Managing Director		10,653,363	5.71%
F. Mr. Faisal Alam	Director		11,494,265	6.16%
G. Mr. Asgar Haider	Director		12,612,333	6.76%
H. Ms. Rezina Alam	Sponsor		8,369,788	4.48%
I. Ms. Israt Azim Ahmad	Sponsor	Spouse of Mr. Anis Salahuddin Ahmad	5,824,839	3.12%
J. Mr. Mohammed Nurul Amin	Independent Director		Nil	Nil
K. Mr. Sharif Wadud	Independent Director		Nil	Nil
iii) Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit and their Spouses and Minor Childrens:				
A. Bhulon Kumar Bhowmik	CFO		0	0.00%
B. Yeasin Ahmed	Company Secretary		0	0.00%
C. Md. Shakhawat Hossain	Head of Internal Audit		0	0.00%
iv)Executives			Nil	Nil
v. Shareholders Holding 10% or more voting interest in the company:	-	-	-	-
A. Mr. Md. Shamsuzzaman	Director		21,195,091	11.36%

15.32 DIRECTORS' ELECTION & RE-APPOINTMENT:
As per the Articles of Association Mr. Akbor Haider and Mr. Asgar Haider shall retire in 18th Annual General Meeting by rotation and being eligible to offer themselves for re-election.

15.33 RESUME OF THE DIRECTORS & THEIR EXPERTISE IN SPECIFIC FUNCTIONAL AREA
Described in Directors Profile

15.34 INDEPENDENT DIRECTOR TO THE BOARD OF SUBSIDIARY COMPANY
Mr. Mohammed Nurul Amin has been continuing as the nominated director in the subsidiary company.

15.35 HOLDING OF DIRECTORSHIP AND MEMBERSHIP OF THE COMMITTEES OF THE BOARD OTHER THAN THIS COMPANY

15.35 HOLDING OF DIRECTORSHIP AND MEMBERSHIP OF THE COMMITTEES OF THE BOARD OTHER THAN THIS COMPANY

Mr. Asgar Haider	Mr. Faisal Alam	Mr. Akbor Haider	Mr. Faridul Alam	Mr. Shamsuzzaman	Mr. A.K.M Badiul Alam	Mr. Anis Salahuddin Ahmad	Name of Directors	Companies >>
			√	√	√	√		Petromax Refinery Ltd.
			√					Midland Power Company Ltd.
			√					Midland East Power Ltd.
√	√	√	√			√		Comfit Composite Knit Ltd.
√	√	√	√					Youth Fashion Ltd.
√	√	√	√					Youth Garments Ltd.
					√			Zenith Islami Life Insurance Ltd
√						√		Islamic Finance & Investment Ltd.
					√			Garments Export Village Ltd.
					√			Grey Stone Sweater Ltd.
					√			Power Vantage Wear Ltd.
					√			Shirts Mine Ltd.
					√			Apparel Marketing & Trading Network Ltd.
					√			Orbital Accessories Ltd.
					√			Eden Multi Care Hospital (Pvt.) Ltd.
				√				Orient Chem-Tex Ltd.
				√				Micro Fiber Ltd.
				√				Liberty Knitwear Ltd
				√				Midland Knitwear Ltd.
				√				A-One Polar Ltd.
					√			Midland Bank Limited

15.36 AUDIT COMMITTEE

The Company has an audit committee with an established charter. The audit committee has met four times this year and the committee members' attendance record is disclosed below:

Name of Directors	Status	Attended
Mr. Mohammed Nurul Amin	Chair	4
Mr. Akbor Haider	Member	4
Mr. A.K.M Badiul Alam	Member	4
Mr. Yeasin Ahmed FCS	Secretary	4

15.37 AUDITORS

M/S G. Kibria & Co. Chartered Accountants retire at the 18th AGM and is eligible to carryout Audit Works for the ensuing year as per Corporate Governance Code. M/S G. Kibria & Co. Chartered Accountants expressed their interest formally to carry out the external audit of the company for the year ended June 30, 2026, and they are eligible to perform the audit as per the conditions of Corporate Governance Code, BSEC Panel of Approved Auditors and Companies Act 1994. Therefore, M/S G. Kibria & Co. Chartered Accountants will be appointed as recommended by the board subject to approval of the members at 18th AGM of the Company.

M/S Suraiya Parveen & Associates Chartered Secretaries had provided Corporate Governance Code certificate for FY2024-25. For the FY2024-25 M/S M/S Suraiya Parveen & Associates Chartered Secretaries has expressed their willingness to provide Corporate Governance Code certificate. Being eligible, the appointment of M/S Suraiya Parveen & Associates Chartered Secretaries shall be presented in the 18th AGM for member's approval.

15.38 BUSINESS RISK & UNCERTAINTIES

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board oversees how management monitors compliance with risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risks faced by the group. The Board is assisted in its oversight role by Audit Committee. Internal Audit, under the purview of Audit Committee, undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Your company operates in a field of involving some internal/external risk factors and those some are avertible; others are beyond control, which may be causes of loss. The management of Shahjibazar Power Company Limited perceives the risk factors which are as follows simultaneously:

Principal Risks	Impact	Key Mitigations
Interest Rate Risk	▪ Interest/financial charges are paid against any kind of borrowed fund. Volatility in money market and increased demand for loan process interest rate structure to be fixed at high. Raising of interest rate increases the cost of fund for a company, which has borrowed fund, consequently profit is squeezed.	▪ Prioritize Equity Based Financing ▪ Prefer Long Term fund over Short Term due to lower cost ▪ Continuously seeking cheap source of fund
Exchange Rate Risk	▪ SPCL imports mostly spare parts (if required) against payment of foreign currency. Unfavorable volatility or currency fluctuation may affect the profitability of the Company.	▪ Justified Forward Contract agreements ▪ Purchase through L/C which is known to be less exposed method in terms of Forex Risk
Industry Risk	▪ The supply of electricity and alternative energy is not adequate than the demand of it. For that reason organizations engaged in generating electricity can't provide all required amount of electricity. Power companies mainly supply electricity to national power distributors to supply electricity.	▪ Payment is guaranteed by Power Purchase Agreement (PPA) with Bangladesh Power Development Board (BPDB)

Market And Technology Related Risk	▪ Technology is related to generation, transmission, distribution, quantity measuring and maintaining of required electricity generation.	▪ Modernization program after periodic interval
Potential Or Existing Government Regulations	▪ The business activities of SPCL and its Subsidiary Petromax is fully controlled by policies, rules and regulation framed by Government, that is policies related to electricity price fixation, demand & supply and distribution is fully under the control of Government. So, Government policies in this regard may impact business operation of SPCL.	▪ Every possible effect of abrupt policy change by government is communicated with respective authority of the Government time to time ▪ Energy sector being one of the priority sector the respective authority
Potential Changes In The Global or National Policies	▪ The performance of the Company may be affected due to unavoidable circumstances in Bangladesh, as such political turmoil, war, terrorism, political unrest in the Country may adversely affect the economy in general. Moreover, natural disasters like Cyclone, Tide, and Earthquake may hamper normal performance of power generation.	▪ Prudent Rehabilitation Scheme ▪ Insurance Coverage to all possible extents
Pricing	▪ The BPDB and BPC are the single buyers respectively who purchases total electricity generated and total petroleum items produced. In these circumstances usually they are only buyers who may determine the pricing of the electricity and Petroleum products by the Company.	▪ For Power Generation Segment, BPDB and the Company have pre-determined and contracted terms-conditions regarding the tariff of electricity, expressed under two slabs–(i) Rental Payment (ii) Fuel Payments and Operation & Maintenance Payment according to supplied MW. Tariff for each month adjusted as per price index by the Bangladesh Bank. So, there is no risk associated with tariff value of electricity supplied to BPDP. ▪ For Petroleum Segment, pricing of only Raw Material NGC is also administered by the government. Being the industry is under a priority sector of the Government, it is assumed to be guaranteed that no abrupt change of price shall be administered by the government in a foreseeable future.
Risk Associated With Payment	▪ There is an impending risk in the case of delayed payment from BPDB and BPC. In case of any dispute with BPDB and BPC or failure to comply with certain rules and regulations, BPDB and BPC may stop making payments to SPCL and Petromax resulting into non-payment to its lenders	▪ Power Generation Segment is getting the payment regularly from BPDB. Sometimes, there are delays in payment but that is mainly due to administrative reasons. Till date, no payment has been defaulted. As per the PPA, BPDB needs to ensure minimum guaranteed payment supported by Letter of Credit. Which mitigates risk of any non-payments. ▪ Petroleum Segment has been collecting payment from BPC in a regular basis. There is no history of default in payment from BPC till today.
Environmental Pollution	▪ SPCL and Petromax plant operation may cause air and water pollution which may affect the ecological balance and living condition and health of the people around the plant.	▪ The operations and maintenance (O&M) contractor of SPCL plant, GE Austria is responsible for environmental management of the project. Plant operation is certified by the Department of Environment, Government of Bangladesh. ▪ Petromax Has installed state of the art technol ogy of oil refining equipment that ensures zero emission of spill overs.

15.39 GOING CONCERN

While approving the financial statements, the Directors have made appropriate enquires and analyzed significant operating and indicative financials which enabled them to understand the ability of the Company to continue its operations for a foreseeable future. The Directors are convinced and have a reasonable expectation that the company has adequate resources and legal instruments to continue its operations without interruptions. Therefore, the Company adopted the going concern basis in preparing these financial statements.

15.40 CORPORATE GOVERNANCE

Corporate Governance is the system through which companies are directed, guided and controlled by the Board while keeping in view its accountability to the shareholders. Your Company strives to maintain full compliance with the laws, rules and regulations that govern our business and to uphold the highest standards. Since corporate governance is not a static process, we will always continue to improve our practices.

15.41 CORPORATE SOCIAL RESPONSIBILITY

As a part of our ongoing commitment to the society and environment in which the company conducts its business, your company continues to fulfil its obligations. As in the previous years, the Company remains committed to support the following CSR activities that included:

- Regular contributor to Bangladesh Scout Annually
- Regular contributor of IEB
- Regular Contributor in National Power & Electricity Week
- Co-organizer of Environment Rally organized by DOE
- Contributor to Muktijudho Academy
- Contribution to Rohinga Camp

15.42 HUMAN RESOURCE MANAGEMENT

Our organization acknowledges that human capital is the most critical asset driving organizational success. To enhance our workforce's capabilities, we prioritize employee development by implementing a comprehensive training strategy. This includes regular workshops and training sessions designed to update and refine skills specific to their functional areas, ensuring that our team remains at the forefront of industry advancements and best practices.

15.43 STATUS OF COMPLIANCE

In accordance with the requirement stipulated as per condition No. 1(5) (xxvii) of the Securities & Exchange Commission's notification no-SEC/CMRRCD/2006-158/207/Admin/80 dated 07 June 3, 2018 issued under section 2CC of the Ordinance 1969 the Corporate Governance Compliance Report is shown in **Annexure-B**. A certificate from M/S Suraiya Parveen & Associates Chartered Secretaries confirming compliance of conditions of Corporate Governance Codes as stipulated under condition 9 is also annexed to this report as **Annexure-C.**

15.44 KEY OPERATING AND FINANCIAL DATA:

The summarized key data for last five years is set out in the page number

15.45 ACKNOWLEDGEMENT:

In anticipating future developments, we express our deep gratitude to our shareholders for their steadfast support during these turbulent times. We are confident in your resilience as we navigate the challenges posed by the ongoing global economic crisis. The pervasive impact of shifting government policies and regulatory frameworks on the economic landscape is undeniable and will influence our operations in various ways.

The board would also like to acknowledge the invaluable partnership we share with key entities such as the Bangladesh Power Development Board (BPDB), the Power Cell of the Power Division, MPEMR, and Jalalabad Gas T&D System Limited. We appreciate the collaboration from banks and financial institutions, insurance companies, service providers, and governmental bodies including the Bangladesh Securities and Exchange Commission (BSEC), the Registrar of Joint Stock Companies & Firms (RJSCF), the Dhaka Stock Exchange Ltd (DSE), the Chittagong Stock Exchange Ltd (CSE), Central Depository Bangladesh Limited (CDBL), as well as other relevant authorities and agencies.

We look forward to fostering a path toward a more resilient future and achieving sustainable growth.

For and On Behalf of the Board

Anis Salahuddin Ahmad
Chairman