

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

It is our privilege to welcome you all to the 20th Annual General Meeting of Intech Limited.

We are pleased to present the results of the operational activities and the audited financial statements of the Company for the 12 months' period ended on June 30, 2020 before the shareholders of the Company.

We now report below on the performance of the company and other relevant aspects in accordance with the Notification on Corporate Governance Code dated June 03, 2018, issued by

Industry outlook and possible future developments in the industry

As we already informed you last year, your company has diversified in other areas i.e. resort project and fisheries project, while also retaining the core business of internet service and software.

During the reporting period, your Company continued its fishery business on leasehold property. Currently, the Company has been on the brink of completion of legal documentation concerning the said property. The Company is aspirant that the said property may be utilized, with shareholders' approval, for more diversified business initiatives, e.g. eco-tourism, agro-business with RAS/Aquaponics system, Solar park (green power generation-On grid as well as for own consumption), Biogas project, Feed mill, Improved cook stove project, Specialized Fish processing & preservation plants, Ice factory, Beef fattening, Dairy Farm, Orchard etc.

The Company has, in the intervening time(during FY: 2019-2020) , succeeded to install successfully NFC Card payment solution software module ALTERNATIVE DELIVERY CHANNEL (ADC) , a green financial inclusion endeavour, which is yet to commence commercial operation. The said software is now alive under testing phase for valuable feedback of our Financial Institutions.

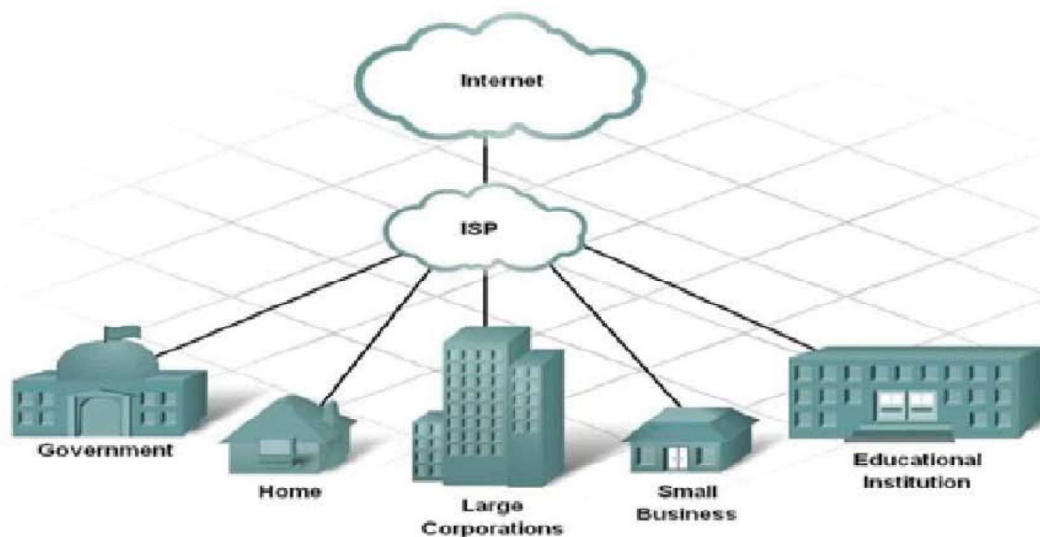
Segment-wise or product-wise performance

'Software' and 'Fisheries' are the main sources of revenue, each representing around 37% and 54% respectively of the revenue earned (i.e., total 91%) during the period. The other source of income had been 'Internet Service' share whereof being around 9%.

Risks and concerns

In consideration of the risk of stiff competition and high personnel turnover in the software business, we have already diversified our business in integrated fisheries and the grabbing of a substantial part of business in vast sector of IT and ITeS services including are being envisaged. Intech has already signed agreement with Teletalk Limited for extending them Service Delivery Platform (SDP) with Teletalk Bangladesh Limited, commercial operation where against will commence soon. Meanwhile, Intech has been running business of Amazon Web Services (AWS) in Bangladesh being the Exclusive local re-selling partner in collaboration with AWS's South-East Asian Regional Re-selling Agent "Minfy Technologies Private Limited, India".

Existing ISP Status of Intech Limited:



Intech's initiatives for befitting BMRE of existing projects and envisaged novel, milestone projects:

In order to edge over the ongoing COVID-19 challenges and incoming Post COVID-19 uncertainties/economic disruptions, and, thus, to transform the unprecedented adversities into humongous opportunities, Intech Limited deeply plans to launch /undertake different Green , time-befitting and financially rewarding /impactful initiatives to invest in innovation on diversified sectors .

As a ray of hope, new, formidable stakeholders are emerging under COVID-19 situation to join hands with Intech Limited in its endeavor to transform the challenge of adverse situation into humongous opportunities for implementing the afore-mentioned time-befitting, latest tech-based projects.

Resultantly, it deserves here to mention that Intech has been deeply working on the following Business platforms/projects under its diversified business portfolio which are:

- i) BMRE of existing ISP services with GPON Technology,
- ii) Artificial Intelligence (AI) and Internet of Things (IOT) based Smart farming (Acquaponic farming accompanied by Rooftop Solar power project),
- iii) WLAMA-Nationwide White Label ATM and POS network, such as, Q cash, VISA, MasterCard etc. ,
- iv) DEVICE ASSEMBLING for MOTOROLA, HUWEI, XIAOMI, SAMSUNG, SYMPHONY etc.,
- v) SMART METER for Utility Services,
- vi) SOCIAL MEDIA PAYMENT,
- vii) Deployment of 4G and 5G based value-added Digital services with Nationwide Tower sharing license-holder entity,
- viii) Cross-border remittance in association with NUSpay International Inc., USA,

- ix) Virtual Marketplace – for Digital devices and services initially with plans to expand product and service,
- x) Gigawire internet connectivity for Quad-play (WIFI enabled through direct LAN connectivity via land line cables, IP Telephone, IP TV, fixed land line),
- xi) Real-estate, Securities and Bond Asset exchange using AR/VR,
- xii) Smart Remittance Collection: Smart Remittance provides the best service for cross-border payment using foreign exchange, both for Outgoing Transfer and Incoming Transfer (already running in Indonesia and Malaysia), Currently, we are on the brink of signing phase with the country's largest bank 'Sonali Bank Limited.
- xiii) Intech Mart: A unique E-commerce platform under Intech's umbrella which is a dynamic platform for both consumers and suppliers as the payment will be settled from an Escrow Payment Process System etc.

RELEVANT FUND RAISING MODES:

The Board members in the greater interest of fostering the envisaged projects and prior to raising fresh capital fund from upcoming different modes –i) Private placement of shares, ii) Zero coupon Bond issue, iii) Islamic Bond (Sukok).

Cost of Goods and Services Sold, Gross Profit Margin and Net Profit Margin

The Cost of Goods and Services Sold in 2019-2020 amounted to about 46% of Revenue, thereby resulting in Gross Profit Margin of 54%. This is fairly consistent with 58% Gross Profit Margin in 2018-2019.

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

Amount in Taka

| Particulars | 2019-2020 | 2018-2019 | 2017-2018 | 2016-2017 | 2015-2016 |
|---------------------------|-------------|-------------|-------------|-------------|-------------|
| Turnover | 91,356,574 | 119,113,752 | 136,476,604 | 127,162,769 | 114,126,973 |
| Gross Profit | 49,138,891 | 68,260,468 | 78,812,226 | 63,087,115 | 61,354,548 |
| Profit Before Tax | 5,953,916 | 12,939,116 | 34,316,672 | 28,669,997 | 24,892,581 |
| Tax | 1,325,017 | 580,911 | 2,728,660 | 609,985 | (127,681) |
| Profit After Tax | 4,628,899 | 12,358,205 | 35,411,205 | 27,856,869 | 23,749,268 |
| Total Asset | 391,782,348 | 388,445,967 | 358,752,682 | 295,121,830 | 267,002,272 |
| Shareholders' Equity | 335,117,696 | 335,179,770 | 322,821,565 | 287,410,360 | 259,553,491 |
| Total Current Assets | 172,200,463 | 230,129,559 | 207,588,098 | 135,339,862 | 106,499,532 |
| Total Current Liabilities | 21,837,096b | 23,408,714 | 22,569,645 | 7,711,470 | 7,448,781 |

Related Party Transaction

During the period under report, no any such transaction has been made.

Explanation on significant variance that occurs between Quarterly Financial performances and Annual Financial Statement:

There was significant variance in net profit after tax due to fall of sale of live fishes, new software sales turnover on account of adverse effects of corona virus "COVID-19" outbreak that impacts, among others, Bangladesh.

Remuneration of Directors including Independent Directors

The Directors of the Company, including independent directors, have received remuneration during the year.

Directors' Declaration as to Financial Statements

As part of preparation and presentation of the financial statements, the Directors also report that:

We have made appropriate inquiries of members of the Board and officers of the company with the relevant knowledge and experience. Accordingly, we confirm, to the best of our knowledge and belief, the following representations:

1. The financial statements referred to above are presented fairly, in all material respects, in accordance with applicable International Accounting Standards (IAS) as adopted in
2. We have made available to you all books of account and supporting documentation and all minutes of meetings of the Governing body.
3. There has been no known actual or possible non-compliance with laws and regulations that could have a material effect on the financial statements in the event of non-compliance.
4. All transactions have been recorded in the accounting records and are reflected in the financial statements.

Recovery of long outstanding Trade Receivable (Note # 9 of Audited Financial Statements)

Out of Total Trade Receivables, a sum of Tk10,914,950 is outstanding for more than 360 days, which has occurred due to the adverse effects of prolonged COVID-19 pandemic abnormal situation, yet we are optimistic that the said amount including the other receivables are realizable.

Recognition of the company's "Leases" as per IFRS-16 in the Financial Statements

The matter was inadvertently not taken into account during this FY: 2019-2020. We, however, firmly undertake and affirm that the said matter of "Leases" under IFRS-16 would be duly adopted/recognized in next year's annual financial statements of the company.

System of Internal control

The Company's internal control is sound which is designed and has been effectively implemented and monitored during the year.

Going concern

The issuer company is undoubtedly able to continue as a going concern.

Other Regulatory Disclosures

There had been no extra-ordinary gain or loss during the year under report or the preceding year. There was no public issue of shares of any other instruments during this period.

Dividend

The Board of Directors in its 178th meeting held on the 7th February, 2021, approved the Annual Financial statements for the year ended 30 June, 2020, audited by Islam Quazi Shafique & Co., Chartered Accountants, appointed (revised) by the Board of Directors of the Company, and also recommended 1% cash dividend for the Shareholders, which have been placed to the Annual General Meeting for approval by the shareholders and authorization of the financial statements for issue.

Directors

The Board of the Company was comprised of 5(five) members till the 7th December, 2020. The Board in its 176th meeting held on the 8th December, 2020 confirmed appointment of further 12(twelve) shareholders as Directors on the Board of Directors of the Company who hold 2% or more shares individually complying with regulatory norms in force and 1(one) more Independent Director. Out of the previous 5(five) Directors, 3(three) Directors are shareholder Directors. Only one shareholder director (current chairman of the Board of Directors) could attain 2% individual shareholding mark to retain his position as Director conforming to the latest compliance rules of the BSEC and come out of the respective casual vacancy state of directorship, which the other 2(two) existing Directors could not comply with and thus turned under casual vacancy pursuant to BSEC's Notification no. SEC/SRMID/2011/1240/09 dated July 02, 2020.

Due to non-submission of Letter(s) of Intent(LOIs) to become Directors afresh by attaining 2% shareholding individually by the 2(two) existing Directors and under Article 60 of the Articles of Association of the Company, Mrs. Shadika Mahbub and Mr. Md. Anisuzzaman, the Directors earlier elected by from the general shareholders(now casually vacant), would retire in this AGM.

In fine, Intech's Board of Directors, pursuant to *BSEC's latest* Gazette notification dated July 15, 2019, has registered its sincere and vigorous initiatives for attaining its sponsors/directors collective shareholding to minimum 30% of the Paid capital jointly and 2% individually.

The pattern of shareholders is disclosed as follows:

1. The Company has no Parents/Subsidiary/Associated Companies.
2. The shareholdings of current Directors (including the newly appointed directors complying with minimum 2% shareholding individually)have been disclosed as follows:

| Shareholdings by | Designation | No. of Shares | % of shareholding |
|---|----------------------------|---------------|-------------------|
| Mr. ATM MahbubulAlam | Director | 627,000 | 2 |
| Mrs. ShadikaMahbub | Director (casually vacant) | 125,763 | 0.40 |
| Mr. Md. Anisuzzaman | Director (casually vacant) | 12,210 | 0.04 |
| Mr. ProjibBhusanDatta (FCMA) | Independent Director | - | |
| Mr. Mirza Aminul Islam Beg | CEO (Ex-Officio Director) | - | |
| Ms. Nassarrat Rahamn | Sponsor | 182,871 | 0.58 |
| Mr. Md. Mostaqur Rahman | Sponsor | 157,037 | 0.50 |
| Mr. Md. Shamsul Alam | Sponsor | 130,862 | 0.42 |
| Mr. Md. Mostafizur Rahman | Sponsor | 39,139 | 0.13 |
| Mr. M.A. Rashid Shah Shamrat | Sponsor | 22,219 | 0.07 |
| Newly appointed shareholders directors by the board(awaiting election by the shareholders in the AGM) | | | |

| | | | |
|--|----------------------|-----------|--------|
| Mr. Khandaker Shakib Ahmed | Director | 627,000 | 2 |
| AIBL Capital Market Services Ltd. (represented by Mr. Md. Rezaur Rahman FCMA) | Director | 1,313,823 | 4.19 |
| Mr. Atiqul Alam Chowdhury | Director | 640,424 | 2.04 |
| Mr. A.N.M Yeahea | Director | 627,000 | 2 |
| Dhaka Cotton Company Ltd. (represented by Mr. SK. Md. Samiul Islam) | Director | 660,000 | 2.11 |
| Mr. Khalilur Rahman | Director | 627,000 | 2 |
| Mr. Ubaida Asadi | Director | 627,000 | 2 |
| Barrister Khandaker Reza-E-Raquib | Director | 631,926 | 2.02 |
| Mr. Ahamedul Hoque (Ahamed) | Director | 627,000 | 2 |
| Syeda Rashida Yasmin | Director | 626,500 | 2 |
| Shyamol Equity Management Ltd. (represented by Mr. Md. Sajedul Islam) | Director | 627,000 | 2 |
| Solar Electro Bangladesh Ltd. (represented by Engr. DM Majibar Rahman) | Director | 645,777 | 2.06 |
| Syed Masodul Bari | Independent Director | - | - |
| Total | | | 30.58* |

*It is relevantly noteable here that, excluding 0.44% shares of outgoing 2(two) directors (now under casual vacancy), total shareholdings (in %) of sponsors and compliant shareholder-directors (holding minimum 2% shareholding individually) stand at 30.14%, which also complies with the BSEC's latest compliance requirement of total minimum 30% shareholdings of sponsors/directors. The above respective compliance aspect /information has been apprised to the BSEC, DSE, CSE, CDBL duly vide our letter no. IL/BSEC/BM/2020-0021-6 dated December 07, 2020.

It is worth mentioning here that the newly appointed 12 shareholder-Directors hold apex positions in one of the strongest corporate group of the country S. Alam Group, other prominent business group like KDS Group, Dhaka Cotton group, well-received banks like Al-Arafah Islami Bank Limited, National Bank Limited, Shahjalal Islami Bank Limited, Modhumoti Bank Limited, and other business/industrial entities of well repute, which not only enabled to comply with regulatory norms of directors'/combined shareholdings also strengthened the Board of Directors of the company to a far-reaching state.

The number of Board meeting held during the period (FY: 2019-2020) and attendance by each director (11 meetings were held during the period):

| Shareholdings by | Designation | Attendance |
|--------------------------------|----------------------------|------------|
| Mr. ATM Mahbubul Alam | Director | 11 |
| Mrs. Shadika Mahbub | Director (casually vacant) | 11 |
| Mr. Md. Anisuzzaman | Director (casually vacant) | 10 |
| Mr. Projib Bhusan Datta (FCMA) | Independent Director | 11 |
| Mr. Mirza Aminul Islam Beg | CEO (Ex-Officio Director) | 11 |

Audit Committee

As per stipulated of the BSEC guidelines, the Board has constituted an Audit Committee for the Company. The Committee met four times during the reporting period, which was attended by all the members. The main objectives of the Audit Committee during the reporting period were as follows:

- Review and recommended to the Board the quarterly and period-end financial statements for the period of 12 months in 2019-2020.
- Review and appraise the performance of the internal control system.
- Review and consider the compliance with various Guidelines of BSEC.

Corporate Governance Compliance Statement

We are pleased to confirm that we have complied with BSEC Notification No. SEC/CMRRC-D/2006-158/207/Admin/80 dated 03 June 2018, and has included the Compliance Report in the Annual Report. Further, a Certificate of Compliance required under the said Notification, as provided by Podder & Associates, Cost and Management Accountants has also been annexed to this Report.

Auditors

The Board recommends the appointment of Islam Quazi Shafique & Co., Chartered Accountants, for a fees of Tk1,72,500/- as Financial Auditors/Independent Auditors and Podder & Associates Cost and Management Accountants, as Compliance Auditors for a fees of Tk15,000/- for 2020-2021, for your approval.

**ORRECTION OF ERRORS
(DEFERRED TAX ASSETS/
ADJUSTED RETAINED EARNINGS)**

Intech Limited has discovered some erroneous omissions with regards to Deferred Tax Assets/ Liabilities and Current Tax Liabilities relating to wrong calculation due to formula error for prior periods. As a consequence, its expenses and associated non-deductable costs were understated. The errors have been corrected by restating each of the affected financial statements line items. Thus during the FY: 2019-2020, total adjustable Deferred Tax Assets amounted to (Tk3,015,944), total adjustable Current tax has been (Tk1,675,030), and last but not the least in this regard, Retained Earnings have been adjusted by (Tk4,690,974).

SUCCESSFUL FOOTPRINT IN DUBAI ROAD SHOW IN SHOWCASING INNOVATIVE PRODUCTS:

Intech Limited's Chairman participated along with its technical team/representative from the respective Technology Partner, participated in the first –ever Road Show of BSEC in Dubai, UAE, from February 09-February 12, 2021, intended for the development of Bangladeshi capital market and reach the outreach of the untapped investors, specially, the NRB and Foreign investors, and showcased formidably its latest innovative cutting-edge technology-based, proven, highly Social /Economic impactful and far-reaching financially rewarding projects, such as, i) Remittance Global Market maker and ii) Share Trade virtual Aggregator for Bangladeshi Brokerage Houses.

Intech's above endeavour attracted huge responses of the investors there and also came across several fruitful discussions with the top brass of the supreme regulators as well as the respective UAE authorities. Based on the above, we now need to organize ourselves to fulfill due diligence and approach/complete necessary formalities.

Intech Limited, in line with the above, has been dedicatedly engrossed in Bangladesh Capital Market Globalization process.

DELAYED HOLDING OF THE AGM AND VERDICT OF THE HONOURABLE HIGH COURT DIVISION:

Due to various uncontrollable reasons including the prolonged adversities of COVID-19 pandemic, the Company has become unable to hold the AGM by December, 2020, for which the company has apprised/sought guidance of BSEC and RJSC. Eventually, the Company, as per rules in force, resorted to the relevant legal proceedings by filing appeal to the Honourable High Court Division of the Supreme Court of Bangladesh along with prayer for condonation and time extension prayer, where-against the Honourable Court accepted the condonation and extended time for holding the AGM till April 30, 2021.

Last but not the least, we would take the privilege to let our venerable shareholders that through the above-stated project's implementation and other positive endeavour as well as present formidable Board of Directors/top management is firmly determined to elevate its revenue/earnings stream by far and re-instate its share category from current "Z" category to initially "B" category and then to "A" category.

Conclusion

As such, we firmly hope to attain our planned growth of operation through the envisaged BMRE of ongoing operation and business diversification initiatives with the far-reaching guidance and support of our regulatory authority as well as your valuable collaboration and continued trust.

The Board would like to thank you all for your participation in the AGM, and for your continued interest and support for the Company.

On behalf of the Board of Directors,



ATM Mahbubul Alam
Chairman