



ওয়াটা কেমিক্যালস লিমিটেড

WATA CHEMICALS LIMITED

HEAD OFFICE:

17/B (3rd Floor), Monipuripara
Sangshad Avenue, Dhaka-1215, Bangladesh
Tel : 02-58152001, 02-58155206, Fax : 880-2-58155091
website: www.watachemicals.com, e-mail : watachemicals@gmail.com

FACTORY:

Murapara, Rupgonj
Narayanganj
Tel: 06725-56049
Mobile: 01720-096470

PRICE SENSITIVE INFORMATION

This is for information of all concerned that the Board of Directors of WATA CHEMICALS LIMITED in its meeting held on 06.11.2025 at 5.00 PM to 8:35 PM has considered/adopted the Audited Financial Statements of the company for the period ended on 30.06.2025 (From July 2024 to June' 2025). The significant Features of the said Financial Statements are as follows:

01. Financial position of the company for the period ended on 30.06.2025 as per Audited Financial Statements are as under :

Figure in BDT

Particulars	July 2024 - June 2025	July 2023 - June 2024
Turnover (Net of VAT)	813,487,372	713,392,353
Gross Profit	240,763,287	218,896,554
Net Profit after Taxation	11,040,592	9,861,014
Earnings per Share (EPS in Taka)	0.74	0.67
Net Assets Value (NAV)	905,444,455	913,133,509
Net Assets Value (NAV) Per Share	61.09	61.60
Net Operating Cash Flow Per Share	19.93	16.83

02. Reason of significant deviation :

Earning Per Share (EPS):

Sales volume has been increased by 13.67% as compared with the corresponding period of the previous year, Through Factory and Administration expenses has been decrease, Raw material price increased by 30.96% significantly about Raw material price increased in proportion to sale of the respective year due to volatile international market, devaluation of taka against US Dollar and finance expenses increased due to increase of interest rate of Bank which causes significant deviation in EPS.

Net Operating Cash Flow Per Share (NOCFPS):

Payment for Raw Materials & administrative, selling and distribution expense including VAT & TAX payment were decreased against the same period of the previous year, Collections from Sales and Trade Debtors were increased more for which NOCFPS has increased significantly.

Note: Details of the published Financial Statements will be available in the website of the company. The address of the website is www.watachemicals.com.

03. Recommend Dividend : 10% Cash dividend out of profit and retain earnings recommend by the board of Directors meeting held on 06.11.2025 for the financial year ended on 30.06.2025 subject to confirmation at the 43rd AGM.
04. Record Date : 27 November, 2025
05. Date of 43rd AGM : 24 December, 2025
06. Time of 43rd AGM : Will be published letter on.
07. Place of 43rd AGM : Virtual AGM/Digital Platform

By order of the Board of Directors

Date: 06.11.2025

Shamsul Huq
(Shamsul Huq)
Company Secretary

NOTE:

- In compliance with the Bangladesh Securities and Exchange Commission's letter No.: BSEC/ICAD/SRIC/2025/318/87, Date: March 27 2024, the 43rd AGM will be held virtually through Digital platform.
- Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June, 2018, the company will duly forward the Annual Report 2024-2025 in soft form to the e-mail address of the Members available in their Beneficiary Owner (BO) accounts maintained with the Depository. Members are requested to update their email addresses through their respective Depository Participant (DP). The soft copy of the Annual Report 2024-2025 will also be available in the Company's website at www.watachemical.com
- Members are requested to update their respective BO accounts with e-TIN, Bank Account, mailing address, contact number through their respective Depository Participant (DP) before the "Record Date". Advance Income Tax (AIT) will be deducted from eligible cash dividend as per Govt. Rule, if any one fails to update his respective BO Account with the e-TIN before the Record Date.
- The concern Brokerage Houses are requested to provide us with a statement with the details (Shareholder name, BO ID number, client-wise shareholding position, gross dividend receivable, applicable tax rate and net dividend receivable) of their margin loan holders who holds WATACHEM shares as on the "Record Date", along with the name of the contact person in this connection, to the Corporate Office. The Brokerage Houses are also requested to provide us with their Bank Account name & number etc. to said email address.
- Notice of the 43rd AGM will be served in due course.



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Disclosure of Modified Opinion and Emphasis of Matter in the Auditors Report for the Year Ended on 30.06.2025.
The following modified opinion and emphasis of matter are placed by the Auditors before meeting of the Board of Directors held on 29.10.2025.

Qualified Opinion

We have audited the accompanying financial statements of **WATA Chemicals Limited** (the Company), which comprise the statement of financial position as at 30 June 2025, 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.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of **WATA Chemicals Limited** as at 30 June 2025, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 2020 as amended up to date and other applicable laws and regulations.

Basis for qualified Opinion

1. No depreciation was charged on LABSA plant and BCP plant. The management reported that these plants are not in use since 2008. According to IAS 16 (paragraph 55), a company should not cease the depreciation when the assets become idle or is retired from active use unless the asset is fully depreciated. As a result, depreciation was undercharged by Tk. 4,415,006 for this year.
2. The company has revalued its Plant & Machinery and Factory Building in 2008 but has not transferred depreciation on revaluation from Revaluation reserves to Retained earnings for 04 (four) years from 2008 to 2011. As such consistency was not maintained as per paragraph 34 of IAS 16 "Property, Plant & Equipment". Therefore, retained earnings has been understated and Revaluation reserve has been overstated to the same extent. Moreover, the company has not maintained fixed asset register properly.
3. The company has utilized the Workers Profit Participation Fund (WPPF) as an internal source of financing but has neglected to provide interest for such usage, contravening section 240(3) of the Labor Act 2006, as amended in 2013.

Notably, an amount of Tk. 48,597,905 has been categorized under "Workers Profit Participation Fund" as a current liability, without any corresponding disbursement as employees' benefits to the workers, although the company has executed Trust Deeds for the same. This discrepancy points to a transgression of the provisions outlined in the Labor Act 2006, section 242(1), as amended in 2013.

5. While checking current tax provision we found that the provision was not calculated properly which leads to shortfall of provision.
6. During the year the company has received BDT 107,950,000 from its directors as loan using Banking Channel to repay Company's bank loan liability and subsequently repaid BDT 210,165,336 to them. While checking we observed that substantial part of amount of repayments were made using cash cheques.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' 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) together with the ethical requirements that are relevant to our audit of the financial statements in jurisdictions, and we have fulfilled our other ethical responsibilities in accordance these requirements and with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Signature



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Emphasis of Matters

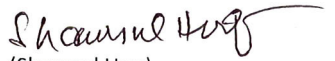
We draw attention to the following:

- a. Note 32.00, "Earnings Per Share," within the financial statements elucidates the rationale behind the slight increase in Earnings Per Share (EPS) from BDT 0.67 (2023-24) in the preceding year to BDT 0.74 (2024-25) in the current year. In addition as indicated in Note 41.00, there is a noteworthy increase in Net Operating Cash Flow Per Share (NOCFPS), rising from BDT 16.83 to BDT 19.93, mainly due to higher collection of sales and accounts receivables than payments.
- b. Note 50.00, "Contingent Liabilities," found in the notes accompanying the financial statements. It discloses that the Commissioner of Customs Excise and VAT Directorate has raised a claim of Tk. 41,427,896 against the company due to a VAT audit objection. Subsequently, the company has lodged an appeal with the Appellate Tribunal following the payment of Tk. 4,142,790, equivalent to 10% of the claimed amount. As of now, the appeal remains pending in the Appellate Tribunal. Another demand claimed by Customs Excise & Vat Commissionerate, Dhaka by cancelling rebate for Tk. 22,81,103 and imposed fine for Tk. 45,62,206/- as because non-submission of price declaration in time. Against this claim a writ petition has been filed on payment of Tk. 456,220 before the Hon'ble High Court Division. Hon'ble Justice stayed the order of claim and the writ petition now pending for hearing.
- c. Note 6.00, "Trade Receivables," where the company has disclosed that the impact of expected credit loss, in accordance with IFRS 9, has not been reflected in the financial statements.
- d. In accordance with Section 99 of the Labor Act 2006, as amended in 2013, it is incumbent upon establishments employing a minimum of 100 permanent workers to institute group insurance in accordance with the prescribed regulations. Regrettably, the company has yet to introduce group insurance for its permanent employees, despite employing more than 100 permanent personnel. This points to a non-compliance with the provisions set forth in Section 99 of the Labor Act 2006, as amended in 2013.
- e. Note 1.17 where the company has disclosed in respect of transactions which were made using cash channels, including the purchase of land and others, we are not aware of any consequences associated with the cash transactions.
- f. We draw attention to Note 29.00, where the company has disclosed the finance cost, which shows a notable increase in the company's finance expenses for the last 3 years.

Our opinion is not modified in respect of these above matters.

Date: 06.11.2025

By order of the Board of Directors


(Shamsul Huq)
Company Secretary