

**Linde Bangladesh Limited**

Consolidated and Separate Audit Report and Financial Statements

As at and for the year ended 31 December 2025

# Hoda Vasi Chowdhury & Co

## Chartered Accountants

### INDEPENDENT AUDITOR'S REPORT To the Shareholders of Linde Bangladesh Limited

#### Report on the Audit of the Consolidated Financial Statements

##### Opinion

We have audited the consolidated financial statements of **Linde Bangladesh Limited and its subsidiary** (hereinafter referred to as "the Group"), which comprise the consolidated statement of financial position as at 31 December 2025, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated 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 have 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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with ethical requirements that are relevant to our audit of the consolidated financial statements in Bangladesh and we have fulfilled other ethical responsibilities in accordance with these ethical requirements. 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 judgement, were of most significance in our audit of the consolidated financial statements of the year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the consolidated financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

### **1) Revenue recognition**

Revenue recognition has significant and wide influence on the consolidated financial statements. The Group reported revenue for the amount of BDT 2,281,481,646 for the year.

Revenue is recognized when the amounts and the related costs are reliably measured and the performance obligation is satisfied through passing of control to the customers. Revenue from the sale of goods is recognized at the time when the goods are dispatched for delivery to the distributor or handed over to its customers and revenue from providing services is recognized after the services are provided to customers. Since sales contracts include many different terms, there is considerable risk due to the complexity of the systems necessary for properly recording and identifying revenue and the risk of incorrect timing of revenue recognition.

Refer to note 21 to the consolidated financial statements for relevant disclosures regarding revenue.

#### **How our audit addressed the key audit matter**

- We assessed the reporting environment of the Group as well as other relevant systems supporting the accounting of revenue;
- We examined customer invoice (Mushak 6.3), VAT submission form (Mushak 9.1) and receipts of payment on a test basis;
- We examined the ERP system (SAP) which generated sales register and compared it with Mushak 6.3;
- We summarized Mushak 9.1, month wise sales and cross-checked with consolidated financial statements;
- We obtained and reviewed supporting documents for sales transactions recorded;
- We assessed whether sufficient disclosure has been given; and
- We tested the timing of revenue recognition as well as cut off checked.

### **2) Property, plant and equipment**

Included on the consolidated financial statements is the Group's property, plant and equipment balance of BDT 2,430,966,000 as at 31 December 2025.

Property, plant and equipment include the Group's long-term assets, which flow economic benefits to the entities for more than one year. Property, plant and equipment measured at historical cost less accumulated depreciation as per IAS-16 "Property, plant and equipment".

The carrying value of property, plant and equipment represents a significant portion of the Group's assets which includes function of depreciation charges that involves estimation. Therefore, it has been considered as a significant area of management's judgment and requires special attention. There is also a risk that the impairment charges may not have been recognized.

Refer to note 5 to the consolidated financial statements for relevant disclosures regarding property, plant and equipment.

**How our audit addressed the key audit matter**

- We understood, evaluated and validated management's key controls over property, plant and equipment;
- We reviewed the basis of recognition, measurement and valuation of assets;
- We checked ownership of the major assets;
- We checked the capital work-in-progress (CWIP) and its transfer to property, plant and equipment;
- We performed physical asset verification during our audit; and
- We reviewed the Group's assumptions in relation to recoverable amounts of the major property, plant and equipment to identify if there is any requirement of recognition of impairment.

**Reporting on Other Information**

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

Our opinion on the consolidated 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 consolidated 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 consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994, the Securities and Exchange Rules, 2020 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 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 Group'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 consolidated 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 Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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 consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's 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.

**Report on Other Legal and Regulatory Requirements**

In accordance with the Companies Act, 1994 and International Standards on Auditing (ISAs), 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 purpose 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 Group so far as it appeared from our examination of those books;
- c. The consolidated statement of financial position and the statement of profit or loss and other comprehensive income along with the annexed notes 1 to 44 dealt with by the report are in agreement with the books of account; and
- d. The expenditures incurred and payments made were for the purposes of the Group's affairs.

Dhaka, Bangladesh

Date: 08 April 2026



**A F Nesaruddin, FCA**  
Enrolment # 469  
Senior Partner  
Firm Reg. # CAF-001-057  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

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In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, 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.

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- 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 the statement of profit or loss and other comprehensive income along with the annexed notes 1 to 44 dealt with by the report are in agreement with the books of account; and
- d. The expenditures incurred and payments made were for the purposes of the Company's affairs.

Dhaka, Bangladesh

Date: 08 April 2026

DVC: 2604150469AS291057



**A F Nesaruddin, FCA**

Enrolment # 469

Senior Partner

Firm Reg. # CAF-001-057

Hoda Vasi Chowdhury & Co

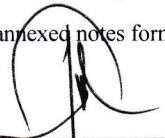
Chartered Accountants

# Hoda Vasi Chowdhury & Co


**Linde Bangladesh Limited**  
**Consolidated Statement of Financial Position**  
**As at 31 December 2025**


Notes	31 December 2025 BDT'000	31 December 2024 BDT'000
<b>Assets</b>		
Property, plant and equipment	2,430,966	2,562,364
Right-of-use (RoU) assets	36,406	37,757
Advances, deposits and prepayments	10.A 163,629	226,679
<b>Total non-current assets</b>	<u>2,631,001</u>	<u>2,826,800</u>
Inventories	339,667	387,156
Trade and other receivables	771,651	855,534
Advances, deposits and prepayments	10.A 114,538	139,012
Cash and cash equivalents	11.A 1,115,535	1,559,584
Advance income tax, net	157,996	169,732
<b>Total current assets</b>	<u>2,499,387</u>	<u>3,111,018</u>
<b>Total assets</b>	<u><u>5,130,388</u></u>	<u><u>5,937,818</u></u>
<b>Equity</b>		
Share capital	12 152,183	152,183
Other component of equity	(76,013)	(51,159)
Retained earnings	3,123,533	3,388,299
<b>Equity attributable to owners of the parent company</b>	<u>3,199,703</u>	<u>3,489,323</u>
Non-controlling interest	(0.22)	(0.22)
<b>Total equity</b>	<u>3,199,703</u>	<u>3,489,322</u>
<b>Liabilities</b>		
Employee benefits non-current portion	99,659	87,621
Deferred tax liabilities	199,945	253,153
Lease liabilities-non current portion	21,899	23,228
Other non-current liabilities	260,117	255,370
<b>Total non-current liabilities</b>	<u>581,620</u>	<u>619,372</u>
Lease liabilities-current portion	3,544	5,954
Employee benefits-current portion	32,702	21,340
Trade and other payables	1,113,886	1,083,554
Provision for expenses	88,660	535,672
Unclaimed dividends	110,273	182,603
<b>Total current liabilities</b>	<u>1,349,065</u>	<u>1,829,123</u>
<b>Total liabilities</b>	<u>1,930,685</u>	<u>2,448,495</u>
<b>Total equity and liabilities</b>	<u><u>5,130,388</u></u>	<u><u>5,937,818</u></u>
<b>Net Asset Value (NAV) per share</b>	39.A <u>210.25</u>	<u>229.28</u>

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

  
Faridul Haque Sikder  
Managing Director

  
Shehzad Munim  
Director


  
Muhammad Asaduzzaman, FCA  
Chief Financial Officer

  
Abu Mohammad Nisar, FCS  
Company Secretary

As per our annexed report of same date

Dhaka, Bangladesh

Date: 08 April 2026


  
A F Nesaruddin, FCA  
Enrolment # 469  
Senior Partner  
Firm Reg. # CAF-001-057  
Hoda Vasi Chowdhury & Co  
Chartered Accountants


**Linde Bangladesh Limited**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 31 December 2025**


	Notes	2025 BDT'000	2024 BDT'000
Revenue		2,281,481	2,214,080
Cost of sales		(1,217,280)	(1,171,247)
<b>Gross profit</b>		<b>1,064,201</b>	<b>1,042,833</b>
Operating expenses	23.A	(685,121)	(773,721)
<b>Profit from operations</b>		<b>379,080</b>	<b>269,112</b>
Net foreign exchange gain		11,103	118,666
Other income		49,937	46,741
Income from sale of LIPL		-	7,579,341
Net finance income		15,309	15,548
<b>Profit before WPPF provision</b>		<b>455,429</b>	<b>8,029,408</b>
Contribution to workers' profit participation fund (WPPF)		(22,772)	(401,474)
<b>Profit before tax</b>		<b>432,657</b>	<b>7,627,934</b>
Income tax expenses		(88,692)	(1,206,737)
<b>Profit after tax for the year</b>		<b>343,965</b>	<b>6,421,197</b>
<b>Other comprehensive income/(loss)</b>			
Remeasurement of defined benefit liability, net of tax		(32,070)	2,480
Related tax		7,216	(558)
<b>Other comprehensive (loss)/income for the year, net of tax</b>		<b>(24,854)</b>	<b>1,922</b>
<b>Total comprehensive income for the year</b>		<b>319,111</b>	<b>6,423,119</b>
<b>Profit attributable to</b>			
Owners of the parent company		343,965	6,421,197
Non-controlling interests		-	-
		<b>343,965</b>	<b>6,421,197</b>
<b>Total comprehensive income attributable to</b>			
Owners of the parent company		319,111	6,423,119
Non-controlling interests		-	-
		<b>319,111</b>	<b>6,423,119</b>
<b>Earnings Per Share (EPS)</b>	40.A	<b>22.60</b>	421.94

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

  
Faridul Hoque Sikder  
Managing Director

  
Shehzad Munim  
Director

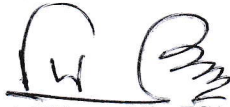
  
Muhammad Asaduzzaman, FCA  
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Abu Mohammad Nisar, FCS  
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As per our annexed report of same date

Dhaka, Bangladesh

Date: 08 April 2026

  
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Enrolment # 469  
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Linde Bangladesh Limited  
Consolidated Statement of Changes in Equity  
For the year ended 31 December 2025

Particulars	Share capital BDT'000	Other component of equity BDT'000	Retained earnings BDT'000	Non-controlling interest BDT'000	Total equity BDT'000
<b>Balance as on 01 January 2025</b>	152,183	(51,159)	3,388,299	(0.19)	3,489,323
<b>Comprehensive income for the year</b>	-	-	343,965	(0.01)	343,965
Profit for the year	-	-	343,965	(0.01)	343,965
Other comprehensive loss for the year	-	(24,854)	-	-	(24,854)
<b>Total comprehensive income for the year</b>	-	(24,854)	343,965	(0.01)	319,111
<b>Transaction with owners of the Group</b>					
Contributions and distributions	-	-	(608,731)	-	(608,731)
Payment of interim dividend for the year 2024	-	-	(608,731)	-	(608,731)
<b>Total transaction with the owners of the Group</b>	152,183	(76,013)	3,123,533	(0.20)	3,199,702
<b>Balance as on 31 December 2025</b>					

Particulars	Share capital BDT'000	Other component of equity BDT'000	Retained earnings BDT'000	Non-controlling interest BDT'000	Total equity BDT'000
<b>Balance as on 01 January 2024</b>	152,183	(53,081)	5,550,211	(0.19)	5,649,314
<b>Comprehensive income for the year</b>	-	-	6,421,197	(0.01)	6,421,197
Profit for the year	-	-	6,421,197	(0.01)	6,421,197
Other comprehensive profit for the year	-	1,922	-	-	1,922
<b>Total comprehensive income for the year</b>	-	1,922	6,421,197	(0.01)	6,423,119
<b>Transaction with owners of the Group</b>					
Contributions and distributions	-	-	(2,343,615)	-	(2,343,615)
Payment of final dividend for the year 2023	-	-	(6,239,495)	-	(6,239,495)
Payment of interim dividend for the year 2024	-	-	(8,583,110)	-	(8,583,110)
<b>Total transaction with the owners of the Group</b>	152,183	(51,159)	3,388,298	(0.19)	3,489,322
<b>Balance as on 31 December 2024</b>					

**Linde Bangladesh Limited  
Consolidated Statement of Cash Flows  
For the year ended 31 December 2025**

	Note	2025 BDT'000	2024 BDT'000
<b>A. Cash flow from operating activities</b>			
Cash receipts from customers		2,375,992	2,241,540
Cash paid to suppliers and employees		(1,885,408)	(1,740,801)
<b>Cash generated from operating activities</b>		<u>490,584</u>	<u>500,739</u>
Income tax paid		(122,949)	(132,502)
<b>Net cash from operating activities</b>		<u>367,635</u>	<u>368,237</u>
<b>B. Cash flow from investing activities</b>			
Payment for acquisition of property, plant and equipment		(156,044)	(209,696)
Proceeds from sale of property, plant and equipment		770	1,625
Net proceeds from sale of share of LIPL		-	7,947,624
Interest received		27,366	17,038
<b>Net cash (used in)/ generated from investing activities</b>		<u>(127,909)</u>	<u>7,756,592</u>
<b>C. Cash flow from financing activities</b>			
Dividend paid		(681,061)	(8,778,870)
Repayment of lease obligation		(2,715)	(3,310)
<b>Net cash used in financing activities</b>		<u>(683,776)</u>	<u>(8,782,180)</u>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>		<u>(444,049)</u>	<u>(657,351)</u>
Cash and cash equivalents as at 01 January		1,559,584	2,204,380
Effect of movements in exchange rates on cash held		-	12,555
<b>Cash and cash equivalents as at 31 December</b>		<u>1,115,535</u>	<u>1,559,584</u>
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	41.A	<u>24.16</u>	<u>24.20</u>


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

# Hoda Vasi Chowdhury & Co


**Linde Bangladesh Limited**  
**Statement of Financial Position**  
**As at 31 December 2025**

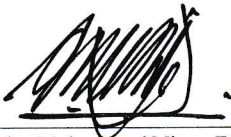
	Notes	31 December 2025 BDT'000	31 December 2024 BDT'000
<b>Assets</b>			
Property, plant and equipment	5	2,430,966	2,562,364
Right-of-Use (RoU) assets	6	36,406	37,757
Investment in subsidiaries	7	20	20
Advances, deposits and prepayments	10	163,629	226,679
<b>Total non-current assets</b>		<b>2,631,021</b>	<b>2,826,820</b>
Inventories	8	339,667	387,156
Trade and other receivables	9	771,651	855,534
Advances, deposits and prepayments	10	115,230	139,687
Cash and cash equivalents	11	1,115,515	1,559,564
Advance income tax, net	19	157,996	169,732
<b>Total current assets</b>		<b>2,500,058</b>	<b>3,111,672</b>
<b>Total assets</b>		<b>5,131,079</b>	<b>5,938,493</b>
<b>Equity</b>			
Share capital	12.2	152,183	152,183
Other component of equity		(76,013)	(51,159)
Retained earnings		3,124,348	3,389,097
<b>Total equity</b>		<b>3,200,517</b>	<b>3,490,120</b>
<b>Liabilities</b>			
Employee benefits non-current portion	13	99,659	87,621
Deferred tax liabilities	14.2	199,945	253,153
Lease liabilities-non current portion	15	21,899	23,228
Other non-current liabilities	16	260,117	255,370
<b>Total non-current liabilities</b>		<b>581,619</b>	<b>619,372</b>
Lease liabilities-current portion	15	3,544	5,954
Employee benefits-current portion	13	32,702	21,340
Trade and other payables	17	1,113,886	1,083,554
Provision for expenses	18	88,536	535,548
Unclaimed dividends	20	110,273	182,603
<b>Total current liabilities</b>		<b>1,348,941</b>	<b>1,828,999</b>
<b>Total liabilities</b>		<b>1,930,561</b>	<b>2,448,371</b>
<b>Total equity and liabilities</b>		<b>5,131,079</b>	<b>5,938,493</b>
<b>Net Asset Value (NAV) per share</b>	39	<b>210.31</b>	<b>229.34</b>

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

  
Faridul Hoque Sikder  
Managing Director

  
Shehzad Munim  
Director

  
Muhammad Asaduzzaman, FCA  
Chief Financial Officer


  
Abu Mohammad Nisar, FCS  
Company Secretary

As per our annexed report of same date

Dhaka, Bangladesh

Date: 08 April 2026

DVC: 2604150469AS291057

  
A F Nesaruddin, FCA  
Enrolment # 469  
Senior Partner  
Firm Reg. # CAF-001-057  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

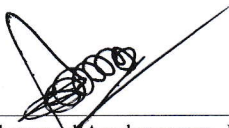
**Linde Bangladesh Limited**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 31 December 2025**


	Notes	2025 BDT'000	2024 BDT'000
Revenue	21	2,281,481	2,214,080
Cost of sales	22	(1,217,280)	(1,171,247)
<b>Gross profit</b>		<b>1,064,201</b>	<b>1,042,833</b>
Operating expenses	23	(685,104)	(773,652)
<b>Profit from operations</b>		<b>379,097</b>	<b>269,181</b>
Net foreign exchange gain		11,103	118,666
Other income	24	49,937	46,741
Income from sale of LIPL	25	-	7,579,341
Net finance income	26	15,309	15,548
<b>Profit before WPPF provision</b>		<b>455,446</b>	<b>8,029,477</b>
Contribution to workers' profit participation fund (WPPF)	27	(22,772)	(401,474)
<b>Profit before tax</b>		<b>432,674</b>	<b>7,628,003</b>
Income tax expenses	14	(88,692)	(1,206,737)
<b>Profit after tax for the year</b>		<b>343,982</b>	<b>6,421,266</b>
<b>Other comprehensive income/(loss)</b>			
Remeasurement of defined benefit liability, net of tax		(32,070)	2,480
Related tax		7,216	(558)
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>(24,854)</b>	<b>1,922</b>
<b>Total comprehensive income for the year</b>		<b>319,128</b>	<b>6,423,188</b>
<b>Earnings Per Share (EPS)</b>	40	<b>22.60</b>	421.94

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

  
Faridul Haque Sikder  
Managing Director

  
Shehzad Munim  
Director

  
Muhammad Asaduzzaman, FCA  
Chief Financial Officer


  
Abu Mohammad Nisar, FCS  
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As per our annexed report of same date

Dhaka, Bangladesh

Date: 08 April 2026

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Enrolment # 469  
Senior Partner  
Firm Reg. # CAF-001-057  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

**Linde Bangladesh Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2025**

Particulars	Share capital BDT'000	Other component of equity BDT'000	Retained earnings BDT'000	Total equity BDT'000
<b>Balance as on 01 January 2025</b>	152,183	(51,159)	3,389,097	3,490,120
<b>Comprehensive income for the year</b>	-	-	343,982	343,982
Profit for the year	-	-	-	(24,854)
Other comprehensive income for the year	-	(24,854)	-	(24,854)
<b>Total comprehensive income for the year</b>	-	(24,854)	343,982	319,128
<b>Transaction with owners of the Company</b>	-	-	-	-
Contributions and distributions	-	-	(608,731)	(608,731)
Payment of final dividend for the year 2024	-	-	(608,731)	(608,731)
<b>Total transaction with the owners of the Company</b>	152,183	(76,013)	3,124,348	3,200,518
<b>Balance as on 31 December 2025</b>				

Particulars	Share capital BDT'000	Other component of equity BDT'000	Retained earnings BDT'000	Total equity BDT'000
<b>Balance as on 01 January 2024</b>	152,183	(53,081)	5,550,941	5,650,043
<b>Comprehensive income for the year</b>	-	-	6,421,266	6,421,266
Profit for the year	-	1,922	-	1,922
Other comprehensive loss for the year	-	1,922	-	1,922
<b>Total comprehensive income for the year</b>	-	1,922	6,421,266	6,423,188
<b>Transaction with owners of the Company</b>	-	-	-	-
Contributions and distributions	-	-	(2,343,615)	(2,343,615)
Payment of final dividend for the year 2023	-	-	(6,239,495)	(6,239,495)
Payment of interim dividend for the year 2024	-	-	(8,583,110)	(8,583,110)
<b>Total transaction with the owners of the Company</b>	152,183	(51,159)	3,389,097	3,490,120
<b>Balance as on 31 December 2024</b>				

**Linde Bangladesh Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2025**

Note	2025 BDT'000	2024 BDT'000
<b>A. Cash flow from operating activities</b>		
Cash receipts from customers	2,375,992	2,241,540
Cash paid to suppliers and employees	(1,885,391)	(1,740,732)
<b>Cash generated from operating activities</b>	<b>490,601</b>	<b>500,807</b>
Income tax paid	(122,949)	(132,502)
<b>Net cash generated from operating activities</b>	<b>367,653</b>	<b>368,305</b>
<b>B. Cash flow from investing activities</b>		
Payment for acquisition of property, plant and equipment	(156,044)	(209,696)
Proceeds from sale of property, plant and equipment	770	1,625
Net proceeds from sale of share of LIPL	-	7,947,624
Interest received	27,366	17,038
<b>Net cash (used in)/generated from investing activities</b>	<b>(127,908)</b>	<b>7,756,592</b>
<b>C. Cash flow from financing activities</b>		
Dividend paid	(681,061)	(8,778,870)
Repayment of lease obligation	(2,715)	(3,310)
Paid to subsidiary	(17)	(69)
<b>Net cash used in financing activities</b>	<b>(683,793)</b>	<b>(8,782,249)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(444,049)</b>	<b>(657,351)</b>
Cash and cash equivalents as at 01 January	1,559,564	2,204,360
Effect of movements in exchange rates on cash held	-	12,555
<b>Cash and cash equivalents as at 31 December</b>	<b>1,115,515</b>	<b>1,559,564</b>
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	<b>24.16</b>	<b>24.20</b>

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

**Linde Bangladesh Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**As at and for the year ended 31 December 2025**

**1. Reporting entity**

**1.1 Company profile**

Linde Bangladesh Limited (the Company) is a public limited and listed Company, limited by shares and was incorporated in Bangladesh in 1973 under the Companies Act 1913 (replaced by the Companies Act 1994). The Company became a listed entity in the year 1976 and 1996 in Dhaka Stock Exchange and Chittagong Stock Exchange respectively. The address of the registered office is 285 Tejgaon I/A, Dhaka-1208, Bangladesh. The Company is a subsidiary of the BOC Group Limited of United Kingdom which is fully owned by Linde AG of Germany.

A global merger of Linde AG, Germany and Praxair, Inc. USA has taken place on 31 October 2018. In this respect, Linde plc, a company incorporated in Ireland has become the new holding company of both Linde AG and Praxair, Inc. and as such Linde plc is now the new ultimate holding company of Linde Bangladesh Limited.

The Company's principal activities are the manufacturing and supplying of industrial and medical gases, anesthesia and ancillary equipment. The Company also earns rentals from cylinders used by the customers and from vacuum insulated evaporators installed at customers premises.

Pursuant to the recent amendment to the Companies Act, 1994 incorporating amendments, among others, is to change of the word 'Limited' by the word 'PLC' in case of Public Limited Companies including listed ones. Necessary formalities are in progress in implementing these changes.

BOC Bangladesh Limited ("BOC") is a wholly owned subsidiary of the Company which is not in operation.

In 2023, The Company underwent with a demerger of its Hardgoods Business. The Hardgoods Business has been transferred to the resulting company, LIPL. The effective date of the demerger is 1 January 2023, as per the order from the Honorable High Court Division of the Supreme Court of Bangladesh dated 14 August 2023. Following the order, all the employees along with their future benefits were transferred to LIPL on 5th October 2023 and from 1st November 2023, LIPL has started the operations in its own name.

The Company entered into a Sale and Purchase Agreement (SPA) with ESAB Group for sale of 138,290,500 equity shares of LIPL previously held by Linde Bangladesh Limited. Subsequently, all the shares of LIPL was transferred to ESAB Group on 02 July 2024 as mentioned in Note 25

These consolidated financial statements comprise the Company and its subsidiary (together referred to as "the Group").

**1.2 Nature of business**

The Company's principal activities are manufacturing and supply of industrial and medical gases. The Company also earns rental from cylinders used by the customers and from Vacuum Insulated Evaporators (VIE) installed at customers' premises. The Company also provides services related to its products.

**2. Basis of accounting**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The Company also follows relevant circulars of Bangladesh Securities Exchange Commission (BSEC) and stock exchanges (DSE,CSE). Details of the Company's accounting policies, including changes thereto, are included in Note 44.

They were authorised for issue by the Company's board of directors on 08 April 2026.

**2.1 Functional and presentational currency**

These financial statements are presented in Bangladeshi Taka (Taka/Tk/BDT), which is the Company's functional currency.

All amounts have been rounded to the nearest thousand, unless otherwise indicated. As a result of these rounding off, in some instances the total may not match the sum of individual balances; and

Previous year's figures have been rearranged wherever considered necessary to conform to the current year's presentation.

**2.2 Basis of measurement**

These financial statements have been prepared on accrual basis following going concern concept under historical cost convention. The gratuity scheme is measured based on actuarial valuation.

**3. Going concern**

The accompanying financial statements have been prepared on a going concern assumption that the Company will continue in operation over the foreseeable future. The Company has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. The Company has adequate resources to continue in operation for the foreseeable future and the current resources of the Company provide sufficient funds and attributable credit facilities to meet the present requirements of its existing business.

**Notes to the Consolidated and Separate Financial Statements (continued)**

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**4. Use of judgments and estimates**

In preparing these financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognised prospectively.

**(A) Judgments**

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

*Note 6 and 44(Q)* Right-of-use (RoU) assets

*Note 15 and 44(Q)* Lease term: whether the company is reasonably certain to exercise extension option.

**(B) Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following note:

*Note 14 and 44(D)* Uncertain tax treatment

*Note 5 and 44(F)* Useful life and residual value of property, plant and equipment

*Note 8 and 44(E)* Provision for inventory obsolescence

*Note 9. and 44(H)* Provision for trade receivable

Notes to the Consolidated and Separate Financial Statements (continued)

5. Property, plant and equipment

See accounting policy in Note 44(F)

5.1 Reconciliation of carrying amount

	Amount in thousands of BDT								
	Freehold land	Freehold buildings	Buildings on leasehold land	Plant machinery and cylinders	Motor vehicles	Furniture fixtures and equipment	Computer hardware	Capital work in progress	Total
<b>Cost</b>									
Balance at 01 January 2024	75,080	521,487	100,735	4,464,662	146,450	86,780	69,220	140,937	5,605,352
Additions	-	-	17,692	158,996	4,318	7,485	10,164	127,164	325,817
Disposals/transfers	-	(4,121)	-	(89,325)	(2,650)	(155)	(6,186)	(198,654)	(301,092)
Transfer to LJPL	-	-	-	(11,778)	-	-	-	-	(11,778)
<b>Balance at 31 December 2024</b>	<b>75,080</b>	<b>517,366</b>	<b>118,427</b>	<b>4,522,555</b>	<b>148,118</b>	<b>94,110</b>	<b>73,197</b>	<b>69,447</b>	<b>5,618,300</b>
Balance at 01 January 2025	75,080	517,366	118,427	4,522,555	148,118	94,110	73,197	69,447	5,618,300
Additions	-	-	-	112,919	25	7,624	-	158,120	278,688
Disposals/transfers	-	-	-	(7,595)	(44,680)	-	(25,882)	(120,568)	(198,725)
<b>Balance at 31 December 2025</b>	<b>75,080</b>	<b>517,366</b>	<b>118,427</b>	<b>4,627,879</b>	<b>103,464</b>	<b>101,733</b>	<b>47,316</b>	<b>106,998</b>	<b>5,698,263</b>
<b>Accumulated depreciation</b>									
Balance at 01 January 2024	-	160,088	67,680	2,352,668	131,189	65,907	61,802	-	2,839,333
Depreciation	-	18,038	2,387	230,012	5,830	3,747	3,637	-	263,651
Impairment (Note 5.3)	-	20,351	-	29,697	-	272	-	4,211	54,532
Disposals/transfers	-	(4,121)	-	(88,243)	(2,650)	(155)	(6,186)	-	(101,356)
Transfer to LJPL	-	-	-	(224)	-	-	-	-	(224)
<b>Balance at 31 December 2024</b>	<b>-</b>	<b>194,355</b>	<b>70,067</b>	<b>2,523,910</b>	<b>134,369</b>	<b>69,770</b>	<b>59,252</b>	<b>4,211</b>	<b>3,055,936</b>
Balance at 01 January 2025	-	194,355	70,067	2,523,910	134,369	69,770	59,252	4,211	3,055,936
Depreciation	-	17,103	3,451	244,793	6,000	4,919	5,410	-	281,677
Disposals/transfers	-	-	-	(87)	(44,680)	-	(25,549)	-	(70,317)
<b>Balance at 31 December 2025</b>	<b>-</b>	<b>211,459</b>	<b>73,518</b>	<b>2,768,616</b>	<b>95,690</b>	<b>74,690</b>	<b>39,113</b>	<b>4,211</b>	<b>3,267,297</b>
<b>Carrying amounts</b>									
At 1 January 2024	75,080	361,400	33,055	2,111,994	15,262	20,873	7,418	140,937	2,766,019
At 31 December 2024	75,080	323,011	48,360	1,998,645	13,749	24,339	13,945	65,235	2,562,364
<b>At 31 December 2025</b>	<b>75,080</b>	<b>305,907</b>	<b>44,909</b>	<b>1,859,263</b>	<b>7,774</b>	<b>27,043</b>	<b>8,203</b>	<b>102,787</b>	<b>2,430,966</b>

5.2 Allocation of depreciation

	2025	2024
Cost of sales	199,767	188,351
Operating expenses	81,909	75,300
<b>Impairment loss</b>	<b>281,677</b>	<b>263,651</b>

5.3 Impairment loss

Considering the condition of Shitalpur ASU plant, the Board of Directors at its meeting held on 31 October 2024 had decided to impair assets (building, machineries and office equipment) of the noted plant. Cost of the assets impaired is BDT 139,196,621 and WDV as on 31 December 2024 is BDT 62,040,542. Based on the experience, management has estimated recoverable amount to be BDT 7,500,000. However, the actual salvage value will be recognized at the time of actual transaction in due course. The plant was sold this year on June 2025 for a total value of BDT 36,686,000 which is shown in Note 24.

Notes

22.1.1

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# Hoda Vasi Chowdhury & Co

## Notes to the Consolidated and Separate Financial Statements (continued)

	Notes	31 December 2025 BDT'000	31 December 2024 BDT'000
<b>6. Right-of-Use (RoU) assets</b>			
See accounting policy in Note 44(Q)			
<b>Cost</b>			
Balance at 01 January		67,169	59,376
Additions to right-of-use assets		6,767	7,577
Lease adjustments		<u>(1,831)</u>	<u>216</u>
<b>Closing balance</b>		<u>72,105</u>	<u>67,169</u>
<b>Accumulated depreciation</b>			
Balance at 01 January		29,412	30,564
Depreciation charged		1,626	3,290
Lease adjustment		4,661	(4,442)
<b>Closing balance</b>		<u>35,699</u>	<u>29,412</u>
<b>Written down value</b>		<u>36,406</u>	<u>37,757</u>
<b>7. Investment in subsidiaries</b>			
BOC Bangladesh Limited		<u>20</u>	<u>20</u>
<b>8. Inventories</b>			
See accounting policy in Note 44(E)			
Raw materials		29,652	31,722
Finished goods		231,542	222,606
Goods in transit		35,153	70,174
Maintenance spares		105,671	115,175
Provision for inventory obsolescence	8.1	<u>(62,351)</u>	<u>(52,521)</u>
		<u>339,667</u>	<u>387,156</u>
<b>8.1 Provision for inventory obsolescence</b>			
Balance as at 01 January		52,521	42,072
Provision during the year		<u>9,830</u>	<u>10,449</u>
		<u>62,351</u>	<u>52,521</u>
In view of innumerable items of inventory and diversified units of measurement, it is not feasible to disclose quantities against each item.			
<b>9. Trade and other receivables</b>			
See accounting policy in Note 44(H)			
Trade receivables		836,174	915,682
Interest receivables		1,531	-
Other receivables		81,554	57,403
Provision for trade receivables	9.1	<u>(147,608)</u>	<u>(117,551)</u>
		<u>771,651</u>	<u>855,534</u>
<b>9.1 Provision for trade receivables</b>			
Balance as at 01 January		117,551	92,054
Provision made for trade receivables		<u>30,058</u>	<u>25,496</u>
		<u>147,608</u>	<u>117,551</u>
<b>10. Advances, deposits and prepayments</b>			
Loans and advances to employees		10,387	16,983
Advances to suppliers		560	560
Deposits and prepayments		207,494	300,950
VAT current account		59,725	47,198
Current account with subsidiaries - BOC Bangladesh Limited		692	675
		<u>278,859</u>	<u>366,366</u>
Non-current		163,629	226,679
Current		<u>115,230</u>	<u>139,687</u>
		<u>278,859</u>	<u>366,366</u>

# Hoda Vasi Chowdhury & Co

## Notes to the Consolidated and Separate Financial Statements (continued)

	Notes	31 December 2025 BDT'000	31 December 2024 BDT'000
<b>10.A Advances, deposits and prepayments (consolidated)</b>			
Non-current		163,629	226,679
Current		114,538	139,012
		278,167	365,691
Above amounts are unsecured but considered good.			
<b>11. Cash and cash equivalents</b>			
See accounting policy in Note 44(H)			
Cash in MFS		1,870	773
Cash at bank		403,645	1,548,791
Fixed deposits with banks*		710,000	10,000
		1,115,515	1,559,564
*There is lien on one fixed deposit of BDT 10,000,000.			
<b>11.1 Reconciliation of net operating cash flows</b>			
Net profit before tax		432,674	7,628,003
<b>Add: Items not involving movement of cash</b>			
- Depreciation on property, plant and equipment (PPE)	5	281,677	263,651
- Impairment loss on PPE		-	54,532
- Gain on disposal of property, plant and equipment	24	(437)	(543)
- Finance costs	26	679	1,490
- Interest income	26	(27,366)	(17,038)
- Provision for workers profit participation fund (WPPF)	27	22,772	401,474
- Provision for trade receivables	23	30,058	25,496
- Bad debt written off	23	3,622	-
- Provision for gratuity	13.1.1	18,250	18,990
- Income from sale of LIPL	25	-	(7,579,341)
- Cost associated to sale of LIPL	25	-	(143,858)
		329,255	(6,975,147)
<b>A. Cash generated from operations before changes in working capital</b>		761,929	652,856
Changes in working capital:			
- Inventories		47,489	95,078
- Trade and other receivables		113,942	25,725
- Advances, deposits and prepayments		24,457	(69,614)
- Other non-current liabilities		4,747	9,329
- Provision for expenses		(61,813)	(2,717)
- Trade and other payables		28,256	(167,772)
- Intercompany receivable		-	-
<b>B. Total changes in working capital</b>		157,078	(109,972)
<b>C. Cash generated from operating activities (A+B)</b>		919,007	542,884
<b>Less: Payments made during the period</b>			
- Tax paid		(122,949)	(132,502)
- Interest paid		(11)	(14)
- Workers profit participation fund (WPPF) paid		(401,474)	(18,403)
- Gratuity paid		(26,920)	(23,660)
<b>D. Total payment</b>		(551,354)	(174,579)
<b>Net cash inflows from operating activities (C+D)</b>		367,653	368,305

# Hoda Vasi Chowdhury & Co

## Notes to the Consolidated and Separate Financial Statements (continued)

	Notes	31 December 2025 BDT'000	31 December 2024 BDT'000
<b>11. Cash and cash equivalents (continued)</b>			
<b>11.A Cash and cash equivalents (consolidated)</b>			
Linde Bangladesh Limited		1,115,515	1,559,564
BOC Bangladesh Limited		20	20
		<b>1,115,535</b>	<b>1,559,584</b>
<b>11.A.1 Reconciliation of net operating cash flows (consolidated)</b>			
<b>Net profit before tax</b>		<b>432,657</b>	<b>7,627,934</b>
<b>Add: Items not involving movement of cash</b>			
- Depreciation on property, plant and equipment (PPE)		281,677	263,651
- Amortization on intangible assets		-	-
- Impairment loss on PPE		-	54,532
- Loss on disposal of property, plant and equipment		(437)	(543)
- Finance costs		679	1,490
- Interest income		(27,366)	(17,038)
- Provision for workers' profit participation fund (WPPF)		22,772	401,474
- Provision for trade receivables		30,058	25,496
- Bad debt written off		3,622	-
- Provision for gratuity		18,250	18,990
- Income from sale of LIPL		-	(7,579,341)
- Cost associated to sale of LIPL		-	(143,858)
		<b>329,255</b>	<b>(6,975,146)</b>
<b>A. Cash generated from operations before changes in working capital</b>		<b>761,912</b>	<b>652,789</b>
Changes in working capital:			
- Inventories		47,489	95,078
- Other receivables		113,942	25,725
- Advances, deposits and prepayments		24,457	(69,614)
- Other non-current liabilities		4,747	9,329
- Provision for expenses		(61,813)	(2,717)
- Trade and other payables		28,256	(167,774)
<b>B. Total changes in working capital</b>		<b>157,078</b>	<b>(109,974)</b>
<b>C. Cash generated from operating activities (A+B)</b>		<b>918,990</b>	<b>542,816</b>
<b>Less: Payments made during the period</b>			
- Tax paid		(122,949)	(132,502)
- Interest paid		(11)	(14)
- Workers profit participation fund (WPPF) paid		(401,474)	(18,403)
- Gratuity paid		(26,920)	(23,660)
<b>D. Total payment</b>		<b>(551,354)</b>	<b>(174,579)</b>
<b>Net cash inflows from operating activities (C+D)</b>		<b>367,636</b>	<b>368,237</b>

# Hoda Vasi Chowdhury & Co

## Notes to the Consolidated and Separate Financial Statements (continued)

	Notes	31 December 2025 BDT'000	31 December 2024 BDT'000
<b>12. Equity attributable to owners of the company/share capital</b>			
<b>12.1 Authorised capital</b>			
20,000,000 ordinary shares of BDT 10 each		200,000	200,000
<b>12.2 Issued, subscribed and paid up capital</b>			
3,616,902 ordinary shares of BDT 10 each issued for cash		36,169	36,169
999,498 ordinary shares of BDT 10 each issued for consideration other than cash		9,995	9,995
10,601,880 bonus shares of BDT 10 each		106,019	106,019
		152,183	152,183

### 12.3 Percentage of shareholdings

Name of shareholders	% of shareholdings		In thousands of BDT	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	The BOC Group Limited	60.0	60.0	91,310
Investment Corporation of Bangladesh (ICB)*	7.2	7.3	11,028	11,045
Sadharan Bima Corporation (SBC)	1.3	1.3	2,047	2,047
Pubali Bank Securities Limited	1.3	1.3	2,023	2,023
Other shareholders	30.1	30.1	45,775	45,758
	100	100	152,183	152,183

\*This includes investments made by ICB and its affiliated entities, as well as funds maintained by ICB and its affiliated entities.

### 12.4 Classification of shareholders by holding

Holdings	Number of holders		Total holding (%)	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	Less than 500 shares	12,928	13,400	6.74
500 to 5,000 shares	1,154	1,162	9.29	9.18
5,001 to 10,000 shares	43	58	1.99	2.66
10,001 to 20,000 shares	51	42	4.56	3.81
20,001 to 30,000 shares	10	7	1.65	1.20
30,001 to 40,000 shares	5	4	1.16	0.96
40,001 to 50,000 shares	4	3	1.26	0.93
50,001 to 100,000 shares	3	5	1.43	2.31
100,001 to 1,000,000 shares	6	6	11.88	11.88
Over 1,000,000 shares	1	1	60.04	60.03
	14,205	14,688	100.00	100.00

### 13. Employee benefits

See accounting policy in Note 44(M)

Gratuity scheme	13.1	132,361	108,961
Employee benefits non-current portion		99,659	87,621
Employee benefits current portion		32,702	21,340
		132,361	108,961

#### 13.1 Gratuity scheme

Amount recognised in the statement of financial positions

Defined benefit obligation	13.1.1	132,431	108,991
Fair value of plan assets*		(70)	(30)
		132,361	108,961

\*Gratuity scheme was unfunded in 2020 and a fund was formed in 2021 when approval from NBR was received on 15 July 2021. The Company has maintained the plan asset through a separate bank account in Standard Chartered Bank.

### 13. Employee benefits (continued)

#### 13.1.1 Movement in defined benefit obligation

	2025			2024		
	Defined benefit obligation	Fair value of plan assets	Net defined (asset)/liability	Defined benefit obligation	Fair value of plan assets	Net defined (asset)/liability
Balance at 1 January	108,991	(30)	108,961	116,141	(30)	116,111
<b>Included in profit or loss</b>						
Past service costs	-	-	-	-	-	-
Current service costs	6,000	-	6,000	6,880	-	6,880
Interest cost	12,290	-	12,290	12,110	-	12,110
Interest income	-	(40)	(40)	-	-	-
	<u>18,290</u>	<u>(40)</u>	<u>18,250</u>	<u>18,990</u>	<u>-</u>	<u>18,990</u>
<b>Included in OCI</b>						
Demographic assumption	340	-	340	-	-	-
Financial assumption	31,400	-	31,400	(7,790)	-	(7,790)
Experience adjustment	330	-	330	5,310	-	5,310
Actuarial loss on plan assets	-	-	-	-	-	-
	<u>32,070</u>	<u>-</u>	<u>32,070</u>	<u>(2,480)</u>	<u>-</u>	<u>(2,480)</u>
<b>Other</b>						
Contribution paid by the employer	(26,920)	26,920	-	(23,660)	23,660	-
Benefits paid	-	(26,920)	(26,920)	-	(23,660)	(23,660)
	<u>(26,920)</u>	<u>-</u>	<u>(26,920)</u>	<u>(23,660)</u>	<u>-</u>	<u>(23,660)</u>
<b>Balances at 31 December</b>	<b>132,431</b>	<b>(70)</b>	<b>132,361</b>	<b>108,991</b>	<b>(30)</b>	<b>108,961</b>

#### B. Significant actuarial assumptions

Discount rate	9.50%	12.50%
Salary escalation rate	8.0%	8.5% for 2025 and 6% thereafter
Withdrawal rate		Age 20-50 years: 3.5%; 1% thereafter
Mortality rate		* Bangladesh Assured Lives Mortality (2015-2018)

\* Willis Towers Watson is appointed as the actuary for Linde Bangladesh Limited. Actuary considered this table as no such mortality statistics is available for Bangladesh.

#### C. Summary of principal rules of the plan

Plan sponsor	Linde Bangladesh Limited
Nature of benefit	Defined benefit plan
Applicable salary	Last drawn monthly basic salary
Vesting schedule	6 months
Normal retirement age	60 years
Maximum limit	Not applicable
Benefits formula	Service length
More than 6 months and less than 10 years	30 days basic for each year
10 years and above	45 days basic for each year
In case an employee completes 11 years of services and attains 57 years of age, he/she will be entitled to 2 basic x no of years in services	60 days basic for each year

#### D. Expected cash flow for following year

	In thousands of BDT	
	31 December 2025	31 December 2024
Expected employer's contribution for next year	32,740	21,340
Expected benefit payments for the year ended		
Year 1	32,740	21,340
Year 2	6,020	32,370
Year 3	20,420	6,380
Year 4	4,930	21,190
Year 5	2,410	8,040
Next 5 years	<u>52,310</u>	<u>60,190</u>

#### E. Sensitivity analysis

A change of 0.5% in discount rate or future salary escalation rate will result a variation in Defined Benefit Obligation as below, considering that the other conditions will remain constant:

Increase of discount rate	(4,030)	(2,320)
Increase in future salary growth	4,340	2,590
Decrease of discount rate	4,030	2,450
Decrease in future salary growth	<u>(4,100)</u>	<u>2,460</u>



## Notes to the Consolidated and Separate Financial Statements (continued)

	Notes	31 December 2025 BDT'000	31 December 2024 BDT'000
<b>15. Lease liabilities - leases as lessee</b>			
See accounting policy in Note 44(Q)			
The Company takes lease of warehouses and sales center premises. The leases typically run for specific years, with an option to renew the lease after that date. Lease payments are renegotiated time to time to reflect market rentals.			
<b>A. Reconciliation of carrying amount</b>			
Opening balance		29,182	16,708
Additions		3,400	2,999
Interest accrued		679	1,476
Repayment		(2,715)	(3,310)
Adjustment during the year		(5,103)	11,308
		<u>25,443</u>	<u>29,182</u>
Lease liabilities-non current portion		21,899	23,228
Lease liabilities-current portion		3,544	5,954
		<u>25,443</u>	<u>29,182</u>
<b>B. Amounts recognized in profit or loss</b>			
Interest on lease liabilities		679	1,476
Depreciation on right-of-use assets		1,626	3,290
		<u>2,306</u>	<u>4,766</u>
<b>C. Amounts recognized in statement of cash flows</b>			
Total cash outflow for leases		<u>(2,715)</u>	<u>(3,310)</u>
<b>16. Other non-current liabilities</b>			
See accounting policy in Note 44(H)			
Cylinder security deposit		<u>260,117</u>	<u>255,370</u>
Cylinder security deposit from customers is a liability of continuing nature raised through daily business operation.			
<b>17. Trade and other payables</b>			
See accounting policy in Note 44(H)			
Inter-company payables		260,300	169,648
Trade payables		144,312	210,638
Payables for capital items		7,734	5,658
Advances from customers		43,597	57,677
Others*		657,942	639,932
		<u>1,113,886</u>	<u>1,083,554</u>
* The Board of Directors of the Company, at a meeting held on 27 April 2016, approved the transfer of lease entitlement of land at Tejgaon site, Dhaka measuring 2.31 acres. The money has already been received but the transfer through the execution of transfer deed is in process.			
<b>18. Provision for expenses</b>			
See accounting policy in Note 44(K)			
Accrued expenses		44,137	58,287
Accrued employee benefits		21,613	75,774
Workers' profit participation fund	18.1	22,786	401,488
		<u>88,536</u>	<u>535,548</u>
<b>18.1 Workers' profit participation fund</b>			
See accounting policy in Note 44(L)			
Opening balance		401,488	18,417
Add: Provision made during the year	27	22,772	401,474
		<u>424,260</u>	<u>419,891</u>
Less: Payment during the year		(401,474)	(18,403)
		<u>22,786</u>	<u>401,488</u>

**Notes to the Consolidated and Separate Financial Statements (continued)**

	Notes	31 December 2025 BDT'000	31 December 2024 BDT'000
<b>18. Provision for expenses (continued)</b>			
<b>18.A Provision for expenses (consolidated)</b>			
Accrued expenses		44,262	58,411
Accrued employee benefits		21,613	75,774
Workers' profit participation fund	18.1	22,786	401,488
		<b>88,660</b>	<b>535,673</b>
<b>19. Advance income tax, net</b>			
See accounting policy in Note 44(D)			
Advance income tax	19.1	(285,362)	(1,378,574)
Provision for income tax	19.2	127,366	1,208,842
		<b>(157,996)</b>	<b>(169,732)</b>
<b>19.1 Advance income tax</b>			
Balance as at 1 January		1,378,574	224,793
Payment made u/s- 64 and 74		-	1,158,480
Withholding tax		122,949	132,502
Tax adjusted for prior years		(1,216,161)	(137,201)
<b>Balance as at 31 December</b>		<b>285,362</b>	<b>1,378,574</b>
<b>19.2 Provision for income tax</b>			
Balance as at 1 January		1,208,842	114,605
Add: Provision made during the year	14	134,685	1,231,438
		1,343,527	1,346,043
Less: Adjustment during the year		(1,216,161)	(137,201)
<b>Balance as at 31 December</b>		<b>127,366</b>	<b>1,208,842</b>
<b>20. Unclaimed dividends</b>			
The ageing of unclaimed dividends at the reporting date was:			
Within 1 year		7,252	165,907
Up to 1 year to 2 years		68,363	7,429
Up to 2 years to 3 years		27,176	9,267
Above 3 years*		7,482	-
		<b>110,273</b>	<b>182,603</b>
<b>20.1 Dividend payable to The BOC Group Ltd.</b>		-	-
Dividend payable to others		110,273	182,603
		<b>110,273</b>	<b>182,603</b>

\*As per the Directive No. BSEC/CMRRCD/2021-386/03 and Bangladesh Securities and Commission Rules (Capital Market Stabilisation Fund) Rules, 2021, if cash dividend remains unpaid or unclaimed for a period of three years from the date of declaration or approval or record date, it shall be transferred to CMSF (Capital market Stabilisation Fund). The Company transferred the dividend of BDT 9,029,826 (Ninety lac twenty-nine thousand and eight-hundred twenty-six only) that was unclaimed for more than 3 years (of 2021) to CMSF on 29 December 2025.

**Notes to the Consolidated and Separate Financial Statements (continued)**

**21. Revenue**

See accounting policy in Note 44(A)

	UoM	2025		2024	
		Quantity'000	BDT'000	Quantity'000	BDT'000
ASU gases	M3	30,228	1,395,696	24,552	1,284,449
Dissolved acetylene	M3	79	100,571	76	98,932
Others	-	-	785,214	-	830,699
			<b>2,281,481</b>		<b>2,214,080</b>

**22. Cost of sales**

	Notes	2025 BDT'000	2024 BDT'000
Opening inventories of manufactured products		15,267	22,145
Cost of goods manufactured	22.1	1,155,349	1,119,994
Closing inventories of manufactured products		(31,173)	(15,267)
<b>Cost of sales of manufactured products</b>		<b>1,139,444</b>	<b>1,126,872</b>
Cost of trading products		77,836	44,375
		<b>1,217,280</b>	<b>1,171,247</b>

**22.1 Cost of goods manufactured**

Raw and packing materials consumed	22.1.2	437,315	406,182
Manufacturing overhead	22.1.1	358,142	335,271
Fuel and power		359,892	378,541
		<b>1,155,349</b>	<b>1,119,994</b>

**22.1.1 Manufacturing overhead**

Salaries, wages and staff welfare		63,108	69,875
Depreciation on property, plant and equipment	5.2	199,767	188,351
Repair and maintenance		52,554	41,582
Insurance		6,647	5,752
Travelling and conveyance		2,141	1,978
Training expenses		-	21
Vehicle running expenses		7,258	5,080
Telephone, telex and fax		324	139
Printing, postage, stationery and office supplies		386	1,154
Consultancy fees		1,297	494
Inventory provision	8.1	9,830	10,449
Inventory written off		5,969	4,438
Sundry factory expenses		8,861	5,958
		<b>358,142</b>	<b>335,271</b>

Notes to the Consolidated and Separate Financial Statements (continued)

22. Cost of sales (continued)

22.1.2 Raw and packing materials consumed

Particulars	Unit of measurement (UOM)	Opening stock		Purchase		Closing stock		Consumption		% of total consumption
		Quantity MT '000	Cost BDT '000	Quantity MT '000	Cost BDT '000	Quantity MT '000	Cost BDT '000	Quantity MT '000	Cost BDT '000	
<b>For the year ended 31 December 2025</b>										
Calcium carbide	M. Ton	59	7,852	292	35,428	92	11,546	259	31,734	7.26
Others*			23,870		407,817		18,106		405,581	92.74
<b>Total 2025</b>			<b>31,722</b>		<b>443,245</b>		<b>29,652</b>		<b>437,315</b>	<b>100.00</b>
<b>For the year ended 31 December 2024</b>										
Calcium carbide	M. Ton	141	21,956	205	26,353	59	7,852	287	40,457	9.96
Others*			26,500		363,095		23,870		365,725	90.04
<b>Total 2024</b>			<b>48,456</b>		<b>389,449</b>		<b>31,722</b>		<b>406,182</b>	<b>100.00</b>

\*Others include imported liquids, different types of chemicals, lubricants and packing materials purchased from local market and abroad.

# Hoda Vasi Chowdhury & Co

## Notes to the Consolidated and Separate Financial Statements (continued)

	Notes	2025 BDT'000	2024 BDT'000
<b>23. Operating expenses</b>			
Salaries, wages and staff welfare		203,843	231,966
Depreciation on property, plant and equipment	5.2	81,909	75,300
Depreciation on right-of-use asset	6	1,626	3,290
Impairment loss on property, plant and equipment	5	-	54,532
Fuel and power		2,436	1,112
Repair and maintenance		23,181	23,418
Insurance		4,672	2,971
Delivery expenses		170,000	168,553
Rent, rates and taxes		13,140	16,741
Travelling and conveyance		5,157	5,577
Training expenses		98	98
Telephone, telex and fax		3,135	3,554
Global information service		23,958	34,129
Outsourcing service charge		4,379	4,611
Printing, postage, stationery and office supplies		6,423	6,060
Advertising and promotion		4,018	4,026
Provision made for trade receivables	9.1	30,058	25,496
Bad debts written off		3,622	-
Legal and professional charge		7,576	35,062
Fees paid to auditors		600	600
Technology license agreement fees	23.1	80,754	54,113
Bank charges		6,285	9,235
Entertainment		548	280
Sundry office expenses		7,685	12,928
		<b>685,104</b>	<b>773,652</b>

### 23.1 Technology license agreement fees

Prior year true-up*	12,309	-
For current year	<b>68,444</b>	54,113
	<b>80,754</b>	54,113

\* Previously the Royalty agreement was with The BOC Group, UK where it was 3% of sales net of some deductions and the amount provided for 2024 was considering the given formula, which was BDT 54m. Subsequently, the beneficiary was changed to Linde AG, Germany with a new agreement called "Technology Licence Agreement" and the fees to be charged was 3% of disclosed turnover which was effective from 1 January 2024. As per the new agreement the amount was BDT 66m, hence a true-up of BDT 12m was provided in the current year.

### 23.A Operating expenses (consolidated)

Salaries, wages and staff welfare		203,843	231,966
Depreciation on property, plant and equipment	5.2	81,909	75,300
Depreciation on right-of-use asset	6	1,626	3,290
Impairment loss on property, plant and equipment	5	-	54,532
Fuel and power		2,436	1,112
Repair and maintenance		23,181	23,418
Insurance		4,672	2,971
Delivery expenses		170,000	168,553
Rent, rates and taxes		13,140	16,741
Travelling and conveyance		5,157	5,577
Training expenses		98	98
Telephone, telex and fax		3,135	3,554
Global information service		23,958	34,129
Outsourcing service charge		4,379	4,611
Printing, postage, stationery and office supplies		6,423	6,060
Advertising and promotion		4,018	4,026
Provision made for trade receivables	9.1	30,058	25,496
Bad debts written off		3,622	-
Legal and professional charge		7,576	35,062
Fees paid to auditors	23.A.1	617	669
Technology license agreement fees		80,754	54,113
Bank charges		6,285	9,235
<b>Balance carried forward</b>		<b>676,888</b>	<b>760,513</b>

## Notes to the Consolidated and Separate Financial Statements (continued)

	Notes	2025 BDT'000	2024 BDT'000
<b>Balance brought forward</b>		676,888	760,513
Entertainment		548	280
Sundry office expenses		7,685	12,928
		<b>685,121</b>	<b>773,721</b>
<b>23.A Operating expenses (continued)</b>			
<b>23.A.1 Fees paid to auditors (consolidated)</b>			
Audit fees - Linde Bangladesh Limited		600	600
Audit fees - BOC Bangladesh Limited		17	69
		<b>617</b>	<b>669</b>
<b>24. Other income</b>			
Gain on disposal of property, plant and equipment	24.1	437	543
Rental income from house property		2,370	3,335
Scrap sales and others		47,130	42,864
		<b>49,937</b>	<b>46,741</b>
<b>24.1 Gain on disposal of property, plant and equipment</b>			
A. Proceeds from sales of property, plant and equipment		770	1,625
B. Carrying amount			
Cost of property, plant and equipment		70,649	102,438
Accumulated depreciation		(70,316)	(101,356)
		<b>332</b>	<b>1,082</b>
C. Gain on disposal (A-B)		<b>437</b>	<b>543</b>
<b>25. Income from sale of LIPL</b>			
Sale proceeds		-	9,106,100
Investment in LIPL		-	(1,382,901)
<b>Gross income from sale of LIPL</b>		-	7,723,199
Cost associated to sale		-	(143,858)
		<b>-</b>	<b>7,579,341</b>
<p>Pursuant to the order of the High Court Division of the Supreme Court of Bangladesh, the Board took the decision in its 276th meeting held on 27 May 2024 for conversion of the inter-company balance increasing the share (investment) base to 138,290,500 shares. Thereafter, the Company entered into a Sale and Purchase Agreement (SPA) with ESAB Group, UAE for disposal of the entire 138,290,500 equity shares held by the Company. The sale of shares has been approved by the Shareholders in the Extra-Ordinary General meeting held on 23 June 2024 and the shares were finally disposed of on 02 July 2024.</p>			
<b>26. Net finance income</b>			
See accounting policy in Note 44(B)			
Finance income		27,366	17,038
Finance costs		(11,378)	(14)
Interest expenses for lease		(679)	(1,476)
		<b>15,309</b>	<b>15,548</b>
<b>27. Contribution to workers' profit participation fund (WPPF)</b>			
See accounting policy in Note 44(L)			
Profit before contribution to WPPF		455,446	8,029,477
Applicable contribution rate		5%	5%
		<b>22,772</b>	<b>401,474</b>
<b>28. Directors' remuneration</b>			
Fees for attending board meeting		680	720
Salaries and benefits		20,021	12,778
		<b>20,701</b>	<b>13,498</b>

Notes to the Consolidated and Separate Financial Statements (continued)

Financial instruments - Fair values and risk management

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Notes	Fair value - hedging instruments	Mandatorily at FVTPL-Others	Carrying amount				Total amount
				FVOCI-debt instruments	FVOCI-equity instruments	Financial assets at amortised cost	Other financial liabilities	
<b>31 December 2025</b>								
<b>Financial assets not measured at fair value</b>								
Investment in subsidiaries	7	-	-	-	-	20	-	20
Trade and other receivables	9	-	-	-	-	771,651	-	771,651
Cash and cash equivalents (excluding cash in MFS)	11	-	-	-	-	1,113,645	-	1,113,645
		-	-	-	-	1,885,316	-	1,885,316
<b>Financial liabilities not measured at fair value</b>								
Other non-current liabilities	16	-	-	-	-	-	260,117	260,117
Trade and other payables*	17	-	-	-	-	-	449,761	449,761
		-	-	-	-	-	709,878	709,878
<b>31 December 2024</b>								
<b>Financial assets not measured at fair value</b>								
Investment in subsidiaries	7	-	-	-	-	20	-	20
Trade and other receivables	9	-	-	-	-	855,534	-	855,534
Cash and cash equivalents (excluding cash in hand)	11	-	-	-	-	1,558,791	-	1,558,791
		-	-	-	-	2,414,345	-	2,414,345
<b>Financial liabilities not measured at fair value</b>								
Other non-current liabilities	16	-	-	-	-	-	255,370	255,370
Trade and other payables*	17	-	-	-	-	-	419,429	419,429
		-	-	-	-	-	674,799	674,799

\* Advances against transfer of lease entitlement as referred in note number 17 is not of financial liabilities nature.

The Company has not disclosed the fair values for financial instruments such as trade and other receivables, cash and cash equivalents, investment in subsidiaries, trade and other payables, and other non-current liabilities because their carrying amounts are a reasonable approximation of fair values.

## Notes to the Consolidated and Separate Financial Statements (continued)

### 29. Financial instruments - Fair values and risk management (continued)

#### B. Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk (See (B)(ii));
- Liquidity risk (See (B)(iii)); and
- Market risk (See (B)(iv)).

#### i. Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

#### ii. Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amount of financial assets represents the maximum credit exposure.

#### Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Management's review includes external ratings, if they are available, financial statements, credit agency information, industry information, and in some cases bank references. Sale limits are established for each customer and reviewed which represent the maximum outstanding amount of credit sale without requiring approval from the Committee; these limits are reviewed as per HPO (High Performance Organisation) guideline of Linde Group in each quarter. Customers who fail to meet the Company's benchmark creditworthiness may transact with the Company only on a cash/deposit scheme basis.

The Company has established a provision policy for doubtful debts in alignment with its Group Policy. This represents the Company's estimate of incurred losses of trade receivables. The Company provides for ECL (Expected Credit Loss) rate of trade receivables which are overdue less than 365 days and 100% of trade receivables which are more than 365 days. Loss rate for healthcare customers is applied on gross trade receivable to work out provisions.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are wholesale, retail or end-user customers, their geographic location, industry, trading history with the Company and existence of previous financial difficulties.

#### Exposure to credit risk for trade and other receivables

At 31 December 2025, the maximum exposure to credit risk for trade and other receivables was as follows:

	2025 BDT'000	2024 BDT'000
Trade receivables	836,174	915,682
Provision for trade receivables	(147,608)	(117,551)
	688,565	798,131
Cash at bank (excluding cash in MFS)	1,113,645	1,558,791
	<b>1,802,210</b>	<b>2,356,922</b>

#### Ageing of trade and other receivables at the reporting date

The ageing of trade receivables at the year end was:

Invoiced 0-30 days	68,157	393,218
Invoiced 31-60 days	30,896	78,299
Invoiced 61-90 days	20,889	15,075
Invoiced 91-180 days	37,261	15,452
Invoiced 181-365 days	78,591	56,621
Invoiced and above 365 days	600,379	357,018
	<b>836,174</b>	<b>915,682</b>

#### Cash and cash equivalents

The Company held cash and cash equivalents of BDT 1,113,645 thousand at 31 December 2025 (December 2024: BDT 1,558,791 thousand), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with different banks which are rated from AA3 to AAA, based on ratings by Credit Rating Agency of Bangladesh (CRAB) and Credit Rating Information and Services Limited (CRISL).

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

**Notes to the Consolidated and Separate Financial Statements (continued)**

**29. Financial instruments - Fair values and risk management (continued)**

**B. Financial risk management (continued)**

**iii. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's objective when managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through the preparation of the cash flow forecast, based on timeline of payment of the financial obligation and accordingly arranging for sufficient liquidity/fund to make the expected payment within due date. Moreover, the company seeks to maintain short term lines of credit with scheduled commercial banks to ensure payment of obligation in the event that there is insufficient cash to make the required payment. In extremely stressed conditions, the Company may get support from the parent company in the form of shareholder's loan/capital contribution.

**Exposure to liquidity risk**

The followings are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

*Amount in thousands of BDT*

	Carrying amount	Total	Contractual cash flows				More than 5 years
			2 months or less	2 to 12 months	1 to 2 years	2 to 5 years	
<b>31 December 2025</b>							
<b>Non-derivative financial liabilities</b>							
Trade payables	144,312	186,529	131,350	27,179	10,126	15,230	2,643
Inter-company payables	260,300	218,083	49,165	158,907	3,743	6,269	-
Payables for capital items	7,734	7,622	7,621	-	-	1	-
Lease liabilities	25,443	31,796	839	4,106	3,694	11,812	11,344
	<b>437,789</b>	<b>444,030</b>	<b>188,975</b>	<b>190,192</b>	<b>17,563</b>	<b>33,313</b>	<b>13,987</b>
<b>31 December 2024</b>							
<b>Non-derivative financial liabilities</b>							
Trade payables	210,638	221,927	158,483	14,530	22,667	26,247	-
Inter-company payables	169,648	158,359	52,183	76,831	29,346	-	-
Payables for capital items	5,658	5,658	4,764	85	25	785	-
Lease liabilities	29,182	29,182	680	3,312	6,571	9,622	8,996
	<b>415,127</b>	<b>415,127</b>	<b>216,110</b>	<b>94,758</b>	<b>58,609</b>	<b>36,654</b>	<b>8,996</b>



## Notes to the Consolidated and Separate Financial Statements (continued)

### 29. Financial instruments - Fair values and risk management (continued)

#### B. Financial risk management (continued)

##### iv. Market risk (continued)

##### a) Currency risk (continued)

###### Foreign exchange rate sensitivity analysis for foreign currency expenditures

A reasonably possible (assume 5%) strengthening/(weakening) of foreign currencies against functional currency as at 31 December 2025 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	<i>Amount in thousands of BDT</i>			
	Profit or loss		Equity	
	Strengthening	Weakening	Strengthening	Weakening
<b>31 December 2025</b>				
USD	(3,979)	3,979	3,183	(3,183)
EUR	(1,470)	1,470	1,176	(1,176)
GBP	-	-	-	-
SGD	-	-	-	-
<b>31 December 2024</b>				
USD	26,304	(26,304)	(21,044)	21,044
EUR	(220)	220	176	(176)
GBP	(29)	29	24	(24)
SGD	(1,279)	1,279	1,023	(1,023)
			<b>2025</b>	<b>2024</b>
			<b>BDT'000</b>	<b>BDT'000</b>
<b>Foreign exchange gain/(loss)</b>			<b>11,103</b>	<b>118,666</b>
Foreign exchange gain/(loss)				

##### b) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates. The Company is not exposed to fluctuations in interest rates as it has no floating interest rate bearing financial liability as at the reporting date. The Company has not entered into any agreement involving derivative instrument at the reporting date.

###### Exposure to interest rate risk

The interest rate profile of the Company's interest - bearing financial instruments as reported to the management of the Company is as follows.

	31 December 2025 BDT'000	31 December 2024 BDT'000
<b>Fixed rate instruments</b>		
Financial assets - Fixed deposits with banks	710,000	10,000
Financial liabilities	-	-
	<b>710,000</b>	<b>10,000</b>
<b>Floating rate instruments</b>		
Financial assets	-	-
Financial liabilities	-	-
	-	-

##### c) Commodity risk

Commodity risk refers to the uncertainties of future market values and of the size of the future income, caused by the fluctuation in the prices of commodities. As the Company purchases MS wire, blended power, Calcium carbide and other raw materials, it is exposed to risks arising from the purchase of these materials for use in production. Commodity price risk is managed by supply contracts with suppliers.

#### C. Capital management

Capital management refers to implementing policies and measures to maintain sufficient capital, assessing the Company's internal capital adequacy to ensure that the Company's operation is a going concern. Capital consists of share capital, general reserve and revaluation reserve. All major investment and operational decisions with exposure to certain amount are evaluated and approved by the board. The Board of Directors monitors the level of dividends to ordinary shareholders.

## Notes to the Consolidated and Separate Financial Statements (continued)

### 30. Non-controlling interest (NCI)

The following table summarises the information relating to the Group's subsidiary:

	BOC Bangladesh Limited	Intra-group eliminations	Total	In thousands of BDT
<b>31 December 2025</b>				
NCI percentage	0.05%			
Non-current assets	-	-	-	-
Current assets	20,000	-	20,000	20
Non-current liabilities	-	-	-	-
Current liabilities	(796,500)	-	(796,500)	(797)
Net assets	(776,500)	-	(776,500)	(777)
Net assets attributable to NCI	(388)	-	(388)	(0.39)
Revenue	-	-	-	-
Loss	(17,250)	-	(17,250)	(17)
OCI	-	-	-	-
Total comprehensive income	(17,250)	-	(17,250)	(17)
Loss allocated to NCI	(9)	-	(9)	(0.01)
OCI allocated to NCI	-	-	-	-
Cash flows from operating activities	-	-	-	-
Cash flows from investing activities	-	-	-	-
Cash flows from financing activities	-	-	-	-
Net increase in cash and cash equivalents	-	-	-	-
<b>31 December 2024</b>				
NCI percentage	0.05%			
Non-current assets	-	-	-	-
Current assets	20,000	-	20,000	20
Non-current liabilities	-	-	-	-
Current liabilities	(799,250)	-	(799,250)	(799)
Net assets	(779,250)	-	(779,250)	(779)
Net assets attributable to NCI	(390)	-	(390)	(0.39)
Revenue	-	-	-	-
Loss	(69,000)	-	(69,000)	(69)
OCI	-	-	-	-
Total comprehensive income	(69,000)	-	(69,000)	(69)
Loss allocated to NCI	(35)	-	(35)	(0.04)
OCI allocated to NCI	-	-	-	-
Cash flows from operating activities	-	-	-	-
Cash flows from investing activities	-	-	-	-
Cash flows from financing activities	-	-	-	-
Net increase in cash and cash equivalents	-	-	-	-

Notes to the Consolidated and Separate Financial Statements (continued)

31. Related party transactions

A. Parent and ultimate controlling party

BOC Group Limited of United Kingdom (UK) has 60% shareholding of the Company which is fully owned by Linde AG of Germany. In 2018, Linde AG of Germany has merged with Praxair, Inc. USA and a new company Linde Plc has been incorporated in Ireland and as such Linde plc is the new ultimate holding company of Linde Bangladesh Limited.

B. Transaction with key management personnel

Note	2025		2024	
	BDT'000		BDT'000	
28	20,701		13,498	

Key management personnel compensation

Directors' remuneration

C. Other related party transactions

Name of party	Nature of relationship	Nature of transaction	Transaction for the year		Amount in thousands of BDT	
			2025	2024	31 December 2025	31 December 2024
<b>Intercompany payables</b>						
BOC Limited - ENG (Gases)	Fellow Subsidiary	Purchase of goods	-	-	-	537
BOC Group Ltd.	Holding Company	Technical assistance fee	80,754	54,113	134,867	54,113
BOC Group Ltd.	Holding Company	Dividend	365,239	5,149,866	-	-
Linde AG, Linde Gas Headquarters	Holding Company of BOC Group Ltd.	Global IS fee	23,958	34,129	23,958	-
Linde Gas Asia Pte. Ltd.- ROHQ	Fellow Subsidiary	Service fee	-	-	-	18,116
Linde Gas Singapore Pte. Ltd.	Fellow Subsidiary	Purchase of goods	-	425	1,159	2,874
Linde India Ltd.	Fellow Subsidiary	Purchase of goods and assets	176,490	104,609	98,279	91,980
Linde Malaysia Sdn Bhd	Fellow Subsidiary	Purchase of goods and assets	899	1,171	-	-
Linde (Thailand) Public Company Limited	Fellow Subsidiary	Service fee	1,540	8,033	-	638
Linde Business Solutions Center	Fellow Subsidiary	Service fee	4,531	6,811	-	1,389
LINDE ENGINEERING INDIA PVT. LTD.	Fellow Subsidiary	Purchase of goods and assets	-	-	2,038	-
			<b>653,411</b>	<b>5,359,157</b>	<b>260,300</b>	<b>169,648</b>
<b>Intercompany receivables</b>						
BOC Bangladesh Limited	Subsidiary	Payment of expenses	17	69	692	675
			17	69	692	675

## Notes to the Consolidated and Separate Financial Statements (continued)

### 32. Remittance made in foreign currency

Name of parties	Currency	2025		2024	
		FC '000	BDT '000	FC '000	BDT '000
Dividend paid to The BOC Group, UK	USD	2,994	365,236	42,916	5,149,866
Linde Gas Asia Pte. Ltd.	SGD	234	21,422	293	24,793
Green Circle Inc	USD	3.60	439	-	-
International Halal Certification	USD	2.65	323	-	-
Tecknotrove	USD	3.57	435	-	-
LINDE MALAYSIA SDN. BHD.	USD	-	-	-	4
R V BRIGGS AND CO PRIVATE LIMITED	USD	0.26	31	-	40
Ernst Young GmbH	EUR	-	-	29	-
Linde India Ltd, India	USD	1,445	176,561	10	1,103
Linde AG, Germany	EUR	-	-	530	65,111
DATA ONLINE, LLC	USD	7	841	5	619
WILLIS TOWER WATSON, India	USD	1	176	6	655
Linde (Thailand) Public Co Limited	USD	18	2,197	11	1,350
TAF paid to The BOC Group, UK	USD	-	-	1,310	174,617
Crown Relocations, Hong Kong	EUR	-	-	-	-
NICCO ENGINEERING SERVICES LIMITED	USD	-	-	18	3,116
LBSC, Philippines	USD	39	4,772	75	8,828
Smart Gas, Singapore	USD	-	-	7	735
		<b>4,748</b>	<b>572,434</b>	<b>45,210</b>	<b>5,430,837</b>

The BOC Group Ltd., UK is a non-resident shareholder which holds 9,130,968 shares in this Company. Dividend paid to The BOC Group Ltd., UK includes final dividend of USD 2,994 thousand for the year 2024.

### 33. Receipt in foreign currency

Name of customers/vendors	Nature of receipt	2025		2024	
		USD '000	BDT '000	USD '000	BDT '000
Uniglory Cycle Component Ltd.	Deemed export	52	6,298	9	1,071
Meghna Alloytech Ltd.	Deemed export	172	20,868	364	41,807
ALCa Industries Limited	Deemed export	60	7,213	117	13,428
		<b>283</b>	<b>34,379</b>	<b>490</b>	<b>56,307</b>

### 34. Value of imports calculated on CIF basis

	31 December 2025 BDT'000	31 December 2024 BDT'000
Raw materials	95,514	81,752
Components and spare parts	19,267	28,424
Capital goods	19,016	81,078
	<b>133,798</b>	<b>191,254</b>

### 35. Commitments and contingencies

#### a) Commitments

i. Contracted but not accounted for	78,341	76,370
ii. Approved but not contracted for	267,789	262,169
iii. Outstanding letters of credit	233,915	169,263
	<b>580,044</b>	<b>507,802</b>

b) **Sale commitment:** The Board of Directors (BoD) has approved the sale of industrial land measuring 2.31 acres located at Tejgaon, which is currently under process.

#### c) Contingencies

Disputed tax and VAT related issues	228,686	113,632
Guarantees and acceptances*	94,429	124,104
	<b>323,114</b>	<b>237,736</b>

\*These includes bank guarantees to third parties, shipping guarantees, others guarantee, utility guarantee, performance bond, security bond and bank acceptance.

**Notes to the Consolidated and Separate Financial Statements (continued)**

**35.1 Credit facilities available as at 31 December**

The Hongkong and Shanghai Banking Corporation Limited	570,000	875,790
Standard Chartered Bank PLC	600,000	1,200,000
BRAC Bank PLC	1,000,000	1,000,000
	<b>2,170,000</b>	<b>3,075,790</b>

**Agreement with The Hongkong and Shanghai Banking Corporation Limited (Credit facility)**

As per renewed agreement executed on 07 January 2025 between Linde Bangladesh Limited and The Hongkong and Shanghai Banking Corporation Limited (HSBC), the Company has been availing credit facilities. The terms and conditions are as follows:

Facility limit	:	BDT 570 million (BDT Five hundred and Seventy million).
Purpose	:	Working capital
Interest rate	:	12.00%
Security	:	Demand promissory note, letter of continuation for BDT 570 million and letter of comfort from Linde AG.

**Agreement with Standard Chartered Bank (Credit facility)**

As per agreement executed on 19 May 2025 between Linde Bangladesh Limited and Standard Chartered Bank Bangladesh, the company has been availing credit facility. The terms and conditions are as follows:

Facility limit	:	BDT 600 million (BDT Six hundred million)
Purpose	:	Working capital
Interest rate	:	13% per annum
Security	:	Demand promissory note and letter of continuation for BDT 600 million

**Agreement with BRAC Bank Limited (Credit facility)**

Facility limit	:	BDT 1,000 million (BDT One thousand million)
Purpose	:	Working capital
Interest rate	:	N/A
Security	:	100% Cash margin

**Agreement with Commercial Bank of Cylon (Credit facility)**

Facility limit	:	Based on margin
Purpose	:	Working capital
Interest rate	:	N/A
Security	:	100% Cash margin

**36. Production capacity**

Major products	Unit of measurement (UOM)	Normal capacity for the year	(Quantity '000)		Remarks
			Production for the year		
ASU Gases	M3	26,937	21,766		Due to unstable power
Carbon-dioxide	M. Ton	13	4		Due to lower market demand
Dissolved Acetylene	M3	300	73		Due to lower market demand

**37. Proceeds from disposal of property, plant and equipment**

	Cost	Accumulated depreciation	Carrying amount	Sales proceeds
Plant and machinery	9,577	9,577	-	170
Furniture and fixtures				
Computer hardware	13,319	13,319	-	600
Motor vehicle	44,680	44,680	-	
Cylinders:				
Sold	3,073	2,740	332	-
<b>Total 2025</b>	<b>70,649</b>	<b>70,316</b>	<b>332</b>	<b>770</b>
Total 2024	102,438	101,356	1,082	1,625

**38. Number of employees engaged for drawing remuneration**

	31 December 2025 Number	31 December 2024 Number
(a) Above Taka 3,000 per month	88	97
(b) Below Taka 3,000 per month	-	-
	<b>88</b>	<b>97</b>

## Notes to the Consolidated and Separate Financial Statements (continued)

	31 December 2025 BDT'000	31 December 2024 BDT'000
<b>39. Net asset value (NAV)</b>		
Total assets	5,131,079	5,938,493
Total non-current liabilities	(581,619)	(619,372)
Total current liabilities	(1,348,941)	(1,828,999)
<b>Net assets</b>	<b>3,200,519</b>	<b>3,490,122</b>
Number of ordinary shares of Taka 10 each (in thousand)	15,218	15,218
<b>Net asset value (NAV) per share (in BDT)</b>	<b>210.31</b>	<b>229.34</b>
<b>39.A Net asset value (NAV) (consolidated)</b>		
Total assets	5,130,388	5,937,818
Total non-current liabilities	(581,620)	(619,372)
Total current liabilities	(1,349,065)	(1,829,123)
<b>Net assets</b>	<b>3,199,703</b>	<b>3,489,323</b>
Number of ordinary shares of Taka 10 each (in thousand)	15,218	15,218
<b>Net asset value (NAV) per share (in BDT)</b>	<b>210.25</b>	<b>229.28</b>
<b>40. Earnings per share</b>		
<b>Basic earnings per share</b>		
Profit attributable to the ordinary shareholders	343,982	6,421,266
Number of ordinary shares outstanding during the year	15,218	15,218
<b>Basic earnings per share (EPS)</b>	<b>22.60</b>	<b>421.94</b>
<b>Diluted earnings per share</b>		
No diluted earnings per share is required to be calculated for the year as there was no potentially dilutive ordinary shares during the year. So both basic and diluted earning per share are same.		
<b>40.A Basic earnings per share (consolidated)</b>		
Profit attributable to the ordinary shareholders	343,965	6,421,197
Number of ordinary shares outstanding during the year	15,218	15,218
<b>Basic earnings per share (EPS)</b>	<b>22.60</b>	<b>421.94</b>
<b>40.B Basic earnings per share (EPS)</b>		
Profit attributable to the ordinary shareholders	343,965	6,421,197
Less: income from sale of shares of LIPL	-	7,579,341
Related WPPF of sale of share	-	378,967
Related tax	-	1,158,480
<b>Total profit</b>	<b>343,965</b>	<b>379,303</b>
Number of ordinary shares outstanding during the year	15,218	15,218
<b>Basic earnings per share (EPS)</b>	<b>22.60</b>	<b>24.92</b>
<b>41. Net operating cash flow per share (NOCFPS)</b>		
Cash flows from operating activities as per statement of cash flows	367,653	368,305
Number of ordinary shares outstanding during the year	15,218	15,218
<b>Net operating cash flow per share (NOCFPS)</b>	<b>24.16</b>	<b>24.20</b>
<b>41.A Net operating cash flow per share (NOCFPS) (consolidated)</b>		
Cash flows from operating activities as per statement of cash flows	367,635	368,237
Number of ordinary shares outstanding during the year	15,218	15,218
<b>Net operating cash flow per share (NOCFPS)</b>	<b>24.16</b>	<b>24.20</b>
<b>42. Events after the reporting date</b>		
The Board of Directors has recommended final dividend at 100% (BDT 10 per share) for the year ended 31 December 2025, amounting to BDT 152 million in its 291st meeting of the Board of Directors held on 08 April 2026.		
<b>43. Standards issued but not yet effective</b>		
A number of new standards are effective for periods beginning after 01 January 2025 and earlier application is permitted. However, the Company has not early adopted the new or amended standards in preparing these financial statements.		
The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statements:		
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)		
- Lack of Exchangeability (Amendments to IAS 21)		

**Notes to the Consolidated and Separate Financial Statements (continued)**

**44. Material accounting policies**

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

- A. Revenue from contracts with customers
- B. Finance income and finance costs
- C. Foreign currency transactions
- D. Income tax
- E. Inventories
- F. Property, plant and equipment
- G. Intangibles
- H. Financial instruments
- I. Share capital
- J. Impairment
- K. Provisions
- L. Workers' profit participation fund
- M. Employee benefit
- N. Reporting period
- O. Earnings per share
- P. Statement of cash flows
- Q. Leases
- R. Contingencies
- S. Events after the reporting period
- T. Segment reporting

**A. Revenue from contracts with customers**

**Type of product and service**

Industrial and medical gases, installation of Vacuum Insulated Evaporators (VIE), rental of cylinders and VIEs and other services related to its products.

**Revenue recognition from sale of goods**

Revenue from sale of goods is measured at fair value of the consideration received or receivable, net of returns, allowances and trade discounts at the time of delivery of goods. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. This usually occurs at the time of delivery of goods along with invoice.

Invoices are usually paid instantly in case of cash sales or payable as per credit terms offered by the Company.

**Services**

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. Cylinder rent is partially recognised on cash basis.

Revenue from the rental of VIEs and cylinders is recognised over time and invoice for rental of VIE are raised monthly.

**B. Finance income and finance costs**

Finance income comprises of interest income on funds placed in fixed deposit. Interest income is recognised on accrual basis.

Finance expenses comprise of interest expense on overdraft, bank charges and interest expense on lease liabilities. All finance expenses are recognised in profit or loss.

**C. Foreign currency transactions**

Transactions in foreign currencies are translated into the functional currency (BDT) at exchange rates ruling at the dates of transactions in accordance with IAS-21 "The Effects of Changes in Foreign Exchange Rates." Exchange rate difference at the statement of financial position date are charged/credited to statement of profit or loss and other comprehensive income. This Schedule requires all exchange gains and losses arising from foreign currency borrowings, taken to finance acquisition of construction of fixed assets, to be credited/charged to the cost/value of such assets.

The financial statements are presented in BDT, which is company's functional currency. Transactions in foreign currencies are recorded in the books at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at reporting date are translated into (BDT) at the exchange rates ruling at the statement of financial position date. Non-monetary assets and liabilities denominated in foreign currencies, stated at historical cost, are translated into (BDT) at the exchange rate ruling at the date of transaction. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

**Notes to the Consolidated and Separate Financial Statements (continued)**

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**44. Material accounting policies (continued)**

**D. Income tax**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

**i. Current tax**

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. The Company qualifies as a "Publicly Traded Company", as defined in income tax law. The applicable tax rate for the Company is 22.5%. Provision for taxation has been made on this basis which is compliant with the Finance Act 2025.

Current tax assets and liabilities are offset only if certain criteria are met.

**ii. Deferred tax**

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences 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 or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Temporary difference in relation to right-of-use assets and a lease liability for a specific lease is regarded as a net package (the lease) for the purpose of recognising deferred tax.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

**E. Inventories**

Inventories are measured at lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. Inventories consist of raw materials, spare parts, work-in-process, goods in transit and finished goods. The cost of inventories is based on weighted average cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.

**F. Property, plant and equipment**

**i. Recognition and measurement**

Property, plant and equipment (PPE) is recognised as an asset if it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the item can be measured reliably.

Items of property, plant and equipment, excluding freehold land, freehold building and leasehold building, are measured at cost less accumulated depreciation and accumulated impairment losses. Freehold land is measured at cost. Freehold buildings and leasehold buildings are measured at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the assets, bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

If significant parts of an item of property, plant & equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant & equipment. Any gain or loss on disposal of an item of property, plant & equipment is recognised in profit or loss.

**ii. Subsequent costs**

The cost of replacing part of an item of property, plant and equipment is recognised 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 maintenance of property, plant and equipment are recognised in the profit and loss account as incurred.

**Notes to the Consolidated and Separate Financial Statements (continued)**

**44. Material accounting policies (continued)**

**F. Property, plant and equipment (continued)**

**iii. Depreciation**

Linde Bangladesh Limited uses the month placed in service depreciation convention for all property, plant and equipment. Using this convention, depreciation begins in the month the asset is placed in service regardless of which day within the month the asset is placed in service. All purchased items are placed in service and being depreciated from the month of capitalisation. In case of disposals, depreciation is charged up to the immediate previous month of disposal.

No depreciation is charged on freehold land and capital work in progress. Depreciation is charged on all other items of property, plant and equipment on straight line method. The rates of depreciation vary according to the estimated useful lives of the items of property, plant and equipment. The estimated useful lives for depreciation are as follows:

	<u>Useful lives</u>
Freehold buildings	25 years and 40 years
Plant, machinery and cylinders (including storage tank and vacuum insulated evaporator)	10-20 years
Motor vehicles	5 years
Furniture, fixtures and equipment	5-10 years
Computer hardware	5 years

**iv. Derecognition**

An asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Gains or losses arising from the derecognition of an asset are determined as the difference between net disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

**v. Asset under construction**

Asset under construction represents the cost incurred for the acquisition and/or construction of items of property, plant and equipment that are not ready for use which is measured at cost. These are transferred to the property, plant and equipment on the completion of the projects.

**G. Intangibles**

**Recognition and measurement**

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

**Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit or loss, when incurred.

**Amortisation**

Amortisation is recognised in profit or loss on a straight line basis over the estimated useful lives of the intangible assets, from the month they are available for use. Enterprise Resource Plan (ERP) software and other software are amortised at the rate of 12.50% and 33.33% respectively.

**H. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

The Company initially recognises receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the date at which the Company becomes a party to the contractual provisions of the transaction.

The Company derecognises a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets include cash and cash equivalents, trade receivable, long term receivables and deposits.

**(i) Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, cash at bank and fixed deposits having maturity of three months or less which are available for use by the Company without any restriction.

**(ii) Trade receivables**

Trade receivables represent the amounts due from customers for delivering goods or rendering services. Trade receivable is initially recognised at nominal value which is the fair value of the consideration given in return.

**Notes to the Consolidated and Separate Financial Statements (continued)**

**44. Material accounting policies (continued)**

**H. Financial instruments (continued)**

After initial recognition, allowances for trade receivables are calculated applying the rates under ECL method for different ageing buckets (in days) for the current year are as follows:

Ageing bucket (days)	31 December 2025	31 December 2024
Invoiced 0-30 days	8.2%	41.4%
Invoiced 31-60 days	3.7%	2.7%
Invoiced 61-90 days	2.5%	1.8%
Invoiced 91-180 days	4.5%	5.7%
Invoiced 181-365 days	9.4%	10.6%
Invoiced and above 365 days	71.8%	37.8%

**(iii) Investment**

Investment comprise of fixed deposit maturity of more than three months which are available for use by the company without any restriction. The Company has positive intent and ability to hold FDR investment to maturity, and such financial assets are classified as held to maturity. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using effective interest method.

**(iv) Investment in subsidiaries**

Investment in subsidiaries represent investment in the equity of BOC Bangladesh Limited and Linde Industries Pvt. Ltd. are presented in the financial statement at cost.

**Financial liability**

A financial liability is recognised when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits. The Company initially recognises financial liabilities on the transaction date at which the Company becomes a party to the contractual provisions of the liability.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial liabilities include trade and other payables, and other non-current liabilities.

**I. Share capital**

Ordinary shares issued by the Company are classified as equity.

**J. Impairment**

**i) Financial assets**

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

**Measurement of ECLs**

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

**ii) Non-financial assets**

The carrying amounts of the Company's non-financial assets (other than inventories) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of impairment loss (if any).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

**Notes to the Consolidated and Separate Financial Statements (continued)**

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**44. Material accounting policies (continued)**

**K. Provisions**

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the provision can be measured reliably in accordance with IAS 37- "Provisions, Contingent Liabilities and Contingent Assets".

The amount recognised is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation at the date. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is determined based on the present value of those cash flows.

**L. Workers' profit participation fund**

The Company provides 5% of its net profit before tax as a contribution to workers' profit participation fund and charges such expense in accordance with The Bangladesh Labour Act 2006 (as amended in 2018).

**M. Employee benefit**

The Company maintains both defined contribution plan (provident fund) and a defined benefit plan (gratuity fund) for its eligible permanent employees. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. Accordingly, necessary provision is made for the amount of annual leave encashment based on the latest basic salary. The eligibility is determined according to the terms and conditions set forth in the respective deeds as approved by the National Board of Revenue (NBR), where applicable. This benefit is applicable for employees as per service rules.

**i. Defined contribution plan (provident fund)**

Defined contribution plan is a post employment benefit plan under which the Company provides benefits for all of its permanent employees. The recognised Employees' Provident Fund is being considered as defined contribution plan as it meets the recognition criteria specified for this purpose. All permanent employees contribute 13.5% of their basic salary to the provident fund and the Company also makes equal contribution. This fund is recognised by the National Board of Revenue (NBR).

The Company recognises contribution to defined contribution plan as an expense when an employee has rendered required services. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund. Obligations are created when they are due.

**ii. Defined benefit plans (gratuity scheme)**

The Company operates a funded gratuity scheme for its permanent employees, under which an employee is entitled to the benefits depending on the length of services and last drawn basic salary.

Projected Unit Credit method is used to measure the present value of defined benefit obligations and related current and past service cost and mutually compatible actuarial assumptions about demographic and financial variables are used.

**iii. Short-term employee benefits**

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. Provision is made for leave accrued during the year but not availed by employees. The amount is arrived at with reference to the latest basic salary of each employee and unutilised leave.

**N. Reporting period**

The financial period of the Company covers one year from 1 January to 31 December. These financial statements were prepared for twelve months from 1 January to 31 December 2025.

**O. Earnings per share**

The Company presents basic and diluted (when dilution is applicable) earnings per share (EPS) data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the period, adjusted for the effect of change in number of shares for bonus issue, share split and reverse split.

**P. Statement of cash flows**

Statement of Cash Flows (Cash Flow Statement) is prepared under direct method in accordance with IAS-7 "Statement of Cash Flows" as required by the Bangladesh Securities and Exchange Rules 1987.

**Q. Leases**

The Company has initially applied IFRS 16 from 1 January 2019.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Notes to the Consolidated and Separate Financial Statements (continued)**

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**44. Material accounting policies (continued)**

**Q. Leases (continued)**

*i. As a lessee*

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in substance fixed lease payments.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets and lease liabilities in the statement of financial position.

**Short-term leases and leases of low-value assets**

Currently the Company has no such short-term lease or lease of low value asset. The Company will not recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company will recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term as applicable.

*ii. As a lessor*

There is no such lease for which the Company accounted for a lessor.

**R. Contingencies**

**i. Contingent liability**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the statement of financial position of the Company. Moreover, contingencies arising from claims, litigations, assessments, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

**ii. Contingent asset**

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The Company does not recognise contingent asset.

**S. Events after the reporting period**

Events after the statement of financial position date that provide additional information about the Company's position at the statement of financial position are reflected in the financial statements. Events after statement of financial position date that are non-adjusting events are disclosed in the notes when material.

**T. Segment reporting**

A segment is a distinguishable component of the Company that is engaged in providing products or services within a particular economic environment. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company regards its Board of Directors as its chief operating decision maker, as the Board is responsible for allocating resources, assesses performances and makes strategic decision.