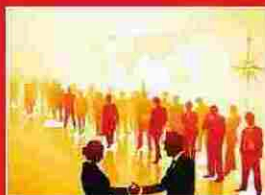


18<sup>TH</sup>

ANNUAL  
REPORT

Financial Year  
2013-2014



富王食品

**FU-WANG FOODS LTD.**

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## Letter of Transmittal



Shareholders

Bangladesh Securities and Exchange Commission (BSEC)  
Dhaka Stock Exchange Ltd. (DSE)  
Chittagong Stock Exchange Ltd. (CSE)

Dear Sir(s),

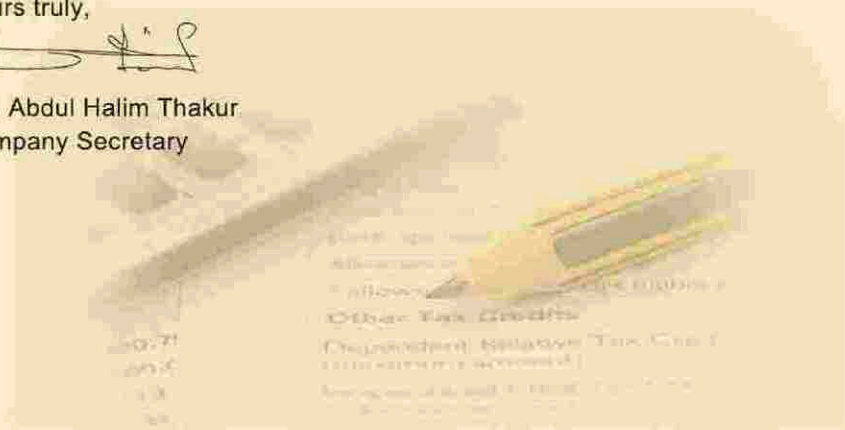
We are pleased to present you the copy of Annual Report of Fu-Wang Foods Limited for the year ended 30th June 2014 along with Audited Financial Statements containing Statement of Financial Position, Statement of Comprehensive Income, Statement of Change in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Annual report will be available in the website of the Company [www.fuwanggroup.com](http://www.fuwanggroup.com).

Thank you for your support and cooperation.

Yours truly,

Md. Abdul Halim Thakur  
Company Secretary



## Corporate Profile

### Board of Directors

Mr. Md. Sadeque	: Chairman
Mr. Arif Ahmed Chowdhury	: Managing Director
Mr. Kamal Kanti Mondal	: Director
Mr. Biplob Chakraborty	: Director
Mr. A.M. Naimur Rahman, MP	: Independent Director

### Audit Committee

Mr. A.M. Naimur Rahman, MP	: Chairman
Mr. Md. Sadeque	: Member
Mr. Biplob Chakraborty	: Member
Mr. Md. Abdul Halim Thakur	: Secretary

### Chief Financial Officer

Mr. Md. Waresh Ali

### Company Secretary

Mr. Md. Abdul Halim Thakur

### Head of Internal Audit

Mr. Mohendra Nath Mondol

### Registered Office

FU-WANG BUILDING

House No. 55, Road No.17 Banani C/A, Dhaka-1213

### Factory

Bokran Monipur, Hotapara, Gazipur Sadar, Gazipur

### Auditors

M/S. RAHMAN MOSTAFA ALAM & CO.

### Chartered Accountants

Paramount Heights (7th Floor), Box Culvert Road,  
65/2/1, Purana Paltan Dhaka-1000

### Bankers

Dhaka Bank Limited, Banani Branch, Dhaka

Pubali Bank Limited, Gulshan M.T. Branch, Dhaka

Standard Bank Limited, Gulshan Branch, Dhaka

Bank Asia Limited, Mohakhali Branch, Dhaka



## History of the Company

Date of Incorporation	: 17 February 1997
Listed in Dhaka Stock Exchange Ltd.	: July 2000
Listed in Chittagong Stock Exchange Ltd.	: July 2000
Commercial Production	: August 1997
ISO Certification	: ISO-9002 Certified on 04 November 1998
Business Lines	: Food Processing Industry
Authorized Capital	: Tk. 1000 Million
Paid-up Capital	: Tk. 658.30 Million
Number of Employees	: 1314

## Board of Directors



**Mr. Md. Sadeque**  
Chairman



**Mr. Arif Ahmed Chowdhury**  
Managing Director



**Mr. Kamal Kanti Mondal**  
Director



**Mr. Biplob Chakraborty**  
Director



**Mr. A.M. Naimur Rahman, MP**  
Independent Director



## 17<sup>th</sup> Annual General Meeting



## Notice of the 18<sup>th</sup> Annual General Meeting

Notice is hereby given that the 18<sup>th</sup> Annual General Meeting of the Shareholders will be held on Sunday, 28<sup>th</sup> December 2014 at RAOWA COMPLEX, Hall-2 (Anchor) VIP Road, Mohakhali, Dhaka at 11:00 a.m to transact the following business.

### AGENDA

1. To receive, consider and adopt the audited financial statements for the year ended 30 June 2014 and reports of Auditors and Directors thereon.
2. To declare @10% Stock Dividend.
3. To elect and confirm the appointment of Director and Independent Director.
4. To appoint Auditors for the next term and fix their remuneration.

Dated: Dhaka,  
December 11, 2014

By order of the Board



**Md. Abdul Halim Thakur**  
Company Secretary

### NOTES

1. The Record Date of the Company was on **16 November 2014** and the Shareholders whose names appeared in the Register of Members of the Company or in the depository (CDBL) on the Record Date shall be entitled to attend the meeting as well as qualify for stock dividend to be approved at the AGM.
2. A member entitled to attend and vote at the Annual General Meeting may appoint another member as his/her Proxy to attend and vote on his/her behalf.
3. For appointing a Proxy, Proxy Form duly stamped must be deposited at the Company's Registered Office not later than 48 hours before the time appointed for the meeting.
4. Admission into the meeting venue will be strictly on production of the attendance slip sent with the Annual Report.
5. **No gift, cash or kind will be given for attending the meeting according to the circular of BSEC.**



## Message From the Managing Director

### Distinguished Shareholders and Guest

By the grace of Almighty Allah, Fu-Wang Foods Limited passed another year of its operation, I, on behalf of the Board of Directors feel proud for having this opportunity to welcome you to the 18th Annual General Meeting and to write a few words about the company's performance during the financial year 2013-2014

### Dear Shareholders

During the year your company earned a net profit after tax of Tk. 5.97 crore as against Tk. 6.17 crore for the last year which is a decrease of 3.25% and while turnover increased by 1.18%. During the year under review the net profit decreased by 3.25% in spite of increased turnover by 1.18% due to tremendous price hike of raw materials, wages and transport cost for countrywide political unrest during the year 2013. The sales price of Finished Goods could not be increased proportionately as like increased cost of production, due to strategic reasons.

However, considering the overall financial position of the Company the Board of Directors has recommended 10% (Ten percent) stock dividend for all Shareholders for approval in the 18th Annual General Meeting.

### Hon'ble Shareholders

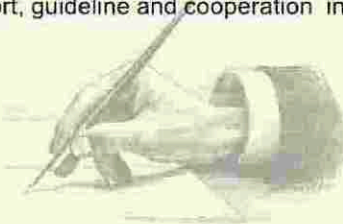
You will be very happy to know that as per our commitment for business diversification, Fu-Wang Chocolate Bar and different types of Chocolate Coated Products has gone into production from 16-09-2014 as trial basis and if not arise any adverse situation, we are expecting to go for commercial production very soon.

In the end, I cordially thanks to the Board of Directors, employees, workers, customers, suppliers, creditors, well-wishers, patrons, and our valued shareholders as well as the regulatory bodies like Bangladesh Securities and Exchange Commission, Stock Exchanges Bank and Financial Institutions for their continued support, guideline and cooperation in our endeavor to achieve greater success for the company .

With best regards,



**Arif Ahmed Chowdhury**  
Managing Director



## Report of the Board of Directors for the year ended 30 June 2014

### Dear Shareholders

It is my great pleasure to welcome you, on behalf of the Board of Directors, to the 18th Annual General Meeting of Fu-Wang Foods Ltd. (FWFL). My profound well wishes to those who are present and also to those who could not present unfortunately. We deeply mourn for those respected shareholders whom we lost forever since our last Annual General Meeting and pray for salvation of their departed souls. I pray to Almighty for you all for long life and long relationship with the Fu-Wang family.

### Respected Shareholders,

I feel honored to be able to present before you the 18th Annual Report of the company along with the Audited Financial Statements for the year ended 30 June 2014 and the Auditors' Report thereon.

### Company's Performance and Financial Results:

You, the honorable shareholders are aware that Fu-Wang Foods is a food processing industry with yearly production capacity of 8,900 M.Ton in three shifts as against which it run at 93.43% capacity during the year under review, producing 8,315.90 M. Ton in the fiscal year compared to last year 8,081 M. Ton.

We have passed another financial year 2013-2014 and your company earned a net profit after tax Tk. 5.97 crore as against Tk. 6.17 crore for the last year which is a decrease of 3.25% and while turnover increased by 1.18%. During the year under review the net profit decreased by 3.25% in spite of increased turnover by 1.18% due to tremendous price hike of raw materials, wages and transport cost for countrywide political unrest during the year 2013. The sales price of Finished Goods could not be increased proportionately as like increased cost of production, due to strategic reasons.

### Subsidiary Operation:

FWFL has a subsidiary company in the name of Fu-Wang Beverage Industry Limited. The company was incorporate on December 13, 2004 under the Companies Act. 1994 having Authorized Capital of Tk. 200,000,000.00 of which paid up capital is Tk. 10,000,000.00 crore divided into 100,000 Ordinary Shares of Tk. 100/- each as on December 31, 2013. FWFL holds 99% shares of the company.

The operating financial results for the year ended December 31, 2013 are as follows:

Particulars	Dec. 31, 2013 (Taka)	Dec. 31, 2012 (Taka)
Turnover (Net)	137,678,807	162,386,140
Gross Profit	30,165,521	35,578,915
Net Profit before Tax	7,285,404	12,039,752
Net Profit after Tax	4,553,378	7,524,845
Net Assets Value Per Share	375	329
Earning Per Share after Tax	45.53	75.25



**Auditors' Qualified Opinion on Financial Statements for the year ended June 30, 2014**

The Auditors qualified their Report that The Company did not prepared consolidated Financial Statements as per BAS-27 and The Company's Act 1994.

Non matching of accounting year of holding company and subsidiary, we did not prepared consolidated Financial Statements as per BAS-27 and The Company's Act 1994.

We are assuring you that we will follow BAS-27 and Company's Act 1994 regarding consolidated Financial Statements and disclose the same in the Financial Statements as required under the provision of BAS-27 from the accounting year to be ended on June 30, 2015 after amending the accounting year.

**Dividend:**

Considering the overall financial position of the Company the Board of Directors has recommended 10% (Ten percent) stock dividend for all Shareholders for approval in the 18th Annual General Meeting.

**Appointment of Auditors:**

The existing Auditors M/s. Rahman Mostafa Alam & Co., Chartered Accountants carried out the audit for the year ended June 30, 2014 and retire at this Annual General Meeting.

Bangladesh Securities and Exchange Commission, by its Order No. SEC/CMRRCD/2009- 193/ 104/Admin dated July 27, 2011 imposed an embargo that no company shall appoint any firm of Chartered Accountants as its Statutory Auditors for a consecutive period exceeding three years. In pursuance thereof, M/s. Rahman Mostafa Alam & Co., Chartered Accountants are not eligible for re-appointment as auditors of the company for the next term.

A shareholder of the company Mr. Kabir Hossain Mollah Falio No.008511 nominate M/s. MABS & J Partners, Chartered Accountants to be auditors of the company and auditors also offered themselves for being appointed as Auditors of the company for the year 2014-2015 with reasonable fee Accordingly the matter be placed in this Annual General Meeting for consideration of Shareholders.

**Corporate Governance:**

The company is determined to ensure good governance by complying with all the applicable rules and regulations of Corporate Governance Guidelines as per Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Bangladesh Securities and Exchange Ordinance, 1969 of Securities and Exchange Commission. The company already complied the corporate management standard as per BSEC guidelines.

The Board of the Company consist of 5 (five) members including 2 (two) Independent Directors, is the supreme authority for the management of the Company. Two individuals have filled up the positions of the Chairman and the Managing Director. The company has appointed a Chief Financial Officer, a Head of Internal Audit and a Company Secretary. The roles, responsibilities and duties of all the personnel have been clearly defined.

**Corporate Governance Compliance Report :**

In pursuance of Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Bangladesh Securities and Exchange Ordinance, 1969 of Bangladesh Securities and Exchange Commission, the corporate governance compliance report by the Directors and certified from M/s. MABS & J Partners, Chartered Accountants please seen in page no. 21 to 26.

**APPRECIATION:**

The Board expresses its heartfelt thanks to you, the valued shareholders and looks forward for continued support and best wishes from you all.

The Board of Directors also takes the opportunity to extend thanks and appreciation to the Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd., all other Government Agencies, Banking and Non- Banking Financial Institutions, Clients, Distributors, Dealers, Patrons, Print and Electronic Media and well wishers for their support and co-operation.

On behalf of the Board

Sd/-

**Md. Sadeque**

Chairman

Dated, Dhaka

October 18, 2014

**Additional statements by the Board of Directors as per condition # 1.5 of the notification dated August 07, 2012 from Bangladesh Securities and Exchange Commission:**

**Industry outlook and possible future developments in the industry:**

Fu-Wang Foods is one of the largest food processing industries in the country. FWF is a brand name in Bangladesh recognizable by most middle to lower income groups to whom most of the company's products are aimed. Bangladesh is an over populated country and population is increased rapidly accordingly, the demand of the products of FWF is increased year to year. Food business is a distribution intensive business. FWFL currently has 490 distributor/ dealer all over the country.

Fu-Wang Foods already started production of Fu-Wang Chocolate Bar and different types of Chocolate Coated Products from 16-09-2014 as trial basis and if not arise any adverse situation, we are expecting to go for commercial production very soon.

**Segment-wise or product-wise performance:**

Description	Taka-2014 Net revenue	% of total revenue	Taka-2013 Net revenue	% of total revenue	Increase/Decrease over last year	
					Amount Tk.	%
1. VATable Items	145,570,999	18.32%	125,476,911	15.98%	20,094,088	16.01%
2. Non VATable Items	648,835,015	81.68%	659,649,614	84.02%	(10,814,599)	(1.64%)

**Risks and concerns:**

As with all investments, investors should be aware that there are risks associated with an investment in the Company. These risks could result in loss of income or capital investment. Investors are encouraged to seek independent financial advice in this regard.

**Industry Risk**

Entry of new competitors may increase the market competition and may adversely affect the profitability of Fu-Wang Foods Limited.

**Management Perception**

Food business is a Distribution Intensive Business. FWFL currently has 490 distributor/ dealer all over the country. It may be difficult for a new company to establish such a wide distribution network in a short period of time. Therefore it is difficult and time consuming for a new entrant to quickly establish itself in the market and grab market share from us.

Moreover, food business is brand-dependent business. FWFL Food is asked by the consumers by its brand name. The company is continuously concentrating on a "pull" strategy instead of "push". To this end, FWFL spends a large amount of fund for promotion and advertisement to further enhance and strengthen its brand name.

**Interest Rate Risks**

Interest rate risk is concerned with borrowed funds of short term and long term maturity. Volatility of money market and increased demand for loans/investments, current liquidity position have raised the rate of interest in recent time.



### **Management Perception**

The Management of the Company is always aware of interest rate. If the interest rate increases the cost of fund will increase, affecting profitability adversely.

### **Exchange Rate Risk**

Exchange rate fluctuation may reduce the profitability of Fu-Wang Foods Limited because of its foreign trade commitments from various sources of foreign exchange like import raw materials.

### **Management Perception**

FWFL is able to pass on the additional cost of raw material through price increase. Its brand name allows it to increase its price without much difficulty. Competitors may also increase their price if the raw material prices increase.

### **Market and Technology related Risk**

In the global market of 21st century, developed technology obsoletes the old service/ product strategy. So the existing technology may not be efficient enough to cope up with the future trend and needs.

### **Management Perception**

FWFL continuously upgrades its machines and technology. So the risk of obsolete technology is mitigated as the company continuously upgrades its technology every 5-6 years. Our proposed expansion program will be availed for latest technology.

### **Changes in Economic & Political Condition**

Changing economic & Political conditions may affect the demand for the product offered by the company which may effect the turnover and profitability.

### **Management Perception**

Social unrest due to political reasons may cause downturn of the economic activities which will have adverse impact on demands of foods.

### **Energy Costs may raise**

Due to the adverse power situation in the country, production may be hampered due to interruption of power supply which may result is higher production wastage and lower productivity.

### **Management Perception**

The Company is self sufficient in generating power by its own generators. However, in case of gas shortfall and subsequent rationing if any, then the productivity will be reduced. In that scenario, the overall sector will be affected.

### **History of non-operation, if any**

Fu-Wang Foods is a food processing industry with yearly production capacity of 8,900 M. Ton in three shifts (after BMRE) as against which it ran at 93.43% capacity during the year under review producing 8,315.90 M. Ton. The shortfall in utilization of production capacity is for time lost for maintenance of machinery and for shortage of market demand.

### **Management Perception**

Fu-Wang Foods Limited was incorporated on 17 February, 1997. It has already completed more than 17 years of successful operation. It has no record of operation failure yet and chances of non-operative in future are very remote.

**Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin**

During the year the company's revenue increased by 1.18%, cost of Goods Sold increased by 1.58%, Gross profit decrease by 0.15% comparing to last year. The details are as follows:-

Particulars	30-Jun-14	30-Jun-13	Increase/(Decrease)	Increase/(Decrease)
			(Taka)	(%)
Revenue	794,406,014	785,126,525	9,279,489	1.18
Cost of Goods Sold	614,938,638	605,396,108	9,542,530	1.58
Gross Profit	179,467,376	179,730,417	(263,041)	(0.15)
Net Profit	59,693,789	61,724,154	(2,030,365)	(3.29)

**Reasons for increase / Decrease of**

1. Revenue
2. Cost of Goods sold
3. Gross Profit
4. Net Profit

**Increase of Revenue**

During the year 2013-14 revenue increased by an amount of Tk. 9,279,489 due to strength of marketing strategy.

**Increase of Cost of Goods Sold**

During the year, Cost of Goods Sold is 77.41% of revenue as against 77.11% of the preceding year due to following reasons

- Increase in price of Raw Materials.
- Increase in Wages.
- Increase in Transportation cost.

**Decrease of Gross Profit**

In the financial year 2013-14, Fu-Wang Foods Ltd. earned Gross profit @ 22.59% as against 22.89% in the preceding year, due to the same reasons described in the preceding paragraph for increase of Cost of Goods Sold.

**Decrease of Net Profit**

Due to fall of gross profit margin and along with the following reasons, Fu-Wang Foods Limited earned net profit @ 7.51% as against @ 7.86% in the preceding year against Sales.

- Increase in Transportation Cost.
- Increase in Administrative Cost.

**Discussion on continuity of any Extra-Ordinary gain or loss:**

There is no extra-ordinary gain or loss during the year 2013-2014.

**Related party transactions:**

During the year the company did not make any transaction with any related party other than its subsidiary company.

**Utilization of proceeds from Rights Issues/IPO:**

The Company has no raised any fund from Rights Issues/IPO during the year 2013-2014.

**Significant variance of financial performance**

There is no significant variance occurred in between Quarterly financial performance and Annual Financial Statements.

**Financial results deteriorated after Public Issue/Rights Offer:**

The company did not raise share capital through Public Issue/Rights Issue or through any other instruments during the year 2013-2014.

**Remuneration to directors including independent directors:**

Remuneration to directors including independent director of the company stated in Note No. 21.00 in the "Notes to the Financial Statements."

**The Directors also report that:**

The financial statements prepared by the management of the issuer company present fairly its state of affairs, The result of its operations, cash flows and changes in equity

The proper books of account of the issuer company have been maintained

The appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment

The International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed

The system of internal control is sound in design and has been effectively implemented and monitored

There are no significant doubts upon the company's ability to continue as a going concern.

There are no significant deviations from the last year's operating results of the company.

**The summary of key operating and financial data of preceding 5 (five) years:**

(Taka in Million)

Particulars	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
Turnover (Net)	794.406	785.126	758.459	709.168	539.554
Gross Profit	179.467	179.730	181.234	178.891	94.596
Net Profit before Tax	88.237	92.145	103.780	104.820	37.013
Net Profit after Tax	59.694	61.724	75.241	78.877	26.834
Shareholders' Equity	838.646	777.765	739.844	664.604	282.611
Earning Per Share after Tax (Taka)	0.91	1.03	1.41	1.92	1.33
Cash Dividend Per Share (Taka)	Nil	Nil	Nil	Nil	Nil
Bonus Dividend (Percentage)	10%	10%	12%	20%	20%

**Dividend:**

<b>FINANCIAL RESULTS</b>	<b>2013-2014</b>	<b>2012-2013</b>
Net Profit before Tax and WPPF for the year	92,649,355	96,029,522
Add: Non operative income	-	723,411
Add: Realization from Revaluation Reserve	4,317,526	4,544,764
Add: Retained earnings up to last year (Net of Bonus for previous year)	38,613,755	32,190,466
	<b>135,580,636</b>	<b>133,488,163</b>
Less : Contribution to Workers Profit Participation & Welfare Fund	4,411,874	4,607,283
<b>Profit available for appropriation</b> Tk.	<b>131,168,762</b>	<b>128,880,880</b>

<b>PROPOSED APPROPRIATION</b>	<b>2013-2014</b>	<b>2012-2013</b>
Provision for Income Tax	28,543,692	30,421,496
Dividend (Bonus 10%)	65,830,190	59,845,630
Retained Earnings	36,794,880	38,613,754
	<b>Tk. 131,168,762</b>	<b>128,880,880</b>

Considering the overall financial position of the Company the Board of Directors has recommended 10% (Ten percent) stock dividend for the year ended 30 June 2014 (subject to approval by the shareholders in the forthcoming AGM) whose names will appear in the share register of the company and/or Depository Register of CDBL as on Record Date, i.e. 16 November 2014.

**The number of Board meetings held during the year and attendance by each director:**

During the year ended June 30, 2014 the Board of Directors held 9 (Nine) meetings and attendance by the Directors at the Board meeting during the year as follows:

<b>Name of the Directors</b>	<b>Official Status</b>	<b>Meeting Attended</b>
Mr. Md. Sadeque	Chairman	7
Mr. Arif Ahmed Chowdhury	Managing Director	9
Mr. Kamal Kanti Mondal	Director	5
Mr. Biplob Chakraborty	Director	6
Mr. A.M. Naimur Rahman, MP	Independent Director	6

**Notes :**

The Chief Financial Officer and Company Secretary attended at all Board Meetings of the Company held in the corresponding year.

**The pattern of shareholding :**

Sl. No.	Categories	No. of Shares	% of Holding
a)	Parent/Subsidiary/Associated Companies and other related parties (name wise Details)	Nil	Nil
b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details) are as follows:		
1	Mr. Md. Sadeque Chairman	7,392	0.011
2	Mr. Arif Ahmed Chowdhury Managing Director	2,956,800	4.492
3	Mr. Kamal Kanti Mondal Director	3,102	0.005
4	Mr. Biplob Chakraborty Director	22,500	0.034
5	Mr. A.M. Naimur Rahman Independent Director	Nil	Nil
6	Mr. Md. A. Halim Thakur Company Secretary	Nil	Nil
7	Mr. Md. Waresh Ali Chief Financial Officer	Nil	Nil
8	Mr. Mohendra Nath Mondol Head of Internal Audit	Nil	Nil
c)	Executives	Nil	Nil
d)	Shareholders holding ten percent (10%) or more voting interest in the company. Investment Corporation of Bangladesh (ICB)	7,042,239	10.70

**Composition of the shareholders:**

SL No.	Particulars	30.06.2014			30.06.2013		
		No. of Shares	Value of Shares	%	No. of Shares	Value of Shares	%
1	Directors/Sponsors	3,319,439	33,194,390	5%	3,017,676	30,176,760	5%
2	Institutions	13,115,720	131,157,200	20%	14,914,983	149,149,830	25%
3	General Public	49,395,036	493,950,360	75%	41,912,973	419,129,730	70%
<b>Total</b>		<b>65,830,195</b>	<b>658,301,950</b>	<b>100%</b>	<b>59,845,632</b>	<b>598,456,320</b>	<b>100%</b>



**Shareholding Range**

Sl. No.	Holdings of Shares ( From--To )	No. of Holders	No. of Shares	Total Holding ( % )
1	1 -- 500	12,639	1,823,615	2.77 %
2	501 -- 5000	8,561	15,313,069	23.26 %
3	5001 -- 10000	1,085	7,842,818	11.91 %
4	10001 -- 20000	475	6,610,544	10.04 %
5	20001 -- 30000	150	3,709,607	5.64 %
6	30001 -- 40000	60	2,097,677	3.19 %
7	40001 -- 50000	39	1,753,841	2.66 %
8	50001 -- 100000	56	3,869,815	5.88 %
9	100001 -- 1000000	37	11,043,169	16.78 %
10	Over 1000000	3	11,766,040	17.87 %
		<b>23,105</b>	<b>65,830,195</b>	<b>100.00 %</b>

**Appointment/re-appointment of Directors:****Ratification of appointment of Independent Director**

Mr. A. M. Naimur Rahman, MP appointed as Independent Director of the board for the next term i.e. 3 (three) years with effect from 29.10.2014 and his appointment is required to be ratified by the shareholders in the 18th Annual General Meeting which is scheduled to be held on 28.12.2014.

Mr. Naimur Rahman has completed his Hons in Public Admin from Dhaka University in 1994. He was a Managing Director of Chase Trading Limited and Director of Bumbell Bee Autos Limited. He has no Directorship and membership of committee of the board of any other company.

**Re-appointment of Directors**

In terms of articles 126 of the Articles of Association of the company Mr. Kamal Kanti Mondal and Mr. Biplob Chakraborty retire from the Board at this 18th Annual General Meeting and being eligible to be offered themselves for reelection.

**Kamal Kanti Mondal**

Mr. Kamal Kanti Mondal is a public shareholder director of the company, he obtained post graduate degree from National University. He is about 57 years. He is servicing in a recognized Group of Companies. Mr. Mondal has no directorship and membership of committee of the board of any other company.

**Biplob Chakraborty**

Mr. Biplob Chakraborty is a public shareholder director of the company, he is also member of the audit committee, a sub-committee of the board. He obtained post graduate degree in 2000 from National University. He is about 40 years. He is servicing in a recognized technical consultant firms which are involved in design and supervision engineering. Mr. Chakraborty has no directorship and membership of committee of the board of any other company.

**REPORT OF AUDIT COMMITTEE**

For the year 2013-2014

Fu-Wang Foods Limited constituted an Audit Committee as a sub-committee of the Board of Directors. The Audit Committee is responsible to the Board and they assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business. The duties and responsibilities of the Audit Committee are clearly set forth in writing by the Board in the Audit Committee Charter.

**Composition of Audit Committee:**

The Audit Committee consists of the following members:

<b>Name of Members</b>	<b>Position in the Committee</b>	<b>Position in the Board</b>
Mr. A.M. Naimur Rahman, MP	Chairman	Independent Director
Mr. Md. Sadeque	Member	Independent Director
Mr. Biplob Chakraborty	Member	Director
Mr. Md. A. Halim Thakur	Secretary	Company Secretary

**Function of the Audit Committee defined as under:**

Review the Audited Financial Statements and recommended to approved for statutory purpose.

Review Internal Audit Systems and monitoring the function of Internal Audit Department.

Review the implementation of significant issues as recommended to the Board.

Review the function of management policy, system of governance.

Review and consider the internal report and statutory auditors' observation and internal control.

Review the quarterly and half yearly financial statements before submission to the board for approval and to the stakeholders as a statutory requirement.

**Activities carried out during the year**

The committee reviewed and discussed the procedure and task of the internal audit, financial report preparation and the external auditors' observation in their reports on the draft financial statements of the company initialed by the auditors for the year ended 30th June 2014. The committee found the statements adequate arrangement to present a true and fair view of the financial status of the company; and did not find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting and disclosures.

The committee also reviewed the financial statements of the subsidiary company i.e. Fu-Wang Beverage Industry Ltd.

**Acknowledgement**

The Audit Committee expressed its sincere thanks to the members of the Board, management and the Auditors for their support in carrying out its duties and responsibilities effectively.

Sd/-

**A.M. Naimur Rahman, MP**

Chairman, Audit Committee

**MABS & J Partners**

Chartered Accountants



An independent member firm of Nexia International/UK

## Certificate on compliance of conditions of Corporate Governance Guidelines of Bangladesh Securities & Exchange Commission to the shareholders of Fu-Wang Foods Limited

We have examined the Statement of Compliance of Corporate Governance Guidelines by **Fu-Wang Foods Limited** for the year ended 30 June 2014, as set by Bangladesh Securities and Exchange Commission (BSEC) by the notification # SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 and subsequently amended through their notification # SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013 issued under section 2CC of the Securities and Exchange Ordinance, 1969.

The compliance of conditions of Corporate Governance Guidelines is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Notification.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Dated: Dhaka, 18 October 2014

  
**MABS & J Partners**  
 Chartered Accountants

An independent member firm of Nexia International/UK

**Corporate Office:**  
 Park Plaza (Suite 408)  
 31, Banani C/A, Road 17  
 Dhaka-1213, Bangladesh  
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 21, Puroja Paltan Lane (4th & 7th Floor)  
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 Phone : +88-02-83559499 / 8355471  
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 E-mail : smcbd@smcbd.net  
 Web : www.smcbd.com

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/ 2006-158/ 134/Admin/ 44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969 :

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.1	Board's Size	✓		
1.2 (i)	At least one fifth (1/5) of the total number of directors in the company's board shall be Independent Director	✓		
1.2 (ii) a)	"Independent Director" means a director- who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company.	✓		
1.2 (ii) b)	who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company	✓		
1.2 (ii) c)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies	✓		
1.2 (ii) d)	who is not a member, director or officer of any stock exchange	✓		
1.2 (ii) e)	who is not a shareholder, director or officer of any member of stock exchange or any intermediary of the capital market	✓		
1.2 (ii) f)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm	✓		
1.2 (ii) g)	who shall not be an independent director in more than 3 (three) listed companies			Re-appointed for the next 3 years
1.2 (ii) h)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI)	✓		
1.2 (ii) i)	who has not been convicted for a criminal offence involving moral turpitude	✓		
1.2 (iii)	the independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM)			Will be complied in AGM schedule to be held on 28.12.14
1.2 (iv)	the post of independent director(s) can not remain vacant for more than 90 (ninety) days	✓		
1.2 (v)	the Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	✓		
1.2 (vi)	the tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only	✓		
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business	✓		
1.3 (ii)	The person should be a Business Leader/Corporate Leader/Bureaucrat/ University Teacher with Economics or Business Studies or Law background /Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/professional experiences	✓		
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission			No such incident happened

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.4	The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer	√		
1.5 (i)	Industry outlook and possible future developments in the industry	√		
1.5 (ii)	Segment-wise or product-wise performance	√		
1.5 (iii)	Risks and concerns	√		
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	√		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	√		
1.5 (vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report	√		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments	√		
1.5(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc	√		
1.5(ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report	√		
1.5(x)	Remuneration to directors including independent directors	√		
1.5(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	√		
1.5(xii)	Proper books of account of the issuer company have been maintained	√		
1.5(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	√		
1.5(xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed	√		
1.5(xv)	The system of internal control is sound in design and has been effectively implemented and monitored	√		
1.5(xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed	√		
1.5(xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained	√		
1.5(xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		
1.5(xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given			Not applicable
1.5(xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed	√		
1.5(xxi)a)	Parent/Subsidiary/Associated Companies and other related parties (name wise Details)	√		
1.5(xxi)b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details)	√		
1.5(xxi)c)	Executives	√		
1.5(xxi)d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details)	√		
1.5(xxii)a)	A brief resume of the director	√		
1.5(xxii)b)	Nature of his/her expertise in specific functional areas	√		



Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.5(xd)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board	√		
2.1	Appointment: The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS	√		
2.2	Requirement to attend the Board Meetings: The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters	√		
3(i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors	√		
3(ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	√		
3(iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing	√		
3.1(i)	The Audit Committee shall be composed of at least 3 (three) members	√		
3.1(ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director	√		
3.1(iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience	√		
3.1(iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of directors shall appoint the new Committee member(s) to fill up the vacancy (ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee	√		
3.1(v)	The company secretary shall act as the secretary of the Committee	√		
3.1(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	√		
3.2(i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director	√		
3.2(ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM)			Will be complied
3.3(i)	Oversee the financial reporting process	√		
3.3(ii)	Monitor choice of accounting policies and principles	√		
3.3(iii)	Monitor Internal Control Risk management process	√		
3.3(iv)	Oversee hiring and performance of external auditors	√		
3.3(v)	Review along with the management, the annual financial statements before submission to the board for approval	√		
3.3(vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval	√		
3.3(vii)	Review the adequacy of internal audit function	√		
3.3(viii)	Review statement of significant related party transactions submitted by the management	√		
3.3(ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
3.3(x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus	√		
3.4.1(i)	The Audit Committee shall report on its activities to the Board of Directors	√		
3.4.1(ii)a)	Report on conflicts of interests			No such incident
3.4.1(ii)b)	Suspected or presumed fraud or irregularity or material defect in the internal control system			No such incident
3.4.1(ii)c)	Suspected infringement of laws, including securities related laws, rules and regulations			No such incident
3.4.1(ii)d)	Any other matter which shall be disclosed to the Board of Directors immediately			No such incident
3.4.2	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier			No such incident
3.5	Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company			No such incident
4(i)	Appraisal or valuation services or fairness opinions	√		
4(ii)	Financial information systems design and implementation	√		
4(iii)	Book-keeping or other services related to the accounting records or financial statements	√		
4(iv)	Broker-dealer services	√		
4(v)	Actuarial services	√		
4(vi)	Internal audit services	√		
4(vii)	Any other service that the Audit Committee determines	√		
4(viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company	√		
4(ix)	Audit/certification services on compliance of corporate governance as required under clause (i) of condition no. 7	√		
5(i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company	√		
5(ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company	√		
5(iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	√		
5(iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	√		
5(v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	√		
6(i)a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
6(i)b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	√		
6(ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct	√		
7(i)	The company shall obtain a certificate from a practicing Professional Accountant /Secretary (Chartered Accountant /Cost and Management Accountant / Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the share holders along with the Annual Report on a yearly basis	√		
7(ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions	√		

## REPORT ON FINANCIAL STATEMENTS FOR THE YEAR 2013-2014 BY CEO AND CFO

The financial statements of Fu-Wang Foods Ltd. have been prepared in accordance with the Companies Act, 1994, International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS) and other applicable laws, rules and regulations.

In this regard, we also certify to the board that:

- (i) We have reviewed financial statements for the year and to the best of our knowledge and belief:
  - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - b) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws
- (ii) There are, to the best of knowledge and belief, no transaction entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.



**Arif Ahmed Chowdhury**  
Managing Director



**Md. Waresh Ali**  
Chief Financial Officer

## Auditors' Report to the Shareholders

We have audited the accompanying financial statements of FU-WANG FOODS LIMITED (The Company), which comprise the statement of Financial Position as at 30 June 2014, and the statement of Comprehensive Income, Statement of Cash Flows and statement of changes in equity for the year ended June 30, 2014 and a summary of significant accounting policies and other explanatory information disclosed in Notes 1 to 27 and annexure-A.

### Management's Responsibility for the Financial Statements

Management of the company is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements 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 the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management of the company, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Basis of Qualified Opinion:

The company has a subsidiary namely Fu-Wang Beverage Industry Ltd. by holding 99% share of that company but consolidated Financial Statements were not prepared as per BAS 27 and The company Act 1994 whose accounting year ended on 31.12.2013.

### Opinion

**In our opinion**, except for the possible effects of the matter described above, the financial statements present fairly, in all material respects, the financial position of FU-WANG FOODS LIMITED as at 30 June 2014, and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the applicable sections of the Companies Act, 1994, the Securities & Exchange Rule, 1987 and other applicable laws and regulations.

**We also report that:**

- 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 Company so far as it appeared from our examination of those books;
- c) The Company's Financial Position and the Comprehensive Income Statements dealt with by the report are in agreement with the books of accounts and returns; and
- d) The expenditure incurred was for the purpose of the Company's business.

Dated : Dhaka  
October 18, 2014

  
**Rahman Mostafa Alam & Co.**  
Chartered Accountants

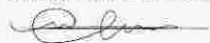


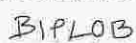
## Statement of Financial Position

As at June 30, 2014

PARTICULARS	NOTES	Amount in Taka	
		30.06.2014	30.06.2013
<b>Assets</b>			
<b>Non-current assets</b>		<b>479,982,340</b>	<b>483,426,876</b>
Property, plant and equipment (net of accumulated dep.)	3.0	443,409,191	450,840,954
Capital work-in-progress	4.0	36,573,149	32,578,922
Trade marks	5.0	-	7,000
<b>Investment</b>	6.0	<b>50,000,000</b>	<b>50,000,000</b>
<b>Current assets</b>		<b>649,318,783</b>	<b>536,967,808</b>
Inventories	7.0	146,214,130	141,512,216
Trade and other receivables	8.0	166,131,435	134,991,873
Advances, deposits and prepayments	9.0	306,593,129	241,017,807
Cash and cash equivalents	10.0	30,380,089	19,445,912
<b>Total assets</b>		<b>1,179,301,123</b>	<b>1,070,394,684</b>
<b>Equity and Liabilities</b>			
<b>Shareholders' equity</b>		<b>838,646,413</b>	<b>777,765,305</b>
Share capital	11.0	658,301,950	598,456,320
Tax holiday reserve	12.0	18,245,470	18,245,470
Revaluation reserve		59,473,923	62,604,130
Retained earnings	13.0	102,625,070	98,459,385
<b>Non-current liabilities</b>		<b>78,091,381</b>	<b>30,915,741</b>
Deferred tax liability		34,782,254	30,915,741
IDLC		43,309,127	-
<b>Current liabilities</b>		<b>262,563,329</b>	<b>261,713,638</b>
Short term bank loans and others	14.0	32,413,924	53,324,095
Trade and other payables	15.0	40,758,892	42,218,570
Liabilities for expenses	16.0	7,093,089	7,363,409
Provision for income tax	17.0	182,297,424	158,807,564
<b>Total Equity and Liabilities</b>		<b>1,179,301,123</b>	<b>1,070,394,684</b>
<b>Net asset value (NAV) per share</b>	18.0	<b>13.27</b>	<b>13.51</b>

The annexed notes from 1 to 27 and 'annexure A' form an integral part of these financial statements. The financial statements were authorized for issue by the Board of Directors on 18.10.2014 and signed on its behalf.

  
**Arif Ahmed Chowdhury**  
 Managing Director

  
**Biplob Chakraborty**  
 Director

  
**Md. Abdul Halim Thakur**  
 Company Secretary

**AUDITORS' REPORT TO THE SHAREHOLDERS :**

Signed in terms of our separate report of even date.  
 Paramount Heights (7th Floor)  
 Box Culvert Road, 65/2/1  
 Purana Paltan, Dhaka-1000.  
 Dated: October 18, 2014

  
**Rahman Mostafa Alam & Co.**  
 Chartered Accountants


## Statement of Comprehensive Income

As at June 30, 2014

PARTICULARS	NOTES	Amount in Taka	
		30.06.2014	30.06.2013
Turnover (net of VAT)	19.0	794,406,014	785,126,525
Cost of goods sold	20.0	(614,938,638)	(605,396,108)
<b>Gross profit</b>		<b>179,467,376</b>	<b>179,730,417</b>
<b>Operating expense</b>		<b>(74,545,345)</b>	<b>(72,018,132)</b>
Administrative expenses	21.0	(47,961,794)	(45,090,877)
Selling and distribution expenses	22.0	(26,583,551)	(26,927,255)
<b>Operating income before financial expenses</b>		<b>104,922,031</b>	<b>107,712,285</b>
Financial expenses	23.0	(12,272,676)	(11,682,763)
<b>Operating income</b>		<b>92,649,355</b>	<b>96,029,522</b>
Non-operating income		-	723,411
<b>Net profit before tax and WPPF</b>		<b>92,649,355</b>	<b>96,752,933</b>
Contribution to WPPF and welfare fund		(4,411,874)	(4,607,283)
<b>Net profit before tax</b>		<b>88,237,481</b>	<b>92,145,650</b>
<b>Income tax expenses</b>		<b>(28,543,692)</b>	<b>(30,421,496)</b>
Current tax	24.0	(23,489,860)	(23,252,149)
Deferred tax		(5,053,832)	(7,169,347)
<b>Net profit after tax</b>		<b>59,693,789</b>	<b>61,724,154</b>
<b>Earnings per share (EPS)</b>	25.0	<b>0.91</b>	<b>0.94</b>

The annexed notes from 1 to 27 and 'annexure A' form an integral part of these financial statements. The financial statements were authorized for issue by the Board of Directors on 18.10.2014 and signed on its behalf.

  
**Arif Ahmed Chowdhury**  
 Managing Director

  
**Biplob Chakraborty**  
 Director

  
**Md. Abdul Halim Thakur**  
 Company Secretary

**AUDITORS' REPROT TO THE SHAREHOLDERS :**

Signed in terms of our separate report of even date.

Paramount Heights (7th Floor)

Box Culvert Road, 65/2/1

Purana Paltan, Dhaka-1000.

Dated: October 18, 2014

  
**Rahman Mostafa Alam & Co.**  
 Chartered Accountants

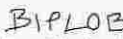
## Statement of Cash Flows

As at June 30, 2014

Particulars	Amount in Taka	
	30.06.2014	30.06.2013
<b>A. Cash flows from operating activities</b>		
Collections from turnover and others	763,266,451	767,262,895
Payment for cost and expenses	(690,698,251)	(678,761,916)
Financial expenses paid	(12,272,676)	(11,682,763)
Income tax paid and deducted at source	(24,500,000)	17,900,000
<b>Net cash used in operating activities</b>	<b>35,795,524</b>	<b>58,918,216</b>
<b>B. Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(498,162)	(1,357,185)
Capital working progress	(21,422,140)	(32,578,922)
Advance to subsidiary	(25,340,000)	(2,500,000)
<b>Net cash used in investing activities</b>	<b>(47,260,302)</b>	<b>(36,436,107)</b>
<b>C. Cash flows from financing activities</b>		
Short term loan received	22,398,956	(13,173,029)
<b>Net cash provided from financing activities</b>	<b>22,398,956</b>	<b>(13,173,029)</b>
<b>D. Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>10,934,178</b>	<b>(9,309,081)</b>
<b>E. Cash and cash equivalents at the beginning of the year</b>	<b>19,445,911</b>	<b>10,136,831</b>
<b>F. Cash and cash equivalents at the end of the year</b>	<b>30,380,089</b>	<b>19,445,911</b>
<b>Net Operating cash flow per share</b>	<b>0.54</b>	<b>0.98</b>

The annexed notes from 1 to 27 and 'annexure A' form an integral part of these financial statements. The financial statements were authorized for issue by the Board of Directors on 18.10.2014 and signed on its behalf.

  
**Arif Ahmed Chowdhury**  
 Managing Director

  
**Biplob Chakraborty**  
 Director

  
**Md. Abdul Halim Thakur**  
 Company Secretary

**AUDITORS' REPORT TO THE SHAREHOLDERS :**

Signed in terms of our separate report of even date.  
 Paramount Heights (7th Floor)  
 Box Culvert Road, 65/2/1  
 Purana Paltan, Dhaka-1000.  
 Dated: October 18, 2014

  
**Rahman Mostafa Alam & Co.**  
 Chartered Accountants

### Statement of Changes In Equity

As at June 30, 2014

Particulars	Share Capital	Tax Holiday Reserve	Revaluation Reserve	Retained Earnings	TOTAL
Balance as at July 01, 2012	534,336,000	18,245,470	90,895,288	96,310,786	739,787,545
Bonus share	64,120,320	-	-	(64,120,320)	-
Depreciation on revaluation	-	-	(4,544,764)	4,544,764	-
Adjustment for deferred tax	-	-	(23,746,394)	-	(23,746,394)
Net profit for 2012-2013	-	-	-	61,724,154	61,724,154
<b>Balance as at June 30, 2013</b>	<b>598,456,320</b>	<b>18,245,470</b>	<b>62,604,130</b>	<b>98,459,384</b>	<b>777,765,305</b>
Balance as at July 01, 2013	598,456,320	18,245,470	62,604,130	98,459,384	777,765,305
Bonus share	59,845,630	-	-	(59,845,630)	-
Depreciation on revaluation	-	-	(4,317,526)	4,317,526	-
Adjustment for deferred tax (last year)	-	-	23,746,394	-	23,746,394
Adjustment for deferred tax (current year)	-	-	(22,559,075)	-	(22,559,075)
Net profit for 2013-2014	-	-	-	59,693,789	59,693,789
<b>Balance as at June 30, 2014</b>	<b>658,301,950</b>	<b>18,245,470</b>	<b>59,473,923</b>	<b>102,625,070</b>	<b>838,646,413</b>

The annexed notes from 1 to 27 and 'annexure A' form an integral part of these financial statements. The financial statements were authorized for issue by the Board of Directors on 18.10.2014 and signed on its behalf.

  
**Arif Ahmed Chowdhury**  
 Managing Director

  
**Biplob Chakraborty**  
 Director

  
**Md. Abdul Halim Thakur**  
 Company Secretary

#### AUDITORS' REPROT TO THE SHAREHOLDERS :

Signed in terms of our separate report of even date.  
 Paramount Heights (7th Floor)  
 Box Culvert Road, 65/2/1  
 Purana Paltan, Dhaka-1000.  
 Dated: October 18, 2014

  
**Rahman Mostafa Alam & Co.**  
 Chartered Accountants

## Notes to the Financial Statements

AS AT JUNE 30, 2014

### 1.0 Corporate Information and Nature of Business Activities :

#### 1.1 Corporate Information

The company, initially 100% owned by foreign nationals, was incorporated on 17.02.1997 as private limited company and subsequently converted into public company limited by shares on 05.06.1999. It is now a public limited company with foreign and local shareholders. It is a food processing industry with yearly production capacity of 8,900 M. Ton in three shifts (after balancing) as against which it ran at 93.43% capacity during the year under review producing 8,315.90 M. Ton. The shortfall in utilization of production capacity is for time lost for maintenance of machinery and for shortage of market demand. It has started its commercial operation on 23.08.1997. As per Board of Investments' condition for registration, the Industry was to export 30% of its products. The industry has however applied to Board of Investment vide its letter no FWF/COM-06 dated 12-08-2000 to amend the conditions for registration to make it 100% local sales oriented. The said application is still under consideration of BOI. Meanwhile the company has been operating in local market fully.

The principal place of business is the registered office at House # 55, Road # 17, Banani C/A, Dhaka-1213, Bangladesh and the factories are located at Bokran Monipur, Hotapara, Gazipur.

#### 1.2 Nature of Business Activities

The company owns and operates industrial plants for foods items and sales thereof.

#### 1.3 Number of employees

On the payroll of the Company, there were 119 officers 263 Staff and 932 workers /technicians apart from many casual / contract technicians /workers.

		<u>Amount in Taka</u>
i)	1,314 Staff/Officers/Employees drew yearly salary & allowances of Tk. 36,000 or more	81,864,882
ii)	Nil Staff/Officers/Technicians and many other casual workers drew yearly salary/wages & allowances less than Tk. 36,000	Nil
		<u><b>81,864,882</b></u>



## 2.0 Significant Accounting Policies and Basis of preparation of financial statements :

### 2.1 Statement of Compliance

The financial statements have been prepared and disclosures of information made in accordance with the requirements of the Companies Act 1994, The Securities and Exchange Rules 1987, and International Accounting Standards (IASs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) and other applicable laws and regulations.

The accounting standards that underpin the policies adopted by the company can be found in the following places of the notes to the financial statements :

SL. No.	Applicable accounting standards	Note reference
1	IAS/BAS – 1	2.4
2	IAS/BAS – 2	2.10
3	IAS/BAS – 7	2.13 & 2.14
4	IAS/BAS –10	2.27
5	IAS/BAS –12	2.17
6	IAS/BAS –16	2.8
7	IAS/BAS –18	2.19
8	IAS/BAS –19	2.26
9	IAS/BAS– 21	2.20
10	IAS/BAS– 24	2.21
11	IAS/BAS –33	2.24
12	IAS/BAS –36	2.25
13	IAS/BAS –37	26.00

### 2.2 Basis of Preparation

The financial statements have been prepared based on the accrual basis of accounting following going concern assumption and prepared under the historical cost convention.

### 2.3 Basis of Reporting

The financial statements are prepared and presented for external users by the enterprise in accordance with identified reporting framework. Presentation has been made in compliance with the standards adopted by the ICAB for reporting, BAS 1 Presentation of Financial Statements.

#### i. Reporting period

Financial statements of the company cover one financial year from 01 July 2013 to 30 June 2014

#### ii. Going concern

There is no significant doubt upon the company's ability to continue as a going concern

## 2.4 Components of the Financial Statements

According to the BAS-1 "Presentation of Financial Statements" the complete set of Financial Statements includes the following components :

- i) Statement of Financial Position as at June 30, 2014;
- ii) Statement of Comprehensive Income for the year ended June 30, 2014;
- iii) Statement Cash Flows for the year ended June 30, 2014;
- iv) Statement of Changes in Shareholders Equity for the year ended June 30, 2014 and
- v) Accounting Policies and Explanatory Notes for the year ended June 30, 2014.

## 2.5 Accounting estimates

Preparation of the financial statements requires Management to make judgments, estimates and assumptions that affect the reported amount of assets and liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual result could differ from estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of the accounting estimates are recognized in the period in which the estimates are revised. Significant areas requiring the use of Management estimates in these financial statements relate to the useful life of depreciable assets and valuation of inventories. However, assumptions and judgments made by Management in the application of accounting policies that have significant effect on the financial statements are not expected the result in material adjustment to the carrying amounts of assets and liabilities in the next year.

## 2.6 Risk and uncertainty for use of estimates

The preparation of financial statements in conformity with Bangladesh Accounting Standards requires Management to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities, and disclosure requirements for contingent assets and liabilities during and the date of the financial statements. These financial statements contained information about the assumptions it made about the future and other major sources of estimation uncertainty at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amount of assets, liabilities, income and expenses within the next financial year. In accordance with the guidelines as prescribed by BAS 37: Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized in the following situations:

- i) When the company has an obligation as a result of past events;
- ii) When it is provable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- iii) Reliable estimate can be made of the amount of the obligation.

## 2.7 Consistency

In accordance with the BFRS framework for the presentation of financial statements together with BAS 1 and BAS 8, the Company applies the accounting disclosure principles consistently from one period to the next. Where selecting and applying new accounting policies, changes in accounting policies applied, correction of errors, the amounts involved are accounted for and disclosed retrospectively in accordance with the requirement of BAS-8.

## 2.8 Recognition of Property, Plant & Equipment and Depreciation

Property, plant and equipment are stated at their cost (Fair value for Building & other construction) less accumulated depreciation in accordance with IAS 16 as adopted by ICAB as BAS 16 "Property, Plant and Equipment". Cost represents cost of acquisition or construction and capitalization of pre-production expenditure including interest during construction periods. No depreciation is charged on land and land development. Full year's depreciation has been charged on additions irrespective of date when the related assets are put into use. Depreciation on all other fixed assets is computed using the diminishing balance method in amounts sufficient to write off depreciable assets over their estimated useful economic lives. Expenditure of maintenance and repairs are expensed; major replacements, renewals and betterments are capitalized.

**The annual depreciation rates applicable to the principal categories are:**

Category of Fixed Assets	Rate of Depreciation
Factory building and other construction	2.50% to 5%
Plant and machinery	5%
Office equipment	20%
Furniture and Fixtures	10%
Motor vehicles	10%
Other assets	10% to 20%

## 2.9 Retirement and Disposals

An asset is recognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gain or loss arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the assets and is recognized as gain or loss from disposal of asset under the head other income / (loss) in the comprehensive income statement.

## 2.10 Inventories

Inventories comprise raw material, finished goods and packing materials which are stated at the lower of cost and net realisable value on consistent basis in accordance with IAS 2 as adopted by ICAB as BAS 2 "Inventories". Net realisable value is based on estimated selling price less any further costs expected to be incurred for completion and disposal.

## 2.11 Trade and other Receivables

This is considered good and collectible, and therefore, no amount was written off as bad debt and no debt was considered doubtful to provide for.

**2.12 Advance, Deposits and Prepayments**

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to profit & loss account.

**2.13 Statement of Cash Flows**

Statement of Cash Flows is prepared principally in accordance with BAS-7, "Cash Flow Statement" and the cash flows from operating activities has been presented under direct method as required by the Bangladesh Securities and Exchange Rules, 1987 and considering the provisions that "Enterprises are Encouraged to Report Cash Flow From Operating Activities Using Direct Method."

**2.14 Cash and Cash Equivalents**

According to IAS 7 as adopted by ICAB as BAS 7 "Statement of Cash Flows", cash comprises cash in hand and demand deposit and, cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. IAS 1 as adopted by ICAB as BAS 1 "Presentation of Financial Statements" also provides that cash and cash equivalents are those which have no restriction in use considering the provision of IAS 7 and IAS 1. Cash in hand and Bank balances have been considered as cash and cash equivalents.

**2.15 Share Capital**

Share capital represents paid up capital of the company which is contributed by the shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

**2.16 Tax holiday reserve**

The company enjoyed Tax Holiday for five years from August, 1997 to July, 2003 vide NBR letter No 11(30) Anu:-1/98.

**2.17 Income Tax Expenses**

Taxation is provided in accordance with fiscal regulations applicable. The company is publicly traded company as per the Income Tax Ordinance, 1984. The company qualifies for being treated as a "Publicly Traded Company" for which the rate for tax at 27.50% has been applied for while making provision for income tax.

Transactions relating to Income Tax have been disclosed in conventional manner following previous practice on consistent basis for which disclosure requirements under para 79-88 of BAS 12 could not be complied with

**2.18 Trade creditors and other liabilities**

Liabilities are recognized for amounts to be paid in the future for goods and services received, whether or not billed by the supplier.

**2.19 Revenue Recognition**

The revenue during the year represents revenue arising from the sale of food items which are recognised when deliveries are made, against the sales order received from the respective customer and after satisfying all the conditions for revenue recognition as provided in IAS 18 as adopted by ICAB as BAS 18 "Revenue Recognition"

Turnover

Turnover Comprises sales of the company excluding VAT etc.

Commission

No commission has been paid to sales agents during the year under audit.

Brokerage or discount

The company did not pay any brokerage or discount other than the conventional trade discount against sales.

**2.20 Foreign currency translation**

Transactions denominated in foreign currencies are translated into Bangladesh Taka and recorded at rates of exchange ruling on the date of transaction in accordance with IAS 21 as adopted by ICAB as BAS 21 "The Effects of Changes in Foreign Currency Rates".

**2.21 Transaction with Related Parties**

As per BAS - 24 "Related Party Disclosures" parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The company has no transactions with any related parties in the year 2013-2014.

**2.22 Responsibility for the preparation and presentation of Financial Statements**

The Board of Directors is responsible for the preparation and presentation of financial statements under Section 183 of the Companies Act, 1994 and as per the provision of "The framework for the preparation and presentation of financial statements" issued by the International Accounting Standards Committee (IASC).

**2.23 Proposed Dividend**

Propose dividend in cash is considered as "Liability" in accordance with the provisions of the Companies Act, 1994, the Bangladesh Securities and Exchanges Rules, 1987 and IAS 10 as adopted by ICAB as BAS 10 (original version) "Contingencies and Events Occurring After the Balance Sheet Date" adopted by the ICAB. IAS 10 (original version) provides that "dividend proposed or declared after the balance sheet date but before approval of the financial statements should be either adjusted for or disclosed".

**2.24 Earning Per Share (EPS)**

The company calculates Earnings Per Share (EPS) in accordance with IAS 33 as adopted by ICAB as BAS 33 "Earnings Per Share" which has been shown on the face of Statement of Comprehensive Income and the computation of EPS is stated in Note -25



**i. Basic earnings**

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest to extra ordinary items, the net profit for the year has been considered as fully attributable to the ordinary shareholders.

**ii. Basic earnings per share**

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year

**iii. Diluted earnings per share**

No diluted EPS is required to be calculated for the year as there was no scope for dilution During the year under review.

**2.25 Assets of the company**

As all assets of the company shown in the financial statement that are within the scope of BAS-36 are in physical existence and valued no more than their recoverable amount following International Accounting Standards adopted in Bangladesh, disclosures with regard to "Impairment of Assets" as per BAS-36 have not been considered necessary.

**2.26 Employee benefit obligations**

The Company operates a contributory provident fund for its permanent employees. Provident fund is administered by a Board of Trustees and is funded by contributions partly from the employees and partly from the Company at pre-determined rates. These contributions are invested separately from the Company's assets.

**2.27 Events after the reporting period**

In compliance with the requirements of BAS 10: Events after the balance sheet date are those events that occur between the balance sheet and the date when the financial statements are authorized for issue. All material events occurring after the balance sheet date have been considered in these financial statements (Note-27).

**2.28 Acknowledgement of claims**

There was no claim against the company acknowledged as debt as on 30 June 2014.

**2.29 Credit facility not availed of**

There was no general credit facilities other than those stated in "Note- 14" were available to the company under any contract to be availed of at the Balance Sheet date.

**2.30 Leases**

Lease rentals against assets acquisition have been expensed as they incurred.

**2.31 Board meeting and board members**

There were 5 members in the Board of Directors including independent Director of the Company and 09 Board Meetings were held in the year under report.

### **2.32 Miscellaneous expenses**

Miscellaneous Expenses does not include any item exceeding 1% of total revenue.

### **2.33 Due by the Directors**

Nothing was due by Directors including Managing Director, Managers, and other Officers of the Company or by associated undertakings and any of them severally or jointly with any other persons.

### **2.34 Audit fee**

As per decision taken in the 17th Annual General Meeting of the company held on 26th December 2013 the auditors' remuneration of Tk. 1,10,000 has been provided for in the accounts which is the only sum to be paid to auditors' as remuneration.

### **2.35 Comparative Figures**

Comparative figure and account titles in the financial statements have been re-arranged and classified, where necessary, to conform with changes in presentation in the current period.

### **2.36 General**

- i) The financial statement are presented in Bangladeshi Taka which in the company's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.
- ii) The expenses, irrespective of capital or revenue nature, accrued / due but not paid have been provided for in the financial statements of the company.
- iii) Figures of previous year have been re-arranged whenever necessary to conform to current year's presentation.

	Notes	Amount in Taka	
		30.06.2014	30.06.2013
<b>3.0 Property, plant and equipment: Tk. 443,409,191</b>			
The figures have been arrived at as under:			
Cost	3.01	636,615,073	618,688,998
Less: accumulated depreciation	3.02	193,205,882	167,848,044
<b>Written down value</b>		<b>443,409,191</b>	<b>450,840,954</b>
<b>3.01 Cost Tk. 636,615,073</b>			
Opening balance		618,688,998	556,074,879
Add : addition during the year		17,926,075	62,614,119
		<b>636,615,073</b>	<b>618,688,998</b>
Less: adjustment made during the year		-	-
Closing balance		<b>636,615,073</b>	<b>618,688,998</b>
<b>3.02 Accumulated depreciation Tk. 193,205,882</b>			
Opening balance		167,848,044	142,173,164
Add : addition during the year		25,357,838	25,674,880
		<b>193,205,882</b>	<b>167,848,044</b>
Less: adjustment made during the year		-	-
Closing balance		<b>193,205,882</b>	<b>167,848,044</b>
Details of fixed assets have been shown in Annexure - A			
<b>4.00 Capital work-in-progress: Tk. 36,573,149</b>			
The figures have been arrived at as under:			
Opening balance		32,578,922	61,256,934
Add : addition during the year		21,422,140	32,578,922
		<b>54,001,062</b>	<b>93,835,856</b>
Less: transfer to PPE		17,427,913	61,256,934
Closing balance		<b>36,573,149</b>	<b>32,578,922</b>
<b>5.00 Trade marks: Tk. Nil</b>			
The figures have been arrived at as under:			
Opening balance		7,000	7,000
Less: written off		7,000	-
Closing balance		-	7,000
<b>6.0 Investment : Tk. 50,000,000</b>			
Investment in Fu-Wang Beverage Industry Limited		<b>50,000,000</b>	<b>50,000,000</b>

The Company invested in shares of Fu-Wang Beverage Industry Limited by acquiring its 99% shares at a cost of Tk. 50,000,000 (99,000 Shares of Tk. 100 each); on 28.03.2011; hence making Fu-Wang Beverage Industry Limited a subsidiary of Fu-Wang Foods Limited.

**7.0 Inventories :Tk. 146,214,130**

The break up of the above amount is as under :

Stock of raw materials	7.01	95,068,248	95,642,292
Stock of finished goods		13,399,858	13,079,349
Stock of packing materials		37,746,024	32,790,575
		<b>146,214,130</b>	<b>141,512,216</b>

**7.01 Stock of raw materials : Tk. 95,068,248**

Sl. No	Name of the item	Unit	Opening		Purchase	
			Qty.	Tk.	Qty.	Tk.
1	Flour	MT.	850.630	29,772,050	8,325	356,533,800
2	Dalda	MT.	109.130	9,079,642	2,494	26,805,555
3	Sugar	MT.	130.600	5,746,400	650	24,640,000
4	Sala Oil	MT.	180.580	19,863,800	555	5,827,500
5	Milk Powder	MT.	50.000	20,000,000	110	4,620,221
6	Others	MT.	162.000	10,206,000	235	8,274,000
7	Eggs	Pcs	168000	974,400	520,000	3,380,000
<b>Total</b>			<b>1,482,940</b>	<b>95,642,292</b>	<b>12,369</b>	<b>430,081,076</b>

Sl. No	Available for consumption		Consumed		Closing	
	Qty.	Tk.	Qty.	Tk.	Qty.	Tk.
1	9175.630	386,305,850	8327.630	356,625,850	848	29,680,000
2	2602.670	35,885,197	2494.540	26,910,374	108	8,974,823
3	780.730	30,386,400	652.130	24,728,000	129	5,658,400
4	735.580	25,691,300	537.580	3,911,300	198	21,780,000
5	160.000	24,620,221	116.000	7,020,221	44	17,600,000
6	397.000	18,480,000	232.000	8,163,375	165	10,316,625
7	688.000	4,354,400	520.000	3,296,000	168,000	1,058,400
	<b>13851.610</b>	<b>525,723,368</b>	<b>12359.880</b>	<b>430,655,120</b>	<b>1,492</b>	<b>95,068,248</b>

**8.0 Trade and other Receivables: Tk. 166,131,435**

The break up of the above amount is as under :

SL. No.	Name	Amount in Taka	
		30.06.2014	30.06.2013
1.	Nable Print & Pack	1,287,465	1,254,983
2.	Al-Maraz Trading & Co	846,030	1,325,468
3.	Protashi Trasport	467,946	165,713
4.	Foysal Stores	1,346,485	1,658,741
5.	Mr. Taju Uddin Ahmed	3,087,644	2,544,665
6.	R.K Enterprise	235,675	25,468
7.	Shamim Enterprise	2,545,885	2,354,654
8.	Tihi Enterprise	1,046,538	1,254,789
9.	Taisho Enterprise	865,673	965,441
10.	Biswajit Enterprise	2,468,644	2,695,465

SL. No.	Name	Amount in Taka	
		30.06.2014	30.06.2013
11.	Kazi Enterprise	764,549	564,651
12.	Tania Traders-2	1,387,564	1,212,631
13.	Mahtab Flexible Printing	452,921	546,456
14.	F&H Trading Car	398,740	656,541
15.	Kamal Brother	22,391	16,541
16.	Mr. Shamir Baral	9,272,013	6,196,768
17.	Qazi Sahriar	763,524	654,645
18.	Md. Firoz Ali	1,346,972	1,621,645
19.	Nahid Mia	274,921	-
20.	Mr. Fouid Islam	2,476,291	9,856,412
21.	T. Traders	1,789,325	1,654,654
22.	Kabir Enterprise-1	-	65,464
23.	Noorjahan Traders	562,726	498,489
24.	M. S. Enterprise (Savar)	86,728	84,984
25.	Millon Enterprise	99,588	87,874
26.	Hakmot Ali	-	416,389
27.	Pinko Traders	847,39	485,495
28.	Monika Enterprise	72,653	64,984
29.	A.R Enterprise	5,836,294	8,498,496
30.	M.N.Mollik	398,223	496,496
31.	Mirza Alam	482,285	419,649
32.	Mr. M. Iqbal Hossain	295,862	494,984
33.	Mr. Subur Mia	3,827,265	4,848,974
34.	Arnab Rizwan Rashid	486,762	494,984
35.	Ohab Mia	98,275	-
36.	Mr. Almal Uddin	-	49,874
37.	Mr. Hamidul Islam	194,856	216,456
38.	Al-Haj Md. Quashem	63,825	64,946
39.	Kabir Telecom	565,692	498,849
40.	Rejency Travel Ltd	76,645	49,849
41.	Ali Sultan Sons	358,450	498,498
42.	Titas Hardware	55,947	65,654
43.	Abdul Latif Enterprise	4,867,620	5,446,544
44.	Jalil Traders	476,882	498,494
45.	Riaz Store	784,694	651,645
46.	Amit Traders	287,563	416,546
47.	Sunny Traders	-	46,549



SL. No.	Name	Amount in Taka	
		30.06.2014	30.06.2013
48.	Japan Polly Traders	77,367	49,849
49.	Islam Snakes	7,365,522	9,845,627
50.	Mr. Asharaf Uddin	4,576,229	4,949,849
51.	Hannan Ent.	7,764,527	7,466,322
52.	Mr. Abdul Quyum	567,382	651,564
53.	Dada & Co	284,629	684,984
54.	Mr. Akil & Iftaker	887,622	694,851
55.	Harun Ahmed	947,275	998,756
56.	Shemul kabir	337,593	469,416
57.	Al-Amin Traders	2,524,927	419,645
58.	Biplob Confectionery	625,492	648,513
59.	Rashedul Traders	242,994	875,461
60.	Hamid & Brothers	372,946	675,813
61.	Dada & Co	4,628,623	4,587,135
62.	S.A.S Enterprise	5,726,492	6,478,572
63.	Moon Traders	64,822	65,465
64.	Didar & Brothers-2	758,243	654,654
65.	G. Corporation-1	562,924	895,463
66.	Tumpa shaha Enterorise	334,632	-
67.	Mr. Syed Fazlul Haque	352,225	598,742
68.	Alam Store	783,453	985,462
69.	Shohidul Islam	893,570	541,656
70.	Mr. Afanoor Al Manum	348,075	648,579
71.	Talha Enterprise	385,093	955,414
72.	Halima Enterprise	987,978	654,646
73.	Rajib Shaha	498,297	489,635
74.	Akhonda Ent.	345,732	-
75.	R.N Enterprise	5,573,849	6,485,731
76.	Mr. Sarif Khan	798,457	964,948
77.	Mr. Amulandu Battacharja	938,473	684,949
78.	Bonalata Trade	835,752	984,949
79.	B. S. Marketing	932,573	984,984
80.	R/S Corporation	2,547,765	2,245,632
81.	Mahmud Store	826,452	684,949
82.	Madumoti Traders	23,732	98,494
83.	Nizam Ent	53,985	98,494
84.	Moon Marketing	82,923	98,494
85.	Palas bala	272,452	65,495

SL. No.	Name	Amount in Taka	
		30.06.2014	30.06.2013
86.	Green Leaf Car	32,572	45,649
87.	Saheb Ali & Broth.- 01	279,884	654,654
88.	Shaju Ent. -01.	259,899	984,984
89.	Hasnat Bahia	899,822	98,498
90.	Shakil Enterprise	92,749	65,494
91.	Mothaleb Kazi	987,298	-
92.	Aftabunnera Print & Pack	892,397	65,446
93.	G. Corporation-2	97,728	95,494
94.	Mr. Ismail Hasan	927,245	857,642
95.	M.R Enterprise	2,897,947	4,465,792
96.	M. M. Enterprise	928,742	984,465
97.	Haji Mohammad Shadullah	1,487,243	675,123
98.	Kuddus Mia	83,423	66,452
99.	Karim Enterprise	97,852	64,456
100.	Tumpa Traders	983,594	546,456
101.	Abu Hasan & Co	2,842,343	1,555,215
102.	Union Distribution	987,522	975,642
103.	Abdus Samad Talukder	4,718,722	654,654
104.	Zia-ul-Haque	325,987	65,464
105.	Amjad Traders	452,343	-
106.	Mata Transport	1,938,754	-
107.	Billal Ent.	59,287	-
108.	Maliha Ent.	4,572	-
109.	N.Alam Ent	1,452,345	-
110.	Pabel Ent	145,520	-
111.	Rbs International	1,983,579	-
112.	Tasdid Ent	1,598,327	-
113.	Tiesta Enterprise	592,387	-
114.	Dh Enterprise	1,532,435	-
115.	Joy Enterprise	4,359	-
116.	Rna traders	435,982	-
117.	S. M. Alam Ent	253,987	-
118.	A.H Ent	532,545	-
119.	Musha Store	45,325	-
120.	S.i Enterprise	543,523	-
121.	Arup Ent	324,523	-
122.	Fahim Enterprise	535,325	-
123.	Munni Confectionery	345,553	-

SL. No.	Name	Amount in Taka	
		30.06.2014	30.06.2013
124.	Rifat Enterprise	523,455	-
125.	S.R Enterprise	84,624	-
126.	Shah Traders	45,972	-
127.	Shiblu General Store	52,324	-
128.	Anowar Ent	34,535	-
129.	hasan Conf	524,342	-
130.	J.K Traders	598,729	-
131.	Maa Traders	736,191	-
132.	Milon Traders	362,961	-
133.	S.B Enterprise	733,512	-
134.	Jahid Enterprise	2,342,552	-
135.	Jobeda Traders	3,462,588	-
136.	Anik Teaders	3,256,711	-
137.	Nuha Enterprise	333,421	-
138.	Safa Enterprise	1,032,457	-
139.	Shekh jalal Ent	2,164,345	-
140.	Mostofa Store	356,772	-
141.	H.K Traders	1,666,587	-
142.	Bipul traders	495,823	-
143.	Rajen sen	452,345	-
144.	M M traders	430,502	-
145.	Manik islam	3,058,103	-
146.	Tania ent.	459,234	-
147.	Harun ent.	53,457	-
148.	Nahar traders	45,927	-
149.	M/S Harun stter	115,827	-
		<b>166,131,435</b>	<b>134,991,873</b>

#### 9.0 Advances, deposits and prepayments (considered good) : Tk. 306,593,129

The break up of the above amount is as under :

Advances	9.01	302,817,044	237,331,722
Deposits	9.02	3,776,085	3,686,085
		<b>306,593,129</b>	<b>241,017,807</b>

	Notes	Amount in Taka	
		30.06.2014	30.06.2013
<b>9.01 Advances: Tk. 302,817,044</b>			
The break up of the above amount is as under :			
Advance rent for Chittagong branch office		46,000	86,250
Current account VAT		5,261,852	3,345,605
Advance income tax	9.01.1	161,091,683	136,591,683
Advance to Mymensingh br. office		458,334	97,709
Advance for VAT appellate tribunal		10,222,777	10,222,777
Advance against salary		3,534,700	1,168,600
Advance against bristly biscuite		1,956,598	1,956,598
Advance against purchase		12,405,100	1,362,500
Advance to Fu-wang Beverage Industry Ltd.		107,840,000	82,500,000
		<b>302,817,044</b>	<b>237,331,722</b>
<b>9.01.1 Advance income tax: Tk. 161,091,683</b>			
The break up of the above amount is as under :			
Opening balance		136,591,683	118,691,683
Add : addition during the year		24,500,000	17,900,000
		<b>161,091,683</b>	<b>136,591,683</b>
Less : adjustment made during the year		-	-
Closing balance		<b>161,091,683</b>	<b>136,591,683</b>
<b>9.02 Deposits: Tk.3,776,085</b>			
The break up of the above amount is as under :			
Titas Gas T & D Co. Ltd. (Gas connection)		1,160,114	1,160,114
Rangpur branch office		107,000	107,000
Sylhet branch		13,000	13,000
Margin against bank gurantee –Titas Gas		638,608	638,608
VAT deposit against appeal		1,005,884	1,005,884
Chittagong br. grameen phone		23,999	23,999
Jessore branch grameen phone		2,000	2,000
Rangpur branch grameen phone		2,000	2,000
Bogra branch		41,000	-
Jessore branch		49,000	-
Deposit against rent (ctg. factory)		84,980	84,980
Deposit against rent (kustia branch)		28,000	28,000
T & T phone (factory)		8,000	8,000
Bangladesh sugar and food industry corporation		75,000	75,000
Bangladesh bevarage Co.		5,000	5,000
Coca-cola bottle		1,400	1,400
Deposit against rent (ctg. br.office)		160,000	160,000
Deposit against hobigong branch		43,500	43,500
Grameen mobile phone		12,600	12,600

	Notes	Amount in Taka	
		30.06.2014	30.06.2013
Citycell mobile		15,000	15,000
Deposit to CDBL		300,000	300,000
		<b>3,776,085</b>	<b>3,686,085</b>

**10.0 Cash and cash equivalents: Tk. 30,380,089**

The break up of the above amount is as under :

Cash in hand	10.01	4,340,160	3,355,762
Cash at banks	10.02	26,039,929	16,090,150
		<b>30,380,089</b>	<b>19,445,912</b>

**10.01 Cash in hand: Tk. 4,340,160**

The break up of the above amount is as under :

At head office	4,095,160	3,110,762
At factory	70,000	70,000
At Chittagong branch office	20,000	20,000
At Bogra branch office	20,000	20,000
At Sylhet branch office	20,000	20,000
At Jessore branch office	20,000	20,000
At Rangpur branch office	10,000	10,000
At Mymensingh branch office	20,000	20,000
At Kustia branch office	20,000	20,000
At Sayestagonj branch office	20,000	20,000
At Barisal branch office	22,000	22,000
At Feni branch office	3,000	3,000
	<b>4,340,160</b>	<b>3,355,762</b>

**10.02 Cash at banks : Tk. 26,039,929**

The break up of the above amount is as under :

Pubali Bank Ltd., local office Dhaka STD-114	29,629	29,629
Bank Asia CC, A/C-571	19,547,820	-
Pubali Bank Ltd., gulshan br. Dhaka STD-28	-	81,018
Standard Bank Ltd., gulshan br., CD-34003721	2,782,714	2,378,499
Standard Bank Ltd., CD-33003806	1,734,575	1,734,575
Pubali Bank Ltd. gulshan br., CD-1790	1,945,191	11,866,429
	<b>26,039,929</b>	<b>16,090,150</b>



Amount in Taka	
30.06.2014	30.06.2013

**11.0 Share capital: TK. 658,301,950****11.01 Authorized capital : Tk. 1,000,000,000**

100,000,000 ordinary shares @ of Tk. 10/= each

1,000,000,000	1,000,000,000
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**11.02 Issued, subscribed & fully paid-up capital: Tk. 658,301,950**

65,830,195 ordinary shares @ of Tk. 10/= each issued for cash

658,301,950	598,456,320
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The break up of the above amount is as under :

16,000,000	Ordinary of Tk. 10 each fully paid- up	160,000,000	160,000,000
4,240,000	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	42,400,000	42,400,000
4,048,000	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	40,480,000	40,480,000
20,240,000	Ordinary of Tk. 10 each fully paid- up issued as right shares	202,400,000	202,400,000
8,905,600	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	89,056,000	89,056,000
6,412,032	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	64,120,320	64,120,320
5,984,563	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	59,845,630	-
<b>65,830,195</b>		<b>658,301,950</b>	<b>598,456,320</b>

**11.03 Composition of the shareholders:**

SL No.	Particulars	30.06.2014			30.06.2013		
		No.of Shares	Value of Shares	%	No.of Shares	Value of Shares	%
1	Directors/Sponsors	3,319,439	33,194,390	5%	3,017,676	30,176,760	5%
2	Institutions	13,115,720	131,157,200	20%	14,914,983	149,149,830	25%
3	General Public	49,395,036	493,950,360	75%	41,912,973	419,129,730	70%
<b>Total</b>		<b>65,830,195</b>	<b>658,301,950</b>	<b>100%</b>	<b>59,845,632</b>	<b>598,456,320</b>	<b>100%</b>

	Notes	Amount in Taka	
		30.06.2014	30.06.2013
<b>12.0 Tax holiday reserve Tk. 18,245,470</b>			
This is as per last year accounts			
<b>13.0 Retained earnings: Tk. 102,625,070</b>			
Opening balance		98,459,385	96,310,787
Add: Profit after tax for the year		59,693,789	61,724,154
Depreciation on revaluation		4,317,526	4,544,764
Profit available for appropriation		<b>162,470,700</b>	<b>162,579,705</b>
Less: Appropriations			
Utilized for bonus share		(59,845,630)	(64,120,320)
Closing balance (carried forward)		<b>102,625,070</b>	<b>98,459,385</b>
<b>14.0 Short term bank loans and others : Tk.32,413,924</b>			
<b>The break up of the above amount is as under :</b>			
Dhaka Bank Ltd., OD-264		20,997,743	41,556,660
Prime finance		-	1,154,210
Bank Asia CC, A/C-571		-	2,740,832
Dhaka Bank Ltd., LTR		4,842,081	4,130,468
Bank Asia LTR		6,574,100	3,741,925
		<b>32,413,924</b>	<b>53,324,095</b>
Overdraft with Dhaka Bank Ltd. is secured by hypothecation of inventories and faces interest at 16 % per annum.			
The Company has an Overdraft limit of Tk. 5.00 crores with Dhaka Bank Limited. against which credit facilities balance on 30-06-2014 was Tk.20,997,743			
There was no other general nature of credit facilities available to the company under any contract which were not availed of at the date of Financial Position.			
<b>15.0 Trade and other payables : Tk. 40,758,891</b>			
<b>The break up of the above amount is as under :</b>			
Trade creditors		13,683,194	19,352,310
Security deposit against sale and others		19,203,712	14,858,712
Workers' profit participation and welfare fund	15.01	7,871,986	8,007,548
		<b>40,758,892</b>	<b>42,218,570</b>
<b>15.01 Workers' profit participation and welfare fund: Tk. 7,871,986</b>			
<b>The break up of the above amount is as under :</b>			
<b>Opening balance</b>		8,007,548	10,426,101
Add : Addition during the year		4,411,874	4,607,283
		12,419,422	15,033,384
Less : Adjustment during the year		(4,547,436)	(7,025,836)
<b>Closing balance</b>		<b>7,871,986</b>	<b>8,007,548</b>

		Amount in Taka	
		30.06.2014	30.06.2013
<b>16.0</b>	<b>Liabilities for expenses: Tk. 7,093,089</b>		
	The break up of the above amount is as under :		
	Salary & allowances (H/O)	2,365,895	2,585,512
	Salary & allowances (Fac.)	1,594,892	1,468,925
	Audit fees	110,000	110,000
	Power & fuel	3,022,302	3,198,972
		<b>7,093,089</b>	<b>7,363,409</b>
<b>17.0</b>	<b>Provision for income tax : Tk.182,297,424</b>		
	Opening Balance	158,807,564	135,555,415
	Add : Addition during the year	23,489,860	23,252,149
		<b>182,297,424</b>	<b>158,807,564</b>
	Less : Adjustment during the year	-	-
	Closing Balance	<b>182,297,424</b>	<b>158,807,564</b>
<b>18.0</b>	<b>Net Asset Value (NAV) Per Share</b>		
	Total assets	1,179,301,123	1,070,394,684
	Total outside liabilities	(305,872,456)	(261,713,638)
	Net assets	873,428,667	808,681,046
	Number of ordinary share	65,830,195	59,845,632
	Net asset value (NAV) Per Share	<b>13.27</b>	<b>13.51</b>
<b>19.0</b>	<b>Turnover (net of VAT etc.) : Tk. 794,406,014</b>		
	Sales	816,241,664	803,948,062
	Less : VAT on sales	21,835,650	18,821,537
	<b>Total Turnover</b>	<b>794,406,014</b>	<b>785,126,525</b>

The break up of the above amount is as under:

Vatable items	Gross Sales	VAT	Net Sales 2014	Net Sales 2013
PIE	28,313,185	3,693,024	24,620,161	18,330,998
Normal Toast	2,012,743	262,532	1,750,211	3,101,584
High Quality Toast (Pcs)	6,093,390	794,790	5,298,600	8,425,113
Fu-Wang Biscuit (Big)	3,407,374	444,440	2,962,934	3,858,265
Fu-Wang Biscuit (Medium)	9,365	1,222	8,143	36,737
Fu-Wang Toast (Family)	412,164	53,761	358,403	100,393
Nutritious Biscuit (Small)	2,135,053	278,485	1,856,568	5,446,717

The break up of the above amount is as under:

Vatable items	Gross Sales	VAT	Net Sales 2014	Net Sales 2013
Nutritious Biscuit (Big)	5,861,764	764,578	5,097,186	8,441,555
Fu-Wang Milk Merry Biscuit	2,112,912	275,597	1,837,315	2,374,659
Fu-Wang Dia-Salt Biscuit	23,596,730	3,077,834	20,518,896	17,755,001
Fu-Wang Eco Dia Salt Biscuit	5,243,377	683,919	4,559,458	3,419,226
Fu-Wang Butter Toast	256,602	33,470	223,132	668,527
Fu-Wang Spyci Toast	10,244,794	1,336,277	8,908,517	11,279,084
Fu-Wang Garlic Toast	523,113	68,232	454,881	666,824
Fu-Wang Butter Bun	36,669,919	4,783,033	31,886,886	37,450,805
Energy Plus Biscuit	1,288,523	168,068	1,120,455	1,469,485
Fu-Wang Pocket wafer	785,971	102,518	683,453	428,515
Jhal Misty Toast	424,195	55,330	368,865	1,037,510
Orange Biscuite	1,375,756	179,446	1,196,310	1,161,442
Full Time Orange Wafer	7,836	1,022	6,814	24,470
Lemon Cake	224,752	29,315	195,437	-
Horlicks Biscuits	3,178,248	414,554	2,763,694	-
Salted Biscuit	115,305	15,040	100,265	-
Namkeen Biscuits	2,413,011	314,741	2,098,270	-
Dry Cake-420	821,652	107,172	714,480	-
Dry Cake-200	490,700	64,004	426,696	-
Miu Miu Toast	2,380,161	310,456	2,069,705	-
Custard Bun	6,061,325	790,608	5,270,717	-
Lascha Shemai	837,233	109,204	728,029	-
Tiffin Cake	2,587,207	337,462	2,249,745	-
Energy Compound	11,541,822	1,505,455	10,036,367	-
Pet Resin	5,980,467	780,061	5,200,406	-
<b>Sub-Total</b>	<b>167,406,649</b>	<b>21,835,650</b>	<b>145,570,999</b>	<b>125,476,911</b>
<b>Non Vatable items</b>				
Mini Bread (Pcs.)	59,022,460	-	59,022,460	60,568,351
Sweet Bread	28,008,360	-	28,008,360	21,481,715
Family Bread	48,855,684	-	48,855,684	34,279,296
Fu-Wang Eco. Mini Bread	-	-	-	31,944,418
Fu-Wang Eco. Sweet Bread	43,476,322	-	43,476,322	38,349,340
Fu-Wang Slice Milk Bread (M)	48,981,324	-	48,981,324	91,086,830
Fu-Wang Premium Bread	28,703,168	-	28,703,168	18,714,333
Fu-Wang Milk Bread	23,923,861	-	23,923,861	123,767,760
Fu-Wang Mega Bread	27,960,768	-	27,960,768	31,052,040
Fu-Wang Delicious Bread	117,320,140	-	117,320,140	105,659,513
Fu-Wang Special Bread	63,796,892	-	63,796,892	102,746,018

Non Vatable items	Gross Sales	VAT	Net Sales 2014	Net Sales 2013
Medimum Bread	76,524,375	-	76,524,375	-
Mega Sandwich Bread	31,628,131	-	31,628,131	-
Sandwich Bread	9,632,720	-	9,632,720	-
Daily Bread	40,844,775	-	40,844,775	-
Export sales	156,035		156,035	
<b>Sub-total</b>	<b>648,835,015</b>	<b>-</b>	<b>648,835,015</b>	<b>659,649,614</b>
<b>Grand total</b>	<b>816,241,664</b>	<b>21,835,650</b>	<b>794,406,014</b>	<b>785,126,525</b>

Notes	Amount in Taka	
	30.06.2014	30.06.2013

**20.0 Cost of goods sold: Tk.614,938,638**

Raw materials consumed	20.01	430,655,120	404,458,403
Direct wages & salary		67,011,482	63,121,266
Prime cost		497,666,602	467,579,669
Factory overhead	20.02	117,592,545	138,018,763
Total manufactured cost		615,259,147	605,598,432
Opening finished goods		13,079,349	12,877,025
Cost of goods available for sales		628,338,496	618,475,457
Closing finished goods		(13,399,858)	(13,079,349)
Cost of goods sold		614,938,638	605,396,108

**20.01 Raw materials consumed: Tk. 430,655,120**

The break up of the above amount is as under :

Opening stock of raw materials	95,642,292	90,611,987
Add :Raw material purchased during the year	430,081,076	409,488,708
<b>Raw materials available for use</b>	<b>525,723,368</b>	<b>500,100,695</b>
Less: Closing stock of raw materials	(95,068,248)	(95,642,292)
<b>Raw materials consumed</b>	<b>430,655,120</b>	<b>404,458,403</b>

**20.02 Factory overheads : Tk. 117,592,545**

Factory maintenance		2,654,893	2,729,928
Festival bonus to factory staff		3,874,616	3,235,853
Medical expenses		154,912	173,867
Packing materials	20.02.1	54,027,795	49,004,103
Repairing & maintenance		1,855,739	1,770,072
Power & fuel		14,597,967	15,820,806



	Notes	Amount in Taka	
		30.06.2014	30.06.2013
Repairs & maintenance of machinery & equipment		5,335,766	5,882,593
Uniform		100,000	56,830
Factory rent		12,100,000	8,700,000
Conveyance		375,664	427,272
Fuel for transport		2,271,595	1,388,695
Carriage inward		189,920	192,910
Fooding expenses		217,664	359,200
Insurance premium		619,061	619,061
Leasehold machinery rental		-	27,919,655
Depreciation		19,216,953	19,737,918
		<b>117,592,545</b>	<b>138,018,763</b>
<b>20.02.1 Packing materials : Tk. 54,027,795</b>			
Opening balance		32,790,575	25,272,112
Add :Purchase during the year		58,983,244	56,522,566
		<b>91,773,819</b>	<b>81,794,678</b>
Less : Closing balance		(37,746,024)	(32,790,575)
Packaging materials used		<b>54,027,795</b>	<b>49,004,103</b>
<b>21.0 Administrative expenses: Tk.47,961,794</b>			
Director remuneration		2,832,000	2,832,000
Salary & allowances		14,853,400	13,035,028
Bonus		2,056,800	1,923,489
Conveyance		1,634,021	1,055,530
Printing & stationary		1,156,592	791,620
Repairing & maintenance (car)		2,063,054	1,933,212
Fuel for car		1,169,822	1,388,695
Office maintenance		1,023,542	757,207
Office rent		4,086,754	3,833,416
Godown rent		-	1,700,000
Postage & telegram		342,654	239,562
Overtime expenses		364,234	323,252
Trade marks written off		7,000	-
Fooding expenses		502,657	493,547
Electricity, wasa & gas		2,029,303	2,178,946
Travelling & conveyance		1,487,569	1,094,459
Maintenance of vehicle		905,590	912,087
Telephone, telex & fax		1,254,787	907,315

	Notes	Amount in Taka	
		30.06.2014	30.06.2013
Audit fee		110,000	110,000
Labour charge		166,999	169,253
Insurance premium (car)		692,267	619,061
Registration & renewals		876,129	1,133,390
Donation & subscription		72,000	43,000
AGM expenses		867,529	776,304
Fees & professional expenses		1,266,206	903,542
Depreciation		6,140,885	5,936,962
		<b>47,961,794</b>	<b>45,090,877</b>
<b>22.0 Selling and distribution expenses : Tk. 26,583,551</b>			
<b>The break up of the above amount is as under :</b>			
Advertisements		707,030	869,000
Carriage outward		16,810,597	16,906,899
Incentives on sale		5,632,705	5,374,729
Business promotion & development expenses		3,433,219	3,776,627
		<b>26,583,551</b>	<b>26,927,255</b>
<b>23.0 Financial expenses : Tk.12,272,676</b>			
<b>The break up of the above amount is as under :</b>			
Bank interest		12,023,275	11,591,631
Bank charges and commission		249,401	91,132
		<b>12,272,676</b>	<b>11,682,763</b>
<b>24.0 Current tax Tk. 23,489,860</b>			
Profit as per accounts		88,237,481	92,145,650
Add: Depreciation as per accounts		21,040,312	21,130,116
		109,277,793	113,275,766
Less: Depreciation as per 3rd Schedule		23,860,122	28,722,497
		<b>85,417,671</b>	<b>84,553,269</b>
Income tax		<b>23,489,860</b>	<b>23,252,149</b>
<b>Deferred tax liabilities: Tk. 34,782,254</b>			
<b>Deferred tax liabilities on profit :</b>			
Opening balance		7,169,347	-
Add: Addition during the year		5,053,832	7,169,347
Closing balance		12,223,179	7,169,347
Deferred tax on revaluation on revalued assets		22,559,075	23,746,394
		<b>34,782,254</b>	<b>30,915,741</b>

**25.0 Earnings per share (EPS)**

Earning attributable to the ordinary shareholders	59,693,789	61,724,154
Weighted average number of ordinary shares outstanding during the year	65,830,195	59,845,632
Earnings per share (EPS)-basic	<u>0.91</u>	<u>1.03</u>
Earnings per share (EPS)-adjusted		
Earning attributable to the ordinary shareholders	59,693,789	61,724,154
Number of ordinary shares used to compute EPS	65,830,195	65,830,195
Earnings per share (EPS)-adjusted	<u>0.91</u>	<u>0.94</u>

**26.0 Contingent liability (as per last year)**

There was a demand of Tk. 10,473,921 by the Custom & VAT Authority for payment of VAT in excess of the amount paid by the company during the financial year 1998-1999 and 1999-2000. the demand was made by the Deputy Commissioner, Customs Excise & VAT, Gazipur division through his memo No.4/g-mj/74/dzW/97/1400 dated 25-04-2011. the company preferred appeal on 08.12.2001 against this demand.

The Appellate Authority reduced the demand to Tk.7,838,832. the company, on 19-04-2013, filed second appeal before the learned Appellate Tribunal. The learned Appellate Tribunal confirmed the demand through order dated 23-12-2004. the Company thereafter filed a Writ Petition 2058 of 2005 before the High Court Division of Hon'ble supreme Court of Bangladesh. The Hon'ble High Court through its order dated 03 April 2006 stayed the operation of the Tribunal Order till disposal of the Writ. This liability of Tk. 7,838,832 is thus contingent upon disposal of the Writ petition and further appeals, if any at all arises. Therefore, Tk. 7,838,832 is the contingent liability pertaining to the period upto 30-06-2014.

**27.0 Events after the reporting period**

The Board of Directors in its meeting held on October 18, 2014 has approved the Financial Statement for the year ended on June 30, 2014 and decided to recommend Stock Dividend for the year 2014. The Board of Directors recommended @ 10% Stock Dividend to all the shareholders on the subject to necessary approval in the upcoming AGM.

**FU-WANG FOODS LIMITED**  
**FIXED ASSETS SCHEDULE**  
**AS AT JUNE 30, 2014**

Annexure - A

Particulars	Cost		Rate	Depreciation		Balance as at 30.06.2014	Written down value as at 30.06.2014
	Balance as at 01.07.2013	Addition during the year		Charged during the year	Adjustment		
Land & Land Development	4,450,300	115,000	-	-	-	-	4,570,300
Factory Building Construction	56,608,989	1,862,820	5%	10,583,791	1,448,450	12,012,242	56,469,567
Plant and Machinery	319,923,331	7,017,512	5%	93,398,142	11,677,135	105,075,277	221,995,566
Gas Line	17,495,533	3,261,434	10%	4,380,670	1,636,630	6,017,300	14,729,667
Buildings & Other constructions	30,085,000	-	5%	14,903,453	759,577	15,663,030	14,431,970
Furniture and Fixture	2,905,134	388,162	10%	1,408,983	188,430	1,597,423	1,695,873
Motor Vehicles	18,516,590	2,840,253	10%	8,531,849	1,292,529	9,834,178	11,632,765
Electrical Equipment	41,338,935	2,425,894	10%	13,928,678	2,893,625	16,912,202	26,852,627
Telephone & PBX Installation	411,310	-	10%	295,871	11,564	307,285	104,075
Office Equipment	2,170,357	-	20%	1,804,367	73,194	1,877,581	282,776
Cookeries & Cullaries	102,316	-	20%	98,083	847	98,930	3,386
Bicycle & Rickshaw Van	163,695	-	20%	156,338	1,469	157,807	5,878
Deep Tube-well & Pump	1,141,315	-	10%	615,175	52,514	667,789	473,526
Generator	12,541,103	-	10%	3,398,638	914,246	4,312,885	8,228,218
<b>Sub Total</b>	<b>517,973,998</b>	<b>17,926,075</b>		<b>183,483,567</b>	<b>21,040,312</b>	<b>174,523,879</b>	<b>381,376,194</b>

**Revaluation**

Buildings & Other constructions	100,715,000	-	5%	14,384,477	4,317,526	18,692,003	82,032,997
<b>Grand Total 2014</b>	<b>618,688,998</b>	<b>17,926,075</b>		<b>167,848,044</b>	<b>25,357,838</b>	<b>193,205,882</b>	<b>443,409,191</b>
<b>Grand Total 2013</b>	<b>555,074,879</b>	<b>62,614,119</b>		<b>142,173,164</b>	<b>25,674,880</b>	<b>167,848,044</b>	<b>450,840,954</b>

**Allocation of Depreciation :**

Production  
Administration

Cost	Revaluation	Total
19,216,953	-	19,216,953
1,823,369	4,317,526	6,140,895
21,040,312	4,317,526	25,357,838

## Information relating to the Subsidiary Accounts



**FU-WANG BEVERAGE INDUSTRY LTD.****Report of the Board of Directors  
for the year ended December 31, 2013****Dear Shareholders**

In compliance of section 184 of the Companies Act 1994 and BIAS codes, on behalf of the Board of Directors, I have the pleasure to submit this report along with Audited Financial Statements containing Statement of Financial Position, Statement of Comprehensive Income, Statement of Change in Equity and Statement of Cash Flows for the year ended December 31, 2013 at this 9th Annual General Meeting.

**Company's Performance and Financial Results****Respected Shareholders,**

Fu-Wang Beverage Industry Limited (FWBIL) is a beverage and food manufacturing industry and it has commenced production from October 2005.

FWBIL has passed another financial year ended December 31, 2013 and your company earned a net profit after tax of Tk. 45.53 lac as against Tk. 75.24 lac for the last year which is a decrease of 39.49%.

**Financial Position**

The operating financial results for the year ended December 31, 2013 are as follows:

Particulars	Dec. 31, 2013 (Taka)
Turnover (Net)	137,678,807
Gross Profit	30,165,521
Net Profit before Tax	7,285,404
Net Profit after Tax	4,553,378
Net Assets Value Per Share	375
Earning Per Share after Tax	45.53

**Shareholding**

The shareholding position of the company is as follows:

Name of the Shareholders	No. of Shares	Percentage (%)
Fu-Wang Foods Limited (Holding Company)	99,000	99.00%
Mr. A.K.M. Afzal Ul Munir	1,000	1.00%
Total	100,000	100.00%

**Board of Directors:**

Name of the Directors	Position in the Company	Remarks
Mr. Arif Ahmed Chowdhury	Chairman and Managing Director	Nominated by Fu-Wang Foods Ltd.
Mr. A.K.M. Afzal Ul Munir	Director	-
Mr. A.M. Naimur Rahman, MP	Director	Nominated by Fu-Wang Foods Ltd.

**Appointment of Auditors**

The existing auditors M/s. MABS & J Partners, Chartered Accountants retire at this Annual General Meeting, being eligible offered themselves for re-appointment for the next term with a request for reasonable increase of fee.

**Acknowledgement**

The Directors record with appropriation the services rendered by all concerned.

On behalf of the Board



**Arif Ahmed Chowdhury**  
Chairman

**AUDITORS' REPORT TO THE SHAREHOLDERS OF  
FU-WANG BEVERAGE INDUSTRY LTD.**

We have audited the accompanying financial statements of **FU-WANG BEVERAGE INDUSTRY LIMITED**, which comprise the financial position as at 31<sup>st</sup> December 2013, and the statement of comprehensive Income, statement of changes in equity and statement of cash flows for the year from 1<sup>st</sup> January 2013 to 31<sup>st</sup> December 2013, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

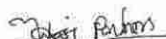
**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of **FU-WANG BEVERAGE INDUSTRY LIMITED** Company as at 31<sup>st</sup> December 2013, and its financial performance and its cash flows for the year ended in accordance with Bangladesh Financial Reporting Standards

**We also report that**

- 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 Company so far as it appeared from our examination of those books; and
- c) The Company's Financial position and Comprehensive Income dealt with by the report are in agreement with the books of accounts;

Dated : Dhaka  
June 03, 2014

  
**MAQS & J Partners**  
Chartered Accountants

**FU-WANG BEVERAGE INDUSTRY LTD.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31st DECEMBER 2013**

PARTICULARS	TAKA-2013
<b><u>FINANCED BY :</u></b>	
Shareholders' Equity	77,592,763
Issued, Subscribed and Paid up Capital	10,000,000
Retained Earnings	27,492,763
Deposit Against Shares by Holding Company	40,100,000
	<b><u>77,592,763</u></b>
<b><u>NET ASSETS :</u></b>	
Non-Current Assets	56,363,603
Fixed Assets	84,369,421
Less : Depreciation	28,005,818
Current Assets, Loan and Advances	52,694,558
Inventories	26,652,704
Account Receivable	7,993,204
Advance, Deposit and Prepayments	17,485,390
Cash and Bank Balances	563,259
Current Liabilities	31,465,398
Net Current Assets	21,229,160
	<b><u>77,592,763</u></b>

These accounts are to be read in conjunction with notes attached.



Arif Ahmed Chowdhury  
Managing Director

Signed in terms of our separate annexed report.

Dated : Dhaka  
June 03, 2014



A.K.M. Afzal Ul Munir  
Director

  
**MABS W J Partners**  
Chartered Accountants

**FU-WANG BEVERAGE INDUSTRY LTD.**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31st DECEMBER 2013**

Particulars	Taka-2013	Taka-2012
SALES (Net of VAT etc.)	137,678,807	162,386,140
COST OF GOODS SOLD	<u>(107,513,286)</u>	<u>(126,807,225)</u>
<b>GROSS PROFIT</b>	<b>30,165,521</b>	<b>35,578,915</b>
<b>Operating Expenses</b>		
Administrative and Selling Expenses	<u>(22,880,117)</u>	<u>(23,539,163)</u>
<b>Net Profit Before Tax</b>	<b>7,285,404</b>	<b>12,039,752</b>
Provision for Income Tax (37.5%)	<u>(2,732,027)</u>	<u>(4,514,907)</u>
<b>Net Profit After Tax</b>	<b>4,553,378</b>	<b>7,524,845</b>
Balance as per last Account	<u>22,939,385</u>	<u>15,414,540</u>
<b>BALANCE TRANSFERRED TO FINANCIAL POSITION</b>	<b><u>27,492,763</u></b>	<b><u>22,939,385</u></b>

These accounts are to be read in conjunction with notes attached.



Arif Ahmed Chowdhury  
Managing Director



A.K.M. Afzal Ul Munir  
Director

Signed in terms of our separate annexed report.

Dated : Dhaka  
June 03, 2014


  
**MABS & J Partners**  
Chartered Accountants



**FU-WANG BEVERAGE INDUSTRY LTD.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31st DECEMBER 2013**

<b>PARTICULARS</b>	<b>Taka-2013</b>	<b>Taka-2012</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Collections from Turnover & Others	137,929,436	159,111,000
Payment for Cost & Expenses	(124,643,513)	(146,116,536)
Income Tax Paid & Deducted at Source	(4,000,000)	-
	<b>9,285,922</b>	<b>12,994,464</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Tangible Fixed Asset Acquired	(12,045,628)	(11,863,517)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Share Capital	-	-
Other Short Term Loan Paid	-	-
Long Term Loan	-	-
	<b>Tk. (2,759,706)</b>	<b>1,130,947</b>
Cash and Cash Equivalents at Opening	3,322,965	2,192,018
Cash and Cash Equivalents at Closing	563,259	3,322,965
<b>Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>Tk. (2,759,706)</b>	<b>1,130,947</b>

These accounts are to be read in conjunction with notes attached.

  
**Arif Ahmed Chowdhury**  
 Managing Director

  
**A.K.M. Afzal Ul Munir**  
 Director

Signed in terms of our separate annexed report.

Dated : Dhaka  
 June 03, 2014

  
**MARS & J Partners**  
 Chartered Accountants

**FU-WANG BEVERAGE INDUSTRY LTD.**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31st DECEMBER 2013**

Particulars	Share Capital	Retained Earnings	Total
At 01 January 2013	10,000,000	22,939,385	32,939,385
Net Profit for the year 2013	-	4,553,378	4,553,378
At 31 December 2013	10,000,000	27,492,763	37,492,763

These accounts are to be read in conjunction with notes attached.



Arif Ahmed Chowdhury  
Managing Director



A.K.M. Afzal Ul Munir  
Director

Signed in terms of our separate annexed report.

Dated : Dhaka  
June 03, 2014

  
**MAES & J Partners**  
Chartered Accountants

**FU - WANG BEVERAGE INDUSTRY LIMITED**  
**SCHEDULE OF FIXED ASSETS**  
**AS AT 31st DECEMBER 2013**

Particulars	Cost			Depreciation			Written down value as on 31.12.2013
	Balance as on 01.01.2013	Addition during the year	Total as on 31.12.2013	Rate	Balance as on 01.01.2013	Charged during the year	Total as on 31.12.2013
Land & Land Development	11,105,300	-	11,105,300	-	-	-	11,105,300
Factory Building & Construction	21,765,361	-	21,765,361	2.5%	3,251,203	462,854	3,714,057
Plant & Machinery	11,397,799	12,045,628	23,443,427	20%	2,497,657	4,189,154	6,686,811
Gas Line	958,000	-	958,000	10%	487,401	47,060	534,461
Office Building & Construction	382,768	-	382,768	2.5%	67,228	7,888	75,117
Furniture & Fixture	43,800	-	43,800	10%	23,370	2,043	25,413
Electric Equipment	3,944,631	-	3,944,631	10%	1,664,958	227,967	1,892,925
Electric Generator	20,561,467	-	20,561,467	20%	12,236,767	1,664,940	13,901,707
Deep Tubewell & Water Pump	2,164,667	-	2,164,667	10%	1,065,401	109,927	1,175,327
<b>Total</b>	<b>72,323,793</b>	<b>12,045,628</b>	<b>84,369,421</b>		<b>21,293,985</b>	<b>6,711,833</b>	<b>28,005,818</b>

Annexure-A

**Allocation of Depreciation:**  
 Charge to Production  
 Charge to Administration

5,036,962  
 1,674,872  
**6,711,833**

## FU-WANG FOODS LIMITED

House # 55, Road # 17, Banani C/A, Dhaka-1213

### PROXY FORM

I / We \_\_\_\_\_  
 of \_\_\_\_\_  
 being the member of **FU-WANG FOODS LIMITED** hereby appoint  
 Mr/Mrs. \_\_\_\_\_  
 of \_\_\_\_\_  
 as my/our proxy to attend and vote for me/us on behalf at the 18<sup>th</sup> Annual General Meeting of the Company to  
 be held on **28<sup>th</sup> December 2014** at **RAOWA COMPLEX, Hall -2 (Anchor) VIP Road, Mohakhali, Dhaka**  
 at **11:00 a.m.** and any adjournment thereof.  
 As witness my hand this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Revenue Stamp  
 Tk. 10.00

(Signature of Proxy)

(Signature of Shareholder)

Register Folio:

Register Folio:

BO ID :

BO ID :

#### Note :

According to the Articles of Association of the company proxy can be given only to the person who is a member (Shareholder) of the Company. The proxy form should reach the company not later than 48 hours before the time fixed for the meeting.

## FU-WANG FOODS LIMITED

House # 55, Road # 17, Banani C/A, Dhaka-1213

### ATTENDANCE SLIP

I hereby record my attendance at the 18<sup>th</sup> Annual General Meeting of the Company being held on **28<sup>th</sup> December 2014** at **RAOWA COMPLEX, Hall -2 (Anchor) VIP Road, Mohakhali, Dhaka** at **11:00 a.m.**

Name of Shareholder/Proxy : \_\_\_\_\_

Shareholder's Folio No.: \_\_\_\_\_ Proxy Folio No.: \_\_\_\_\_ Signature: \_\_\_\_\_

BO ID :

BO ID :

No. of Shares : \_\_\_\_\_

Date: \_\_\_\_\_

N. B. i) Shareholder attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting venue. The respected Shareholders are requested to note that entry of non-member is restricted.

ii) **No gift, cash or kind will be given for attending the meeting according to the circular of BSEC.**



# 富王食品

## FU-WANG FOODS LTD.



### Head Office

#### Fu-Wang Building

Building-55, Road-17

Banani C/A, Dhaka-1213

Tel: 9887359, 8815476

9889958, 9889864

Fax: 88-02-8827451

Hotline { 01614077107 (Dhaka)  
01922263938 (Branch)

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