

ANNUAL REPORT 2018-2019



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Letter of Transmittal



All Valued Shareholders

Bangladesh Securities and Exchange Commission (BSEC)
Registrar of Joint Stock Companies & Firms
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 2019 along with Audited Financial Statements containing Statement of Financial Position, Statement of Profit or Loss & other Comprehensive Income, Statement of Changes 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 is also available on the official website at following address www.fuwangfoodsltd.com

Thank you for your support and cooperation.

Yours truly,

(Md. Sharif Al Mahmood)
Company Secretary

Corporate Profile

BOARD OF DIRECTORS

Abdul Quader	: Chairman
Dr. Arif Ahmed Chowdhury, CIP	: Managing Director
Asif Maswood Md Iqbal	: Director
Quazi Tafazzal Hossain	: Independent Director
Sayed Jishan	: Independent Director
Kamal Kanti Mondal	: Ex-Director
Biplob Chakraborty	: Ex-Director

AUDIT COMMITTEE

Quazi Tafazzal Hossain	: Chairman
Asif Maswood Md Iqbal	: Director
Sayed Jishan	: Independent Director
Md. Sharif Al Mahmood	: Company Secretary

NOMINATION AND REMUNERATION COMMITTEE

Abdul Quader	: Chairman
Asif Maswood Md Iqbal	: Director
Sayed Jishan	: Independent Director
Md. Sharif Al Mahmood	: Company Secretary

CHIEF FINANCIAL OFFICER

Mohendra Nath Mondol

COMPANY SECRETARY

Md. Sharif Al Mahmood

HEAD OF INTERNAL AUDIT AND COMPLIANCE

Md. Monzurul Alam

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, D2 & C1)

65/2/1, Box Culvert Road, 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

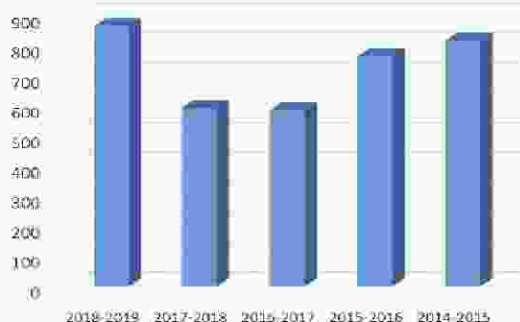
IDLC Finance Limited, Dhaka

History of the Company

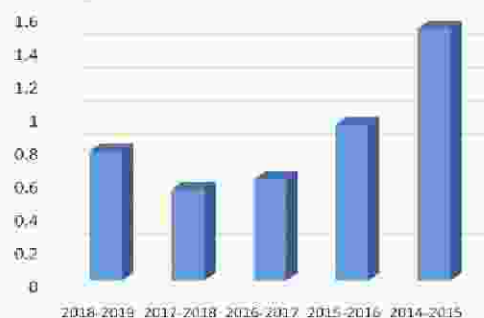
Date of Incorporation	: 17 February 1997
Listed in Dhaka Stock Exchange Ltd.	: July 2000
Listed in Chittagong Stock Exchange Ltd.	: July 2000
Commercial Operation	: August 1997
ISO Certification	: ISO-9002 Certified on 04 November 1998
Business Lines	: Food Processing Industry
Authorized Capital	: Tk. 1500 Million
Paid up Capital	: Tk. 1,108.393 Million
Number of Employees	: 1,675

Highlights of the Company

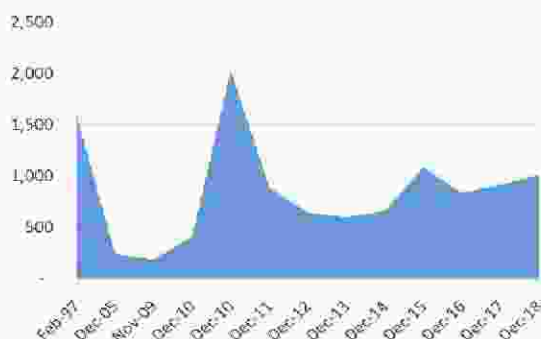
Net Turnover *million*



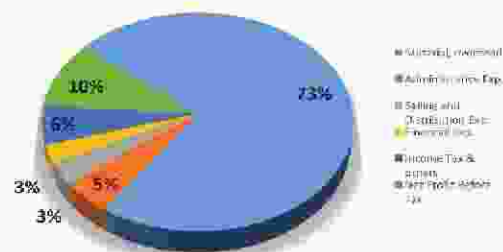
Earnings Per Share



No. of Shares *in '000*



Expenses allocation



Board of Directors



Mr. Abdul Quader
Chairman



Dr. Arif Ahmed Chowdhury, CIP
Managing Director



Asif Maswood Md Iqbal
Director



Mr. Quazi Tafazzal Hossain
Independent Director



Sayed Jishan
Independent Director

22nd Annual General Meeting



Notice of the 23rd AGM

Notice is hereby given that the 23rd Annual General Meeting of the Shareholders will be held on Sunday, 18th December 2019 at Eagle Hall 3, RAOVA Complex, Mohakhali DOHS, Dhaka at 10:00 a.m. to transact the following business:

AGENDA :

1. To receive, consider and adopt the audited financial statements for the year ended 30th June 2019 and reports of Auditors and Directors thereon.
2. To declare @ 2% Cash Dividend.
3. To elect Directors and confirm the appointment of Independent Director.
4. To appoint Auditors for the next term and fix their remuneration.

Dated : Dhaka,
04 December 2019

By order of the Board



Md. Sharif Al Mahmood
Company Secretary

NOTES :

01. The Record Date of the Company was on **24 November 2019** 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 cash dividend to be approved at the AGM.
02. 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.
03. 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.
04. Admission into the meeting venue will be strictly checked and verified with the attendance slip sent with the Annual Report and/or proxy holders.
05. The annual report is available at the company's website at following address www.fuwangfoodsltd.com and soft copy sent to shareholders' email address available in their respective BO Account.
06. **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

Assalamu Alaikum, by the grace of Almighty Allah, Fu-Wang Foods Limited passed another financial year of its operation. I, on behalf of the Board of Directors feel happy for having this opportunity to welcome you to the 23rd Annual General Meeting and to write few words about the company's performance during the financial year 2018-2019.

Dear shareholders

During the year the factory operated @68.08% capacity and produced 7,420.40 M.Ton compared to last year's 6,078.50 M.Ton. Your company earned a net profit after tax of Tk. 8.65 crore compared to Tk. 6.14 crore for the last year, which is increased by 40.94%, beside this turnover increased by 45.75%. To support the growth our factory efficiency is increased as well.



You will be happy to know that due to increase of logistic support, which I mentioned last year, delivery of products to the dealers/distributors is now much faster than previous. Moreover, as expected that our distribution cost is little bit reduced then previous year.

We also increased human resources in the marketing and sales department for increasing the total sale volume as well as profit. Apart from this resources increased in other department too. Factory management is going through vigilant changes.

However, considering the overall financial position of the company, the Board of Directors have recommended a 2% (Two percent) cash dividend for all Shareholders for approval in the 23rd Annual General Meeting.

Hon'ble Shareholders

Fu-Wang Foods is one of the largest brands in the country and we are striving hard to increase our annual turnover and profitability. As part of our proactive product diversification policy, we have always been introducing new products to cater to the changing demands of the market. Hence, we have already introduced four nos. of new product in 2018-2019 and more to come.

Our core strategy is to enhance the financial strength of the company by maintaining an extensive product portfolio and increase our efforts to stimulate long term sales growth starting from this year.

I would like to mention the continuous support, guidance and access that our national regulatory and financial institutions have provided us. The cooperation from Bangladesh Securities and Exchange Commission, Stock Exchanges and banks such as Dhaka Bank Ltd., Pubali Bank Limited, Sonali Bank Ltd., IDLC Bangladesh Ltd. acted as the crucial element behind the smooth and effective execution of our business operations.

Lastly, I would like to thank our Board of Directors, our employees and staff, vendors, suppliers, well wishers and at the end our customers and shareholders without whose relentless trust and loyalty in our brand, Fu-Wang Foods Ltd. would not be here today.

With best regards,

Dr. Arif Ahmed Chowdhury, CIP
Managing Director

REPORT OF THE BOARD OF DIRECTORS for the year ended 30 June 2019

Dear Shareholders

Assalamu Alaikum. On behalf of the Board of Directors I am pleased to welcome you to the 23rd 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 be 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 a long life and continuing relationship with the Fu-Wang family.

Respected Shareholders

I feel honored to be able to present before you the 23rd Annual Report of the company along with the Audited Financial Statements for the year ended 30 June 2019 and the Auditors' Report thereon.

Distinguished Shareholders

FWFL is a leading foods processing company in Bangladesh. It produces bread, biscuits, noodles, snacks, mini-snacks, chocolates, energy drinks and other food items for the growing and rapidly evolving middle class in Bangladesh. The company has been existence since 1997 and has been able to create the "Fu-Wang" brand name through its own network over the country. It has 7 (Seven) branch offices, 3 (three) depot and 526 (Five hundred and twenty six) distributors/dealers over the country. The products are available in retail stores through distributors/dealers. The project is located in Gazipur about 20 km north of Dhaka.

Raw Materials

Most of the raw materials for these items are purchases locally and a few items are imported. The main raw materials are flour, milk powder, butter, sugar, egg, oil etc. The company does not have any raw materials suppliers' agreements with any suppliers; however, that has not been a problem since commencement of production due to long standing good relationship with the suppliers.

Financial Results and Business Performance

Honourable shareholders, you are aware that Fu-Wang Foods Ltd. is a food manufacturing industry with yearly production capacity of 10,900 M.Ton in three shifts as against which it could operate at 68.08% capacity during the year under review, producing 7,420.40 M.Ton in the fiscal year compared to last year 6,078.50 M.Ton.

We have passed another year 2018-2019 and your company earned a net profit after tax Tk. 8.65 crore as against Tk. 6.14 crore for the last year which is increased by 40.94%, turnover increased by 45.75% as well.

Dividend

Considering the overall financial position of the Company the Board of Directors has recommended 2% (Two percent) cash dividend for all Shareholders for approval in the 23rd Annual General Meeting.

Subsidiary Operation

FWFL has a subsidiary company in the name of "Fu-Wang Beverage Industry Limited" (FWBIL). The company was incorporated on 13 December, 2004 under the Companies Act, 1994 having Authorized Capital of Tk. 200,000,000.00 of which paid up capital of Tk. 10,000,000.00 divided into 100,000 Ordinary Shares of Tk. 100/- each as on June 30, 2019. FWFL holds 99% shares of the company (FWBIL).

The operating financial results for the year ended 30 June 2019 are as follows :

Particulars	30 June 2019 (Taka)	30 June 2018 (Taka)	Increase/(Decrease) (Taka)	Increase/(Decrease) %
Turnover (Net)	114,278,588	117,374,703	(3,096,115.00)	(2.64%)
Gross Profit	22,713,339	23,471,865	(758,526.00)	(3.23%)
Net Profit Before Tax	2,577,537	3,130,584	(553,047.00)	(17.67%)
Net Profit After Tax	1,675,399	2,034,880	(359,481.00)	(17.67%)
Net Assets Value Per Share (NAV)	899.49	882.73	16.76	1.90%
Earning Per Share (EPS)	16.75	20.35	(3.60)	(17.67%)

Additional Statement

The Board of Directors is pleased to provide following information as per condition of Bangladesh Securities and Exchange Commission :

(i) Industry outlook and possible future developments in the industry:

Fu-Wang Foods Ltd. (FWFL) is one of the largest food manufacturing industries in the country. As a quality brand in Bangladesh 'Fu-Wang' is recognized to most of the middle to lower income group of people, to whom most of the company's products are aimed. Food business is a distribution intensive business. FWFL currently has 7 (Seven) branch offices, 3 (three) depots and 526 (Five hundred and twenty six) distributors/dealers over the country.

As we want to be a market leader, we are planning for expansion of product line in the upcoming year along with introduction of new exclusive items.

The Board of Directors is striving hard in line to increase turnover and profitability. As part of the diversification policy, the company has always been introducing new product as demand of the market and the company produced 4 nos. of new product in the corresponding year. The present strategy is to enhance the strength of the company.

(ii) Segment-wise or product-wise performance:

Description	Taka-2019 Net revenue	Taka-2018 Net revenue	Increase/Decrease over last year	
			Amount Tk.	%
1. VAT able Items	273,318,297	479,051,183	(205,732,886)	(42.95)
2. Non VAT able Items	594,263,267	116,205,071	478,058,196	411.39

(iii) 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

This year new competitors have entered, as a result market competition increase significantly and may adversely affect the profitability of Fu-Wang Foods Limited.

Management Perception

Food business is a Distribution Intensive Business. FWFL currently has 7 (Seven) branch offices 3 (three) depots and 526 distributors/dealers 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. FW Food is asked by the consumers due to 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. Considering of money market and increase of demand for loans/investments, increase current liquidity position have effect the rate of interest in recent times.

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 imported raw materials and machineries.

Management Perception

FWFL is able to pass on the additional cost of raw material through necessary price increases. Its brand name also 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.

Changes in Economic & Political Condition

Changing economic & political conditions may affect the demand for the product offered by the company which may affect the turnover as well as 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 in 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 Limited is a food manufacturing industry with yearly production capacity of 10,900 M.Ton in three shifts as against which it could operate at 68.08% capacity during the year under review, producing 7,420.40 M.Ton in the fiscal year compared to last year 6,078.50 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 22 years of successful operation. It has no record of operation failure yet and chances of being non-operative in the future is very remote.

(iv) Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin :

During the year the company's revenue increased by 45.75%, cost of Goods Sold increased by 48.40%, Gross profit increased by 38.91% and net profit increased by 40.94% comparing to last year.

The details are as follows :-

Particulars	30 June 2019 (Taka)	30 June 2018 (Taka)	Increase/(Decrease) (Taka)	Increase/(Decrease) %
Revenue	867,581,564	595,256,254	272,325,310	45.75%
Cost of Goods Sold	636,737,367	429,075,058	207,662,309	48.40%
Gross Profit	230,844,197	166,181,196	64,663,001	38.91%
Net Profit after Tax	86,501,411	61,376,089	25,125,322	40.94%

Reasons for increase / Decrease of

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

Increase of Revenue

During the year revenue increased by Taka 272,325,310. The reason for higher turnover is exemption of VAT on bread items. Other than this product demand increased significantly due to some rearrangement on sales team reshuffling and improvement of marketing strategy.

Increased percentage of Cost of Goods Sold

During the year, Cost of Goods Sold is 73.39% of revenue as against 72.08% of the preceding year due to following reasons :

- Increase of Raw Materials Cost and
- Increase of Factory Overheads

Increase of Gross Profit

This financial year Fu-Wang Foods Ltd. earned Gross profit Taka 64,663,001 which is 38.91% higher than previous year.

Decreased percentage of Net Profit

Fu-Wang Foods Limited earned net profit @ 9.97% as against @ 10.31% in the preceding year against Sales. Net profit decreased by 0.34% compared to last year for the following reasons :

- Increase of operating expenses by 17.42%.
- Increase of Finance expenses by 18.13%.

(v) Discussion on continuity of any Extra-Ordinary gain or loss:

There is no extra-ordinary gain or loss during the year 2018-2019.

(vi) Related party transactions:

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

(vii) Utilization of proceeds from Public Issues, Rights Issues and/or any other:

The company has not raised any fund from Public Issues, rights issues and/or any other instruments during the year 2018-2019

(viii) Financial results deteriorated after IPO, RPO, Rights Offer and Direct Listing:

The company did not raise share capital through Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing or through any other instruments during the year 2018-2019.

(ix) Significant variance of financial performance:

No significant variance occurred in between quarterly financial performance and Annual Financial Statements.

(x) Remuneration to directors including independent directors:

Remuneration to directors including independent director of the company is 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)/ 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 are as follows :

(Taka in million)

Particulars	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
Turnover (Net)	867.58	595.26	586.79	767.11	819.85
Gross Profit	230.84	166.18	167.42	203.46	240.16
Net Profit before Tax	130.00	81.84	82.40	114.88	146.74
Net Profit after Tax	86.50	61.38	61.80	86.16	110.05
Shareholders' Equity	1,257.58	1,170.57	1,101.636	1,038.91	951.78
Earnings Per Share after Tax (Taka), Adjusted	0.78	0.55	0.61	0.94	1.52
Cash Dividend	2%	Nil	Nil	Nil	Nil
Bonus Dividend (Percentage)	Nil (Proposed)	10%	10%	10%	15%

Considering the overall financial position of the Company, the Board of Directors has recommended 2% (Two percent) cash dividend to all shareholders for the year ended 30 June 2019 (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. 24 November 2019.

The number of Board meetings held during the year ended 30 June 2019 and attendance by each director

During the year ended 30 June 2019 the Board of Directors held 7 (Seven) meetings and attendance by the Directors at the Board meeting during the year as follows:

Name of the Directors	Official Status	Meeting Attended
Mr. Abdul Quader	Independent Director & Chairman	7
Dr. Arif Ahmed Chowdhury, CIP	Managing Director	7
Mr. Kamal Kanti Mondal	Ex-Director	6
Mr. Biplob Chakraborty	Ex-Director	5
Mr. Quazi Tafazzal Hossain	Independent Director	5
Mr. Asif Maswood Md Iqbal	Director	-
Mr. Sayed Jishan	Independent Director	-

Notes:

1. The position of Directors of Mr. Kamal Kanti Mondal and Mr. Biplob Chakraborty is casually vacant as per notification BSEC/CMRRCD/2009-193/217/Admin/90 dated 21 May 2019.
2. The Chief Financial Officer and Company Secretary attended at all Board Meetings of the Company held in the corresponding year.

The pattern of shareholding as on 30 June 2019

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. Abdul Quader Chairman & Independent Director	6,60,000	0.595
2	Dr. Arif Ahmed Chowdhury, CIP Managing Director	4,978,407	4.492
3	Mr. Kamal Kanti Mondal Shareholder Director	5,220	0.005
4	Mr. Biplob Chakraborty Shareholder Director	37,881	0.034
5	Mr. Hsu Chin Hua Sponsor	256,033	0.231
6	Mr. Quazi Tafazzal Hossain Independent Director	Nil	Nil
7	Mr. Md. Sharif Al Mahmood Company Secretary	Nil	Nil
8	Mr. Mohendra Nath Mondol Chief Financial Officer	Nil	Nil
9	Mr. Md. Monzurul Alam Head of Internal Audit	Nil	Nil
c)	Executives	Nil	Nil
d)	Shareholders holding ten percent (10%) or more voting interest in the company		

Composition of the shareholders :

SL. No.	Particulars	30.06.2019			30.06.2018		
		No. of Shares	Value of Shares	%	No. of Shares	Value of Shares	%
1	Directors/Sponsors	5,937,541	59,375,410	5.36%	5,397,767	53,977,670	5.36%
2	Institutions	1,383,677	13,836,770	1.25%	13,099,188	130,991,880	13.00%
3	General Public	103,518,066	1,035,180,660	93.39%	82,266,031	822,660,310	81.64%
	Total	110,839,284	1,108,392,840	100.00%	100,762,986	1,007,629,860	100.00%

Appointment/re-appointment of Directors :

Appointment of Director/independent Director

As per notification from Bangladesh Securities and Exchange Commission reference no. BSEC/CMRRCD/2009-193/217/Admin/90 dated 21 May 2019 the position of directors of Mr. Kamal Kanti Mondal and Mr. Biplob Chakraborty casually vacant.

Asif Maswood Md Iqbal

Mr. Asif Maswood Md Iqbal is a director of the company and appointed as Director of the Board in a board meeting held on October 24, 2019. The appointment of Mr. Asif Maswood Md Iqbal is required to be ratified by the shareholders in the 23rd Annual General Meeting. He is a business graduate and about 48 years of age. Now he is a businessman.

Mr. Sayed Jishan

Mr. Sayed Jishan also appointed as an independent Director of the Board in a board meeting held on October 24, 2019. He is about 33 years of age. He is a business graduate and doing business.

Declaration or certificate by the CEO and the CFO to the Board as required under condition No. 3(3) shall disclose as **Annexure-A**.

Corporate Governance :

The company complied with all the applicable rules and regulations of Corporate Governance Guidelines as per Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 issued by Bangladesh Securities and Exchange Commission to ensure good governance.

The Board of the company consist of 5 (five) members including 3 (three) Independent Director, is the supreme authority for the management of the Company and the board also form 2 (two) committee one is Audit Committee and another is Nomination & Remuneration Committee to ensure good governance in the company. Two individuals have filled up the positions of the Chairman and the Managing Director. The company has appointed Chief Financial Officer, Company Secretary and Head of Internal Audit and Compliance. The roles, responsibilities and duties of all the personnel have been clearly defined.

Corporate Governance Compliance Report:

In pursuance of Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 issued by Bangladesh Securities and Exchange Commission, the corporate governance compliance report by the Directors and certified of compliance of corporate governance shall send to the shareholders along with the Annual Report 2018-2019, please see the **Annexure-B** and **Annexure-C**.

**Appointment of Auditors:**

The existing Auditors M/s. Rahman Mostafa Alam & Co., Chartered Accountants carried out the audit for the year ended June 30, 2019 and retired at this Annual General Meeting, being eligible offered themselves for re-appointment for the next term with a request for reasonable increase of fee.

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

Abdul Quader
Chairman

Dated, Dhaka, 28 October 2019

REPORT OF AUDIT COMMITTEE

For the year 2018-2019

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 :

Name of Members	Position in the Committee	Position in the Board
Quazi Tafazzal Hossain	Chairman	Independent Director
Asif Maswood Md Iqbal	Member	Director
Sayed Jishan	Member	Independent Director
Md. Sharif Al Mahmood	Secretary	Company Secretary

Function of the Audit Committee defined as under:

Oversee the Financial reporting process.

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 2019. 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 of 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.



Quazi Tafazzal Hossain
Chairman, Audit Committee

Declaration by CEO and CFO

[As per condition No.1(5)(xxvi)]

The Board of Directors
Fu-Wang Foods Ltd.
 House-55, Road-17
 Banani C/A, Dhaka

Subject : Declaration on Financial Statements for the year ended on 30June 2019.


Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Asmin/80 Dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that :

- (1) The Financial Statements of Fu-Wang Foods Limited for the year ended on 30June 2019 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

- (i) We have reviewed the financial statements for the year ended on 30June 2019 and that 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 collectively present 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 transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.


Dr. Arif Ahmed Chowdhury, CIP
 Managing Director


Mohendra Nath Mondol
 Chief Financial Officer (CFO)

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2019/222

BAPLC

Date of issue : June 12, 2019

Renewed Certificate

This is to certify that

FU-WANG FOODS LIMITED

is an Ordinary Member of Bangladesh Association of Publicly Listed Companies and is entitled to all the rights and privileges appertaining thereto.

This certificate remains current until 31st December 2019.



R. M. M. M.
Secretary-General

Annexure-B

ম্যাবস এন্ড জে পার্টনার্স
MABS & J Partners
 Chartered Accountants

Report to the Shareholders of Fu-Wang Foods Limited and its subsidiary on compliance on the Corporate Governance Code

[Certificate as per condition No. 1(5)(xxvii)]

We have examined the compliance status to the Corporate Governance code by **Fu-Wang Foods Limited** and its subsidiary for the year ended on 30 June 2019. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company and its subsidiary. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- The Company and its subsidiary have complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- The Company and its subsidiary have complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this;
- Proper books and records have been kept by the company and its subsidiary as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The Governance of the company and its subsidiary is satisfactory subject to the remarks and observations as reported in the attached corporate governance compliance status.

Place : Dhaka

Date : 28 October 2019


MABS & J Partners
 Chartered Accountants

A member of
 **Nexia**
 International

Corporate Office:
 SMC Tower (7th Floor)
 33, Banani C/A, Road 17
 Dhaka-1213, Bangladesh
 Phone : +88-02-9821057-58
 : +88-02-9821365-68
 E-mail : info@mabsj.com
 Web : www.mabsj.com

Motijheel Branch Office :
 21, Purana Pallan Line (4th & 7th Floor)
 Dhaka-1000, Bangladesh
 Phone : +88-02-58315489 / 58315471
 Fax : +88-02-9332936
 E-mail : info@mabsj.com
 Web : www.mabsj.com

CORPORATE GOVERNANCE COMPLIANCE STATUS

[AS PER CONDITION NO. 1(5)(XXVII)]

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRC/2006-158/207/Admin/80 dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.0	Board of Directors			
1(1)	Size of the Board of Directors: The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	✓		
1.2	Independent Directors:			
1(2)(a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓		
1(2)(b)(i)	"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)(b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company; Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	✓		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		
1(2)(b)(vii)	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 or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies;	✓		
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	✓		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	✓		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);			Will be complied in the AGM schedule to be held on 18 December 2019
1(2)(d)	The post of Independent director(s) cannot remain vacant for more than 90 (ninety) days; and	✓		
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only: Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e., six years]; Provided further that the independent director shall not be subject to retirement by rotation as per Companies Act, 1994.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.3	Qualification of Independent Director.			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	✓		
1(3)(b)(i)	Independent director shall have following qualifications: Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	✓		
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or	✓		
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or	✓		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	✓		
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	✓		
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			No such Incident happened
1.4	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from nonexecutive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
1.5	The Directors' Report to Shareholders			
1(5)(i)	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994): An industry outlook and possible future developments in the industry;	✓		
1(5)(ii)	The segment-wise or product-wise performance;	✓		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓		
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other 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 Share Offer, Direct Listing, etc.);	✓		
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓		
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xi)	A statement 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;	✓		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
1(5)(xiii)	A statement that 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)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), 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)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1(5)(xvii)	A statement that there is no significant doubt 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 there of shall be disclosed;	✓		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			Not Applicable
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		
1.5(xxiii)(a)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by: Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓		
1.5(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	✓		
1.5(xxiii)(c)	Executives; and	✓		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	✓		
1(5)(xxiv)(a)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders: A brief resume of the director;	✓		
1(5)(xxiv)(b)	Nature of his or her expertise in specific functional areas; and	✓		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓		
1(5)(xxv)(a)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on: Accounting policies and estimation for preparation of financial statements;	✓		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	✓		
1(5)(xxv)(f)	Risks and concerns Issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	✓		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9	✓		
1(6)	Meetings of the Board of Directors: The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
1.7	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.			Will be complied
2.0	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			Under process
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	✓		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	✓		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	✓		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓		
3.0	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).			
3(1)(a)	Appointment: The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		
3(2)	Requirement to attend Board of Directors' Meetings: The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		
3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)(i)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief: These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3(3)(a)(i)	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;	✓		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4.0	Board of Directors' Committee.			
4(i)	For ensuring good governance in the company, the Board shall have at least following sub-committees: Audit Committee; and	✓		
4(ii)	Nomination and Remuneration Committee.	✓		
5.0	Audit Committee			
5(1)(a)	Responsibility to the Board of Directors: The company shall have an Audit Committee as a sub-committee of the Board;	✓		
5(1)(b)	The Audit Committee shall assist the Board 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;	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5(2)(a)	Constitution of the Audit Committee: The Audit Committee shall be composed off at least 3 (three) members;	✓		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before 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 shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;			No such incident happened
5(2)(e)	The company secretary shall act as the secretary of the Committee;	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5(3)(a)	Chairperson of the Audit Committee: The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.			Will be complied
5(4)(a)	Meeting of the Audit Committee: The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(5)(a)	Role of Audit Committee The Audit Committee shall: Oversee the financial reporting process;	✓		
5(5)(b)	Monitor choice of accounting policies and principles;	✓		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5(5)(d)	Oversee hiring and performance of external auditors;	✓		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5(5)(h)	Review the adequacy of internal audit function;	✓		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	Review statement of all related party transactions submitted by the management;	✓		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds 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; Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.	✓		
5.6	Reporting of the Audit Committee			
5(6)(a)(i)	Reporting to the Board of Directors: The Audit Committee shall report on its activities to the Board;	✓		
5(6)(a)(ii)(a)	The Audit Committee shall immediately report to the Board on the following findings, if any: Report on conflicts of interests;			No such incident happened
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			No such incident happened
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			No such incident happened
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			No such incident happened
5(6)(b)	Reporting to the Authorities: If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board 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 for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	✓		
5(7)	Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.			No such incident happened
6(1)(a)	Nomination and Remuneration Committee (NRC). Responsibility to the Board of Directors: The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5) (b).			Will be complied in future.
6(2)(a)	Constitution of the NRC: The Committee shall comprise of at least three members including an independent director;	✓		
6(2)(b)	All members of the Committee shall be non-executive directors;	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			If arise, will be complied
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	✓		
6(2)(g)	The company secretary shall act as the secretary of the Committee;	✓		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓		
6(3)(a)	Chairperson of the NRC: The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	✓		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders; Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.			Will be complied
6(4)(a)	Meeting of the NRC: The NRC shall conduct at least one meeting in a financial year;			No meeting held as yet
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			If arise, will be complied
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);			Will be complied
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.			Will be complied
6(5)(a)	Role of the NRC: NRC shall be independent and responsible or accountable to the Board and to the Shareholders.			Will be complied
6(5)(b)(i)(a)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following: The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;			Will be complied
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and			Will be complied
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;			Will be complied
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;			Will be complied

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;			Will be complied
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;			Will be complied
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and			Will be complied
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;			Will be complied
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.			Will be complied
7.0	External or Statutory Auditors			
7(1)(i)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:- Appraisal or valuation services or fairness opinions;	✓		
7(1)(ii)	Financial information systems design and implementation;	✓		
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	Broker-dealer services;	✓		
7(1)(v)	Actuarial services;	✓		
7(1)(vi)	Internal audit services or special audit services;	✓		
7(1)(vii)	Any service that the Audit Committee determines;	✓		
7(1)(viii)	Audit or certification services on compliance of corporate governance; and	✓		
7(1)(ix)	Any other service that creates conflict of interest.	✓		
7(2)	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; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.			Will be complied
8.0	Maintaining a website by the Company.			
8(1)	The company shall have an official website linked with the website of the stock exchange.	✓		
8(2)	The company shall keep the website functional from the date of listing.			Partly complied
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9.0	Reporting and Compliance of Corporate Governance.			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		

Independent Auditors' Report to the Shareholders of Fu-Wang Foods Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of **Fu-Wang Foods Limited** (the 'Company'), which comprise the consolidated and separate statement of financial position as at June 30, 2019, and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information disclosed in notes 1 to 31 & Annexure-A.

In our opinion, the accompanying consolidated and separate financial statements give true and fair view of the consolidated financial position of the Group and the separate financial position of the Company as at June 30, 2019, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the company act 1994, Income tax ordinance 1984 and income tax rules 1984, Securities and exchange rules 1987 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our key audit matter

Risk	Our response to the risk
Income tax	
Refer note no 18.00 and 24.00 to the Statement of Financial Position.	
<p>The company has different items of income, assets and provisions which requires significant judgment for both in current tax and deferred tax calculation.</p>	<p>Our procedure includes:</p> <p>Control test: testing the effectiveness of the entity's control around the recording and re-assessment of the amount of tax expenses and related assets and liabilities.</p> <p>Test of details: obtaining supporting documents, checked calculation and challenged the amount as per our knowledge of corporate taxation both for current and deferred portion.</p> <p>Assessing disclosure: considering the adequacy of the entity's disclosure regarding tax.</p> <p>Our result: the results of our testing were satisfactory and we found the level of tax provisioning is acceptable.</p>
Revenue	
Refer note no 19.00 to the Statement of Financial Position.	
<p>The group has multiple products with different procedure of revenue recognition. Moreover, different rate of unit price with various promotional activities makes it complex audit issue.</p>	<p>Our procedure includes:</p> <p>Control test: testing the effectiveness of the entity's control around the recording revenue recognition.</p> <p>Test of details: obtaining supporting documents of Revenue recognition, point of revenue recognition, sales return adjustments, rebates, discounts, commission etc. and transaction recorded either side of the year and debit notes issued after the year end to determine whether the amount recorded in correct period.</p> <p>Test the adjustments made for consolidation for inter unit/company sales and closing inventory.</p> <p>Test the adjustments made for commission, sales return, discounts with the revenue.</p>

	<p>Assessing disclosure: considering the adequacy of the entity's disclosure regarding revenue.</p> <p>Our result: the result of our testing is satisfactory and we considered the carrying amount of revenue recognized to be acceptable and recorded in correctly.</p>
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Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information.

Our opinion on the consolidated and the separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards (IFRSs), the company act 1994, Income tax ordinance 1984 and income tax rules 1984, Securities and exchange rules 1987 and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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



Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

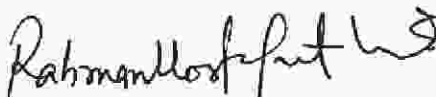
- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report the following :

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the consolidated and the separate statements of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- d) the expenditure incurred was for the purposes of the Company's business.

Dated : Dhaka
October 27, 2019


Rahman Mostafa Alam & Co.
Chartered Accountants



CONSOLIDATED STATEMENT OF FINANCIAL POSITION


AS AT 30 JUNE 2019

PARTICULARS	NOTES	TAKA 30 JUNE 2019	TAKA 30 JUNE 2018
ASSETS:			
Non-Current Assets		655,321,225	613,519,486
Property, Plant and Equipment	3.00(a)	655,321,225	613,519,486
Current Assets		1,246,195,435	1,139,406,334
Inventories	5.00(a)	260,453,964	248,289,624
Trade and Other Receivables	6.00(a)	528,611,946	479,018,173
Advances, Deposits and Prepayments	7.00(a)	436,094,046	398,769,556
Cash and Cash Equivalents	8.00(a)	21,035,479	13,328,981
Total Assets		1,901,516,660	1,752,925,820
EQUITY & LIABILITIES:			
Shareholders' Equity		1,297,524,256	1,208,846,325
Share Capital	9.02	1,108,392,840	1,007,629,860
Tax Holiday Reserve	10.00	-	18,245,470
Revaluation Reserve		53,954,235	56,793,932
Retained Earnings	11.00(a)	134,678,693	125,695,329
Non-Controlling Interest	12.00	498,488	481,734
Non-Current Liabilities		97,596,317	95,583,257
Deferred Tax Liabilities	24.01	53,504,868	36,882,357
Long Term Loan	13.00	44,091,449	58,700,900
Current Liabilities		506,396,087	448,496,238
Short Term Bank Loans and Others	14.00	124,186,090	99,394,371
Trade and Other Payables	15.00(a)	26,305,403	26,055,223
Payable for WPPF and Welfare fund	16.00	16,601,823	11,847,219
Liabilities for Expenses	17.00(a)	11,169,491	10,334,539
Provision for Income Tax	18.00(a)	328,133,280	300,864,886
Total Equity and Liabilities		1,901,516,660	1,752,925,820
Net Asset Value (NAV) Per Share (Restated)	25.00(a)	11.71	10.91

The annexed notes from 01 to 31 & Annexure-A form an integral part of these financial statements.


Md. Sharif Al Mahmood
Company Secretary


Dr. Arif Ahmed Chowdhury, CIP
Managing Director


Abdul Quader
Chairman

Signed in terms of our separate report of even date.

Dated: Dhaka
October 27, 2019


Rahman Mostafa Alam & Co.
Chartered Accountants

CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

PARTICULARS	NOTES	TAKA 30 JUNE 2019	TAKA 30 JUNE 2018
Turnover (Net of VAT)	19.00(a)	981,860,152	712,630,957
Cost of Goods Sold	20.00(a)	(728,302,616)	(522,977,896)
Gross profit		253,557,536	189,653,061
Operating Expense		(93,113,399)	(82,494,082)
Administrative Expenses	21.00(a)	(56,986,563)	(55,935,200)
Selling and Distribution Expenses	22.00(a)	(36,126,836)	(26,558,882)
Operating Profit		160,444,137	107,158,979
Financial Expenses	23.00	(21,375,736)	(18,094,371)
Profit From Operation		139,068,401	89,064,608
Contribution to WPPF and Welfare Fund		(6,499,565)	(4,092,989)
Net Profit Before Tax		132,568,836	84,971,619
Income Tax Expenses		(44,392,027)	(21,560,650)
Current Tax	24.00(a)	(27,268,394)	(18,385,814)
Deferred Tax		(17,123,633)	(3,174,836)
Net Profit After Tax		88,176,809	63,410,969
Profit Attributable to :			
Parent Shareholders		88,160,055	63,390,621
Non-Controlling Interest		16,754	20,348
		88,176,809	63,410,969
Earnings Per Share (EPS) Restated	26.00 (a)	0.80	0.57

The annexed notes from 01 to 31 & Annexure-A form an integral part of these financial statements.



Md. Sharif Al Mahmood
Company Secretary



Dr. Arif Ahmed Chowdhury, CIP
Managing Director



Abdul Quader
Chairman

Signed in terms of our separate report of even date.

Dated: Dhaka
October 27, 2019



Rahman Mostafa Alam & Co.
Chartered Accountants

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

Particulars	Share Capital	Tax Holiday Reserve	Revaluation Reserve	Retained Earnings	Non controlling Interest	Total
Opening Balance	1,007,629,860	18,245,470	56,793,932	125,695,329	481,734	1,208,846,325
Bonus Share	100,762,980	(18,245,470)	-	(82,517,510)	-	-
Depreciation on Revaluation	-	-	(3,340,819)	3,340,819	-	-
Adjustment for Deferred Tax (Last Year)	-	-	10,022,458	-	-	10,022,458
Adjustment for Deferred Tax (Current Year)	-	-	(9,521,336)	-	-	(9,521,336)
Net Profit for Year	-	-	-	88,160,055	16,754	88,176,809
Balance as at 30 June 2018	1,108,392,840	-	53,954,235	134,678,693	498,488	1,297,524,256

For the year ended June 30,2018

Particulars	Share Capital	Tax Holiday Reserve	Revaluation Reserve	Retained Earnings	Non controlling Interest	Total
Opening Balance	916,027,150	18,245,470	52,749,782	150,390,766	461,386	1,137,874,554
Bonus Share	91,602,710	-	-	(91,602,710)	-	-
Depreciation on Revaluation	-	-	(3,516,652)	3,516,652	-	-
Adjustment for Deferred Tax (Last Year)	-	-	17,583,260	-	-	17,583,260
Adjustment for Deferred Tax (Current Year)	-	-	(10,022,458)	-	-	(10,022,458)
Net Profit for Year	-	-	-	63,390,621	20,348	63,410,969
Balance as at 30 June 2018	1,007,629,860	18,245,470	56,793,932	125,695,329	481,734	1,208,846,325

The annexed notes from 01 to 31 & Annexure-A form an integral part of these financial statements.



Md. Sharif Al Mahmood
Company Secretary



Dr. Arif Ahmed Chowdhury, CIP
Managing Director



Abdul Quader
Chairman

CONSOLIDATED STATEMENT OF CASH FLOWS


FOR THE YEAR ENDED 30 JUNE 2019

PARTICULARS	TAKA 30 JUNE 2019	TAKA 30 JUNE 2018
Cash Flows from Operating Activities:		
Collections from Turnover and Others	932,266,379	682,466,837
Payment for Cost and Expenses	(800,109,934)	(612,723,283)
Financial Expenses Paid	(20,072,542)	(18,094,371)
Income Tax Paid and Deducted at Source	(37,684,920)	(47,137,264)
A. Net Cash Provided from Operating Activities	74,398,983	4,511,919
Cash Flows from Investing Activities:		
Acquisition of Property, Plant and Equipment	(76,874,753)	(31,935,282)
B. Net Cash Used in Investing Activities	(76,874,753)	(31,935,282)
Cash Flows from Financing Activities:		
Loan Received	10,182,268	19,681,553
C. Net Cash Provided from Financing Activities	10,182,268	19,681,553
D. Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	7,706,498	(7,741,810)
E. Cash and Cash Equivalents at the Beginning of the Year	13,328,981	21,070,791
F. Cash and Cash Equivalents at the End of the Year	21,035,479	13,328,981
Net Operating Cash Flow Per Share Restated	27.00(a)	0.67
		0.04

The annexed notes from 01 to 31 & Annexure-A form an integral part of these financial statements.


Md. Sharif Al Mahmood
 Company Secretary


Dr. Arif Ahmed Chowdhury, CIP
 Managing Director


Abdul Quader
 Chairman

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

PARTICULARS	NOTES	TAKA 30 JUNE 2019	TAKA 30 JUNE 2018
ASSETS:			
Non-Current Assets		610,515,459	564,895,694
Property, Plant and Equipment (Net of Depreciation)	3.00	610,515,459	564,895,694
Investment	4.00	50,000,000	50,000,000
Current Assets		1,167,990,324	1,066,799,831
Inventories	5.00	232,423,987	219,775,401
Trade and Other Receivables	6.00	395,752,535	355,448,424
Advances, Deposits and Prepayments	7.00	519,303,266	478,703,599
Cash and Cash Equivalents	8.00	20,510,536	12,872,407
Total Assets		1,828,505,783	1,681,695,525
EQUITY & LIABILITIES:			
Shareholders' Equity		1,257,575,436	1,170,572,904
Share Capital	9.00	1,108,392,840	1,007,629,860
Tax Holiday Reserve	10.00	-	18,245,470
Revaluation Reserve		53,954,235	56,793,932
Retained Earnings	11.00	95,228,361	87,903,642
Non-Current Liabilities		97,596,317	95,583,257
Deferred Tax Liabilities	24.01	53,504,868	36,882,357
Long Term Loan	13.00	44,091,449	58,700,900
Current Liabilities		473,334,030	415,539,364
Short Term Bank Loans and Others	14.00	124,186,090	99,394,371
Trade and Other Payables	15.00	22,893,425	21,985,096
Payable for WPPF and welfare fund	16.00	16,601,823	11,847,219
Liabilities for Expenses	17.00	9,156,191	8,182,433
Provision for Income Tax	18.00	300,496,501	274,130,245
Total Equity and Liabilities		1,828,505,783	1,681,695,525
Net Asset Value (NAV) Per Share Restated	25.00	11.35	10.56

The annexed notes from 01 to 31 & Annexure-A form an integral part of these financial statements.



Md. Sharif Al Mahmood
Company Secretary



Dr. Arif Ahmed Chowdhury, CIP
Managing Director



Abdul Quader
Chairman

Signed in terms of our separate report of even date.

Dated: Dhaka
October 27, 2019



Rahman Mostafa Alam & Co.
Chartered Accountants

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

PARTICULARS	NOTES	TAKA 30 JUNE 2019	TAKA 30 JUNE 2018
Turnover (Net of VAT)	19.00	867,581,564	595,256,254
Cost of Goods Sold	20.00	(636,737,367)	(429,075,058)
Gross profit		230,844,197	166,181,196
Operating Expense		(72,977,597)	(62,152,801)
Administrative Expenses	21.00	(43,189,754)	(41,873,964)
Selling and Distribution Expenses	22.00	(29,787,843)	(20,278,837)
Operating Profit before Financial Expenses		157,866,600	104,028,395
Financial Expenses	23.00	(21,375,736)	(18,094,371)
Profit From Operation		136,490,864	85,934,024
Provision to WPPF and Welfare Fund		(6,499,565)	(4,092,989)
Net Profit Before Tax		129,991,299	81,841,035
Income Tax Expenses		(43,489,888.54)	(20,464,946)
Current Tax	24.00	(26,366,256)	(17,290,110)
Deferred Tax		(17,123,633)	(3,174,836)
Profit After Tax		86,501,411	61,376,089
Earnings Per Share (EPS) (Adjusted)	26.00	0.78	0.55

The annexed notes from 01 to 31 & Annexure-A form an integral part of these financial statements.



Md. Sharif Al Mahmood
Company Secretary



Dr. Arif Ahmed Chowdhury, CIP
Managing Director



Abdul Quader
Chairman

Signed in terms of our separate report of even date.

Dated: Dhaka
October 27, 2019



Rahman Mostafa Alam & Co.
Chartered Accountants

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

Particulars	Share capital	Tax Holiday Reserve	Revaluation reserve	Retained earnings	Total
Balance as at 01 July 2018	1,007,629,860	18,245,470	56,793,932	87,903,642	1,170,572,904
Bonus Share	100,762,980	(18,245,470)	-	(82,517,510)	-
Depreciation on Revaluation	-	-	(3,340,819)	3,340,819	-
Adjustment for Deferred Tax (Last Year)	-	-	10,022,458	-	10,022,458
Adjustment for Deferred Tax (Current Year)	-	-	(9,521,336)	-	(9,521,336)
Net Profit for 2018-2019	-	-	-	86,501,410	86,501,410
Balance as at 30 June 2019	1,108,392,840	-	53,954,235	95,228,361	1,257,575,436

For the year ended June 30, 2018

Particulars	Share capital	Tax Holiday Reserve	Revaluation reserve	Retained earnings	Total
Balance as at 01 July 2017	916,027,150	18,245,470	52,749,782	114,613,611	1,101,636,013
Bonus Share	91,602,710	-	-	(91,602,710)	-
Depreciation on Revaluation	-	-	(3,516,652)	3,516,652	-
Adjustment for Deferred Tax (Last Year)	-	-	17,583,260	-	17,583,260
Adjustment for Deferred Tax (Current Year)	-	-	(10,022,458)	-	(10,022,458)
Net Profit for 2017-2018	-	-	-	61,376,089	61,376,089
Balance as at 30 June 2018	1,007,629,860	18,245,470	56,793,932	87,903,642	1,170,572,904

The annexed notes from 01 to 31 & Annexure-A form an integral part of these financial statements.



Md. Sharif Al Mahmood
Company Secretary



Dr. Arif Ahmed Chowdhury, CIP
Managing Director



Abdul Quader
Chairman


STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

PARTICULARS	TAKA 30 JUNE 2019	TAKA 30 JUNE 2018
Cash Flows from Operating Activities:		
Collections from sales	827,277,453	568,898,026
Payment for Cost and Expenses	(699,254,514)	(499,327,728)
Financial Expenses Paid	(20,072,542)	(18,094,371)
Income Tax Paid and Deducted at Source	(33,529,970)	(45,836,696)
A. Net Cash Provided from Operating Activities	74,420,427	5,639,231
Cash Flows from Investing Activities:		
Acquisition of Property, Plant and Equipment	(76,640,217)	(29,638,079)
Advance to Subsidiary	(324,349)	2,236,957
B. Net Cash Used in Investing Activities	(76,964,566)	(27,401,122)
Cash Flows from Financing Activities:		
Loan Received	10,182,268	19,681,553
C. Net Cash Provided from Financing Activities	10,182,268	19,681,553
D. Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	7,638,129	(2,080,338)
E. Cash and Cash Equivalents at the Begaining of the Year	12,872,407	14,952,745
F. Cash and Cash Equivalents at the End of the Year	20,510,535	12,872,407
Net Operating Cash Flow Per Share (Adjusted)	27.00	0.67
	0.05	

The annexed notes from 01 to 31 & Annexure-A form an integral part of these financial statements.


Md. Sharif Al Mahmood
 Company Secretary


Dr. Arif Ahmed Chowdhury, CIP
 Managing Director


Abdul Quader
 Chairman

NOTES TO THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 30 JUNE 2019

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 10,900 M. Ton.in three shifts (after balancing) as against which it ran at 68.08 % capacity during the year under review producing 7,420.40 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 under consideration of BOI till to date. Meanwhile the company has been operating in local market fully.

1.2 Address of Company

The principal place of business is the registered office at House # 55, Road # 17, Banani C/A, Dhaka-1213, Bangladesh and

1.3 The factories are located at Bokran, Monipur, Hotapara, Gazipur.

1.3.1 Nature of Business Activities

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

1.3.2 Number of Employees

On the payroll of the Company, there were 219 officers 47 Staff and 654 permanent workers and 755 daily workers/technicians apart from many casual / contract technicians /workers.

		Amount in Tk.
i)	1,675 Staff/Officers/Employees drew yearly salary & allowances of Tk. 36,000 or more	73,888,818
ii)	Nil Staff/Officers/Technicians and many other casual workers drew yearly salary/wages & allowances less than Tk. 36,000	Nil
	<u>1,675</u>	<u>73,888,818</u>

2.0 Significant Accounting Policies and Basis of preparation of financial Statements :

2.1 Statement of Compliance

The preparation of financial statements and disclosures of information have been 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) 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
01.	IAS-1	2.4
02.	IAS - 2	2.10
03.	IAS - 7	2.13 & 2.14
04.	IAS- 10	2.27
05	IAS - 12	2.17
06.	IAS- 16	2.8
07.	IFRS - 15	2.19
08.	IAS- 19	2.26
09.	IAS - 21	2.20
10.	IAS - 24	2.21
11.	IAS - 33	2.24
12.	IAS - 36	2.25
13.	IAS - 37	27.00

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, IAS 1 Presentation of Financial Statements.

i. Reporting Period

Financial statements of the company cover one financial year from July 01, 2018 to June 30, 2019.

ii. Going Concern

The company has adequate resources continue in operation for foreseeable future. For this reason, the board of directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and resources of the company provide sufficient funds to meet the present requirements of its existing business and operations.

2.4 Components of the Financial Statements :

According to the IAS-1 "Presentation of Financial Statements", the complete set of Financial Statements includes the following components.

- (i) Statement of Financial Position as at June 30, 2019;
- (ii) Statement of Profit or Loss & Other Comprehensive Income for the year ended June 30, 2019;
- (iii) Statement of Cash Flows for the year ended June 30, 2019;
- (iv) Statement of Changes in Shareholders Equity for the year ended June 30, 2019;and
- (v) Accounting policies and Explanatory notes for the year ended June 30, 2019.

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 mounts 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 furring 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 IAS 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 IFRS framework for the presentation of financial statements together with IAS-1 and IAS-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, amounts involved are accounted for and disclosed retrospectively in accordance with the requirement of IAS-8.

2.8 Reorganization 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 "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. Depreciation has been charged on additions from the date of available for 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 replacement, renewals and betterments are capitalized.

The annual depreciation rates to the principal categories are :

<u>Categories of Property, Plant & Equipment's</u>	<u>Rate of Depreciation</u>
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. 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 the statement of profit or loss and other comprehensive income.

2.13 Statement of Cash Flows

Statement of Cash Flows is prepared principally in accordance with IAS-7 "Statement of Cash Flow" and the cash flows from the operating activities has been presented under direct method as required by the Securities and Exchange Rules, 1987 and considering the provisions that "enterprises are encouraged to report cash flow from operating activities using the direct method".

2.14 Cash and Cash Equivalents

According to IAS-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 "Presentation of Financial Statements" also provides that cash and cash equivalents are those which has 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; Converted to bonus share.

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 25.00% has been applied for while making provision for income tax.

2.18 Trade Creditors and Other Liabilities

Liabilities are recognised for the 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 IFRS-15".

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 "The Effects of Changes in Foreign Currency Rates".

2.21 Transaction with Related Parties

As per IAS-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 2018-2019 except the transaction with the subsidiary company.

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 Securities and Exchanges Rules, 1987 and IAS 10 "Contingencies and Events Occurring After the Balance Sheet Date". 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 "Earnings Per Share" which has been shown on the face of statement of comprehensive income and the computation of EPS is stated in **Note-26**.

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 IAS-36 are in physical existence and valued not more than their recoverable amount following International Accounting Standards adopted in Bangladesh, disclosures with regard to "Impairment of Assets" as per IAS-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 IAS-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-28**).

2.28 Acknowledgement of Claims

There was no claim against the company acknowledged as debt as on June30, 2019.

2.29 Credit Facility not Availed of

There was no general credit facilities other than those stated in "Note- 13 &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 five (05) members in the Board of Directors including independent Director of the Company and 7 (Seven) Board Meetings were held in the year under report..

2.32 Miscellaneous Expenses

Miscellaneous expenses do 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 **22nd Annual General Meeting (AGM)** of the company held on 23 December 2018 the auditors' remuneration of Tk. 1,50,000 has been provided for in the financial statements 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 Net Operating Cash Flow Per Share (NOCFPS)

Because of increasing the collection against sales, the NOCFPS is higher than previous year.

2.37 Disclosure relating to restatement

Calculation of Non-Controlling Interest consisted of error in last year which has been rectified and restated the figures accordingly.

2.38 General

- i. The financial statements 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	Particulars	Amount in Tk.	
		June 30, 2019	June 30, 2018
3.00	Property, Plant and Equipment: Tk. 610,515,459		
	The details of fixed Assets schedule has been shown in annexure- A		
	Cost	3.01	937,809,434
	Less: Accumulated depreciation	3.02	327,293,975
	Written Down Value	610,515,459	564,895,694
3.01	Cost: Tk. 937,809,434		
	The above balances are made up as follows:		
	Opening Balance	861,169,217	810,189,408
	Add : Addition during the year	76,640,217	50,979,809
		937,809,434	861,169,217
	Less: Adjustment made during the year	-	-
	Balance as at 30 June 2019	937,809,434	861,169,217
3.02	Accumulated Depreciation: Tk. 327,293,975		
	The above balances are made up as follows:		
	Opening Balance	296,273,523	267,441,802
	Add : Addition during the year	31,020,452	28,831,721
		327,293,975	296,273,523
	Less: Adjustment made during the year	-	-
	Balance as at 30 June 2019	327,293,975	296,273,523
	Details of Property, Plant and Equipment have been shown in 'Annexure - A'.		
3.00(a)	Consolidated Property, Plant and Equipment: Tk. 655,321,225		
	The above balances are made up as follows:		
	<u>Fu-Wang Foods Ltd.</u>		
	At Cost/Revaluation	937,809,434	861,169,217
	Less : Accumulated Depreciation	327,293,975	296,273,523
	Sub total	610,515,459	564,895,694
	<u>Fu-Wang Beverage Industry Ltd.</u>		
	At Cost/Revaluation	103,736,499	103,501,963
	Less : Accumulated Depreciation	58,930,733	54,878,171
	Sub total	44,805,766	48,623,792
	Total	655,321,225	613,519,486
4.00	Investment : Tk. 50,000,000		
	Investment in Fu-Wang Beverage Industry Limited	50,000,000	50,000,000

The Company invested in shares of Fu-wang Beverage Industry Limited by acquiring its 99% shares at a cost of Tk. 50,000,000 (Tk. 9,900,000 as Share capital and Tk. 41,000,000 as share money deposit); on 28.03.2011; hence making Fu-wang Beverage Industry Limited a subsidiary of Fu-wang Foods Limited.

Notes	Particulars	Amount in Tk.	
		June 30, 2019	June 30, 2018

5.00 Inventories :Tk. 232,423,987

The above balances are made up as follows:

Stock of Raw Materials	5.01	159,716,514	155,926,462
Stock of Finished Foods		15,609,873	14,584,622
Stock of Packing Materials		57,097,600	49,264,317
		232,423,987	219,775,401

5.01 Stock of Raw Materials: Tk. 159,716,514

SI No.	Name of the Item	Unit	Opening		Purchase	
			Qty.	Tk.	Qty.	Tk.
1	Flour	MT.	1,010	42,141,730	6,938	266,305,436
2	Dalda	MT.	711	41,860,114	709	53,175,000
3	Sugar	MT.	496	43,938,095	920	46,520,000
4	Sala Oil	MT.	224	11,943,700	428	32,145,200
5	Milk Powder	MT.	22	1,397,660	123	17,138,392
6	Others	MT.	98	13,858,472	172	14,890,680
7	Eggs	Pcs.	205,468	786,691	4,972,235	40,275,100
			2,561	155,926,462	9,290	470,449,808

SI No.	Available for Consumption		Consumed		Closing	
	Qty.	Tk.	Qty.	Tk.	Qty.	Tk.
1	7,948	308,447,166	6,789	266,124,566	1,159	42,322,600
2	1,420	95,035,114	1,130	72,462,614	290	22,572,500
3	1,416	90,458,095	695	50,825,595	721	39,632,500
4	652	44,088,900	433	27,730,200	219	16,358,700
5	145	18,536,052	124	10,683,652	21	7,852,400
6	270	28,749,152	102	2,397,752	168	26,351,400
7	5,177,703	41,061,791	4,616,926	36,435,377	560,777	4,626,414
	11,851	626,376,270	9,273	466,659,756	2,578	159,716,514

5.00(a) Consolidated Inventories: Tk. 260,453,964

The above balances are made up as follows:

Stock of Raw Materials	172,612,775	168,564,896
Stock of Finished Foods	25,081,747	22,731,064
Stock of Packing Materials	62,759,442	56,993,664
	260,453,964	248,289,624

Notes	Particulars	Amount in Tk.	
		June 30, 2019	June 30, 2018

6.00 Trade and Other Receivables: Tk. 395,752,535

The above balances are made up as follows:

Aging of above receivable is as under:

Below Six Month	360,060,375	321,841,842
Over Six Month	35,692,160	33,606,582
	395,752,535	355,448,424

6.00(a) Consolidated Trade and Other Receivables: Tk. 528,611,946

The above balances are made up as follows:

Trade and Other Receivables	528,611,946	479,018,173
	528,611,946	479,018,173

7.00 Advances, Deposits and Prepayments (considered good): Tk. 519,303,266

The above balances are made up as follows:

	June 30, 2019			June 30, 2018
	Below Six Month	Over Six Month	Total	
Advances (7.01)	98,536,523	412,832,615	511,369,138	472,165,602
Deposits (7.02)	-	7,934,128	7,934,128	6,537,997
	98,536,523	420,766,743	519,303,266	478,703,599

7.01 Advances: Tk. 511,369,138

The above balances are made up as follows:

Advance Rent for Chitangong Branch Office		79,000	308,000
Advance Rent for Rongpur Branch Office		3,100	-
Current Account VAT		4,375,844	4,739,714
Advance Income Tax	7.01.1	331,521,468	297,991,498
Advance to Mymensingh Br. Office		233,316	466,656
Advance for VAT Appealate Tribunal		10,222,777	10,222,777
Advance against Salary		4,907,826	4,385,326
Advance against Bristy Biscuit		1,956,598	1,956,598
Advance against Purchase		31,616,350	25,966,523
Advance to Fu-wang Beverage Industry Ltd.		126,452,859	126,128,510
		511,369,138	472,165,602

Notes	Particulars	Amount in Tk.	
		June 30, 2019	June 30, 2018
7.01.1	Advance Income Tax : Tk. 331,521,468		
	The above balances are made up as follows:		
	Balance as at 01 July 2018	297,991,498	252,154,802
	Add : Addition during the year	33,529,970	45,836,696
		331,521,468	297,991,498
	Less : Adjustment made during the year	-	-
	Balance as at 30 June 2019	331,521,468	297,991,498

7.02 Deposits: Tk. 7,934,128**The above balances are made up as follows:**

Titas Gas T & D Co. Ltd. (Gas connection)	3,592,198	2,321,067
Rangpur Branch Office	107,000	130,500
Sylhet Branch	113,000	13,000
Margin Against Bank Gurantee-Titas Gas	2,321,067	2,321,067
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	86,000	-
Jessore Branch	7,500	33,000
Madaripur Branch	14,000	14,000
Shirajgonj Branch	86,000	98,000
Deposit against Rent (Ctg. Factory)	84,980	84,980
Deposit against Rent (Kustia Factory)	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
Cocacola Bottle	1,400	1,400
Deposit against Bhrammanbaria Branch	43,500	43,500
Grameen Mobile Phone	12,600	12,600
Citycell Mobile	15,000	15,000
Deposit to CDBL	300,000	300,000
	7,934,128	6,537,997

7.00(a) Consolidated Advances, Deposits and Prepayments (considered good): Tk. 436,094,046**The above balances are made up as follows:**

Advances	548,071,675	511,818,967
Deposits	14,475,230	13,079,099
	562,546,905	524,898,066
Adjust with Subsidiary Company	(126,452,859)	(126,128,510)
	436,094,046	398,769,556

Notes	Particulars	Amount in Tk.	
		June 30, 2019	June 30, 2018
8.00	Cash and Cash Equivalents: Tk. 20,510,536		
	The above balances are made up as follows:		
	Cash in Hand	8.01 500,661	5,748,413
	Cash at Banks	8.02 20,009,875	7,123,994
		<u>20,510,536</u>	<u>12,872,407</u>
8.01	Cash in Hand: Tk. 500,661		
	The above balances are made up as follows:		
	At Head Office	145,661	5,525,413
	At Factory	50,000	50,000
	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	30,000	20,000
	At Rangpur Branch Office	-	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	20,000
	At Feni Branch Office	133,000	3,000
		<u>500,661</u>	<u>5,748,413</u>
8.02	Cash at Banks: Tk. 20,009,875		
	The above balances are made up as follows:		
	Pubali Bank Ltd., Local Office Dhaka STD-1144	29,629	20,149
	Dutch Bangla Rocket Account	230,788	-
	Dutch Bangla Bank Ltd.-CD-39015	557,993	-
	Sonali Bank Ltd., Banani Br., CA 313	1,596,049	3,558,907
	Standard Bank Ltd., Gulshan Br., CD-34003721	1,947,562	2,879,051
	Standard Bank Ltd., CD-33003806	39,477	204,200
	Pubali Bank Ltd. Gulshan Br., CD-17903	15,608,377	461,687
		<u>20,009,875</u>	<u>7,123,994</u>
8.00(a)	Consolidated Cash and Cash Equivalents: Tk. 21,035,479		
	The above balances are made up as follows:		
	Cash in Hand	927,704	5,928,988
	Cash at Banks	20,107,775	7,399,993
		<u>21,035,479</u>	<u>13,328,981</u>

Notes	Particulars	Amount in Tk.	
		June 30, 2019	June 30, 2018

9.00 Share Capital: Tk. 1,108,392,840

9.01 Authorized Capital : Tk. 1,500,000,000

150,000,000 ordinary shares @ of Tk. 10/= each

1,500,000,000

1,500,000,000

9.02 Issued, Subscribed & Fully Paid-up Capital: Tk. 1,108,392,840

110839284 ordinary shares @ of Tk. 10/= each issued for cash

1,108,392,840

1,007,629,860

The break up of the above amount is as under :

Date	No. Of Shares	Particulars		
	16,000,000	Ordinary of Tk. 10 each fully paid-up	160,000,000	160,000,000
22.12.2005	2,400,000	Ordinary of Tk. 10 each fully paid-up issued as bonus shares	24,000,000	24,000,000
15.11.2009	1,840,000	Ordinary of Tk. 10 each fully paid-up issued as bonus shares	18,400,000	18,400,000
15.12.2010	4,048,000	Ordinary of Tk. 10 each fully paid-up issued as bonus shares	40,480,000	40,480,000
15.12.2010	20,240,000	Ordinary of Tk. 10 each fully paid-up issued as right shares	202,400,000	202,400,000
26.12.2011	8,905,600	Ordinary of Tk. 10 each fully paid-up issued as bonus shares	89,056,000	89,056,000
23.12.2012	6,412,032	Ordinary of Tk. 10 each fully paid-up issued as bonus shares	64,120,320	64,120,320
26.12.2013	5,984,563	Ordinary of Tk. 10 each fully paid-up issued as bonus shares	59,845,630	59,845,630
28.12.2014	6,583,019	Ordinary of Tk. 10 each fully paid-up issued as bonus shares	65,830,190	65,830,190
27.12.2015	10,861,982	Ordinary of Tk. 10 each fully paid-up issued as bonus shares	108,619,820	108,619,820
21.12.2016	8,327,519	Ordinary of Tk. 10 each fully paid-up issued as bonus shares	83,275,190	83,275,190
29.12.2017	9,160,271	Ordinary of Tk. 10 each fully paid-up issued as bonus shares	91,602,710	91,602,710
23.12.2018	10,076,298	Ordinary of Tk. 10 each fully paid-up issued as bonus shares	100,762,980	-
	110,839,284		1,108,392,840	1,007,629,860

9.03 Composition of the Shareholders:

SL No.	Particulars	30.06.2019		30.06.2018	
		No. of Shares	Value of Shares	Value of Shares	%
1	Directors/Sponsors	5,937,541	59,375,410	53,977,670	5.36%
2	Institutions	1,062,949	10,629,490	130,991,880	13.00%
3	General Public	103,838,794	1,038,387,940	822,660,310	81.64%
Total		110,839,284	1,108,392,840	1,007,629,860	100%

Notes	Particulars	Amount in Tk.	
		June 30, 2019	June 30, 2018
10.00	Tax Holiday Reserve: Tk. Nil		
	This is as Per Last Account.	<u>18,245,470</u>	<u>18,245,470</u>
	The break up of the above amount is as under :		
	For 1997-1998	337,628	337,628
	For 1998-1999	1,046,244	1,046,244
	For 1999-2000	1,879,820	1,879,820
	For 2000-2001	1,961,030	1,961,030
	For 2001-2002	11,899,538	11,899,538
	For 2002-2003	1,121,210	1,121,210
		<u>18,245,470</u>	<u>18,245,470</u>
	Less: Utilized for Bonus Shares	<u>18,245,470</u>	<u>-</u>
		<u>-</u>	<u>18,245,470</u>
11.00	Retained Earnings: Tk. 95,228,361		
	The above balances are made up as follows:		
	Opening Balance	87,903,642	114,613,611
	Add: Profit after tax for the year	86,501,410	61,376,089
	Depreciation on Revaluation	3,340,819	3,516,652
	Profit available for Appropriation	<u>177,745,871</u>	<u>179,506,352</u>
	Less: Appropriations		
	Utilized for Bonus Shares	<u>(82,517,510)</u>	<u>(91,602,710)</u>
	Balance as at 30 June 2019	<u>95,228,361</u>	<u>87,903,642</u>
11.00(a)	Consolidated Retained Earnings: Tk. 134,678,694		
	The above balances are made up as follows:		
	Opening Balance	125,695,329	150,390,766
	Add: Profit after tax for the Year/Period	88,160,055	63,390,621
	Depreciation on Revaluation	3,340,819	3,516,652
	Profit available for Appropriation	<u>217,196,203</u>	<u>217,298,039</u>
	Less: Appropriations		
	Utilized for Bonus Shares	<u>(82,517,510)</u>	<u>(91,602,710)</u>
	Balance as at 30 June 2019	<u>134,678,693</u>	<u>125,695,329</u>
12.00	Non-Controlling Interest: Tk. 498,488		
	The above balances are made up as follows:		
	Opening Balance (1% of Subsidiary Net Assets)	481,734	461,386
	Profit for the period ended 30 June 2019	<u>16,754</u>	<u>20,348</u>
		<u>498,488</u>	<u>481,734</u>

Notes	Particulars	Amount in Tk.	
		June 30, 2019	June 30, 2018
13.00	Long Term Loan: Tk. 44,091,449		
	The above balances are made up as follows:		
	IDLC Finance Ltd.	52,869,178	69,146,784
	Term Loan, Dhaka Bank Ltd.	12,717,512	8,881,705
		<u>65,586,690</u>	<u>78,028,489</u>
	Less: IDLC Finance Ltd.-Current Portion	18,861,445	16,693,793
	Less: Term Loan, Dhaka Bank-Current Portion	2,633,796	2,633,796
		<u>21,495,241</u>	<u>19,327,589</u>
		<u>44,091,449</u>	<u>58,700,900</u>

14.00 Short Term Bank Loans and Others: Tk. 124,186,090

The above balances are made up as follows:

Dhaka Bank Ltd., OD-264	81,034,185	76,935,402
Short Term Loan, Dhaka Bank	-	-
Time Loan, Dhaka Bank Ltd.	10,122,740	3,131,380
Dhaka Bank Ltd., LTR	11,533,924	16,693,793
IDLC Finance Ltd.-Current Portion	18,861,445	2,633,796
Term Loan, Dhaka Bank-Current Portion	2,633,796	-
	<u>124,186,090</u>	<u>99,394,371</u>

Overdraft with Dhaka Bank Ltd. is secured by hypothecation of inventories and faces interest at 13.5.% per annum.

The Company has an Overdraft limit of Tk. 8.00 crores with Dhaka Bank Limited. against which credit facilities balance on 30-06-2019 was Tk. 81,034,185

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 the Statement of Financial Position.

15.00 Trade and Other Payables: Tk. 22,893,425

The above balances are made up as follows:

	June 30, 2019			June 30, 2018
	Below Six Month	Over Six Month	Total	
Trade Creditors	9,835,863	-	9,835,863	10,686,423
Security Deposit against Sale	2,469,722	10,587,840	13,057,562	11,298,673
	<u>12,305,585</u>	<u>10,587,840</u>	<u>22,893,425</u>	<u>21,985,096</u>

Notes	Particulars	Amount in Tk.	
		June 30, 2019	June 30, 2018
15.00(a)	Consolidated Trade and Other Payables: Tk. 26,305,403		
	The above balances are made up as follows:		
	Trade Creditors	12,252,341	13,761,050
	Sundry Creditors with Holding Company	126,452,859	126,128,510
	Security Deposit against Sale and Others	14,053,062	12,294,173
		<u>152,758,262</u>	<u>152,183,733</u>
	Adjust with Subsidiary Company	(126,452,859)	(126,128,510)
		<u>26,305,403</u>	<u>26,055,223</u>
16.00	Payable for (WPPF) and Welfare Fund: Tk. 16,601,823		
	The above balances are made up as follows:		
	Opening Balance	11,847,219	11,050,220
	Add : Addition during the year	6,499,565	4,092,989
	Add: Interest @ 11%	1,303,194	-
		<u>19,649,978</u>	<u>15,143,209</u>
	Less: Payment during the year	(3,048,155)	(3,295,990)
	Balance as at 30 June 2019	<u>16,601,823</u>	<u>11,847,219</u>
17.00	Liabilities for Expenses: Tk. 9,156,191		
	The above balances are made up as follows:		
	Salary & Allowances (H/O)	1,829,633	1,745,264
	Salary & Allowances (Fac.)	1,394,723	1,264,926
	Audit Fees	172,500	143,750
	Power and fuel	5,439,961	4,700,055
	Other Expenses	319,374	328,438
		<u>9,156,191</u>	<u>8,182,433</u>
17.00(a)	Consolidated Liabilities for Expenses: Tk. 11,169,491		
	The above balances are made up as follows:		
	Salary & Allowances (H/O)	1,829,633	1,745,264
	Salary & Allowances (Fac.)	1,394,723	1,264,926
	Audit Fees	218,500	189,750
	Power & Fuel	5,439,961	6,806,161
	Other Expenses	2,286,674	328,438
		<u>11,169,491</u>	<u>10,334,539</u>

Notes	Particulars	Amount in Tk.	
		June 30, 2019	June 30, 2018
18.00	Provision for Income Tax: Tk. 300,496,501 The above balances are made up as follows:		
	Opening Balance	274,130,245	256,840,135
	Add : Addition during the year	26,366,256	17,290,110
		<u>300,496,501</u>	<u>274,130,245</u>
	Less: Adjustment made during the year	-	-
	Balance as at 30 June 2019	<u>300,496,501</u>	<u>274,130,245</u>

18.00(a) Consolidated Provision for Income Tax: Tk. 328,133,280

The above balances are made up as follows:

Opening Balance	300,864,886	282,479,072
Add : Addition during the year	27,268,394	18,385,814
	<u>328,133,280</u>	<u>300,864,886</u>
Less: Adjustment made during the year	-	-
Balance as at 30 June 2019	<u>328,133,280</u>	<u>300,864,886</u>

Notes	Particulars	Amount in Tk.	
		June 30, 2019	June 30, 2018

19.00 Turnover (net of VAT etc.): Tk. 867,581,564

Local Sales	902,760,728	640,561,558
Less : VAT, SD etc.	35,179,164	(45,305,304)
Total Turnover	867,581,564	595,256,254

(Sales includes sales of Fu-Wang Foods Ltd. Beverage Unit and Printing Section.)

Vatable Items	Gross Sales	VAT & SD	Net Sales 2019	Net Sales 2018
Nutrious Biscuit (Big)	9,161,544	1,194,984	7,966,560	3,865,120
Fu-Wang Milk Merry Biscuit	2,828,060	368,877	2,459,183	2,534,464
Fu-Wang Dia-Salt Biscuit	28,836,962	3,761,343	25,075,619	10,982,541
Eco. Dia Salt Biscuit	10,339,518	1,348,633	8,990,886	5,525,803
Fu-Wang Pocket Wafer	4,248,499	554,152	3,694,347	2,969,574
Horlicks Biscuits	12,817,668	1,671,870	11,145,798	5,520,391
Namkin Biscuits	12,056,950	1,572,646	10,484,305	5,638,726
Dry Cake - 200	75,776	9,884	65,892	886,924
Fu-Wang Spyci Toast	13,809,865	1,801,237	12,008,579	6,250,593
High Quality Toast	262,095	34,186	227,909	1,090,278
Vanilla Pie	12,007,099	1,566,143	10,440,956	6,655,425
Fu-Wang Butter Bun	13,098,754	1,708,533	11,390,221	10,224,556
Lascha Shemai	1,880,055	245,225	1,634,831	1,221,980
Cookies Biscuit	-	-	-	1,013,727
Fu - Wang Biscuit	7,770,187	1,013,503	6,756,684	4,515,948
Sandwich Toast	111,187	14,503	96,684	835,968
Choco Toast	3,974,564	518,421	3,456,143	4,560,675
Fu - Wang Chanachur	-	-	-	1,400,463
Any Time Slice Cake	11,189,054	1,459,442	9,729,612	4,228,608
Fu - Wang Toast	11,262,594	1,469,034	9,793,560	5,192,982
Non Stop Crispy Toast	8,421,671	1,098,479	7,323,192	3,767,676
Swiss Cheese Cake	4,285,916	559,032	3,726,883	2,996,568
American Cheese Cake	3,392,139	442,453	2,949,686	2,462,736
Jerry Cake	9,836,902	1,283,074	8,553,828	4,712,358
Chanachur -150gm	103,234	13,465	89,768	565,748
Fu-Wang Twitter Dia Salt 300	-	-	-	20,515
Fu-Wang Twitter Dia Salt 27 g	19,744,625	2,575,386	17,169,239	8,881,151
Vanilla Plain Cake (Nacked)	3,323,509	433,501	2,890,008	-
Wafer Biscuits - 10 gm (Nacked)	2,943,695	383,960	2,559,735	-
Wafer Biscuits - 06 gm (Nacked)	454,728	59,312	395,416	-
Dry Cake - 350/420 gm	2,246,391	293,007	1,953,383	3,284,213
Dry Cake - 40 gm	3,081,041	401,875	2,679,166	-
Krispy Carckers Biscuits	10,698	1,395	9,302	-
Misty Toast	1,794,872	234,114	1,560,758	-
Crunchy Ghee Toast	5,890,806	768,366	5,122,440	-
Finger Toast	302,528	39,460	263,068	-

Vatable items	Gross Sales	VAT & SD	Net Sales 2019	Net Sales 2018
Miu Miu Toast	383,289	49,994	333,295	-
Sweet Toast	779,376	101,658	677,719	-
Apple Pie	771,497	100,630	670,867	-
Chocolate Cake - 90 gm	613,113	79,971	533,142	-
Chocolate Cake - 35 gm	70,948	9,254	61,694	-
Any Time Slice Cake - 50 gm	644,957	84,125	560,832	-
Cheese Slice Cake - 42 gm	3,063,905	399,640	2,664,265	-
Muffin Cake	2,030,776	264,884	1,765,892	-
Orange Biscuit	-	-	-	259,610
Energy Plus Biscuit	-	-	-	303,470
Normal Toast	-	-	-	14,810
Pineapple Biscuits	-	-	-	276,048
Fruit Cake	-	-	-	346,423
Dairy Milk Chocolate	-	-	-	18,032
Choco Pie	-	-	-	3,386,052
Banana Cream Biscuits	-	-	-	161,424
Play Glucose	-	-	-	304,858
Fu-Wang Ata	58,932,200	2,560,200	56,372,000	348,450,700
Printing Items	17,481,619	2,280,211	15,201,408	13,520,766
Bevarage Items	373,626	113,712	259,914	203,278
Water	48,183	8,280	39,903	-
Chocolate	1,740,784	227,059	1,513,725	-
Sub-Total	308,497,460	35,179,164	273,318,296	479,051,183
Non Vatable items				
Fu-Wang Ata	-	-	-	38,080,000
Mini Bread (Pcs.)	6,475,492	-	6,475,492	6,692,732
Family Bread	45,883,265	-	45,883,265	7,531,920
Sweet Bread	36,804,615	-	36,804,615	6,382,038
Econo. Sweet Bread	32,743,468	-	32,743,468	6,712,020
Medium Bread	80,064,199	-	80,064,199	11,047,584
Fu-Wang Delicious Bread	101,187,365	-	101,187,365	8,373,438
Daily Bread	59,292,522	-	59,292,522	9,437,544
Fu-Wang Special Bread	72,184,026	-	72,184,026	8,057,856
Platinum Sandwich Bread	37,749,132	-	37,749,132	523,350
Milky Bread -700gm	18,269,466	-	18,269,466	2,520
Milky Bread -360gm	50,854,442	-	50,854,442	7,454,472
HoneyMix Bread	8,798,914	-	8,798,914	-
Mercury Bread	25,443,479	-	25,443,479	-
Butter Bun Bread	7,293,514	-	7,293,514	-
Tiffin Bread	3,807,082	-	3,807,082	-
Sandwich Bread	1,575,502	-	1,575,502	-
Venilla Butter Bun Bread	4,369,538	-	4,369,538	-
China Bun Bread	1,467,248	-	1,467,248	-
Mega Sandwich Bread	-	-	-	978,432
Fu-Wang Milky Bread	-	-	-	18,630
Fu-Wang Mega Bread	-	-	-	1,104,299
Fu-Wang Premium Bread	-	-	-	3,808,236
Sub-Total	594,263,268	-	594,263,267	116,205,071
Grand Total	902,760,728	35,179,164	867,581,564	595,256,254

Notes	Particulars	Amount in Tk.	
		June 30, 2019	June 30, 2018
19.00(a)	Consolidated Turnover (net of VAT etc.): Tk. 981,860,152		
	The above balances are made up as follows:		
	Fu-Wang Foods Limited	867,581,564	595,256,254
	Fu-Wang Beverage Industry Limited	114,278,588	117,374,703
		<u>981,860,152</u>	<u>712,630,957</u>
20.00	Cost of Goods Sold: Tk. 636,737,367		
	The above balances are made up as follows:		
	Raw Materials Consumed	20.01 466,659,756.00	279,839,423
	Direct Wages and Salary	50,123,765	40,775,253
	Prime Cost	<u>516,783,521.00</u>	<u>320,614,676</u>
	Factory Overhead	20.02 120,979,097.00	109,062,362
	Total Manufactured Cost	<u>637,762,618.00</u>	<u>429,677,038</u>
	Opening Finished Goods	14,584,622.00	13,982,642
	Cost of Goods Available for Sales	<u>652,347,240.00</u>	<u>443,659,680</u>
	Closing Finished Goods	(15,609,873)	(14,584,622)
	Cost of Goods Sold	<u>636,737,367.00</u>	<u>429,075,058</u>
20.01	Raw Materials Consumed: Tk. 466,659,756		
	The above balances are made up as follows:		
	Opening Balance	155,926,462	134,082,346
	Add: Raw Materials Purchased During the Year	470,449,808.00	301,683,539
	Raw Materials Available for Use	<u>626,376,270</u>	<u>435,765,885</u>
	Less: Balance as at June 30, 2019	(159,716,514.00)	(155,926,462)
	Raw Materials Consumed	<u>466,659,756.00</u>	<u>279,839,423</u>
20.02	Factory Overheads: Tk. 120,979,097		
	The above balances are made up as follows:		
	Factory Maintenance	2,482,645	2,104,246
	Festival Bonus to Factory Staff	4,491,264	3,814,299
	Medical Allowance	316,374	226,800
	Packing Materials Consumed	20.02.1 35,710,890	21,802,874
	Repairing & Maintenance	423,873	342,196
	Power & Fuel	35,239,168	40,429,042
	Repairs & Maintenance of Machinery & Equipment	3,527,325	2,769,494
	Uniform	7,050	76,365
	Factory Rent	14,400,000	14,400,000
	Conveyance Allowance	203,514	185,376
	Fuel for Transport	521,734	432,962
	Carriage Inward	302,745	272,765
	Fooding Allowance	378,331	231,742
	Insurance Premium	450,096	450,096
	Depreciation	22,524,088	21,524,105
		<u>120,979,097</u>	<u>109,062,362</u>

Notes	Particulars	Amount in Tk.	
		June 30, 2019	June 30, 2018
20.02.1	Packing Materials: Tk. 35,710,890		
	The above balances are made up as follows:		
	Opening Balance	49,264,317	51,064,927
	Add: Purchase during the year	43,544,173	20,002,264
		<u>92,808,490</u>	<u>71,067,191</u>
	Less: Balance as at June 30, 2018	(57,097,600)	(49,264,317)
	Packaging Materials Consumed	<u>35,710,890</u>	<u>21,802,874</u>
20.00(a)	Consolidated Cost of Goods Sold: Tk. 728,302,616		
	The above balances are made up as follows:		
	Fu-Wang Foods Limited	636,737,367.00	429,075,058
	Fu-Wang Beverage Industry Limited	91,565,249.00	93,902,838
		<u>728,302,616</u>	<u>522,977,896</u>
21.00	Administrative Expenses: Tk. 43,189,754		
	The above balances are made up as follows:		
	Director Remuneration	3,600,000	2,832,000
	Salary & Allowances including contribution to PF	10,784,803	16,002,847
	Bonus	2,923,636	2,627,420
	Conveyance Allowance	867,653	816,398
	Printing & Stationary	412,653	385,600
	Repairing & Maintenance (Car)	1,742,096	1,639,033
	Fuel for Car	949,553	883,087
	Office Maintenance	657,217	584,622
	Office Rent	3,132,600	2,813,500
	Postage & Telegram	33,886	61,859
	Overtime Expenses	632,654	52,952
	Fooding Allowance	1,076,363	925,702
	Electricity, WASA & Gas	1,812,170	2,034,385
	Foreign Tour/ Travelling Allowance	2,546,427	450,416
	Telephone Allowance	686,432	547,426
	Audit Fee	172,500	143,750
	Labour Charge	174,964	160,265
	Registration & Renewals	1,016,667	719,650
	Donation & Subscription	149,129	49,258
	AGM Expenses	546,987	351,000
	Fees & Professional Expenses	775,000	485,178
	Depreciation	8,496,364	7,307,616
		<u>43,189,754</u>	<u>41,873,964</u>

Notes	Particulars	Amount in Tk.	
		June 30, 2019	June 30, 2018
21.00(a)	Consolidated Administrative Expenses: Tk. 56,986,563		
	The above balances are made up as follows:		
	Fu-Wang Foods Limited	43,189,754	41,873,964
	Fu-Wang Beverage Industry Limited	13,796,809	14,061,236
		<u>56,986,563</u>	<u>55,935,200</u>
22.00	Selling and Distribution Expenses: Tk. 29,787,843		
	The above balances are made up as follows:		
	Salary & Allowances including contribution to PF	5,565,350	-
	Advertisements	491,689	474,900
	Carriage Outward	15,470,482	12,741,543
	Incentives on Sale	6,144,618	4,844,362
	Business Promotion & Development Expenses	2,115,804	2,218,032
		<u>29,787,843</u>	<u>20,278,837</u>
22.00(a)	Consolidated Selling and Distribution Expenses: Tk. 36,126,836		
	The above balances are made up as follows:		
	Fu-Wang Foods Limited	29,787,843	20,278,837
	Fu-Wang Beverage Industry Limited	6,338,993	6,280,045
		<u>36,126,836</u>	<u>26,558,882</u>
23.00	Financial Expenses: Tk. 21,375,736		
	The above balances are made up as follows:		
	Bank Interest	20,515,126	17,828,713
	Bank Charges and Commission	860,610	265,658
		<u>21,375,736</u>	<u>18,094,371</u>
24.00	Current Tax: Tk. 26,366,256		
	The above balances are made up as follows:		
	Profit before tax as per accounts	129,991,299	81,859,785
	Add: Depreciation as per accounts	27,679,633	28,831,721
		<u>157,670,932</u>	<u>110,691,506</u>
	Less: Depreciation as per 3rd Schedule	52,205,910	41,531,066
		<u>105,465,022</u>	<u>69,160,440</u>
	Income Tax	<u>26,366,256</u>	<u>17,290,110</u>
	Balance as Per Last Account	26,859,899	23,685,063
	Add: Addition During the Year	17,123,633	3,174,836
	Total as on 30 June 2019	<u>43,983,532</u>	<u>26,859,899</u>
	Deferred Tax on Revaluation on Revalued Assets	9,521,336	10,022,458
		<u>53,504,868</u>	<u>36,882,357</u>
24.01	Deferred Tax Liabilities: Tk. 53,504,868		
	Deferred Tax Liability for temporary Difference of PPE	24.01.1	43,983,532
	Deferred Tax Liability for Revaluation		9,521,336
	Deferred Tax Liability as at June 30, 2019		<u>53,504,868</u>
24.01.1	Deferred Tax Liability for temporary Difference		
	Opening Balance		26,859,899
	Addition during the year		17,123,633
	Closing balance		<u>43,983,532</u>

Notes	Particulars	Amount in Tk.	
		June 30, 2019	June 30, 2018
	Calculation of Deferred Tax Liability:		
	Accounting base WDV		547,039,889
	Tax base WDV		371,105,757
	Temporary Difference		175,934,132
	Deferred tax @25%		43,983,533
	Total Deferred tax Liability for Temporary Difference of PPE		43,983,533
	Less: Opening Deferred tax Liability for Temporary Difference of PPE		(26,859,899)
	Deferred Tax expense for the year		17,123,633
24.00(a)	Consolidated Current Tax: Tk. 27,268,394		
	The above balances are made up as follows:		
	Fu-Wang Foods Limited	26,366,256	17,290,110
	Fu-Wang Beverage Industry Limited	902,138	1,095,704
		27,268,394	18,385,814
25.00	Net Asset Value Per Share (NAV) : Tk.11.35		
	The above balances are made up as follows:		
	Share holder's Equity	1,257,575,438	1,170,572,904
	Number of ordinary share	110,839,284	110,839,284
	Net asset value per share	11.35	10.56
25.00(a)	Net Asset Value Per Share (NAV) (Consolidated): Tk. 11.71		
	The above balances are made up as follows:		
	Share holder's Equity	1,297,524,256	1,208,846,325
	Number of ordinary share	110,839,284	110,839,284
	Net asset value per share	11.71	10.91
26.00	Earnings per Share (EPS): Tk. 0.78		
	The above balances are made up as follows:		
	Earnings Attributable to the Ordinary Shareholders	86,501,411	61,376,089
	Weighted Average Number of Ordinary Shares Outstanding During the Year	110,839,284	100,762,986
	Earnings Per Share (EPS)- Basic	0.78	0.61
	Earnings Per Share (EPS)- Adjusted		
	Earnings Attributable to the Ordinary Shareholders	86,501,411	61,376,089
	Number of ordinary share	110,839,284	110,839,284
	Earnings Per Share (EPS)- Adjusted	0.78	0.55
26.00 (a)	Earnings per Share (EPS) Consolidated Tk.0.80:		
	The above balances are made up as follows:		
	Earnings Attributable to the Ordinary Shareholders	88,176,809	63,410,969
	Weighted Average Number of Ordinary Shares Outstanding During the Year	110,839,284	100,762,986
	Earnings Per Share (EPS)- Basic	0.80	0.63
	Earnings Per Share (EPS)- Adjusted		
	Earnings Attributable to the Ordinary Shareholders	88,176,809	63,410,969
	Number of ordinary share	110,839,284	110,839,284
	Earnings Per Share (EPS)- Adjusted	0.80	0.57
	Because of increase of sale volume, earning per share (EPS) also increase during the year than preceding year.		

Notes	Particulars	Amount in Tk.	
		June 30, 2019	June 30, 2018

27.00 Net operating cash flow per share(NOCFPS) Tk.0.67

The above balances are made up as follows:

Net cash generated from operating activities	74,420,427	5,639,231
Number of ordinary share	110,839,284	110,839,284
Net Operating Cash Flow Per Share Restated	<u>0.67</u>	<u>0.05</u>

27.00(a) Net operating cash flow per share (Consolidated) Tk.0.67

The above balances are made up as follows:

Net cash generated from operating activities	74,398,983	4,511,919
Number of ordinary share	110,839,284	110,839,284
Net Operating Cash Flow Per Share Restated	<u>0.67</u>	<u>0.04</u>

28.00 Related Party Disclosure:

Name of related party ,nature of transaction and its total value have been set out in accordance with IAS-24:

Name of the related party	Nature of transaction	Relationship	opening balance	Transaction during the year		Closing balance
				Debit	Credit	
Fu-wang Beverage Industry Limited	Expenditure Purpose	Subsidiary Company	126,128,510	194,404,349	(194,080,000)	126,452,859

Notes	Particulars	Amount in Tk.	
		June 30, 2019	June 30, 2018
29.00	Reconciliation of cash flows from operating activities under indirect method		
	Net profit/(loss) during the year	86,501,411	61,376,089
	Depreciation	31,020,452	28,831,721
	Change in current assets and liabilities		
	(Increase)/Decrease in advance deposit and prepayments	(6,745,348)	(10,513,285)
	(Increase)/Decrease in Trade and other receivables	(40,304,111)	(26,358,228)
	(Increase)/Decrease in Inventories	(12,648,586)	(20,645,486)
	Increase/(Decrease) in Trade and other Payables	908,329	(546,476)
	Increase/(Decrease) in Liabilities for expense	973,758	(1,930,353)
	Increase/(Decrease) in provision of income tax	26,366,256	17,290,110
	(Increase)/Decrease In Advance income tax	(33,529,970)	(45,836,696)
	Deffered Tax	17,123,633	3,174,836
	Workers' profit participation fund(WPPF)	4,754,604	796,999
		74,420,427	5,639,231
29.00(a)	Reconciliation of cash flows from operating activities under indirect method		
	Net profit/(loss) during the year	88,176,809	63,410,969
	Depreciation	35,073,014	33,469,295
	Change in current assets and liabilities		
	(Increase)/Decrease in advance deposit and prepayments	360,430	(14,511,114)
	(Increase)/Decrease in Trade and other receivables	(49,593,773)	(30,164,120)
	(Increase)/Decrease in Inventories	(12,164,340)	(19,846,958)
	Increase/(Decrease) in Trade and other Payables	250,180	(832,905)
	Increase/(Decrease) in Liabilities for expense	834,952	(2,233,633)
	Increase/(Decrease) in provision of income tax	27,268,394	18,385,814
	(Increase)/Decrease In Advance income tax	(37,684,920)	(47,137,264)
	Deffered Tax	17,123,633	3,174,836
	Workers' profit participation fund(WPPF)	4,754,604	796,999
		74,398,983	4,511,919

30.00 Contingent Liability:

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/mushak/74/food/97/1400 dated 25/04/2001. The company preferred appeal on 08/12/2001 against demand.

The Appellate Authority reduced the demand to Tk. 7,838,832. The company, on 19-04-2003 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 03/04/2005 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 June 30, 2019.

31.00 Event after the Balance Sheet Date:

31.01 The Board of Directors in its meeting held on October 27, 2019 has approved the Financial Statements for the year ended June 30, 2019 and recommended 2% Cash dividend for the all shareholders which is subject to approval by the shareholders at the forthcoming Annual General Meeting (AGM) and authorize the financial statements for issue.

31.02 Except the fact stated above, no circumstances have arisen since the balance sheet date, which would require adjustment to or disclosure in the financial statements or notes thereto.



Md. Sharif Al Mahmood
Company Secretary



Dr. Arif Ahmed Chowdhury, CIP
Managing Director



Abdul Quader
Chairman

Dated: Dhaka
October 27, 2019

SCHEDULE OF PROPERTY, PLANT & EQUIPMENT

Schedule for Property Plant and Equipment

For the year ended June 30, 2019

Annexure - A

Particulars	Cost		Rate	Depreciation		Written down value as at 30.06.2019
	Balance as at 01.07.2018	Addition during the year		Balance as at 01.07.2018	Charged during the year	
Land & Land Development	19,536,009	-	-	-	-	19,536,009
Factory Building Construction	118,382,790	15,747,170	2.50%	19,663,319	2,664,826	111,801,815
Plant and Machinery	430,375,690	35,017,683	5%	154,088,251	14,889,814	296,815,308
Gas Line	28,074,502	-	10%	12,161,614	1,591,289	14,321,599
Buildings & Other Constructions	46,989,828	2,980,051	5%	18,402,986	1,497,635	30,069,258
Furniture and Fixture	4,613,516	2,018,925	10%	2,335,545	345,568	3,951,328
Motor Vehicles	44,580,802	9,682,834	10%	18,680,192	3,154,893	32,428,551
Electrical Equipment	47,425,979	9,237,200	10%	26,229,409	2,658,494	27,775,276
Telephone & PABX Installation	2,005,660	-	10%	694,071	131,159	1,180,430
Office Equipment	2,170,357	-	20%	2,042,941	25,483	101,933
Cookeries & Cutlaries	102,316	-	20%	100,842	295	1,179
Bicycle & Rickshaw Van	163,685	-	20%	161,127	512	2,046
Deep Tube-well & Pump	1,141,315	-	10%	822,005	31,931	287,379
Generator	14,891,768	1,956,354	10%	6,992,610	887,734	8,967,778
Sub Total	760,454,217	76,640,217		262,374,912	27,679,633	547,039,889
Revaluation						
Buildings & Other Constructions	100,715,000	-	5%	33,898,611	3,340,819	63,475,570
Sub Total	100,715,000	-		33,898,611	3,340,819	63,475,570
Grand Total 2019	861,169,217	76,640,217		296,273,523	31,020,452	610,515,459
Grand Total 2018	81,189,408	50,979,809		267,441,802	28,831,721	564,895,694

Allocation of Depreciation :

Production
Administration

Cost	Revaluation	Total
22,524,088	-	22,524,088
5,155,545	3,340,819	8,496,364
27,679,633	3,340,819	31,020,452

FU-WANG BEVERAGE INDUSTRY LTD.

Report of the Board of Directors

For the year ended 30 June 2019

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 Profit or Loss & other Comprehensive Income, Statement of Change in Equity and Statement of Cash Flows for the year ended on 30 June 2019 at this 14th 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.

During the financial year 2018-2019, the company earned a net profit after tax of Tk. 16.75 lac as against Tk. 20.34 lac for the last year which is decreased by 17.67%.

Financial Position

The operating financial results for the year ended 30 June 2019 are as follows :

Particulars	30 June 2019 (Taka)	30 June 2018 (Taka)	Increase/(Decrease) (Taka)	Increase/(Decrease) %
Turnover (Net)	114,278,588	117,374,703	(3,096,115)	(2.64%)
Gross Profit	22,713,339	23,471,865	(758,526)	(3.23%)
Net Profit Before Tax	2,577,537	3,130,584	(553,047)	(17.67%)
Net Profit After Tax	1,675,399	2,034,880	(359,481)	(17.67%)
Net Assets Value Per Share (NAV)	899.49	882.73	16.76	1.90%
Earnings Per Share (EPS)	16.75	20.35	(3.60)	(17.67%)

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 UI Munir	1,000	1.00%
Total	100,000	100%

Board of Directors :

Name of Directors	Position in the Committee	Remarks
Dr. Arif Ahmed Chowdhury, CIP	Chairman and Managing Director	Nominated by Fu-Wang Foods Ltd.
Mr. A.K.M. Afzal Ul Munir	Director	-
Mr. Abdul Quader	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.

Acknowledgement

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

On behalf of the Board



Dr. Arif Ahmed Chowdhury, CIP
Chairman

Independent Auditor's Report To the Shareholders

of
Fu-Wang Beverage Industry Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Fu-Wang Beverage Industry Limited (The Company)**, which comprise the statement of financial position as at 30 June 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirement that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


**Report on Other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994, we also report the following:

- a) we have obtained all the information and explanation 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 statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Dhaka

Dated: 02 October 2019


MABS & J Partners
Chartered Accountants

FU-WANG BEVERAGE INDUSTRY LTD.

STATEMENTS OF FINANCIAL POSITION

AS AT 30TH JUNE 2019

PARTICULARS	30.06.2019	30.06.2018
ASSETS :		
Non-Current Assets	44,805,766	48,623,792
Property, Plant and Equipment at Cost	103,736,499	103,501,963
Less: Accumulated Depreciation	58,930,733	54,878,171
Current Assets, Loan and Advances	204,657,970	198,735,013
Inventories	28,029,977	28,514,223
Account Receivables	132,859,411	123,569,749
Advance, Deposit and Prepayments	43,243,639	46,194,467
Cash and Cash Equivalents	524,943	456,574
TOTAL ASSETS	249,463,736	247,358,805
EQUITY & LIABILITIES:		
Shareholders' Equity	89,948,820	88,273,421
Issued, Subscribed and Paid up Capital	10,000,000	10,000,000
Retained Earnings	39,848,820	38,173,421
Deposit Against Shares by Holding Company	40,100,000	40,100,000
Current Liabilities	159,514,916	159,085,384
TOTAL EQUITY & LIABILITIES	249,463,736	247,358,805


Managing Director


Director

These accounts are to be read in conjunction with notes attached.
Signed in terms of our separate annexed report.

Dated: Dhaka, 02 October 2019


MABS & J Partners
Chartered Accountants

FU-WANG BEVERAGE INDUSTRY LTD.
STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

Particulars	01.07.2018 to 30.06.2019	01.07.2017 to 30.06.2018
Sales (Net of VAT etc.)	114,278,588	117,374,703
Cost of Goods Sold	(91,565,249)	(93,902,838)
Gross Profit	22,713,339	23,471,865
Operating Expenses		
Administrative and Selling Expenses	(20,135,802)	(20,341,281)
Net Profit Before Tax	2,577,537	3,130,584
Provision for Income Tax (35%)	(902,138)	(1,095,704)
Net Profit After Tax	1,675,399	2,034,880
Balance as per Last Account	38,173,421	36,138,541
BALANCE TRANSFERRED TO FINANCIAL POSITION	39,848,820	38,173,421

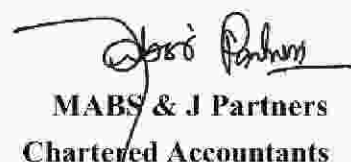

Managing Director


Director

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

Signed in terms of our separate annexed report.

Dated: Dhaka, 02 October 2019


MABS & J Partners
Chartered Accountants

FU-WANG BEVERAGE INDUSTRY LTD.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

PARTICULARS	01.07.2018 to 30.06.2019	01.07.2017 to 30.06.2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Collections from Turnover & Others	104,988,926	113,568,811
Payment for Cost & Expenses	(100,531,171)	(115,632,512)
Income Tax Paid & Deducted at Source	(4,154,950)	(1,300,568)
	302,805	(3,364,269)
CASH FLOWS FROM INVESTING ACTIVITIES		
Tangible Fixed Asset Acquired	234,536	(2,297,203)
CASH FLOWS FROM FINANCING ACTIVITIES		
Share Capital	-	-
Other Short Term Loan Paid	-	-
	-	-
Increase/(Decrease) in Cash and Cash Equivalents	Tk 537,341	(5,661,472)
Cash and Cash Equivalents at Opening	456,574	(6,118,046)
Cash and Cash Equivalents at Closing	524,943	456,574
Increase/(Decrease) in Cash and Cash Equivalents	Tk 68,369	(5,661,472)

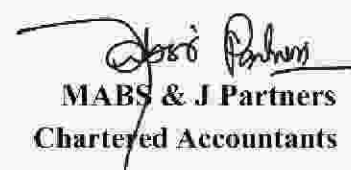

Managing Director


Director

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

Signed in terms of our separate annexed report.

Dated: Dhaka, 02 October 2019


MABS & J Partners
Chartered Accountants



FU - WANG BEVERAGE INDUSTRY LTD.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

Particulars	Share Capital	Retained Earnings	Total
At 01 July 2018	10,000,000	38,173,421	48,173,421
Net profit for the year	-	1,675,399	1,675,399
At 30 June 2019	10,000,000	39,848,820	49,848,820

Particulars	Share Capital	Retained Earnings	Total
At 01 July 2017	10,000,000	36,138,541	46,138,541
Net profit for the year	-	2,034,880	2,034,880
At 30 June 2018	10,000,000	38,173,421	48,173,421


Managing Director


Director

These accounts are to be read in conjunction with notes attached.
 Signed in terms of our separate annexed report.

Dated: Dhaka, 02 October 2019


MABS & J Partners
Chartered Accountants

FU-WANG BEVERAGE INDUSTRY LIMITED
SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED 30 JUNE 2019

Annexure-A

Particulars	Cost			Rate	Depreciation		Written down value as on 30.06.2019
	Balance as on 01.07.2018	Addition during the year	Total as on 30.06.2019		Balance as on 01.07.2018	Charged during the year	Total as on 30.06.2019
Land & Land Development	11,105,300	-	11,105,300	-	-	-	11,105,300
Factory Building & Construction	23,373,536	-	23,373,536	2.5%	5,733,232	441,008	6,174,240.00
Plant & Machinery	37,263,378	234,536	37,497,914	20%	24,583,539	2,551,604	27,135,143
Gas Line	958,000	-	958,000	10%	694,010	26,399	720,409
Office Building & Construction	382,768	-	382,768	2.5%	108,223	6,864	115,087
Furniture & Fixture	348,216	-	348,216	10%	63,536	28,468	92,004
Electric Equipment	5,344,631	-	5,344,631	10%	3,193,201	215,143	3,408,344
Electric Generator	22,561,467	-	22,561,467	20%	18,954,413	721,411	19,675,824
Deep Tubewell & Water Pump	2,164,667	-	2,164,667	10%	1,548,017	61,665	1,609,682
Total	103,501,963	234,536	103,736,499		54,878,171	4,052,562	58,930,733
							44,805,766

Allocation of Depreciation:

Charge to Production

Charge to Administration

3,295,819
756,743
4,052,562

**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 23rd Annual General Meeting of the Company
 to be held on **18th December 2019** at Eagle Hall 3, RAOVA Complex, Mohakhali DOHS, Dhaka at
10:00 a.m. and any adjournment thereof.
 As witness my hand this _____ day of _____ 2019

Revenue Stamp

Tk. 20.00

(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 23rd Annual General Meeting of the Company being held on
18th December 2019 at Eagle Hall 3, RAOVA Complex, Mohakhali DOHS, Dhaka at **10:00 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 is 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
FU-WANG
**FU-WANG
FOODS LTD.**
ALWAYS FRESH



Sweet
Toast



Dia Salt
Biscuit



Miu Miu
Toast



Wonder
Milky Bread



Fu-Wang
Pure Drinking Water



Goody Family Pack



YoYo
Pocket Wafer



Quikr
Diasalt Biscuits



Fu-Wang Noodles
Family Pack



Vanilla
Butter Bun



Choco Pie



Fu-Wang
Dairy Milk



Doraemon
Chocolate
Wafer



Volt
Carbonated
Beverage

Corporate Office:

House : 55, Road : 17, Banani C/A, Dhaka-1213, Bangladesh.
Tel : 58815476, 9887359, 9887360, 9889864, 9889958

Fax : 88-02-9847451

E-mail : info@fuwangfoodsltd.com

Web : www.fuwangfoodsltd.com

Factory:

Bokran, Monipur, Hotapara, Gazipur

Hotline: 01701 222 666