

# ANNUAL REPORT

2020  
-  
2021



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## Notice of the 25<sup>th</sup> Annual General Meeting

Notice is hereby given that the 25<sup>th</sup> Annual General Meeting of the Members of Fu-Wang Foods Limited will be held on Wednesday, December 29, 2021 at 11:00 AM. The AGM will be held virtually by using digital platform through link [tinyurl.com/fuwangagm2021](https://tinyurl.com/fuwangagm2021) to transact the following businesses:

### AGENDA:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2021 together with the reports of the Directors' and the Auditors' thereon.
2. To declare dividend for the year ended June 30, 2021.
3. To elect Directors.
4. To confirm appointment of Independent Directors.
5. To re-appoint Statutory Auditors for the year 2021-2022 and to fix their remuneration.
6. To appoint Corporate Governance Compliance Auditors for the year 2021-2022 and to fix their remuneration.

Dated: Dhaka  
December 8, 2021

By order of the Board



**Md. Sharif Al Mahmood**  
Company Secretary

### NOTES:

1. Members whose name appeared in the Members / Depository Register as on Record date i.e. 02 December 2021 will be eligible to attend / participate and vote in the Annual General Meeting through digital platform and to receive dividend.
2. Members entitled to attend/ participate and vote in the Annual General Meeting, may appoint a proxy in his/her stead. Scanned copy of the proxy form, duly stamped must be mailed to the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.
3. AGM Notice, Annual Report link will be mailed to the respective Member's email address available with us. Members need to use respective BO ID and number of shares for login.
4. Pursuant to the BSEC notification no. BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018, soft copy of the Annual Report 2020-2021 will be sent to Members' respective email addresses as available with the Company. The Annual Report 2020-2021 will also be available in the Company's website [www.fuwangfoodsltd.com](http://www.fuwangfoodsltd.com).
5. Members are requested to submit their questions in advance 24 hours before commencement of the AGM by email to [share@fuwangfoodsltd.com](mailto:share@fuwangfoodsltd.com).



## Corporate Profile

### Board of Directors

#### CHAIRMAN AND INDEPENDENT DIRECTOR

Ajit Kumar Paul FCA

#### MANAGING DIRECTOR

Arif Ahmed Chowdhury

#### DIRECTORS

Afsana Tarannum

Lubaba Tabassum

#### INDEPENDENT DIRECTORS

Mohammad Sanaullah FIPM FCS

Prof. Dr. Md. Nizamul Hoque Bhuiyan

Brig. General Md. Israt Hossain, ndc, psc (LPR)

Mohammad Salahuddin Chowdhury FCA

#### COMPANY SECRETARY

Md. Sharif Al Mahmood

#### AUDIT COMMITTEE

Mohammad Sanaullah FIPM FCS, Chairman

Mohammad Salahuddin Chowdhury FCA

Afsana Tarannum

Md. Sharif Al Mahmood, Secretary

#### NOMINATION AND REMUNERATION COMMITTEE

Brig. General Md Israt Hossain, ndc,

psc (LPR), Chairman

Prof. Dr. Md. Nizamul Hoque Bhuiyan

Afsana Tarannum

#### CHIEF FINANCIAL OFFICER

Mohendra Nath Mondol

#### HEAD OF INTERNAL AUDIT AND COMPLIANCE

Mohammed Mohshin

#### AUDITORS

MABS & J Partners

Chartered Accountants

#### CORPORATE GOVERNANCE COMPLIANCE AUDITOR

S. K. Barua & Co.

Chartered Accountants

#### BANKERS

Dhaka Bank Limited

Pubali Bank Limited

Standard Bank Limited

IDLC Finance Limited

#### REGISTERED OFFICE

Fu-wang Building

House No. 55, Road No. 17, Banani C/A,

Dhaka-1213

#### FACTORY

Bokran Monipur, Hotapara, Gazipur Sadar,

Gazipur

#### SUBSIDIARY COMPANY

Fu-wang Beverage Industry Ltd.

## 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	: 1073

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



## Some Events



Board Members welcoming Mr. Ajit Kumar Paul FCA as new Chairman to the Board



Board Meeting

## Directors profile



### **Ajit Kumar Paul FCA**

Chairman & Independent Director

Retired Additional Secretary, Government of Bangladesh. He was also the Chairman of Bangladesh Sugar and Food Industries Corporation, Ministry of Industry. Currently engaged as an independent Practicing Chartered Accountant. He has over 32 years of experience in administering Govt. programmes, coordinating public administration, reviewing and monitoring of financing and auditing programmes both in public as well as the private sectors for the enhancement of responsible financial management for organizations. He is B. Com. (honours) in Management and also M.Com. in Marketing from Rajshahi University in 1983.

He is Director, Janata Bank Ltd. Fellow Member of the Institute of Chartered Accountants of Bangladesh (ICAB), Also member Institute of Financial Consultant, USA, Member, Institute of Internal Auditor, USA, Member, ISACA, USA, Chevening Fellow, UK.

### **Arif Ahmed Chowdhury** Managing Director

Arif Ahmed Chowdhury is a dynamic entrepreneur & change maker in the Bangladesh business community.

He completed his graduation on Social Science in the year 1989 and obtained Masters Degree in 1991 from the University of Dhaka.





## Directors profile



### **Mohammad Sanaullah FCS**

Independent Director

Mohammad Sanaullah FCS is the CEO and Lead Consultant of Mohammad Sanaullah & Associates, An Independent Professional Firm of Chartered Secretaries and Management Consultants.

He was the Corporate Affairs Director, Company Secretary and Head of Human Resources of Singer Bangladesh Limited, a leading public listed company. He was with them for over 34 years from where he retired in late 2020.

Professional Positions held:

- More than 5 years as Director (Board Member) of Singer Bangladesh Limited;
- Non- Executive Director (6 years) of Bangladesh Institute of Capital Market (BICM);
- Three times as President and served (7 years) in the Institute of Chartered Secretaries of Bangladesh (ICSB);
- President and served 1 year in the International Federation of Company Secretaries (IFCS)
- Executive Member (6 years) of the Corporate Secretaries International Association (CSIA), Hong. Kong - A Global Voice of Governance.

Professionally Sanaullah is a Fellow (FCS) and a Founder Member of the Institute of Chartered Secretaries of Bangladesh (ICSB). He is a Post Graduate Diploma holder in Personnel Management from Bangladesh Institute of Management (BIM). Besides, he is a Masters in Accounting from the University of Dhaka. Moreover, he did his MBA in Marketing. He is a certified trainer on Corporate Governance - Board Leadership of the Global Corporate Governance Forum (GCGF) of International Finance Corporation (IFC).

Mr. Sanaullah is the Immediate Past President and Council Member (2019-2022) of the Institute of Chartered Secretaries of Bangladesh (ICSB) and an adjunct MBA faculty for more than 20 years in leading Universities of the country and professional Institutes. Mr. Sanaullah is an Independent Director of Fu-Wang Foods Limited and vice President of Bangladesh Accounting Association (BAA).

### **Professor Dr. Md. Nizamul Hoque Bhuiyan**

Independent Director



Professor Dr. Md. Nizamul Hoque Bhuiyan is a prominent academician and Nutrition Science expert in Bangladesh. He completed his PhD. in Nutrition and Food Science. Serving as professor in Institute of Nutrition and Food Science in the University of Dhaka.

Prof. Bhuiyan has nearly thirty years of experiences in the field of Nutrition and Food Science. He successfully served in many administrative positions. Other than teaching and research activities. Professor Dr. Md. Nizamul Hoque Bhuiyan currently engaged as an Independent Director of the Board since July 27, 2021. He is the Chairman of Procurement and Quality Assurance Committee and member of Nomination & Remuneration Committee (NRC) as well.



## Directors profile



**Brigadier General Md. Israt Hossain, ndc, psc (LPR)**  
Independent Director

He completed 34 years of active service in Bangladesh Army. In his career, he had a wide range of exposure to different command, staff and instructional appointments. He is an alumni of prestigious Defense Services Command and Staff College and National Defense College. Besides completing different professional military courses, he also attended Senior Staff Course at Bangladesh Public Service Training Centre (BPATC). He completed MBA from South East University and MDS from National University. Prior to his LPR period, he performed as CFO of Bangladesh University of Professionals (BUP) for 3 years and 6 months.

### **Mohammad Salahuddin Chowdhury FCA** Independent Director



Mohammad Salahuddin Chowdhury, FCA is currently working as Assistant Professor in the Department of Finance, University of Dhaka. He obtained qualification as a Chartered Accountant with articleship from Rahman Rahman Huq (member firm of KPMG).

Mr. Chowdhury is actively engaged in research and publications. His current research areas of interest are Corporate reporting, Corporate valuation, Corporate governance, Rural finance and Behavioral Finance. He participated in various workshops on Research Methodology in home & abroad. He has co-authored a text book named finance and banking for the students of classes IX and X and several research articles on Capital Market, Rural Finance and Behavioral Finance. During his tenure in KPMG he got immense experienced in audit, assurance and financial consultancy of local and multinational companies and banks. He is often invited as a resource person in IFRS training organized for employees of different reputed organizations including the central Bank of Bangladesh and training on Security Analysis & Portfolio Management organized by Dhaka Stock Exchange (DSE). Mr. Chowdhury also worked as a member of the expert panel constituted by Dhaka Stock Exchange (DSE) for evaluation of IPO application of companies. He often invited as guest on live Talk Show of different TV Channels to discuss on Capital Market and Bangladesh Economy.

## Directors profile



**Afsana Tarannum**  
Director

She has been appointed as Director of the Company in October 2020. She has completed her Honours degree in Business Management from York University, Toronto, Canada.

**Lubaba Tabassum**  
Director



She has been appointed as a Director of the Company in the month of April 2021. She studied on Business in her academic life.



## DIRECTORS' REPORT

### for the year ended 30 June 2021

#### Dear Shareholders

*Assalamu Alaikum Wa-rahmatullah.*

I am pleased to welcome you all at the 25th Annual General Meeting of Fu-Wang Foods Ltd. (FWFL). I feel honored to be able to present before you the Annual Report of the company along with the Audited Financial Statements for the year ended 30 June 2021 and the Auditors' Report thereon.

This report has been prepared in compliance with section 184 of the Companies Act 1994 and Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018.

#### Principal Activities

The principal activities of the company continued to be manufacturing and marketing of bread, biscuits, noodles, snacks, mini-snacks, chocolates, energy drinks and other food items to customers through country sales network.

#### Review of Business

We have faced Covid-19 pandemic for last two years. Though current situation has been improving after wide vaccination initiative by the Government. However, it left a bad impact on our business. The raw materials price has significantly increased compared to previous years. As a result, product cost increased abnormally for which Gross Margin declined by 15.55%.

During the year revenue of fuwang foods reached Tk839.58 million which was higher by 6.12% over the previous year's revenue of Tk791.18 million. Operating profit amounting Tk.37.46 million was lower by 64.02%. Net profit after tax for the year stood Tk.11.38 million which was lower by 81.23% over the previous year's net profit of Tk. 60.63 million.

The Managing Directors' review on page 20 state the company's affairs and highlight important events that occurred during the year.

Our subsidiary company's revenue decreased to Tk. 32.32 million which was lower by 24.45% over the previous year's revenue of Tk42.78 million. Net loss for the year stood Tk.6.12 million against net loss Tk. 5.65 million.

#### Investment in Fuwang Beverage Industries Limited

During the year Fuwang Beverage Industry Limited remains a subsidiary of Fu-Wang Foods Limited. Separate reports including auditors' report, audited financial statements and directors' report thereon for the subsidiary company are provided at the concerned sections of this report. The financial statements of the subsidiary company have duly been consolidated with Fu-Wang Foods Limited, as per requirements of the Companies Act 1994, Securities and Exchange Rules 1987 and related notifications and in line with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS).

The net margin is not in a healthy position to be declared for cash dividend. We are still going through a hard time to clear dues and other liabilities as well. Despite of the overall critical situation and negative growth in financial position of the company, the Board of Directors considered this year is not suitable to declare any cash dividend. Therefore, we are unable to recommend any dividend for Shareholders and request all honorable shareholders to keep your patience. We are hopeful to provide dividend in upcoming year.





### **Property, Plant and Equipment**

During the year under review, the Company invested a sum of Tk 695.22 million in property, plant and equipment. Movement in property, plant and equipment during the year is disclosed under note 3(a) of the financial statements.

### **Corporate and Financial Reporting Framework**

In accordance with the Bangladesh Securities and Exchange Commission's Code of Corporate Governance, BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018, the Directors are pleased to confirm the following:

### **Industry Outlook and Possible Future Development**

In a highly competitive business environment in food industries, competitors continuously pursue market shares with various activities including price reduction, quality improvement, new product line and other incentives. Fuwang Foods Limited has continued retaining its position by offering superior quality products at competitive prices.

Fuwang Foods Ltd. (FWFL) is one of the food manufacturing industries in the country. As a quality brand in Bangladesh 'Fuwang' is recognized by most of the middle to lower income group of people, towards whom most of the company's products are aimed. Food business is a distribution intensive business. FWFL currently has 6 (six) branch offices, 6 (six) depots and 486 (four hundred and eighty 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 despite of downtrend of business on Covid-19 effect. We expect you will support us on the issue.

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.

### **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 6 (Six) branch offices 6 (six) depots and 486 distributors/dealers over the country. It would be challenging for a new company to establish such a wide distribution network in a short period of time. Therefore it is almost impossible and cumbersome for a new entrant to quickly establish itself in the market and grab market share from us.

Moreover, food business is a brand-dependent business. FW Food is inquired 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 effected the rate of interest in recent times.

### **Management Perception**

The Management of the Company is always aware of the 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.

### **Management Perception**

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 effected the rate of interest in recent times.

### **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.

### **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 interruption of power supply or increased rate of energy cost may result in higher production cost and lower productivity.

### **Management Perception**

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

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

Fu-Wang Foods Limited is a food manufacturing industry with yearly production capacity of 11,118 M.Ton in three shifts as against which it could operate at 62% capacity during the year under review, producing 6,893 M.Ton in the fiscal year compared to last year 6,430.80 M.Ton. The shortfall in utilization of production capacity was greatly effected due to Covid-19 situation, disruption of supply of raw materials, during the period factory was operated in single shift instead of three or irregular process and consumer demand in the market also declined.

**Management Perception**

Fu-Wang Foods Limited was incorporated on 17 February, 1997. It has already completed more than 24 years of successful operation. It has no record of operation failure yet and chances of being non-operative in the future is very remote.

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

During the year the company's revenue increased by 6.12%, cost of goods sold also increased by 12.58%, as cogs is high; the gross profit decreased by 15.55% and net profit decreased by 81.23% comparing to last year.

**Extra-Ordinary Events**

No events of extra ordinary gain or loss which would require adjustment or disclosure in the financial statements occurred during the reporting period.

**Related Party Transaction**

Disclosure of all related party transactions, including basis for such transaction, has been provided in the note 29 of the notes to the financial statements.

**Variance within the Financial Year of Fuwang Foods**

Particulars	30 June 2021 (Taka)	30 June 2020 (Taka)	Increase/(Decrease) (Taka)	Increase/(Decrease) %
Revenue	839,589,415	791,176,503	48,412,912	6.12%
Cost of Goods Sold	686,061,495	609,379,004	76,682,491	12.58%
Gross Profit	153,527,920	181,797,499	(28,269,579)	(15.55%)
Net Profit after Tax	11,382,118	60,632,854	(49,250,736)	(81.23%)

**Remuneration to Directors**

This information is incorporated in the Notes 21 of the notes to the financial statements with reference to the "Directors Remuneration" figures concerning the Board of Directors including Independent Directors.

**Fairness of Financial Statements**

The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act 1994 and Securities and Exchange Rules 1987. Subject to the observations by the Statutory Auditor in the Auditor's Report, these statements fairly present the company's state of affairs, the results of its operations, cash flow and changes in equity.

**MD and CFO's Declaration on Financial Statements**

In compliance with the requirement of the Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Code dated June 3, 2018, Managing Director and Chief Financial Officer have given the declaration about the fairness of the financial statements which is shown in the report.

**Books of Accounts**

Proper books of accounts of the Company were maintained subject to the observations by the Statutory Auditor in the Auditor's Report.

**Accounting Policies**

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



**Application of IAS and IFRS**

International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) have been followed in preparation of the financial statements and any deviation there-from has been adequately disclosed.

**Going Concern/Forward Looking Statement**

During the year the company's revenue increased by 6.12%, cost of goods sold also increased by 12.58%, as cogs is high; the gross profit decreased by 15.55% and net profit decreased by 81.23% comparing to last year.

**Extra-Ordinary Events**

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

**Significant Variance over the Last Year's Operating Result**

The significant deviations from last year in the operating results of the Company have been highlighted in the report and reasons thereof have been explained.

**Five Years' Financial Highlights**

The key operating and financial data of fuwang foods ltd for last five years are:

Particulars	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Turnover (Net)	839.58	791.18	867.58	595.26	586.79
Gross Profit	153.53	181.80	230.84	166.18	167.42
Net Profit before Tax	19.09	80.84	130.00	81.84	82.40
Net Profit after Tax	11.38	60.63	86.50	61.38	61.80
Shareholders' Equity	1,285.77	1,296.52	1,257.58	1,170.57	1,101.636
Net Assets per share	11.60	11.70	11.35	10.56	11.34
Earnings Per Share after Tax (Taka)	0.10	0.55	0.78	0.55	0.61
Cash Dividend	Nil	1.65%	2%	Nil	Nil
Bonus Dividend (Percentage)	Nil	Nil	Nil	10%	10%

**Dividend**

Considering overall critical situation and negative growth of financial position of the company, the Board of Directors are unable to recommend any dividend this year.

**Interim Dividend**

Since the financial performance of the company was not in suitable position, the Board of Directors has not been declared any Interim dividend during the year.

**Board and Committee Meetings and Attendance**

During the year, the Board of Directors met sixteen times. Audit Committee met four times and Remuneration Committee met once. The Directors who could not attend the meetings were granted leave of absence.



The attendance record of the Directors is shown below:

Name of the Directors	Official Status	Meeting Attended
Abdul Quader	Independent Director & Chairman	16
Arif Ahmed Chowdhury	Managing Director	15
Quazi Tafazzal Hossain	Independent Director	12
Sayed Jishan	Independent Director	11
Afsana Tarannum	Director	12
Lubaba Tabassum	Director	2

#### Pattern Of Shareholding

The pattern of shareholding as on 30 June 2021:

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	Major General Firoz Hasan ndu, psc (Retd.) Chairman & Independent Director	-	-
2	Abdul Quader Ex-Chairman & ex-Independent Director	6,60,000	0.595
3	Arif Ahmed Chowdhury Managing Director	4,978,407	4.492
4	Afsana Tarannum Director	22,30,000	2.01
5	Lubaba Tabassum Director	22,30,000	2.01
6	Hsu Chin Hua Sponsor	256,033	0.231
7	Md. Sharif Al Mahmood Company Secretary	Nil	Nil
8	Mohendra Nath Mondol Chief Financial Officer	Nil	Nil
9	Mohammed Mohshin Head of Internal Audit	Nil	Nil
c)	Executives	Nil	Nil
d)	Shareholders holding ten percent (10%) or more voting interest in the company	Nil	Nil

Note: Major General Firoz Hasan ndu, psc (Retd.) joined as Independent Director on 30 June 2021. Market value of shares as on 08 December 2021 was Taka 18.20



### **Corporate Governance Compliance Report**

Fu-Wang Foods Limited complied with the requirements of Corporate Governance as required by the Bangladesh Securities and Exchange Commission. Accordingly, Corporate Governance Compliance Report is shown in annexure I of this report.

Further in compliance with the requirement of the Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Code dated June 3, 2018, S.K. Barua & Co., Chartered Accountants in Practice issued the Corporate Governance Compliance Certificate which is shown on the report.

### **Share Information**

The distribution of shareholding and market value of shares are given in the "pattern of shareholding" of this report.

Earnings per share, dividend per share and net assets per share are shown in the financial highlights section of the annual report.

### **Directors**

A brief profile of all Directors of the company are provided in the section of "Board of Directors" of this report in pages from 5 to 7.

### **Re-election of Directors**

Lubaba Tabassum will retire from the office under Article 126 of the Articles of Association of the company. Being eligible, Ms. Lubaba Tabassum has offered herself for re-election. The Board recommends her re-appointment.

### **Appointment of Independent Directors**

Bangladesh Securities and Exchange Commission (BSEC) vide its directive no SEC/SR-MIC/179/2020/part-1(Z)/175 dated 14 July 2021 for the interest of the investors policy holders and capital market has nominated and appointed following Independent Directors on the Board of Fu-Wang Foods Limited under Section 20A of the Securities and Exchange Ordinance, 1969, with a specific Terms of Reference (ToR):

<b>Sl No.</b>	<b>Particulars</b>	<b>Position</b>
1	Mohammad Sanaullah FCS	Independent Director
2	Ajit Kumar Paul FCA	Independent Director
3	Professor Dr. Md. Nizamul Hoque Bhuiyan	Independent Director
4	Brigadier General Md. Israt Hossain, ndc, psc (LPR)	Independent Director
5	Mohammad Salahuddin Chowdhury FCA	Independent Director

According to ToR the Board in its meeting held on July 27, 2021 reconstituted the Board comprising five new Independent Directors for a period of 1 (one) term under condition 2(e) of the Corporate Governance Code 2018.

The new Board of Directors reconstituted following two Board Committees comprising the following Directors:



**Audit Committee:**

Name of the Member	Position in the Committee
Mohammad Sanaullah FCS	Chairman
Mohammad Salahuddin Chowdhury FCA	Member
Afsana Tarannum	Member

**Nomination and Remuneration Committee:**

Name of the Member	Position in the Committee
Brigadier General Md. Israt Hossain, ndc, psc (LPR)	Chairman
Professor Dr. Md. Nizamul Hoque Bhuiyan	Member
Afsana Tarannum	Member

**Appointment of Chairman**

Resignation of Major General Firoz Hasan, ndu, psc (Retd.) as Independent Director & Chairman has been accepted by the Board on 14 November 2021.

Based on the recommendation of Nomination & Remuneration Committee (NRC) Mr. Ajit Kumar Paul FCA has been elected as Chairman of Fu-Wang Foods Limited on the same Board meeting held on 14 November 2021.

**Financial Statements**

The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act 1994 and Securities and Exchange Rules 1987. These statements present the company's state of affairs, the results of its operations, cash flow and changes in equity.

**Statutory Auditors Qualifying Report**

Statutory Auditors' M/S MABS J Partners, Chartered Accountants submitted "Qualified Opinion" on the consolidated Financial Statement of Fu-Wang Foods Limited for the year ended June 30, 2021. Steps have been taken by the Board in this regard.

**Appointment of Auditors**

As per section 210 of the Companies Act 1994, the company's statutory Auditors M/S MABS J. Partners, Chartered Accountants retires at the 25th Annual General Meeting as auditors of the Company. Pursuant to Bangladesh Securities and Exchange Commission (BSEC) order no SEC/CMRRC-D/2009-193/104/ Admin dated July 27, 2011 the retiring Auditors are eligible for reappointment as Statutory Auditors for 2021-2022.

The Audit Committee recommended to appoint M/S MABS J. Partners, Chartered Accountants as the auditors of the company for the year 2021-2022.

The Directors endorsed recommendation of the Audit Committee for appointment of M/S MABS J. Partners, Chartered Accountants as the auditors of the company for the year 2022 at a fee of Tk. 300,000 (Taka three lac) excluding VAT.



**Appointment of Corporate Governance Compliance Auditor**

The Audit Committee recommended to appoint S. A. Rashid & Associates, Chartered Secretaries in practices as the Corporate Governance Compliance Auditors of the company for the year 2021-2022. The Directors endorsed recommendation of the S. A. Rashid & Associates, Chartered Secretaries in Practices as the auditors of the company for the year 2021-2022.at a fee of Tk. 40,000 (Forty Thousand) excluding VAT.

**Conclusion**

The Company wishes to express its sincere appreciation to all employees of Fuwnag Foods Limited for their contribution and at the same time, thank all the stakeholders for their continued support and confidence.

On behalf of the Board of Directors

**Ajit Kumar Paul FCA**  
Chairman

Dated, Dhaka, 14 November 2021



## Management discussion and analysis by Managing Director



### Distinguished Shareholders and Guests

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 25th Annual General Meeting and to write few words about the company's performance during the financial year 2020-2021.

### Dear shareholders

During the year the factory operated @62% of production capacity and produced 6,893 M.Ton compared to last year's 6,431 M. Ton. Your company earned a net profit after tax of Tk. 1.13 crore compared to Tk. 6.06 crore for the last year, which has decreased by 81.22%, beside this turnover increased by 6.11%.

You already know how our country as well as whole world was badly affected by the Covid-19 pandemic situation. Your company has also passed through a very hard time during lock down period. However, we tried to do our best and continued the factory operation by running one shift instead of three but sales dropped significantly as well as the collection process.

Delivery of products to the dealers/distributors was hampered very badly. Turnover was declined on cumulative effects of Covid-19 pandemic situation, which is still prevailing. During lock down situation big portion of market was closed, consumers unwilling to purchase items other than regular commodities, which also had significant impact in the decreasing turnover.

However, in such critical situation and harsh financial position of the company, the Board of Directors considered not to declare any dividend for this year. The Board is optimistic on upcoming year, the situation may be improved further.

### Honourable 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 2020-2021 and more to come.

Our core strategy is to enhance the financial strength of the company by maintaining an extensive product portfolio and increase efforts to stimulate long term sales growth starting from this year. And we defiantly wish to overcome the damage caused by Covid-19 pandemic.

I would like to mention the continuous support, guidance and access that our national regulatory and financial institutions have extended to 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 have been here today.

With best regards,

**Arif Ahmed Chowdhury**  
Managing Director





## Report of Audit Committee

Audit Committee is a Sub Committee of the Board. The Audit committee acts as an effective forum in assisting the Board of Directors in discharging its responsibilities on ensuring the quality of financial reporting, overseeing internal and external audit functions and internal control structure as well as making related communications to the shareholders and the other stakeholders.

### Composition of the Audit Committee:

The Audit Committee currently comprises of three members. All members of the Audit Committee are Non-Executive Directors. The Company Secretary acts as the Secretary of the Audit Committee.

Name of Members	Position of the Committee
Mohammad Sanaullah FCS	Chairman
Mohammad Salahuddin Chowdhury FCA	Member
Afsana Tarannum	Member

The Chief Financial Officer (CFO), the Head of Internal Audit and Compliance (HIAC) attended the meetings as invitees.

### Role and responsibilities of the Committee

The role & responsibilities of the Audit Committee have been defined in the "Terms of Reference (ToR)" of the Audit Committee. The Audit Committee is empowered to consider any matter related to the financial affairs of the Company and to review all internal and external audits, internal control systems and procedures, accounting policies, related party transaction, management letters issued by statutory auditors, determination of audit fees etc. so as to ensure that a sound financial reporting system is in place and is well managed in order to provide accurate, appropriate and timely information to the Management, the Regulatory Authorities and to the Shareholders as well.

### Meetings and Attendance:

During the year under review four meetings were held. Subsequently another four meetings were conducted by the newly reconstituted Board Audit Committee.

### Summary of Activities:

The following activities were carried out by the Audit Committee:

#### Financial Reporting:

- Reviewed the quarterly, half yearly Financial Statement's of the company and relevant announcement to the Stock Exchanges by the Board of Directors.
- Reviewed the annual Financial Statements of the Company and recommended to the Board of Directors for approval. The review was ensure that the financial reporting and disclosures were in compliance with the securities laws, provisions of the Companies Act 1994, International Financial reporting standards (IFRS) as applicable in Bangladesh.



**Internal Audit:**

- Reviewed internal audit activities of the company with special emphasis given on Inventory management, Receivable Management and Internal control systems of the Company.

**External Audit:**

- MABS & J PARTNERS., Chartered Accountants performed the statutory auditors of the company for audit of financial statements for the year ended June 30, 2021. They submitted qualifying report based on the irregularities they found on the Financial Statements of the Company for the year ended June 30, 2021.
- The Audit Committee sat with the external Auditors to discuss on the key audit matters and findings of audit and of annual financial statements of the company.
- The Audit Committee recommended to the Board of Director's to re-appoint M/S MABS & J PARTNERS., Chartered Accountants as statutory Auditors for the year ending June 30, 2022 subject to approval of the members at the 25<sup>th</sup> Annual General Meeting of the Company.
- The audit Committee also recommended to the Board of Directors to appoint M/S S A Rashid & Associates, Chartered Secretaries as Corporate Governance Compliance Auditor subject to approval of the members at the 25<sup>th</sup> Annual General Meeting of the Company.

**Internal Control & Risk Management**

The Audit Committee reviewed the effectiveness of the internal financial controls and the procedures established for identifying, assessing and managing risks. The Committee is of the view that there are lack of adequate controls and procedures to provide reasonable assurance. However, steps are being undertaken to safeguard assets of the company.

On behalf of the Audit Committee

**Mohammad Sanaullah FCS**  
Chairman, Audit Committee



## Nomination and Remuneration Committee Report

Fu-Wang Foods Limited had established a separate committee in 2019, namely Nomination and Remuneration Committee. In compliance with the Corporate Governance Code 2018, the Board of Directors re-constituted the Nomination and Remuneration Committee (NRC) to assist the Board broadly in formulation of policy with regard to determining qualifications, positive attributes, experiences, remuneration mainly for directors and top level executives. Nomination and Remuneration Committee is a Sub Committee of the Board.

### Composition of the Committee

The Composition of the Nomination and Remuneration Committee (NRC) during the reporting period was as following:

Name of Members	Position in the Committee
Abdul Quader	Chairman
Afsana Tarannum	Member
Sayed Jishan	Member

The Committee met once during the year under review.

- Reviewed compensation package of the Company;
- It was expected that after Covid-19 pandemic the overall situation will be changed, as the situation has not improved therefore current remuneration structure need to be continued for this year as well.

### Composition of the present Committee

The present NRC was constituted on August 10, 2021 after the induction of Independent Directors nominated by the BSEC.

Name of the Member	Position in the Committee
Brigadier General Md Israt Hossain, ndc, psc (LPR), Independent Director	Chairman
Professor Dr. Md. Nizamul Hoque Bhuiyan, Independent Director	Member
Afsana Tarannum, Director	Member

The Managing Director, Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC), Human Resources representative and external advisers can attend for all or part of any meeting, as and when appropriate by invitation. The Nomination and Remuneration Committee's specific duties and responsibilities have been defined in the "Terms of Reference (ToR)" of Nomination and Remuneration Committee in line with the Corporate Governance Code 2018.

### Major Responsibilities/policy of NRC

- Nomination and Remuneration Committee is an independent sub-committee of the Board and responsible as well as accountable to the Board and to the shareholders;
- Nomination and Remuneration Committee discharges the responsibilities and oversees the functions as defined in the "Terms of Reference (ToR)" of the Nomination and Remuneration Committee in line with the Corporate Governance Code 2018.

### Meetings and Attendance

So far, the present NRC conducted five meetings based on the need to address the different compliance issues as well as company's operational requirements. The committee dealt with the following issues:

- Up-gradation of ToR for the NRC.
- Formulation of revised Service Rule for the Company.
- Selection of Chief Financial Officer (CFO) for the Company.
- Recommend the appointment of the Chairman of the Company.

On behalf of the Nomination and Remuneration Committee.

Brigadier General Md. Israt Hossain, ndc, psc (LPR)  
Chairman  
Nomination & Remuneration Committee



## Declaration by MD and CFO

The Board of Directors  
Fu-Wang Foods Limited  
House 55, Road 17,  
Banani, Dhaka-1000.

**Subject : Declaration on Financial Statements for the year ended on 30 June 2021.**

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 30 June 2021 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure therefrom 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 30 June 2021 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.

Sincerely yours,

**(Arif Ahmed Chowdhury)**  
Managing Director

**Mohendra Nath Mondol**  
Chief Financial Officer (CFO)





# BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2021/193

**BAPLC**

Date of issue: March 31, 2021

## 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 31<sup>st</sup> December 2021.*



*[Signature]*  
Secretary-General



## **Report to the Shareholders of Fu-Wang Foods Limited 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** for the year ended on 30 June 2021. This Code relates to the Notification no. BSEC/CMRRCD /2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.


Such compliance with the Corporate Governance Code is the responsibility of the Company. 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 security 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:

- a) The Company has complied with the condition of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- b) The Company has complied with the provision of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- d) The Governance of the company is satisfactory.

**Dated: Dhaka  
15 December 2021**

  
**Mohammad Anwarul Hoque FCA  
Partner  
S.K. Barua & Co.  
Chartered Accountants**



## 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/CMR.R.CD/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)	<b>Size of the Board of Directors:</b> 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	<b>Independent Directors:</b>			
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);	✓		
1.(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	✓		
1.(2)(e)	<b>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:</b> 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.	✓		



## FU-WANG FOODS LTD. | Corporate Governance Compliance Status

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
<b>1.3</b>	<b>Qualification of Independent Director.</b>			
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			Appointed After the Reporting Period
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 Issues Arrived
<b>1.4</b>	<b>Quality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.</b>			
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.			No such Issues Arrived
<b>1.5</b>	<b>The Directors' Report to Shareholders</b>			
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)	Discussion on continuity of any extraordinary activities and their implications (gain or loss);			No such Issues Arrived
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.;			Not Applicable
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;			No such Issues Arrived
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		





## FU-WANG FOODS LTD. | Corporate Governance Compliance Status

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;	✓		
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;			No Interim Dividend Declared.
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		Total 16 Board Meeting held during the year
1.5(xodii)(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(xodii)(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(xodii)(c)	Executives; and	✓		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);			Not Applicable
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;	✓		No such Issues Arised
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	✓		



## FU-WANG FOODS LTD. | Corporate Governance Compliance Status

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xiv)(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)	<b>Meetings of the Board of Directors:</b> 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	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			
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.	✓		
2.0	<b>Governance of Board of Directors of Subsidiary Company</b>			
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;	✓		
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	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).</b>			
3(1)(a)	<b>Appointment:</b> 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)	<b>Requirement to attend Board of Directors' Meetings:</b> 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	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>			
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	✓		



# FU-WANG FOODS LTD. | Corporate Governance Compliance Status

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3(3)(a)(II)	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	<b>Board of Directors' Committee.</b>			
4(i)	<b>For ensuring good governance in the company, the Board shall have at least following sub-committees:</b> Audit Committee; and	✓		
4(ii)	Nomination and Remuneration Committee.	✓		
5.0	<b>Audit Committee</b>			
5(1)(a)	<b>Responsibility to the Board of Directors:</b> 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)	<b>Constitution of the Audit Committee:</b> The Audit Committee shall be composed of 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 Issues Arrived
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)	<b>Chairperson of the Audit Committee:</b> 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.			No such Issues Arrived
5(3)(c)	<b>Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):</b> 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.	✓		
5(4)(a)	<b>Meeting of the Audit Committee:</b> <b>The Audit Committee shall conduct at least its four meetings in a financial year.</b> 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.	✓		



## FU-WANG FOODS LTD. | Corporate Governance Compliance Status

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
5(5)(a)	<b>Role of Audit Committee</b> 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)	<b>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:</b> 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.			No such Requirements Arises
<b>5.6</b>	<b>Reporting of the Audit Committee</b>			
5(6)(a)(i)	<b>Reporting to the Board of Directors:</b> 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 Issues Arised
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 Issues Arised
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			No such Issues Arised
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			No such Issues Arised
5(6)(b)	<b>Reporting to the Authorities:</b> 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)	<b>Reporting to the Shareholders and General Investors:</b> 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 Issues Arised
6(1)(a)	<b>Nomination and Remuneration Committee (NRC).</b> <b>Responsibility to the Board of Directors:</b> The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓		





# FU-WANG FOODS LTD. | Corporate Governance Compliance Status

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) (5).	✓		
6(2)(a)	<b>Constitution of the NRC:</b> 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;			No such Issues Arrived
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)	<b>Chairperson of the NRC:</b> 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.	✓		
6(4)(a)	<b>Meeting of the NRC:</b> The NRC shall conduct at least one meeting in a financial year;	✓		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			No such Issues Arrived
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);	✓		
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.	✓		
6(5)(a)	<b>Role of the NRC:</b> NRC shall be independent and responsible or accountable to the Board and to the Shareholders	✓		
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;	✓		
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓		
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;	✓		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		



# FU-WANG FOODS LTD. | Corporate Governance Compliance Status

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;	✓		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	✓		
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	✓		
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	✓		
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.	✓		
<b>7.0</b>	<b>External or Statutory Auditors</b>			
7(1)(i)	<b>The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-</b> 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.	✓		Not Yet Engaged
7(2)	<b>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:</b> Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	✓		No Such Activities
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.	✓		
<b>8.0</b>	<b>Maintaining a website by the Company.</b>			
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.	✓		
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).	✓		
<b>9.0</b>	<b>Reporting and Compliance of Corporate Governance.</b>			
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.	✓		S.K. Barua & C. Chartered Accountants has been appointed
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 Auditor's Report To the Shareholders of**

### **Fu-Wang Foods Limited and its Subsidiaries**

#### **Report on the Audit of the Consolidated and Separate Financial Statements**

##### **Qualified Opinion**

We have audited the consolidated financial statements of Fu-Wang Foods Limited and its subsidiary Fu-Wang Beverage Industries Limited (the Group) as well as the separate financial statements of Fu-Wang Foods Limited (the 'Company') which comprise the consolidated and separate statements of financial position as at 30 June 2021, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Group and the separate financial position of the Company as at 30 June 2021, 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).

##### **Basis for Qualified Opinion**

- i. **Refer to Note-19**, for Gross Sales of BDT. 896,014,358, no proper accounting books and supporting documents such as invoice, sales day book etc. could be produced to us. However, the sales figure so reported was in agreement with the VAT Return.
- ii. **Refer to Note-6(a)**, Trade and Other Receivables of BDT. 531,595,081, out of this, for BDT. 324,026,135, we could not send balance confirmation as management failed to provide us with their proper address. To confirm the rest of the receivables balance of the Group as at 30 June 2021, we sent balance confirmation letters to the respective debtors amounting BDT. 32,904,440, against which we did not receive response against debtors of BDT. 29,058,832. Hence, the above-mentioned balance remains unverified and unconfirmed to the extent the responses were not forthcoming.
- iii. **Refer to Note-5**, Inventories as on 30 June 2021 of BDT. 283,078,381, during our visit at the factory to verify the inventory figure postdated along with management, inventory valued BDT. 205,781,020 could not be made available to us for verification. As a result, closing inventory has been overstated by the same figure as it was not accounted for in the financial statements. Moreover, in absence of corresponding details of unit price of each inventory items, we are not in a position to confirm the correctness of their valuation as for that purpose compliance of IAS 2 by company.



- iv. **Refer to Note-12, Deferred Tax,** deferred tax expense charged during the year with deferred tax liability stands at BDT. 2,673,329 and BDT. 70,949,419 respectively. As per IAS-12 Income Taxes considering the latest assessment order, the results stand at BDT. 26,673,433, and BDT. 90,436,589 for the same. Therefore, there is an understatement of deferred tax expense and deferred tax liability by BDT. 24,000,104, and BDT. 19,487,170 respectively. As for the subsidiary, no deferred tax was reported in the financial statements.
- v. **Refer to Note-7(a),** a receivable balance of BDT. 7,173,878 for VAT was held with the VAT authority from July 2019 by the Group and this has remained unadjusted since then. Considering the nature of the balance and content of the new VAT Act, 2012 it appears that, the amount of BDT. 7,173,878 has been barred by limitation for its realization adjustment.
- vi. **Refer to Note-7.01,**
- Advance against Salary amounting to BDT. 1,027,000 (as closing balance) and an opening balance of BDT. 4,422,326. On verification of details of advance against salary, it appears that the opening balance of BDT. 1,610,000 has been taken in the accounts as against BDT. 4,422,326 as per last audited financial statements. This results in a difference of BDT. 2,812,326, for which no satisfactory explanation/ reply could be provided to us.
  - Advance against Bristy Biscuit Factory of BDT. 1,956,598 was not found to have been supported by the documents and hence appears to us as doubtful of recovery.
  - For inter-company transaction with the subsidiary of BDT. 84,118,426, no supporting documents could be produced to us for verification.
- vii. **Refer to Note-20.01,** the amount of purchase of raw materials is BDT. 461,653,781. On verification of the documents and the party wise payable ledger, the total purchase was found to have been made for BDT. 448,361,167. Hence, the difference of BDT. 13,292,614 remains unexplained/unverified.
- For the subsidiary, cost of goods sold of BDT. 28,102,688 (Note-20.00a) includes packing materials consumption of BDT. 6,512,458, which was procured locally from outside vendors. Packing materials received from the holding company is not supported by any documents. As a result, we could not confirm the actual consumption of packing materials. However, it was observed from the abnormal packing material consumption as against its corresponding sales by the holding company.
- viii. **As per IAS 16, Property, Plant and Equipment,** revaluations should be carried out regularly, so that the carrying amount of an asset does not differ materially from its fair value at the balance sheet date. Refer to Note-3, Property, Plant and Equipment includes land of BDT. 30,641,309 purchased in December 2010. no revaluation of the same was carried out in the following 11 years since its procurement. As reported by the management, a revaluation was undertaken for Buildings & Other Constructions in 2011, but no report could be produced to us. In addition to this, we also observed that Plant and Machinery with net book value of BDT. 294,917,900 includes several machineries, which were found beyond their repairment stage, sitting idle. No impairment of assets was carried out in compliance with IAS-36 either.





- ix. Refer to Note- 16, Payable for WPPF and Welfare Fund of BDT. 17,765,225, as per section-234 of Bangladesh Labor Act, 2006, a company is to pay 5% of net profit of the year within 9 months of following the close of year at the proportion of 80:10:10 to the Participatory Fund, Welfare Fund and Workers Welfare Foundation Fund respectively. The company has not made any payments against Workers' Profit Participation Fund (WPPF) during the year. Management also stated that since the inception of WPPF, no payment was made to the Workers Welfare Foundation Fund.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and Bangladesh Securities and Exchange Commission (BSEC), and we have fulfilled our responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) By Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### **Emphasis of Matter**

Without qualifying our opinion, we draw attention to the following matters:

- i. We draw attention to Note-9.03, 'Composition of Shareholders' of the financial statements, which describes, as per Gazette notification no: BSEC/CMRRCD/2009-193/217/Admin/90 dated 21 May 2019, all sponsors and directors other than independent directors of a company listed with any stock exchange shall all time jointly hold minimum 30% (thirty percent) shares of the paid-up capital of the company. Where as at 30 June 2021, sponsor shareholders at the company holds only 9.26% of the total paid-up capital.
- ii. IFRS-16 Leases was not applied while accounting for rental payments for its premises; hence a non-compliance of the concerned IFRS results in.
- iii. For the subsidiary, BDT 40,100,000 is reported as 'Deposit against share by holding company'. As per gazette # ১৪৬/এফআরসি/এশাঃ/বাজাঙ্গন/২০২০/০১ dated 02 March 2020, any money received as Share Money Deposit (SMD) or whatever name, included in the Equity, is not refundable. The money received under SMD should be converted into Share Capital within 6 months of receipt of the money. However, it seems that the reported SMD has not been adjusted so far over 4 years.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matters provided in that context.


**See note no 13.00 and 14.00 to The Financial Statements**
**Short-term bank loans and Long-term loan**

At reporting date, the position of loans remained (both short term and long term) amounting to BDT. 198,725,279 for both the Company and the Group. In other words, approximately 30% of total liabilities for both the Company and the Group are represented by loans. Evidently, the Company is using loans to operate the business. Therefore, it has been considered as key audit area.

We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the loans. Our audit procedures included: among others, the followings:

- Understanding and reviewing the nature and types of loans;
- Reviewing the board minutes for arrangements of the loans;
- Obtaining the repayment schedules, loan statements and facility offer letters to review terms, debt covenants, interest rates and other conditions associated with the loans;
- Reviewing the mortgages, major covenants, guarantees and interest rates etc. attached to the loans;
- Recalculating the interest related to loans;
- Checking the adjustments or repayments of loans through bank statements as per repayment schedule;
- Checking whether there is any overdue payments and penal interests; and
- Finally, assessing the appropriateness and presentation of disclosures against relevance counting standards.

Our procedures above did not identify any issues with regard to the loans.

**See Note No 4.00 to the Financial Statements**
**Investments in subsidiaries of the Company and its Impairment**

The Company has investments amounting to BDT. 50,000,000 on 30 June 2021 held at cost less impairment that represents 3% of the Company's total assets.

At the time of conducting our audit of the separate financial statements of the Company we have considered the recoverable value of the Company's investments in Fu Wang Beverage Industries Limited at cost. Management has not conducted impairment assessment and calculated recoverable value of its subsidiary in accordance with IAS-36.

In particular, our discussions with the Management were focused on the continued appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.

We also checked mathematical accuracy of the model, recalculated discount rate used within the model, inputs used in the determination of assumptions within the model were challenged and corroborating information was obtained with reference to external market information, third-party sources.



### **Other Information**

Management is responsible for the other information. The other information comprises all of the information in the Annual Report but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated and 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 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 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 IFRSs, the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations 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 Group's and 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 Group and the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's and 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 judgment 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 Group's and 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 Group's and 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 Group and 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group and the Company audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.






**Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules, 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that except for the effects of the matters described in the Basis for Qualified Opinion section of our report:

- 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 there of;
- b) In our opinion, proper books of account as required by law have been kept by the Group and the Company so far as it appeared from our examination of those books;
- c) the consolidated and the separate 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; and
- d) the expenditure incurred was for the purpose of the Group's and Company's business.

**Place: Dhaka, Bangladesh**  
**Dated: 14 November 2021**

**Signed for & on behalf of**  
**MABS & J Partners**  
**Chartered Accountants**

  
**Jagdish Chandra Biswas, FCA**  
**Partner**  
**ICAB Enrollment No: 199**  
**DVC No: 2111210199AS316718**



## Consolidated Statement of Financial Position As at 30 June 2021

Particulars	Notes	Amount In Taka	
		30 Jun 2021	30 Jun 2020
<b>ASSETS:</b>			
<b>Non-Current Assets</b>		695,224,244	670,809,346
Property, Plant and Equipment	3.00(a)	695,224,244	670,809,346
Machinery in Transit		2,552,874	-
<b>Current Assets</b>		1,315,932,962	1,277,833,839
Inventories	5.00(a)	310,457,681	308,946,499
Trade and Other Receivables	6.00(a)	531,595,081	498,548,679
Advances, Deposits and Prepayments	7.00(a)	468,776,213	463,441,020
Cash and Cash Equivalents	8.00(a)	5,103,987	6,897,641
<b>Total Assets</b>		<b>2,013,710,080</b>	<b>1,948,643,185</b>
<b>EQUITY &amp; LIABILITIES:</b>			
<b>Shareholders' Equity</b>		1,313,937,950	1,330,811,955
Share Capital	9.02	1,108,392,840	1,108,392,840
Revaluation Reserve		44,397,194	51,256,523
Retained Earnings	10.00(a)	160,767,196	170,720,638
Non-Controlling Interest	11.00	380,720	441,954
<b>Non-Current Liabilities</b>		93,516,937	88,126,766
Deferred Tax Liabilities	12.00	70,949,419	64,431,851
Long Term Loan	13.00	22,567,518	23,694,915
<b>Current Liabilities</b>		806,255,192	529,704,464
Short Term Bank Loans and Others	14.00	176,157,761	136,907,824
Trade and Other Payables	15.00(a)	49,813,682	27,346,274
Payable for WPPF and Welfare fund	16.00	17,765,225	15,144,663
Liabilities for Expenses	17.00(a)	20,089,131	13,107,795
Provision for Income Tax	18.00(a)	342,429,393	337,197,908
<b>Total Equity and Liabilities</b>		<b>2,013,710,080</b>	<b>1,948,643,185</b>
<b>Net Asset Value (NAV) Per Share</b>	26.00(a)	<b>11.85</b>	<b>12.01</b>

The annexed notes form an integral part of these Financial Statements. These Financial Statements were authorized for issue by the Board of Directors on 14 November 2021 and were signed on its behalf by:

  
Chief Financial Officer

  
Company Secretary

  
Managing Director

  
Chairman

This is the consolidated Statement of Financial Position referred to in our separate report of even date.

Place: Dhaka, Bangladesh  
Dated: 14 November 2021

Signed for & on behalf of  
MABS & J Partners  
Chartered Accountants

  
Jagadish Chandra Bhowmik, FCA  
Partner  
ICAB Enrollment No: 199  
DVC No: 2111210199AS316718



## Consolidated Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2021

Particulars	Notes	Amount in Taka	
		01 Jul 2020 to 30 June 2021	01 Jul 2019 to 30 June 2020
Turnover (Net of VAT)	19.00(a)	871,914,282	833,964,000
Cost of Goods Sold	20.00(a)	(714,164,183)	(646,332,040)
<b>Gross profit</b>		<b>157,750,099</b>	<b>187,631,960</b>
<b>Operating Expense</b>		<b>(126,220,973)</b>	<b>(88,922,533)</b>
Administrative Expenses	21.00(a)	(83,205,398)	(55,802,298)
Selling and Distribution Expenses	22.00(a)	(43,015,575)	(33,120,235)
<b>Operating Profit</b>		<b>31,529,126</b>	<b>98,709,427</b>
Financial Expenses	23.00	(17,410,946)	(19,220,071)
<b>Profit From Operation</b>		<b>14,118,180</b>	<b>79,489,356</b>
Contribution to WPPF and Welfare Fund		(954,649)	(4,042,190)
<b>Net Profit Before Tax</b>		<b>13,163,531</b>	<b>75,447,166</b>
<b>Income Tax Expenses</b>		<b>(7,904,814)</b>	<b>(20,467,678)</b>
Current Tax	24.00(a)	(5,231,485)	(9,064,628)
Deferred Tax	12.01	(2,673,329)	(11,403,050)
<b>Net Profit After Tax</b>		<b>5,258,717</b>	<b>54,979,488</b>
<b>Profit Attributable to:</b>			
Shareholders of the Parent Company	25.00	5,319,951	55,036,023
Non-Controlling Interest	11.00	(61,234)	(56,534)
		<b>5,258,717</b>	<b>54,979,489</b>
<b>Earnings Per Share (EPS)</b>	27.00 (a)	<b>0.05</b>	<b>0.50</b>

The annexed notes form an integral part of these Financial Statements. These Financial Statements were authorized for issue by the Board of Directors on 14 November 2021 and were signed on its behalf by:

  
Chief Financial Officer

  
Company Secretary

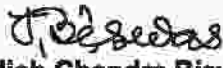
  
Managing Director

  
Chairman

This is the Consolidated Statement of Profit or Loss and Other Comprehensive Income referred in our separate report of even date.

Place: Dhaka, Bangladesh  
Dated: 14 November 2021

Signed for & on behalf of  
MABS & J Partners  
Chartered Accountants

  
Jagadish Chandra Biswas, FCA  
Partner  
ICAB Enrollment No: 199  
DVC No: 2111210199AS316718



## FU-WANG FOODS LIMITED

### Consolidated Statement of Changes in equity For the year ended 30 June 2021

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Non Controlling Interest	Total
<b>Opening Balance</b>	<b>1,108,392,840</b>	<b>51,256,523</b>	<b>170,720,638</b>	<b>441,954</b>	<b>1,330,811,955</b>
Cash Dividend for 2019-20	-	-	(18,288,482)	-	(18,288,482)
Depreciation on Revaluation	-	(3,015,090)	3,015,090	-	-
Adjustment for Deferred Tax (Last Year)	-	9,045,269	-	-	9,045,269
Adjustment for Deferred Tax (Current Year)	-	(12,889,508)	-	-	(12,889,508)
Net Profit for Year	-	-	5,319,951	(61,234)	5,258,717
<b>Balance as at 30 June 2021</b>	<b>1,108,392,840</b>	<b>44,397,195</b>	<b>160,767,196</b>	<b>380,720</b>	<b>1,313,937,951</b>

### For the year ended 30 June 2020

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Non controlling Interest	Total
<b>Opening Balance</b>	<b>1,108,392,840</b>	<b>53,954,235</b>	<b>134,678,693</b>	<b>498,488</b>	<b>1,297,524,256</b>
Bonus Share	-	-	(22,167,857)	-	(22,167,857)
Depreciation on Revaluation	-	(3,173,779)	3,173,779	-	-
Adjustment for Deferred Tax (Last Year)	-	9,521,336	-	-	9,521,336
Adjustment for Deferred Tax (Current Year)	-	(9,045,269)	-	-	(9,045,269)
Net Profit for 2019-2020	-	-	55,036,023	(56,534)	54,979,489
<b>Balance as at 30 June 2020</b>	<b>1,108,392,840</b>	<b>51,256,523</b>	<b>170,720,638</b>	<b>441,954</b>	<b>1,330,811,955</b>

The annexed notes form an integral part of these Financial Statements. These Financial Statements were authorized for issue by the Board of Directors on 14 November 2021 and were signed on its behalf by:

**Chief Financial Officer**

**Company Secretary**

**Managing Director**

**Chairman**

**Place: Dhaka, Bangladesh**  
**Dated: 14 November 2021**





## Consolidated Statement of Cash flows

### For the year ended 30 June 2021

Particulars	Notes	Amount in Taka	
		01 Jul 2020 to 30 June 2021	01 Jul 2019 to 30 June 2020
<b>Cash Flows from Operating Activities:</b>			
Collections from Turnover and Others		858,119,226	864,929,405
Payment for Cost and Expenses		(687,963,413)	(764,872,098)
Paid for Administrative Expenses		(48,035,333)	-
Paid for Selling and Distribution Expenses		(43,015,575)	-
Financial Expenses Paid		(17,410,946)	(18,142,071)
VAT Paid		(19,251,346)	-
Income Tax Paid and Deducted at Source		(2,600,000)	(16,401,070)
<b>A. Net Cash Provided from Operating Activities</b>		<b>39,842,813</b>	<b>65,514,166</b>
<b>Cash Flows from Investing Activities:</b>			
Acquisition of Property, Plant and Equipment		(59,584,964)	(51,419,598)
Machinery in Transit		(2,552,874)	-
Advance to Subsidiary		-	-
<b>B. Net Cash Used in Investing Activities</b>		<b>(62,137,838)</b>	<b>(51,419,598)</b>
<b>Cash Flows from Financing Activities:</b>			
Dividend Paid		(17,620,969)	(20,557,806)
Loan Received		38,122,539	(7,674,800)
<b>C. Net Cash Provided from Financing Activities</b>		<b>20,501,570</b>	<b>(28,232,406)</b>
<b>D. Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>		<b>(1,793,655)</b>	<b>(14,137,837)</b>
<b>E. Cash and Cash Equivalents at the Beginning of the Year</b>		<b>6,897,641</b>	<b>21,035,479</b>
<b>F. Cash and Cash Equivalents at the End of the Year</b>		<b>5,103,987</b>	<b>6,897,641</b>
<b>Net Operating Cash Flow Per Share</b>	<b>28.00(a)</b>	<b>0.36</b>	<b>0.59</b>

The annexed notes form an integral part of these Financial Statements. These Financial Statements were authorized for issue by the Board of Directors on 14 November 2021 and were signed on its behalf by:

  
Chief Financial Officer

  
Company Secretary

  
Managing Director

  
Chairman

Place: Dhaka, Bangladesh

Dated: 14 November 2021



## Statement of Financial Position As at 30 June 2021

Particulars	Notes	Amount in Taka	
		30 Jun 2021	30 Jun 2020
<b>ASSETS:</b>			
<b>Non-Current Assets</b>		<b>656,617,503</b>	<b>629,388,445</b>
Property, Plant & Equipment (Net of Depreciation)	3.00	656,617,503	629,388,445
Machinery in Transit		2,552,874	-
Investment	4.00	50,000,000	50,000,000
<b>Current Assets</b>		<b>1,245,752,719</b>	<b>1,204,387,506</b>
Inventories	5.00	283,078,381	281,640,362
Trade and Other Receivables	6.00	394,176,055	358,459,552
Advances, Deposits and Prepayments	7.00	564,389,465	558,588,084
Cash and Cash Equivalents	8.00	4,108,818	5,699,508
<b>Total Assets</b>		<b>1,954,923,096</b>	<b>1,883,775,951</b>
<b>EQUITY &amp; LIABILITIES:</b>			
<b>Shareholders' Equity</b>		<b>1,285,765,897</b>	<b>1,296,516,500</b>
Share Capital	9.00	1,108,392,840	1,108,392,840
Revaluation Reserve		44,397,194	51,256,523
Retained Earnings	10.00	132,975,863	136,867,137
<b>Non-Current Liabilities</b>		<b>93,516,937</b>	<b>88,126,766</b>
Deferred Tax Liabilities	12.00	70,949,419	64,431,851
Long Term Loan	13.00	22,567,518	23,694,915
<b>Current Liabilities</b>		<b>575,640,262</b>	<b>499,132,685</b>
Short Term Bank Loans and Others	14.00	176,157,761	136,907,824
Trade and Other Payables	15.00	48,305,682	25,783,041
Payable for WPPF and welfare fund	16.00	17,765,225	15,144,663
Liabilities for Expenses	17.00	19,069,654	11,992,753
Provision for Income Tax	18.00	314,341,940	309,304,404
<b>Total Equity and Liabilities</b>		<b>1,954,923,096</b>	<b>1,883,775,951</b>
<b>Net Asset Value (NAV) Per Share</b>	<b>26.00</b>	<b>11.60</b>	<b>11.70</b>

The annexed notes form an integral part of these Financial Statements. These Financial Statements were authorized for issue by the Board of Directors on 14 November 2021 and were signed on its behalf by:

  
Chief Financial Officer

  
Company Secretary

  
Managing Director

  
Chairman

This is the Statement of Financial Position referred to in our separate report of even date.

Place: Dhaka, Bangladesh  
Dated: 14 November 2021

Signed for & on behalf of  
MABS & J Partners  
Chartered Accountants

  
Jagadish Chandra Biswas, FCA  
Partner  
ICAB Enrollment No: 199  
DVC No: 2111210199AS316718



## Statement of Profit or Loss & Other Comprehensive Income For the year ended 30 June 2021

Particulars	Notes	Amount in Taka	
		01 Jul 2020 to 30 June 2021	01 Jul 2019 to 30 June 2020
Turnover (Net of VAT)	19.00	839,589,415	791,176,503
Less: Cost of Goods Sold	20.00	686,061,495	609,379,004
<b>Gross profit</b>		<b>153,527,920</b>	<b>181,797,499</b>
<b>Less: Operating Expense</b>		<b>116,069,342</b>	<b>77,691,432</b>
<b>Administrative Expenses</b>	21.00	80,685,014	46,622,453
<b>Selling and Distribution Expenses</b>	22.00	35,384,328	31,068,979
<b>Operating Profit before Financial Expenses</b>		<b>37,458,578</b>	<b>104,106,067</b>
<b>Less: Financial Expenses</b>	23.00	17,410,946	19,220,071
<b>Profit From Operation</b>		<b>20,047,632</b>	<b>84,885,996</b>
<b>Less: Provision to WPPF and Welfare Fund</b>		954,649	4,042,190
<b>Net Profit Before Tax</b>		<b>19,092,983</b>	<b>80,843,806</b>
<b>Income Tax Expenses</b>		<b>7,710,865</b>	<b>20,210,952</b>
<b>Current Tax</b>	24.00	5,037,536	8,807,903
<b>Deferred Tax</b>	12.01	2,673,329	11,403,049
<b>Profit After Tax</b>		<b>11,382,118</b>	<b>60,632,854</b>
<b>Earnings Per Share (EPS)</b>	27.00	<b>0.10</b>	<b>0.55</b>

The annexed notes form an integral part of these Financial Statements. These Financial Statements were authorized for issue by the Board of Directors on 14 November 2021 and were signed on its behalf by:

  
Chief Financial Officer

  
Company Secretary


  
Managing Director

  
Chairman

This is the Statement of Profit or Loss and Other Comprehensive Income referred to in our separate report of even date.

Place: Dhaka, Bangladesh  
Dated: 14 November 2021

Signed for & on behalf of  
MABS & J Partners  
Chartered Accountants

  
Jagadish Chandra Biswas, FCA  
Partner  
ICAB Enrollment No: 199  
DVC No: 2111210199AS316718



## Statement of Changes in equity For the year ended 30 June 2021

Particulars	Amount in Taka			
	Share Capital	Revaluation Reserve	Retained Earnings	Total
Balance as at 01 July 2020	1,108,392,840	51,256,523	136,867,137	1,296,516,500
Cash Dividend for 2019-20	-	-	(18,288,482)	(18,288,482)
Depreciation on Revaluation	-	(3,015,090)	3,015,090	-
Adjustment for Deferred Tax (Last Year)	-	9,045,269	-	9,045,269
Adjustment for Deferred Tax (Current Year)	-	(12,889,508)	-	(12,889,508)
Net Profit for 2020-2021	-	-	11,382,118	11,382,118
Balance as at 30 June 2021	1,108,392,840	44,397,194	132,975,863	1,285,765,897

### For the year ended 30 June 2020

Particulars	Amount in Taka			
	Share Capital	Revaluation Reserve	Retained Earnings	Total
Balance as at 01 July 2019	1,108,392,840	53,954,235	95,228,361	1,257,575,436
Bonus Share	-	-	(22,167,857)	(22,167,857)
Depreciation on Revaluation	-	(3,173,779)	3,173,779	-
Adjustment for Deferred Tax (Last Year)	-	9,521,336	-	9,521,336
Adjustment for Deferred Tax (Current Year)	-	(9,045,269)	-	(9,045,269)
Net Profit for 2019-2020	-	-	60,632,854	60,632,854
Balance as at 30 June 2020	1,108,392,840	51,256,523	136,867,137	1,296,516,500

The annexed notes form an integral part of these Financial Statements. These Financial Statements were authorized for issue by the Board of Directors on 14 November 2021 and were signed on its behalf by:

  
Chief Financial Officer

  
Company Secretary

  
Managing Director

  
Chairman

Place: Dhaka, Bangladesh  
Dated: 14 November 2021





## Statement of Cash flows

### For the year ended 30 June 2021

Particulars	Notes	Amount in Taka	
		01 Jul 2020 to 30 June 2021	01 Jul 2019 to 30 June 2020
<b>Cash Flows from Operating Activities:</b>			
Collections from sales		823,124,258	853,793,129
Payment for Cost and Expenses		(658,414,526)	(717,147,525)
Paid for Administrative Expenses		(48,329,108)	-
Paid for Selling and Distribution Expenses		(35,384,328)	-
Financial Expenses Paid		(17,410,946)	(18,142,071)
VAT Paid		(19,251,346)	(25,323,643)
Income Tax Paid and Deducted at Source		(2,600,000)	(15,856,366)
<b>A. Net Cash Provided from Operating Activities</b>		<b>41,734,004</b>	<b>77,323,524</b>
<b>Cash Flows from Investing Activities:</b>			
Acquisition of Property, Plant and Equipment		(59,584,964)	(51,419,598)
Machinery in Transit		(2,552,874)	-
Advance to Subsidiary		(1,688,426)	(12,482,548)
<b>B. Net Cash Used in Investing Activities</b>		<b>(63,826,264)</b>	<b>(63,902,146)</b>
<b>Cash Flows from Financing Activities:</b>			
Dividend Paid		(17,620,969)	(20,557,606)
Loan Received		38,122,539	(7,674,800)
<b>C. Net Cash Provided from Financing Activities</b>		<b>20,501,570</b>	<b>(28,232,406)</b>
<b>D. Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>		<b>(1,590,690)</b>	<b>(14,811,027)</b>
<b>E. Cash and Cash Equivalents at the Beginning of the Year</b>		<b>5,699,508</b>	<b>20,510,535</b>
<b>F. Cash and Cash Equivalents at the End of the Year</b>		<b>4,108,818</b>	<b>5,699,508</b>
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	<b>28.00</b>	<b>0.38</b>	<b>0.70</b>

The annexed notes form an integral part of these Financial Statements. These Financial Statements were authorized for issue by the Board of Directors on 14 November 2021 and were signed on its behalf by:

  
Chief Financial Officer

  
Company Secretary

  
Managing Director

  
Chairman

Place: Dhaka, Bangladesh

Dated: 14 November 2021



## Notes to the Financial Statements For the year ended 30 June 2021

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

#### 1.1 Corporate Information:

The company, initially 100% owned by foreign nationals, was incorporated vide registration no C-32346(1467)/97 on 17 February 1997 as private limited company and subsequently converted into public company limited by shares on 05 June 1999. It is now a public limited company with foreign and local shareholders. The company listed with Dhaka Stock Exchange Limited (DSE) in the year 2000 and listed with Chittagong Stock Exchange Limited (CSE) in the year 2000. The shares of the company are traded in Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited of Bangladesh.

#### 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 The factories are located at Bokran Moripur, Hotapara, Gazipur.

#### 1.3 Nature of Business Activities:

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

#### 1.3.1 Number of Employees:

On the payroll of the Company, there were 220 officers 48 Staff and 444 permanent workers and 361 daily workers/technicians apart from many casual/ contract technicians/ workers.

Sl. No	No. of employe	Details	Amount in Tk.
i)	1073	Staff/Officers/Employees drew yearly salary & allowances of Tk. 36,000 or more	107,121,312
ii)	Nil	Staff/Officers/Technicians and many other casual workers drew yearly salary/wages & allowances less than Tk. 36,000	Nil

### 2.00 Significant Accounting Policies and Basis of preparation of financial Statements:

#### 2.10 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: "



Compliance of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS)	IAS/ IFRS	Status
Presentation of financial statements	1	Applied
Inventories	2	Applied
Statement of cash flows	7	Applied
Accounting policies, changes in accounting estimates and errors	8	Applied
Events after the reporting period	10	Applied
Income taxes	12	Applied
Property, plant and equipment	16	Applied
Employee's benefits	19	Applied
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing costs	23	Applied
Related party disclosures	24	Applied
Separate Financial Statements	27	Applied
Financial Instruments	32	Applied
Earnings per share	33	Applied
Impairment of Assets	36	Applied
"Provisions, Contingent Liabilities and Contingent Assets"	37	Applied
Financial Instruments	7	Applied
Consolidated Financial Statements	10	Applied
Fair Value Measurement	13	Applied
Revenue from contracts with customers	15	Applied
Lease	16	Not Applied

## 2.20 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.

### 2.3.1 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, 2020 to June 30, 2021.

#### II. Going Concern:

The company has adequate resources which can be continued 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 30 June 2021;
- ii) Statement of Profit or Loss & Other Comprehensive Income for the year ended 30 June 2021;
- iii) Statement of Cash Flows for the year ended 30 June 2021;
- iv) Statement of Changes in Shareholders Equity for the year ended 30 June 2021; and
- v) Accounting policies and Explanatory notes for the year ended 30 June 2021.

## 2.5 Accounting Estimates:

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

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

## 2.6 Risk and Uncertainty for Use of Estimates:

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

Categories of Property, Plant & Equipments	Rate of Depreciation
Factory building and other construction	2.50% to 5%
Plant and machinery	5%
Office equipment	20%
Furniture and Fixtures	10%
Motor vehicles	10%
Other assets	10% to 20%

## 2.9 Retirement and Disposals:

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

## 2.10 Inventories:

Inventories comprise raw material, finished goods and packing materials which are stated at the lower of cost and net realisable value on consistent basis in accordance with IAS 2. 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 Lease (IFRS-16):**

The company has a rental agreement but the underlying asset is of low value. So that, Lease accounting is not applied as per para 5(b) of IFRS 16.

**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 22.50% 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 2020-2021 except the transaction with the subsidiary company and Directors Remuneration as disclosed in Note # 29.

**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, IAS & IFRS 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-27.

**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-39)

**2.28 Acknowledgement of Claims:**

There was no claim against the company acknowledged as debt as on 30 June 2021.

**2.29 Credit Facility not Availed of:**

There were 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 Board Meeting and Board Members:**

There were six (06) members in the Board of Directors including independent Director of the Company and sixteen (16) Board Meetings were held in the year under report.

**2.31 Miscellaneous Expenses:**

Miscellaneous expenses do not include any item exceeding 1% of total revenue.

**2.32 Due 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.

**2.33 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.

**2.34 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 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 Taka	
		30 Jun 2021	30 Jun 2020
3.00	<b>Property, Plant and Equipment: Tk. 656,617,503</b> The above balances are made up as follows:		
	Cost 3.01	1,048,813,996	989,229,032
	Less: Accumulated depreciation 3.02	392,196,493	359,840,587
	<b>Written Down Value</b>	<b>656,617,503</b>	<b>629,388,445</b>
3.01	<b>Cost: Tk. 1,048,813,996</b> The above balances are made up as follows:		
	Opening Balance	989,229,032	937,809,434
	Add : Addition during the year	59,584,964	51,419,598
		<b>1,048,813,996</b>	<b>989,229,032</b>
	Less: Adjustment made during the year	-	-
	<b>Balance as at 30 June 2021</b>	<b>1,048,813,996</b>	<b>989,229,032</b>
3.02	<b>Accumulated Depreciation: Tk.392,196,493</b> The above balances are made up as follows:		
	Opening Balance	359,840,587	327,293,975
	Add : Addition during the year	32,355,906	32,546,612
		<b>392,196,493</b>	<b>359,840,587</b>
	Less: Adjustment made during the year	-	-
	<b>Balance as at 30 June 2021</b>	<b>392,196,493</b>	<b>359,840,587</b>
<b>Details of Property, Plant and Equipment have been shown in 'Annexure - A'.</b>			
3.00(a)	<b>Consolidated Property, Plant and Equipment: Tk. 695,224,244</b> The above balances are made up as follows:		
	<b><u>Fu-Wang Foods Ltd.</u></b>		
	At Cost/Revaluation	1,048,813,996	989,229,032
	Less : Accumulated Depreciation	392,196,493	359,840,587
	<b>Sub total</b>	<b>656,617,503</b>	<b>629,388,445</b>
	<b><u>Fu-Wang Beverage Industry Ltd.</u></b>		
	At Cost/Revaluation	103,736,499	103,736,499
	Less : Accumulated Depreciation	65,129,758	62,315,598
	<b>Sub total</b>	<b>38,606,741</b>	<b>41,420,901</b>
	<b>Total</b>	<b>695,224,244</b>	<b>670,809,346</b>
4.00	<b>Investment : Tk. 50,000,000</b> The above balances are made up as follows:		
	Investment in Fu-Wang Beverage Industry Limited		
	Opening Balance	50,000,000	50,000,000
	Add: Addition during the year	-	-
		<b>50,000,000</b>	<b>50,000,000</b>
	Less: Adjustment made during the year	-	-
	<b>Balance as at 30 June 2021</b>	<b>50,000,000</b>	<b>50,000,000</b>

The Company invested in shares of Fu-Wang Beverage Industry Limited by acquiring its 99% shares at a cost of Tk. 50,000,000 (99,000 Shares of Tk. 100 each); on 28 March 2011; hence making Fu-Wang Beverage Industry Limited a subsidiary of Fu-Wang Foods Limited.





Notes	Particulars	Amount in Taka	
		30 Jun 2021	30 Jun 2020
5.00	<b>Inventories :Tk. 283,078,381</b> <b>The above balances are made up as follows:</b>		
	Stock of Raw Materials <b>Annexure-B</b>	208,730,227	205,554,797
	Stock of Finished Foods	15,804,844	16,287,301
	Stock of Packing Materials	58,543,310	59,798,264
	<b>Total</b>	<b>283,078,381</b>	<b>281,640,362</b>
5.00(a)	<b>Consolidated Inventories: Tk. 310,457,681</b> <b>The above balances are made up as follows:</b>		
	<b>Fu-Wang Foods Ltd.</b>		
	Stock of Raw Materials	208,730,227	205,554,797
	Stock of Finished Foods	15,804,844	16,287,301
	Stock of Packing Materials	58,543,310	59,798,264
	<b>Sub total</b>	<b>283,078,381</b>	<b>281,640,362</b>
	<b>Fu-Wang Beverage Industry Ltd.</b>		
	Stock of Raw Materials	13,028,500	12,709,683
	Stock of Finished Foods	11,023,000	10,277,500
	Stock of Packing Materials	3,327,800	4,318,954
	<b>Sub total</b>	<b>27,379,300</b>	<b>27,306,137</b>
	<b>Total</b>	<b>310,457,681</b>	<b>308,946,499</b>
6.00	<b>Trade and Other Receivables: Tk. 394,176,055</b> <b>The above balances are made up as follows:</b>		
	Opening Balance	358,459,552	395,752,535
	Add: Sales during the year (Note # 19.00)	839,589,415	791,176,503
		1,198,048,967	1,186,929,038
	Less: Realised during the year	803,872,912	828,469,486
	Less: Provision for Bad Debts	-	-
		<b>394,176,055</b>	<b>358,459,552</b>
	<b><u>Aging of Trade Receivables</u></b>		
	Below 30 days	17,494,333	-
	Within 31-60 days	12,017,573	-
	Within 61-90 days	30,272,273	-
	Within 91-180 days	10,365,740	331,692,062
	Above 180 days	324,026,135	26,767,490
	Provision for Bad Debts	-	-
		<b>394,176,055</b>	<b>358,459,552</b>



Notes	Particulars	Amount in Taka	
		30 Jun 2021	30 Jun 2020
	<b>The classification of receivables as required by the schedule XI of the Companies Act, 1994 are given below:</b>		
	Receivable considered good in respect of which the company is fully secured	14,357,562	-
	Receivable considered good in respect of which the company holds no security other than the debtor personal security	-	-
	Receivables considered doubtful bad	-	-
	Receivable to Directors	N/A	-
	Receivables due by common management	N/A	-
	The maximum amount of receivable due by any director or other officer of the company.	N/A	-
		<b>14,357,562</b>	<b>-</b>
<b>6.00(a)</b>	<b>Consolidated Trade and Other Receivables: Tk. 531,595,081</b>		
	<b>The above balances are made up as follows:</b>		
	Fu-Wang Foods Ltd.	394,176,055	358,459,552
	Fu-Wang Beverage Industry Ltd.	137,419,026	140,089,127
		<b>531,595,081</b>	<b>498,548,679</b>
<b>7.00</b>	<b>Advances, Deposits and Prepayments: TK.564,389,465</b>		
	<b>The above balances are made up as follows:</b>		
	Advances (7.01)	555,082,494	548,754,133
	Deposits (7.02)	9,306,971	9,833,951
	<b>Total</b>	<b>564,389,465</b>	<b>558,588,084</b>
<b>7.01</b>	<b>Advances: Tk. 555,082,494</b>		
	<b>The above balances are made up as follows:</b>		
	Advance Against Rent (Ctg. Branch)	119,000	240,000
	Advance Against Rent (Rangpur Branch)	230,000	165,000
	Advance Against Rent (Mymensingh Branch)	447,215	-
	Advance Against Rent (Sylhet Branch)	113,000	-
	Advance Against Rent (Bogra Branch)	19,000	-
	Advance Against Rent (Sirajgong Branch)	98,000	-
	Advance Against Rent (Gazipur Branch)	50,000	-
	Advance Against Rent (Barishal Branch)	56,000	-
	Advance Against Rent (Madaripur Branch)	30,000	-
	Advance against LC Margin (LC NO.140720010088)	205,246	-
	Current Account (VAT)	4,375,844	4,375,844
	Advance Against VAT	6,000,000	-
	Advance Income Tax (Note 7.01.1)	349,977,834	347,377,834
	Advance for VAT Tribunal	10,222,777	10,222,777
	Advance Against Salary	1,027,000	4,422,326
	Advance Against Bristy Biscuit Factory	1,956,598	1,956,598
	Advance Against Purchase	39,531,147	41,058,347
	Advance to Fu-Wang Beverage Ind. Ltd.	140,623,833	138,935,407
	<b>Total</b>	<b>555,082,494</b>	<b>548,754,133</b>



Notes	Particulars	Amount in Taka	
		30 Jun 2021	30 Jun 2020
<b>7.01.1</b>	<b>Advance Income Tax : Tk. 349,977,834</b>		
	<b>The above balances are made up as follows:</b>		
	Balance as at 01 July 2020	347,377,834	331,521,468
	Add : Addition during the year	2,600,000	15,856,366
		<b>349,977,834</b>	<b>347,377,834</b>
	Less : Adjustment made during the year	-	-
	<b>Balance as at 30 June 2021</b>	<b>349,977,834</b>	<b>347,377,834</b>
<b>7.02</b>	<b>Deposits: Tk.9,306,971</b>		
	<b>The above balances are made up as follows:</b>		
	Titas Gas T & D Co. Ltd. (Gas connection)	3,592,198	3,592,198
	Rangpur Branch Office	-	107,000
	Sylhet Branch	-	113,000
	Margin Against Bank Guarantee-Titas Gas	4,263,890	4,263,890
	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	-	55,000
	Jessore Branch	-	7,500
	Madaripur Branch	-	14,000
	Shirajgonj Branch	-	74,000
	Deposit against Rent (Ctg. Factory)	-	84,980
	Deposit against Rent (Kustia Factory)	-	28,000
	T & T Phone (Factory)	8,000	8,000
	Bangladesh Sugar and Food Industry Corporation	75,000	75,000
	Bangladesh Beverage Co.	5,000	5,000
	Coca-Cola Bottle	1,400	1,400
	Deposit against Bhrammanbaria Branch	-	43,500
	Grameen Mobile Phone	12,600	12,600
	City cell Mobile	15,000	15,000
	Deposit to CDBL	300,000	300,000
	<b>Total</b>	<b>9,306,971</b>	<b>9,833,951</b>



Notes	Particulars	Amount in Taka	
		30 Jun 2021	30 Jun 2020
<b>7.00(a)</b>	<b>Consolidated Advances, Deposits and Prepayments: Tk. 468,776,213</b>		
	The above balances are made up as follows:		
	<b>Fu-Wang Foods Ltd.</b>		
	Advances	555,082,494	592,542,476
	Deposits	9,306,971	9,833,951
	<b>Sub total</b>	<b>564,389,465</b>	<b>602,376,427</b>
	<b>Fu-Wang Beverage Industry Ltd.</b>		
	Margin on Bank Guarantee (Titas Gas, T&D Co. Ltd)	7,763,340	6,541,102
	Current Account Vat & SD	2,798,034	2,798,034
	Advance Income Tax	34,449,207	34,449,207
	<b>Sub total</b>	<b>45,010,581</b>	<b>43,788,343</b>
	<b>Total</b>	<b>609,400,046</b>	<b>646,164,770</b>
	Less: Adjust with Subsidiary Company	140,623,833	138,935,407
		<b>468,776,213</b>	<b>463,441,020</b>
<b>8.00</b>	<b>Cash and Cash Equivalents: Tk. 4,108,818</b>		
	The above balances are made up as follows:		
	Cash in Hand 8.01	298,810	547,491
	Cash at Banks 8.02	3,810,008	5,152,017
	<b>Total</b>	<b>4,108,818</b>	<b>5,699,508</b>
<b>8.01</b>	<b>Cash in Hand: Tk. 298,810</b>		
	The above balances are made up as follows:		
	At Head Office	116,810	192,491
	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	30,000
	At Mymensingh Branch Office	20,000	20,000
	At Kustia Branch Office	-	20,000
	At Sayestagonj Branch Office	-	20,000
	At Barisal Branch Office	22,000	22,000
	At Feni Branch Office	-	133,000
	<b>Total</b>	<b>298,810</b>	<b>547,491</b>



Notes	Particulars	Amount in Taka	
		30 Jun 2021	30 Jun 2020
<b>8.02</b>	<b>Cash at Banks: Tk. 3,810,008</b>		
	<b>The above balances are made up as follows:</b>		
	Pubali Bank Ltd., Local Office Dhaka STD-1144	16,741	29,629
	Dutch Bangla Rocket Account	436,700	563,860
	Dhaka Bank Ltd., CD-9127	-	2,847
	Dutch Bangla Bank Ltd.-CD-39015	2,944,684	2,158,790
	Sonali Bank Ltd., Banani Br., CA 313	194,579	1,080,999
	Dhaka Bank Ltd., CD-6908	17,312	-
	Standard Bank Ltd., Gulshan Br., CD-34003721	6,088	149,049
	Standard Bank Ltd., CD-33003806	-	266
	Pubali Bank Ltd. Gulshan Br., CD-17903	193,904	1,166,577
	<b>Total</b>	<b>3,810,008</b>	<b>5,152,017</b>
<b>8.00(a)</b>	<b>Consolidated Cash and Cash Equivalents: Tk. 5,103,987</b>		
	<b>The above balances are made up as follows:</b>		
	<b>Fu-Wang Foods Ltd.</b>		
	Cash in Hand	298,810	547,491
	Cash at Banks	3,810,008	5,152,017
	<b>Sub total</b>	<b>4,108,818</b>	<b>5,699,508</b>
	<b>Fu-Wang Beverage Industry Ltd.</b>		
	Cash in Hand	247,500	453,100
	Cash at Banks	747,669	745,033
	<b>Sub total</b>	<b>995,169</b>	<b>1,198,133</b>
	<b>Total</b>	<b>5,103,987</b>	<b>6,897,641</b>





Notes	Particulars	Amount in Taka	
		30 Jun 2021	30 Jun 2020
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		
	110,839,284 ordinary shares @ of Tk. 10/= each issued for cash	1,108,392,840	1,108,392,840

The break up of the above amount is as under :

Date	No. of Shares	Particulars	30 June 2021	30 June 2020
17.02.1997	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	100,762,980
	110,839,284		1,108,392,840	1,108,392,840

### 9.03 Composition of the Shareholders:

SL No.	Particulars	30/Jun/2021	30/Jun/2020				
		No. of Shares	Value of Shares	%	No. of Shares	Value of Shares	%
01	Directors/ Sponsors	10,266,440	102,664,400	9.26%	6,466,440	64,664,400	5.83%
02	Institutions	20,000,564	200,005,640	18.04%	27,798,492	277,984,920	25.08%
03	Foreign	424,369	4,243,690	0.38%	321,434	3,214,340	0.29%
04	General Public	80,147,911	801,479,110	72.31%	76,252,918	762,529,180	68.80%
	<b>Total</b>	<b>110,839,284</b>	<b>1,108,392,840</b>	<b>100%</b>	<b>110,839,284</b>	<b>1,108,392,840</b>	<b>100%</b>

Note: Although the Sponsors/Directors Shareholding position is 9.26% as on 30th June '2021. But the Directors are trying to comply the BSEC notification No. BSEC/CMRCD/2009-193/217/Admin/90, dated May 21, 2019.

The distribution schedule showing the number of share holders and their share holdings in percentage has been disclosed below:

Range of Share Holdings	As per Folio		As per BO ID		Total No. Holder	Total No. of Share	Percentage (%)
	Holders	Shares	Holders	Shares			
Less than 500	541	92,573	4,565	884,864	5,106	977,437	0.88
501 to 5,000	105	117,450	7,525	15,590,508	7,630	15,707,958	14.17
5001 to 10,000	3	31,300	1,402	10,918,646	1,405	10,949,946	9.88
10,001 to 20,000	1	11,500	864	12,911,328	865	12,922,828	11.66
20,001 to 30,000	1	23,000	263	6,539,836	264	6,562,836	5.92
30,001 to 40,000	1	36,277	148	5,295,874	149	5,332,151	4.81
40,001 to 50,000	1	41,975	115	5,358,058	116	5,400,033	4.87
50,001 to 100,000	1	57,500	181	13,072,759	182	13,130,259	11.85
100,001 to 1,000,000	-	-	110	23,272,980	110	23,272,980	21.00
Over 1,000,000	-	-	8	16,582,846	8	16,582,846	14.98
<b>Total</b>	<b>654</b>	<b>411,575</b>	<b>15,179</b>	<b>110,427,709</b>	<b>15,833</b>	<b>110,839,284</b>	<b>100</b>



Notes	Particulars	Amount in Taka	
		30 Jun 2021	30 Jun 2020
<b>10.00</b>	<b>Retained Earnings: Tk. 132,975,863</b>		
	The above balances are made up as follows:		
	Opening Balance	136,867,137	95,228,361
	Add: Profit after tax for the year	11,382,118	60,632,854
	Depreciation on Revaluation	3,015,090	3,173,779
	Profit available for Appropriation	<u>151,264,344</u>	<u>159,034,994</u>
	Less: Appropriations		
	Utilized for Cash Dividend (At 1.65% for FY 2019-20)	18,288,482	22,167,857
		<u>132,975,863</u>	<u>136,867,137</u>
<b>10.00(a)</b>	<b>Consolidated Retained Earnings: Tk. 160,767,196</b>		
	The above balances are made up as follows:		
	Fu-Wang Foods Limited	132,975,863	136,867,137
	Fu-Wang Beverage Industry Ltd.	27,791,334	33,853,501
		<u>160,767,196</u>	<u>170,720,638</u>
<b>11.00</b>	<b>Non-Controlling Interest: Tk. 380,720</b>		
	The above balances are made up as follows:		
	Opening Balance (1% of Subsidiary Net Assets)	441,954	498,488
	Profit for the period ended 30 June 2021	(61,234)	(56,534)
		<u>380,720</u>	<u>441,954</u>
<b>12.00</b>	<b>Deferred Tax Liabilities: Tk. 70,949,419</b>		
	Deferred Tax Liability for Temporary Difference of PPE	12.01 58,059,911	55,386,582
	Deferred Tax Liability for Revaluation	12,889,508	9,045,269
	Deferred Tax Liability as at 30 June 2021	<u>70,949,419</u>	<u>64,431,851</u>
<b>12.01</b>	<b>Deferred Tax Liability for Temporary Difference of PPE: TK. 58,059,911</b>		
	Opening Balance	55,386,582	43,983,532
	Addition during the year	2,673,329	11,403,050
	Closing Balance	<u>58,059,911</u>	<u>55,386,582</u>
	<b>Calculation of Deferred Tax Liability:</b>		
	Accounting Base Written Down Value (WDV)	599,330,802	569,086,654
	Tax Base written down value (WDV)	341,286,755	347,540,327
	Taxable Temporary Difference	258,044,047	221,546,327
	Applicable Tax Rate	22.5%	25%
	Total Deferred tax Liability for Temporary Difference of PI	<u>58,059,911</u>	<u>55,386,582</u>
	Less: Opening Deferred Tax Liability for Temporary Difference of PPE	55,386,582	(43,983,532)
	Deferred Tax expense for the year	<u>2,673,329</u>	<u>11,403,050</u>



Notes	Particulars	Amount in Taka	
		30 Jun 2021	30 Jun 2020
<b>13.00</b>	<b>Long Term Loan: Tk. 22,567,518</b>		
	The above balances are made up as follows:		
	IDLC Finance Ltd.	-	34,251,603
	Term Loan, Dhaka Bank Ltd.	45,002,797	16,960,000
		<b>45,002,797</b>	<b>51,211,603</b>
	Less: IDLC Finance Ltd.-Current Portion	-	21,636,640
	Less: Term Loan, Dhaka Bank-Current Portion	22,435,279	5,880,048
		<b>22,435,279</b>	<b>27,516,688</b>
		<b>22,567,518</b>	<b>23,694,915</b>

<b>14.00</b>	<b>Short Term Bank Loans and Others: Tk. 176,157,761</b>		
	The above balances are made up as follows:		
	Dhaka Bank Ltd., OD-264	79,561,108	78,183,361
	Dhaka Bank Ltd., Time Loan,	24,309,309	19,867,775
	Dhaka Bank Ltd., LTR	13,937,503	11,340,000
	Dhaka Bank Ltd., STL	9,269,312	-
	Dhaka Bank Ltd Stimulus Package Loan	10,065,250	-
	IDLC Finance Ltd.-Current Portion	-	21,636,640
	Term Loan, Dhaka Bank-Current Portion	22,435,279	5,880,048
	Temporary Loan from Director	16,580,000	-
		<b>176,157,761</b>	<b>136,907,824</b>

Overdraft with Dhaka Bank Ltd. is secured by hypothecation of inventories and faces interest at 9% per annum.

The Company has an Overdraft limit of Tk. 8.00 crores with Dhaka Bank Limited against which credit facilities balance on 30-06-2021 was Tk. 79,561,108

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.

<b>15.00</b>	<b>Trade and Other Payables: Tk. 48,305,682</b>		
	The above balances are made up as follows:		
		<b>30 Jun 2021</b>	<b>30 Jun 2020</b>
	Trade Creditors	31,670,356	9,715,228
	Dividend Payable	2,277,764	1,610,251
	Security Deposit against Sale and Others	14,357,562	14,457,562
		<b>48,305,682</b>	<b>25,783,041</b>

<b>15.00(a)</b>	<b>Consolidated Trade and Other Payables: Tk. 49,813,682</b>		
	The above balances are made up as follows:		
	<b>Fu-Wang Foods Ltd.</b>		
	Trade Creditors	31,670,356	9,715,228
	Dividend Payable	2,277,764	1,610,251
	Security Deposit against Sale and Others	14,357,562	14,457,562
	<b>Sub Total</b>	<b>48,305,682</b>	<b>25,783,041</b>



Notes	Particulars	Amount in Taka	
		30 Jun 2021	30 Jun 2020
	<b>Fu-Wang Beverage Industry Ltd.</b>		
	Liability for Security Deposit	995,500	995,500
	Sundry Creditors (Holdings Company)	140,623,833	138,935,407
	Sundry Creditors (Others)	512,500	567,733
	<b>Sub Total</b>	<b>142,131,833</b>	<b>140,498,640</b>
	<b>Grand Total</b>	<b>190,437,515</b>	<b>166,281,681</b>
	Less: Adjust with Subsidiary Company	140,623,833	138,935,407
	<b>Total</b>	<b>49,813,682</b>	<b>27,346,274</b>
<b>16.00</b>	<b>Payable for (WPPF) and Welfare Fund: Tk. 17,765,225</b>		
	The above balances are made up as follows:		
	Opening Balance	15,144,663	16,601,823
	Add : Addition during the year	954,649	4,042,190
	Add: Interest (11%)	1,665,913	1,078,000
		<b>17,765,225</b>	<b>21,722,013</b>
	Less: Payment during the year	-	(6,577,350)
	<b>Balance as at 30 June 2021</b>	<b>17,765,225</b>	<b>15,144,663</b>
<b>17.00</b>	<b>Liabilities for Expenses: Tk. 19,069,654</b>		
	The above balances are made up as follows:		
	Salary & Allowances (H/O)	4,466,578	1,078,582
	Salary & Allowances (Fac.)	10,433,539	1,036,290
	Audit Fees	333,500	235,750
	Power and fuel	3,836,037	9,109,328
	Other Expenses	-	532,803
	<b>Total</b>	<b>19,069,654</b>	<b>11,992,753</b>
<b>17.00(a)</b>	<b>Consolidated Liabilities for Expenses: Tk. 19,069,654</b>		
	The above balances are made up as follows:		
	<b>Fu-Wang Foods Ltd.</b>		
	Salary & Allowances (H/O)	4,466,578	1,078,582
	Salary & Allowances (Fac.)	10,433,539	1,036,290
	Audit Fees	333,500	235,750
	Power & Fuel	3,836,037	9,109,328
	Other Expenses	-	532,803
	<b>Sub Total</b>	<b>19,069,654</b>	<b>11,992,753</b>
	<b>Fu-Wang Beverage Industry Ltd.</b>		
	Accrued Expenses	973,477	1,069,042
	Audit Fee Payable	46,000	46,000
	<b>Sub Total</b>	<b>1,019,477</b>	<b>1,115,042</b>
	<b>Grand Total</b>	<b>20,089,131</b>	<b>13,107,795</b>



Notes	Particulars	Amount in Taka	
		30 Jun 2021	30 Jun 2020
18.00	Provision for Income Tax: Tk. 309,304,404 The above balances are made up as follows:		
	Opening Balance	309,304,404	300,496,501
	Add: Addition during the year	5,037,536	8,807,903
		314,341,940	309,304,404
	Less: Adjustment made during the year	-	-
	Balance as at 30 June 2021	314,341,940	309,304,404
18.00(a)	Consolidated Provision for Income Tax: Tk. 342,429,393 The above balances are made up as follows:		
	Opening Balance	337,197,908	328,133,280
	Add : Addition during the year (Fu-Wang Foods Ltd.)	5,037,536	8,807,902
	Add : Addition during the year (Fu-Wang Beverage Ind. Ltd.)	193,949	256,725
		342,429,393	337,197,907
	Less: Adjustment made during the year	-	-
	Balance as at June 30, 2020	342,429,393	337,197,908
19.00	Turnover (net of VAT etc.): Tk. 839,589,415		
	Local Sales	858,840,761	816,500,146
	Less : VAT, SD etc.	19,251,346	25,323,643
	Total Turnover	839,589,415	791,176,503
	Details are shown in Annexure-C		
19.00(a)	Consolidated Turnover (net of VAT etc.): Tk. 871,914,282 The above balances are made up as follows:		
	Fu-Wang Foods Limited	839,589,415	791,176,503
	Fu-Wang Beverage Industry Limited	32,324,867	42,787,497
	Total	871,914,282	833,964,000
20.00	Cost of Goods Sold: Tk. 686,061,495 The above balances are made up as follows:		
	Raw Materials Consumed 20.01	458,478,352	439,859,380
	Direct Wages and Salary	59,596,535	53,627,474
	Prime Cost	518,074,887	493,486,854
	Factory Overhead 20.02	167,504,151	116,569,578
	Total Manufactured Cost	685,579,038	610,056,432
	Opening Finished Goods	16,287,301	15,609,873
	Cost of Goods Available for Sales	701,866,339	625,666,305
	Closing Finished Goods	15,804,844	16,287,301
	Cost of Goods Sold	686,061,495	609,379,004





Notes	Particulars	Amount in Taka	
		30 Jun 2021	30 Jun 2020
<b>20.01</b>	<b>Raw Materials Consumed: Tk. 458,478,352</b>		
	The above balances are made up as follows:		
	Opening Balance	205,554,798	159,716,514
	Add: Raw Materials Purchased During the Year	461,653,781	485,697,664
	<b>Raw Materials Available for Use</b>	<b>667,208,579</b>	<b>645,414,178</b>
	Less : Balance as at 30 June 2021	208,730,227	205,554,798
	<b>Raw Materials Consumed</b>	<b>458,478,352</b>	<b>439,859,380</b>
<b>20.02</b>	<b>Factory Overheads: Tk. 167,504,151</b>		
	The above balances are made up as follows:		
	Factory Maintenance	3,413,015	3,565,172
	Festival Bonus to Factory Staff	4,177,965	3,590,368
	Medical Allowance	75,042	15,494
	Packing Materials Consumed 20.02.1	85,237,992	33,264,718
	Repairing & Maintenance	-	315,000
	Power, Fuel & Rent	46,732,777	48,730,613
	Spare Parts	2,127,581	1,571,242
	Uniform	-	131,950
	Conveyance Allowance	150,322	255,341
	Fuel for Transport	304,834	487,053
	Carriage Inward	1,281,368	307,984
	Fooding Allowance	80,000	412,760
	Insurance Premium	627,003	450,096
	Depreciation	23,296,252	23,471,787
	<b>Total</b>	<b>167,504,151</b>	<b>116,569,578</b>
<b>20.02.1</b>	<b>Packing Materials: Tk. 85,237,992</b>		
	The above balances are made up as follows:		
	Opening Balance	59,798,264	57,097,600
	Add: Purchase during the year	83,983,038	35,965,382
		<b>143,781,302</b>	<b>93,062,982</b>
	Less: Balance as at 30 June 2021	58,543,310	59,798,264
	<b>Packaging Materials Consumed</b>	<b>85,237,992</b>	<b>33,264,718</b>
<b>20.00(a)</b>	<b>Consolidated Cost of Goods Sold: Tk. 714,164,183</b>		
	The above balances are made up as follows:		
	Fu-Wang Foods Limited	686,061,495	609,379,004
	Fu-Wang Beverage Industry Limited	28,102,688	36,953,036
	<b>Total</b>	<b>714,164,183</b>	<b>646,332,040</b>



Notes	Particulars	Amount in Taka	
		30 Jun 2021	30 Jun 2020
<b>21.00</b>	<b>Administrative Expenses: Tk. 80,685,014</b>		
	The above balances are made up as follows:		
	Director Remuneration	3,600,000	3,600,000
	Salary & Allowances including contribution to PF	44,706,481	13,037,500
	Bonus	1,959,488	2,937,850
	Conveyance Allowance	620,066	355,719
	Printing & Stationary	635,381	705,219
	Repairing & Maintenance (Car)	1,624,589	2,080,124
	Fuel for Car	1,406,489	1,079,916
	Office Maintenance	599,117	563,795
	Office Rent	6,199,943	3,075,245
	Postage & Telegram	3,890	12,380
	Overtime Expenses	-	428,798
	Fooding Allowance	774,599	1,057,632
	Electricity, WASA & Gas	1,497,743	1,525,894
	Foreign Tour/ Travelling Allowance	1,264,364	3,612,870
	Telephone Allowance	1,548,171	427,336
	Audit Fee	333,500	235,750
	Labor Charge	110,500	125,972
	Registration & Renewals	1,645,023	1,077,740
	Donation & Subscription	509,000	200,000
	AGM Expenses	314,315	582,888
	Fees & Professional Expenses	607,625	825,000
	Depreciation	9,059,654	9,074,825
	Internet Expenses	1,117,329	-
	Insurance premium	226,747	-
	Books and periodicals	1,800	-
	Sign and Billboard	134,200	-
	Board meeting attendance fees	185,000	-
	<b>Total</b>	<b>80,685,014</b>	<b>46,622,453</b>
<b>21.00(a)</b>	<b>Consolidated Administrative Expenses: Tk. 83,205,398</b>		
	The above balances are made up as follows:		
	Fu-Wang Foods Limited	80,685,014	46,622,453
	Fu-Wang Beverage Industry Limited	2,520,384	9,179,845
	<b>Total</b>	<b>83,205,398</b>	<b>55,802,298</b>
<b>22.00</b>	<b>Selling and Distribution Expenses: Tk. 35,384,328</b>		
	The above balances are made up as follows:		
	Salary & Allowances including contribution to PF	8,702,916	5,824,380
	Advertisements	167,600	677,935
	Carriage Outward	12,844,358	16,784,601
	Incentives on Sale	4,517,771	5,762,341
	Distribution of free sample	917,500	-
	Commission on sale	6,536,572	-
	Business Promotion & Development Expenses	1,697,611	2,019,722
	<b>Total</b>	<b>35,384,328</b>	<b>31,068,979</b>



Notes	Particulars	Amount in Taka	
		30 Jun 2021	30 Jun 2020
<b>22.00(a)</b>	<b>Consolidated Selling and Distribution Expenses: Tk. 43,015,575</b>		
	The above balances are made up as follows:		
	Fu-Wang Foods Limited	35,384,328	31,068,979
	Fu-Wang Beverage Industry Limited	7,631,247	2,051,256
	<b>Total</b>	<b>43,015,575</b>	<b>33,120,235</b>
<b>23.00</b>	<b>Financial Expenses: Tk. 17,410,946</b>		
	The above balances are made up as follows:		
	Bank Interest	14,832,803	17,833,382
	Bank Charges and Commission	912,230	1,386,689
	Interest for WPPF	1,665,913	-
	<b>Total</b>	<b>17,410,946</b>	<b>19,220,071</b>
<b>24.00</b>	<b>Current Tax: Tk. 5,037,536</b>		
	The above balances are made up as follows:		
	Profit before tax as per accounts	19,092,983	80,843,806
	Add: Depreciation as per accounts	32,355,906	29,372,833
		<b>51,448,889</b>	<b>110,216,639</b>
	Less: Depreciation as per 3rd Schedule	65,838,534	74,985,026
	<b>Total</b>	<b>(14,389,645)</b>	<b>35,231,613</b>
	Income Tax as per applicable rate	-	8,807,903
	<b>Minimum Tax:</b>		
	Revenue	839,589,415	791,176,503
	Income Tax @ 0.6%	<b>5,037,536</b>	<b>4,747,059</b>
<b>24.00(a)</b>	<b>Consolidated Current Tax: Tk. 5,231,485</b>		
	The above balances are made up as follows:		
	Fu-Wang Foods Limited	5,037,536	8,807,903
	Fu-Wang Beverage Industry Limited	193,949	256,725
	<b>Total</b>	<b>5,231,485</b>	<b>9,064,628</b>
<b>25.00</b>	<b>Profit Attributable to:</b>		
	The above balances are made up as follows:		
	Net Profit after Tax of Fu-Wang Foods Limited	11,382,118	60,632,854
	Less: Net Loss after Tax of Fu-Wang Beverage Ind. Limited (99%)	6,062,167	5,596,831
	<b>Total</b>	<b>5,319,951</b>	<b>55,036,023</b>
<b>26.00</b>	<b>Net Asset Value Per Share (NAV) with Revaluation</b>		
	The above balances are made up as follows:		
	Net Asset Value	1,285,765,897	1,296,516,500
	Number of ordinary share	110,839,284	110,839,284
	<b>Net asset value per share</b>	<b>11.60</b>	<b>11.70</b>



Notes	Particulars	Amount in Taka	
		30 Jun 2021	30 Jun 2020
<b>26.00(a) Net Asset Value Per Share (NAV) (Consolidated)</b>			
	The above balances are made up as follows:		
	Share holder's Equity	1,313,937,950	1,330,811,955
	Number of ordinary share	110,839,284	110,839,284
	Net asset value per share	<u>11.85</u>	<u>12.01</u>
	During the year subsidiary company is suffered by loss for which consolidated NAV per share has decreased in comparison to previous year.		
<b>27.00 Earnings per Share (EPS)</b>			
	The above balances are made up as follows:		
	Earnings Attributable to the Ordinary Shareholders	11,382,118	60,632,854
	Weighted Average Number of Ordinary Shares Outstanding During the Year	110,839,284	110,839,284
	<b>Earnings Per Share (EPS)- Basic</b>	<u>0.10</u>	<u>0.55</u>
	<b>Earnings Per Share (EPS)</b>		
	Earnings Attributable to the Ordinary Shareholders	11,382,118	60,632,854
	Number of ordinary share	110,839,284	110,839,284
	<b>Earnings Per Share (EPS)- Restated</b>	<u>0.10</u>	<u>0.55</u>
	Company experienced an increase in the price of raw material and packing material and also administrative expenses for which profit has got reduced during the year. As such earnings per share has also decreased in comparison to previous year.		
<b>27.00 (a) Earnings per Share (EPS) Consolidated</b>			
	The above balances are made up as follows:		
	Earnings Attributable to the Ordinary Shareholders	5,319,951	55,036,023
	Weighted Average Number of Ordinary Shares Outstanding During the Year	110,839,284	110,839,284
	<b>Earnings Per Share (EPS)- Basic</b>	<u>0.05</u>	<u>0.50</u>
	<b>Earnings Per Share (EPS)- Adjusted</b>		
	Earnings Attributable to the Ordinary Shareholders	5,319,951	55,036,023
	Number of ordinary share	110,839,284	110,839,284
		<u>0.05</u>	<u>0.50</u>
	Company's purchase of raw material and packing material price has been increased. Administrative expenses increased as well for this reason profit reduced during the year Earnings per share decreased in comparison to previous year.		
<b>28.00 Net operating cash flow per share(NOCFPS)</b>			
	The above balances are made up as follows:		
	Net cash generated from operating activities	41,734,004	77,323,524
	Number of ordinary share	110,839,284	110,839,284
	<b>Net Operating Cash Flow Per Share</b>	<u>0.38</u>	<u>0.70</u>
	Cash payment against purchase, administration & selling and distribution expenses increased significantly during the year for which operating cash flows decreased in comparison with previous year.		



Notes	Particulars	Amount in Taka	
		01 Jul 2020 to 30 June 2021	01 Jul 2019 to 30 June 2020

**28.00(a) Net operating cash flow per share (Consolidated)**  
**The above balances are made up as follows:**

Net cash generated from operating activities	39,842,613	65,514,166
Number of ordinary share	110,839,284	110,839,284
Net Operating Cash Flow Per Share	<u>0.36</u>	<u>0.59</u>

**29.00 Related Party Disclosure:**

The details of related party transaction during the year along with the relationship is illustrated below 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	138,935,407	84,118,426	82,430,000	140,623,833
Mrs. Rafia Akter	Land Acquisition	Wife of MD	-	33,084,114	33,084,114	-

**Disclosure of Directors Remuneration under para 4 schedule XI Part II of the companies Act 1994:**

Mr. Dr. Arif Ahmed Chowdhury, CIP is acting as managing director in the company and is taking remuneration. However, car facility was taken by him from the company for rendering his service. Details of remuneration paid to managing director during the year July 01, 2020 to June30, 2021 is as follows:

Name	Designation	No. of Meeting	Meeting Attending Fees	Total Meeting Fees	Directors Remuneration	Total (Taka)
Abdul Quader	Chairman	16	5,000	40,000	-	40,000
Arif Ahmed Chowdhury	Managing Director	15	5,000	35,000	3,600,000	3,635,000
Afsana Tarannum	Director	12	5,000	30,000	-	30,000
Lubaba Tabassum	Director	2	5,000	10,000	-	10,000
Quazi Tafazzal Hossain	Independent Director	12	5,000	35,000	-	35,000
Sayed Jishan	Independent Director	11	5,000	35,000	-	35,000
<b>Total</b>				<b>185,000</b>	<b>3,600,000</b>	<b>3,785,000</b>

- (a) During the year total 16 Board Meetings were held, total meeting fee was Tk. 185,000 including VAT & Tax.
- (b) During the Financial Year Arif Ahmed Chowdhury, Managing Director of the Company received Remuneration amounting taka 3,600,000.
- (c) No compensation was made to the Managing Director & CEO of the company except as stated above.
- (d) No amount was spent by the company for compensating any member of the Board of Directors except as stated above.





Notes	Particulars	Amount in Taka	
		01 Jul 2020 to 30 June 2021	01 Jul 2019 to 30 June 2020
30.00	<b>Reconciliation of cash flows from operating activities under indirect method</b>		
	Net profit during the year	11,382,118	60,632,854
	Depreciation	32,355,906	32,546,612
	<b>Change In current assets and liabilities</b>		
	(Increase) in advance deposit and prepayments	(6,712,955)	(10,945,904)
	(Increase) in Trade and other receivables	(35,716,503)	37,292,983
	(Increase) in Inventories	(1,438,019)	(49,216,375)
	Increase in Trade and other Payables	21,855,128	1,279,364
	Increase in Liabilities for expense	7,076,901	2,836,562
	Increase in provision of income tax	5,037,536	8,807,903
	Decrease In Advance income tax	2,600,000	(15,856,366)
	Deferred Tax	2,673,330	11,403,050
	Workers' profit participation fund (WPPF)	2,620,562	(1,457,160)
	<b>Total</b>	<b>41,734,004</b>	<b>77,323,524</b>

30.00(a)	<b>Reconciliation of cash flows from operating activities under indirect method (Consolidate)</b>		
	Net profit during the year	5,258,717	54,979,489
	Depreciation	35,170,066	35,931,477
	<b>Change In current assets and liabilities</b>		
	(Increase) in advance deposit and prepayments	(7,935,193)	(10,945,904)
	(Increase) in Trade and other receivables	(33,046,403)	42,545,815
	(Increase) in Inventories	(1,511,182)	(48,492,535)
	Increase in Trade and other Payables	21,799,895	(569,380)
	Increase in Liabilities for expense	6,981,336	1,938,304
	Increase in provision of income tax	5,231,485	9,064,628
	Decrease In Advance income tax	2,600,000	(16,401,070)
	Deferred Tax	2,673,330	11,403,050
	Workers' Profit Participation Fund (WPPF)	2,620,562	(1,457,160)
	<b>Total</b>	<b>39,842,613</b>	<b>77,996,714</b>

**31.00 Salary Range: Salary Range of the Employees are given below:**

Sl. No.	Salary Range	No. of Person	
		2020-2021	2019-2020
1	5,000-15,000	45	39
2	15,001-25,000	105	110
3	25,001-50,000	60	58
4	50,001-200,000	10	8
<b>Total No. of Person</b>		<b>220</b>	<b>215</b>

**32.00 Tax Assessment Status:**

Accounting Year	Assessment Year	Provision for Income Tax	Tax Liabilities as per Assessment Order	Advance Income Tax Paid	Tax Paid	Total Tax as per the Company	Assessment Status
2002-2003	2003-2004	10,403,665	14,830,766	2,617,734	9,185,931	11,803,665	Stay No-248 High court C.R-td
2003-2004	2004-2005	11,178,107	14,145,576	5,018,121	9,127,455	14,145,576	Settled
2004-2005	2005-2006	11,303,774	14,539,767	5,533,963	9,005,804	14,539,767	Settled
2005-2006	2006-2007	11,802,224	15,991,182	12,286,491	3,704,691	15,991,182	Settled
2006-2007	2007-2008	8,632,226	17,873,196	-	15,809,222	15,809,222	High court ITRA No. 195/2018 (certified copy attested)
2007-2008	2008-2009	9,408,956	31,930,291	8,517,596	2,303,301	10,820,897	Stay No-249 High court C.R-td
2008-2009	2009-2010	8,186,812	20,254,063	5,093,982	6,136,080	11,230,062	Stay No-250 High court C.R-td
2009-2010	2010-2011	10,178,651	25,305,422	-	13,065,926	13,065,926	Stay No-265 High court C.R-td
2010-2011	2011-2012	25,942,992	41,206,495	7,500,000	22,767,692	30,267,692	High court ITRA No. 466/216
2011-2012	2012-2013	28,518,008	44,112,659	24,724,892	3,419,108	28,144,000	High court ITRA No. 447/2017 (10% deposit Tk. 21,44,000)
2012-2013	2013-2014	23,252,149	45,447,006	-	16,260,695	16,260,695	High court ITRA No. 172/2018 (10% deposit Tk. 17,60,695)
2013-2014	2014-2015	23,489,860	27,966,623	24,500,000	3,466,623	27,966,623	Settled by Deposit
2014-2015	2015-2016	34,910,997	39,842,348	15,235,397	27,405,570	42,640,967	Appeal order execution pending
2015-2016	2016-2017	24,262,246	38,741,028	32,462,246	-	32,462,246	After revised assessment
2016-2017	2017-2018	15,369,468	22,310,462	22,659,933	-	22,659,933	Appeal order implemented
2017-2018	2018-2019	17,290,110	20,779,990	17,290,110	-	17,290,110	Appeal order implemented
2018-2019	2019-2020	26,366,256	33,458,729	26,636,904	-	26,636,904	Appeal Pending+Previous FA Opening Balance correction required
2019-2020	2020-2021	8,807,903	-	6,800,000	1,600,000	8,400,000	Return submitted & under process
2020-2021	2021-2022	-	-	-	-	-	Return bill be submitted
<b>Total Taka</b>		<b>309,304,404</b>	<b>468,735,603</b>	<b>216,877,369</b>	<b>143,258,098</b>	<b>360,135,467</b>	

**33.00 Financial Risk Management (IFRS 7)****33.01 Introduction**

"The Company's activities expose it to a variety of financial risks: credit risk, market risk (including interest rate risk and foreign currency risk), and liquidity risk. The Company's risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to economically hedge certain risk exposures.

Financial risk management is carried out by accounts and finance department under policies approved by the Board of Directors. Company finance identifies, evaluates, and hedges financial risks in close co-operation with the Company's operating units. The 'Finance Policy' provides principles for specific areas, such as credit risk, interest rate risk, foreign currency risk, use of derivative financial instruments, and investment of excess liquidity.

This note presents information about the Company's exposure to each of the risks arising from financial instruments and the Company's objectives, policies, and processes for measuring and managing risk. Further quantitative disclosures are included throughout these consolidated financial statements."

**33.02 Carrying amounts of financial instruments by category**

The following table shows the carrying amounts of financial instruments by category at the end of June 30, 2021:

**Maturity analysis**

Particulars	Current	>30 days	>90 days	>1 year	Total
<b>Financial Assets</b>					
Cash and Cash Equivalents	4,108,818	-	-	-	4,108,818
Trade and Other Receivables	17,494,333	42,289,847	10,365,740	324,026,135	394,176,055
Advances, Deposits and Prepayments	39,736,393	8,600,000	-	516,053,072	564,389,465
<b>Balance at June 30, 2021</b>	<b>61,339,544</b>	<b>50,889,847</b>	<b>10,365,740</b>	<b>840,079,207</b>	<b>962,674,338</b>

<b>Financial liabilities measured at amortized cost:</b>					
Long Term Loan	-	-	-	22,567,518	22,567,518
Short Term Bank Loans and Others	79,561,108	-	96,596,653	-	176,157,761
Trade and Other Payables	31,670,356	-	2,017,513	14,617,813	48,305,682
Liabilities for Expenses	18,736,154	-	333,500	-	19,069,654
<b>Balance at June 30, 2021</b>	<b>129,967,618</b>	<b>-</b>	<b>98,947,666</b>	<b>37,185,331</b>	<b>266,100,615</b>



### 33.03 Credit risks:

"Credit risk is the risk of financial loss to the Company if a customer or counterparty to financial instruments fails to meet its contractual obligations, and arises principally from cash and cash equivalents, time deposits, and trade accounts receivable.

The credit risk with Accounts Receivable (see note 06) is limited, as the Company has numerous dealer located in various geographical regions. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each dealer. Credit limits are established for each dealer, whereby the credit limit represents the maximum open amount without requiring payments in advance these limits are reviewed regularly (credit check).

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the Statement of Financial Position. There are no commitments that could increase this exposure to more than the carrying amounts."

### 33.04 Market risks

"Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, and other prices will affect the Company's result or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return on risk."

### 33.05 Interest rate risk

"At the reporting date, the Company had the following interest-bearing financial instruments: cash and cash equivalents, and bank liabilities. All cash and cash equivalents mature or reprise in the short-term, no longer than three months.

Borrowings mainly bear interest at fixed rates. Cash and cash equivalents and borrowings issued at variable rates expose the Company to cash flow interest rate risk.

The Company does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

The Company Finance manages the interest rate risk to reduce the volatility of the financial result as a consequence of interest rate movements. For the decision whether new borrowings shall be arranged at a variable or fixed interest rate, the Company Finance focuses on an internal long-term benchmark interest rate and considers the amount of cash and cash equivalents held at a variable interest rate. Currently, the interest rate exposure is not hedged."

### 33.06 Liquidity risk

"Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Company Finance manages the Company's liquidity to ensure sufficient liquidity to meet all liabilities when due, under both normal and stressed conditions, without facing unacceptable losses or risking damage to the Company's reputation.

Excess liquidity can be invested in instruments such as time deposits, government, and corporate bonds, shares of publicly listed companies, and capital protected instruments.

The following are the contractual maturities of financial liabilities, including interest payments:"



Particulars	Carrying amount	Between 1 and 90 days	Between 91 and 360 days	Between 1 and 2 years	Over 2 years
<b>Non-derivative financial liabilities</b>					
Long Term Loan	22,567,518	-	-	22,435,279	132,239
Short Term Bank Loans and Others	176,157,761	79,561,108	96,596,653	-	-
Trade and Other Payables	48,305,682	31,670,356	2,017,513	-	14,617,813
Liabilities for Expenses	19,069,654	18,736,154	333,500	-	-
<b>Balance at June 30, 2021</b>	<b>266,100,615</b>	<b>129,967,618</b>	<b>98,947,666</b>	<b>22,435,279</b>	<b>14,750,052</b>

**34.00 Plant Installed Capacity and Capacity Utilization**

Particulars	Unit	Capacity of Production	Actual Production	Capacity Utilization %
Foods & Beverage Items(2020-21)	MT	11,118	6,893	62%
Foods & Beverage Items(2019-20)	MT	10,900	6,431	59%

**35.00 Capital Expenditure Commitment**

There was no capital expenditure commitment as on June 30, 2021

**36.00** There was no bank guarantee issued by the company on behalf of their directors or the company itself except bank loan.

**37.00** Disclosure as per requirement of schedule XI, Part II of the Companies Act, 1994 and DSE's requirement under Annexure 10 of Schedule A-Para 18 of The Dhaka Stock Exchange (Listing) Regulation, 2015.

Compliances are shown in **(Annexure-D)** herewith this report.

**38.00 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 then eagerly 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 up to June 30, 2021.





**39.00 Event after the Balance Sheet Date:**

39.01 The Board of Directors in its meeting held on November 14, 2021 has approved the Financial Statements for the year ended 30 June 30 2021 and recommended no dividend for the all shareholders which is subject to approval by the shareholders at the for the coming Annual General Meeting (AGM) and authorize the financial statements for issue.

BSEC has appointed five independent Directors on 14 July 2021 as per the letter Ref # SEC/SRMIC/179/2020/part-1(Z)/175.

39.02 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.

**Chief Financial Officer**

**Company Secretary**

**Managing Director**

**Chairman**

**Place: Dhaka, Bangladesh**

**Dated: 14 November 2021**



**FU-WANG FOODS LIMITED**  
**Schedule for Property Plant and Equipment**  
**For the year ended 30 June 2021**

Annexure - A

Particulars	Cost		Rate	Depreciation		Written down value as at 30-June-2021	Written down value as at 30-June-2020
	Balance as at 01-Jul-2020	Addition during the year		Balance as at 01-Jul-2020	Addition during the year		
Land & Land Development	19,536,009	33,084,114	-	-	-	52,620,123	19,536,009
Factory Building Construction	156,346,957	849,800	2.5%	25,400,903	3,283,233	28,684,136	130,946,054
Plant and Machinery	479,710,359	14,243,750	5%	183,966,755	15,069,454	199,036,209	295,743,604
Gas Line	28,074,502	-	10%	15,185,063	1,288,944	16,474,007	12,889,439
Buildings & Other Constructions	55,532,411	-	5%	21,531,559	1,700,043	23,231,602	34,000,852
Furniture and Fixture	7,440,609	30,900	10%	3,123,389	434,040	3,557,429	4,317,220
Motor Vehicles	61,186,082	1,396,541	10%	25,480,582	3,638,375	29,118,957	35,685,480
Electrical Equipment	57,951,218	325,700	10%	31,740,566	2,631,922	34,372,488	26,210,652
Telephone & PABX Installation	2,005,660	-	10%	943,273	106,239	1,049,512	1,062,387
Office Equipment	2,492,257	77,708	20%	2,131,731	78,876	2,211,607	360,526
Cookeries & Cutleries	104,866	-	20%	101,713	631	102,344	3,153
Bicycle & Rickshaw Van	163,685	-	20%	162,048	327	162,375	1,637
Deep Tube-well & Pump	1,141,315	-	10%	882,674	25,864	908,538	258,641
Generator	16,848,122	9,576,451	10%	8,777,122	1,081,870	9,858,992	8,071,000
<b>Sub Total</b>	<b>886,514,032</b>	<b>59,584,964</b>		<b>319,427,378</b>	<b>29,340,616</b>	<b>348,768,194</b>	<b>568,086,654</b>
<b>Revaluation</b>							
Buildings & Other Constructions	100,715,000	-	5%	40,413,209	3,015,090	43,428,299	60,301,791
<b>Sub Total</b>	<b>100,715,000</b>	<b>-</b>		<b>40,413,209</b>	<b>3,015,090</b>	<b>43,428,299</b>	<b>60,301,791</b>
<b>Grand Total 2021</b>	<b>989,229,032</b>	<b>59,584,964</b>		<b>359,840,587</b>	<b>32,355,906</b>	<b>392,196,493</b>	<b>629,388,445</b>
<b>Grand Total 2020</b>	<b>937,809,434</b>	<b>51,419,598</b>		<b>327,293,975</b>	<b>32,546,612</b>	<b>359,840,587</b>	<b>629,388,445</b>

**Allocation of Depreciation :**

Production  
Administration

Cost	Revaluation	Total
21,125,368	2,170,864	23,296,252
8,215,429	844,225	9,059,654
<b>29,340,816</b>	<b>3,015,090</b>	<b>32,355,906</b>



**FU-WANG FOODS LIMITED**  
**Schedule of Raw Materials**  
**For the year ended 30 June 2021**

Annexure-B

Sl No.	Name of the item	Unit	Opening		Purchase		Available for Consumption		Consumed		Closing	
			Qty.	Taka	Qty.	Taka	Qty.	Taka	Qty.	Taka	Qty.	Taka
1	Flour	MT.	1,373	50,137,127	6,068	221,582,000	7,441	271,719,127	6,166	225,160,616	1,275	46,558,511
2	Dalda	MT.	335	26,075,129	456	40,584,000	791	66,659,129	570	42,144,800	221	24,514,329
3	Sugar	MT.	662	36,389,341	805	54,740,000	1,467	91,129,341	954	51,262,025	513	39,867,316
4	Sala Oil	MT.	209	15,611,727	335	32,830,000	544	48,441,727	345	25,808,747	199	22,632,980
5	Milk Powder	MT.	61	22,809,352	58	21,937,581	119	44,746,933	75	26,544,285	44	18,202,848
6	Others	MT.	216	48,935,008	185	51,545,676	381	100,480,686	198	49,170,012	183	51,310,674
7	Eggs	Pcs.	698,763	5,597,113	4,991,106	38,434,522	5,689,869	44,031,635	4,966,309	38,387,867	723,560	5,643,768
	<b>Total</b>		<b>701,619</b>	<b>205,554,797</b>	<b>4,998,993</b>	<b>461,653,781</b>	<b>5,700,612</b>	<b>667,206,576</b>	<b>4,974,617</b>	<b>458,478,352</b>	<b>725,995</b>	<b>208,730,227</b>


**FU-WANG FOODS LIMITED**
**Details of Turnover  
For the year ended 30 June 2021**
**Annexure-C**

<b>Vatable Items</b>	<b>Gross Sales</b>	<b>VAT &amp; SD</b>	<b>Net Sales FY 2020-2021</b>	<b>Net Sales FY 2019-2020</b>
Dia Salt Biscuit	52,847,644	2,516,554	50,331,090	53,425,173
Eco Dia Salt Biscuit	6,119,736	291,416	5,828,320	7,717,075
Fu-Wang Tube Biscuit-1.800 Kg	4,267,889	203,233	4,064,656	7,324,538
Fu-Wang Reo Biscuit(180gm)	481,397	22,924	458,473	-
Horlicks Biscuit	11,055,542	526,454	10,529,088	22,710,682
Milk Marie Biscuit	1,474,049	70,193	1,403,856	1,665,859
Namkin Biscuit	5,783,854	275,422	5,508,432	13,513,500
New Nutritious Biscuit	5,465,949	260,283	5,205,666	13,939,212
Salted Biscuit	3,767	179	3,588	129,113
Krispy Crackers Biscuit	-	-	-	-
Fu-Wang Twitter Diasalt Biscuit 27 Gm	15,117,121	719,863	14,397,258	24,252,340
Choco Toast	290,808	13,848	276,960	2,509,088
Crunchy Ghee Toast - 200 gm	14,252,400	678,686	13,573,714	17,044,689
Finger Toast	-	-	-	-
Signature Cream Roll 240 Gm	2,678,422	127,544	2,550,878	-
Signature Orange Biscuit 60 Gm	297,816	14,182	283,634	-
Signature Salted Biscuit 270 Gm	2,115,272	100,727	2,014,545	-
Fu-Wang Toast	11,128,430	529,925	10,598,505	17,967,385
Misty Toast	5,884,616	280,220	5,604,396	6,741,516
Miu Miu Toast	15,649	745	14,904	656,820
Non Stop Crispy Toast	307,854	14,660	293,194	8,029,696
Hi Quality Toast	-	-	-	5,370
Sandwich Toast	21,914	1,044	20,870	200,320
Spicy Toast	9,959,914	474,282	9,485,632	23,939,913
Sweet Toast	1,951,756	92,941	1,858,815	1,871,529
American Cheese Cake	5,807,182	276,533	5,530,649	8,963,717
Any Time Slice Cake-90 gm	43,611,575	2,076,742	41,534,833	44,578,646
Any Time Slice Cake-50 gm	435,807	20,753	415,054	2,942,691
Apple Pie	6,086	290	5,796	1,690,645
Chocolate Cake-90 gm	1,750,330	83,349	1,666,981	6,456,180
Chocolate Cake-35 gm	7,670	365	7,305	238,236
Cheese Slice Cake	44,019,695	2,096,176	41,923,519	38,922,100
Jerry Cake	53,887,490	2,566,071	51,321,419	46,104,926
Muffin Cake	4,869,842	231,897	4,637,945	14,071,324
Swiss Cheese Cake	9,707,227	462,249	9,244,978	11,615,360
Vanilla Pie	14,824,303	705,919	14,118,384	20,589,193
Fu-Wang Butter Bun	-	-	-	-
Pocet Waffer	-	-	-	267,227
Yo Yo Pocet Waffer (S F)	551,168	26,246	524,922	740,344



# FU-WANG FOODS LTD. | Details of Turnover

Yo Yo Poket Waffer (V F)	1,924,944	91,664	1,833,280	695,700
Dry Cake-350 gm	2,039,657	97,127	1,942,530	5,478,633
Dry Cake-40	8,872,686	422,509	8,450,177	20,693,805
ChocoNut	666,476	31,737	634,739	109,155
Choco Pie	10,384,077	494,480	9,889,597	13,728,397
Doremon Wafer	2,850,648	135,745	2,714,903	2,733,235
Play Glucose	2,656,841	126,516	2,530,325	1,037,172
Dairy Milk	200,957	9,569	191,388	464,179
Go Go	68,324	3,254	65,070	154,693
Ko Ko	7,575	361	7,214	139,458
Fu-Wang Dairy Milk(16) Gm	220,542	10,502	210,040	-
Fu-Wang Atta	-	-	-	1,190,000
Lascha Shemai	2,086,106	272,101	1,814,005	1,047,039
Printing Items (poly/pouch)	5,116,254	667,338	4,448,916	4,164,961
Unprinted inner poly	1,861,432	242,795	1,618,637	2,028,566
Jeera Plus	585,673	178,248	407,425	300,331
Boroi Chutney 50 Gm	520,379	24,780	495,599	-
Tetul Chutney 50 Gm	421,746	20,083	401,663	-
Volt Carbonated	525,932	160,066	365,866	1,212,947
Pure Drinking Water -500ML	861,544	148,050	713,494	875,370
First Love Biscuit (45GM) 45 Gm	7,014,694	334,033	6,680,661	-
Pure Drinking Water -1500ML	107,503	18,474	89,029	173,242
<b>Sub-Total</b>	<b>379,994,163</b>	<b>19,251,346</b>	<b>360,742,817</b>	<b>477,051,288</b>

## Non Vatable Items

Butter Bun Bread	44,966,891	-	44,966,891	36,254,399
Custard Bun	2,244,868	-	2,244,868	3,063,056
Daily Bread	40,539,369	-	40,539,369	33,430,054
Delicious Bread	68,108,841	-	68,108,841	44,801,493
E. Sweet Bread	20,627,946	-	20,627,946	14,317,139
Family Bread	11,638,027	-	11,638,027	14,135,391
Honeymix	27,504,910	-	27,504,910	15,279,942
Medium Bread	60,767,574	-	60,767,574	44,116,423
Mercury Bread	36,585,172	-	36,585,172	15,946,230
Milky Bread-700 Gm	9,172,684	-	9,172,684	3,623,827
Milky Bread-340 Gm	52,100,277	-	52,100,277	27,981,967
Platinum Sandwich Bread	33,992,560	-	33,992,560	12,882,410
Sandwich Bread	774,380	-	774,380	805,369
Special Bread	39,116,813	-	39,116,813	27,891,514
Sweet Bread	14,093,601	-	14,093,601	8,636,439
Tiffin Bread	1,458,195	-	1,458,195	1,864,268
V Butter Bun	15,154,490	-	15,154,490	9,059,871
China Bun	-	-	-	35,424
<b>Sub-Total</b>	<b>478,846,598</b>	<b>-</b>	<b>478,846,598</b>	<b>314,125,215</b>
<b>Grand Total</b>	<b>858,840,761</b>	<b>19,251,346</b>	<b>839,589,415</b>	<b>791,176,504</b>





**FU-WANG FOODS LIMITED**

Disclosure as per requirement of Schedule XI, Part II of The Companies Act, 1994  
For the year ended 30 June 2021

**Annexure - D**

**A Disclosure as per requirement of Schedule XI, Part II, Para-3, Note 4 (i) and (ii)**

Employees position of the company as at 30 June, 2021

Salary (Monthly)	Officer & Staff		Worker	Total Employees
	Factory	Head Office		
Aggregate remuneration for the year Taka. 36,000 and above.	64	204	805	1073
Aggregate remuneration for the year below Taka. 36,000.	-	-	-	-
<b>Total</b>	<b>64</b>	<b>204</b>	<b>805</b>	<b>1,073</b>

Disclosure as per requirement of Schedule XI, Part II, Para 3:

Para	Particulars	Compliance status of disclosure of Schedule XI, Part II, Para 3
3(i)(a)	The turnover	Complied -Disclosed in Note No-26
3(i)(b)	Commission paid to the selling agent	Complied -Disclosed in Note No-22
3(i)(c)	Brokerage and discount on sales, other than the usual trade discount	Not Applicable
3(i)(d)(i)	The value of raw materials consumed, giving item wise break up as possible	Complied -Disclosed in Annexure-B
3(i)(d)(ii)	The opening and closing stocks of goods produced	Complied -Disclosed in Note No-20, 20.1 & 20.02.1
3(i)(e)	In the case of trading companies, the purchase made and the opening and closing stocks.	Complied -Disclosed in Note No-20.1 & 20.02.1
3(i)(f)	In the case of companies rendering of supplying services, the gross income derived from services rendered or supplied.	Not Applicable
3(i)(g)	Opening and closing stocks, purchases and sales and consumption of raw materials with value and quantity break-up for the company, which falls under one or more categories i.e.; manufacturing and/or trading.	Not Applicable
3(i)(h)	In the case of other companies, the gross income derived under different heads.	Not Applicable
3(i)(i)	Work-in-progress, which have been completed at the commencement and at the end of the accounting period.	Not Disclosed in FS
3(i)(j)	Provision for depreciation, renewals or diminution in the value of fixed assets.	Complied -Disclosed in Annexure-A



3(i)(k)	Interest on the debenture paid or payable to the managing Directors, Managing Agent or Manager.	Not Applicable
3(i)(l)	Charge of income tax and other taxation on profits.	Complied -Disclosed in Note No-18
3(i)(m)	Revised for repayment of share capital and repayment of loans	Not Applicable
3(i)(n)(i)	Amount set aside or proposed to be set aside, to reserve, but not including provisions made to meet any specific liability, contingency or commitment, know to exist at the date as at which the balance sheet is made up.	Not Applicable
3(i)(n)(ii)	Amount withdrawn from above mentioned reserve.	Not Applicable
3(i)(o)(i)	Amount set aside to provision made for meeting specific liabilities, contingencies of commitments.	Not Applicable
3(i)(o)(ii)	Amount withdrawn from above mentioned provisions, as no longer required.	Not Applicable
3(i)(p)	Expenditure incurred on each of the following items, separately for each item: (i) Consumption of stores and spare parts (ii) Power and Fuel (iii) Rent (iv) Repairs of Buildings (v) Repairs of Machinery (1) Salaries, wages and bonus (2) Contribution to provident and other funds (3) Workman and staff welfare expenses to the extent not adjusted from any previous provision or reserve.	Complied -Disclosed in Note No-20 & 21

**B. Disclosure as per requirement of Schedule XI, Part II, Para 4:**

Payment/Perquisites to Directors & Managers

Complied and Disclosed in Note: 28.

**C. Disclosure as per requirement of Schedule XI, Part II, Para 7:**

Details of Production capacity Utilization

2020-2021				
Particulars	License Capacity (In MT)	Installed Capacity	Annual Production	Capacity Utilization
Annual production capacity in MT	N/A	11,118	6,893	62%

2019-2020				
Particulars	License Capacity (In MT)	Installed Capacity	Annual Production	Capacity Utilization
Annual production capacity in MT	N/A	10,900	6431	59%



**D Disclosure as per requirement of Schedule XI, Part II, Para 8 ( C)**

Raw materials, spare parts, packing materials and capital and machinery:

Items	Total Purchase (BDT)	Consumption (BDT)	% of consumption of total
Raw materials	461,653,781	458,478,352	99%
Spare parts	2,127,581	2,127,581	100%
Packing materials	83,983,038	85,237,992	101%
<b>Total</b>	<b>547,764,400</b>	<b>545,843,925</b>	

Value of export:

Particulars	In foreign currencies (USD)	In BDT	Not applicable as the company has not exported any commodities.
Export	Nil	Nil	
<b>Total</b>		-	

(i) The company has not incurred any expenditure in foreign currencies for the period from 01 July 2020 to 30 June 2021, on account of Royalty, know-how, professional fees, consultancy fees and interest;

(ii) The company has not earned any foreign exchanges for Royalty, know-how, professional fees, consultancy fees and interest;

(iii) The company has not remitted any foreign currencies on account of dividend.

**FU-WANG BEVERAGE INDUSTRY LTD.**



# FU-WANG BEVERAGE INDUSTRY LTD.

## Report of the Board of Directors for the year ended 30 June 2021

### Dear Shareholders

In compliance of section 184 of the Companies Act 1994, 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 2021 at this 16th 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 2020-2021, the company earned a net loss after tax of Tk. 61.23 lac as against loss of Tk. 56.53 lac for the last year which is decreased significantly. The reason behind for lower turnover is due to cumulative effects of Covid19 pandemic situation.

### Financial Position

The operating financial results for the year ended 30 June 2021 are as follows:

Particulars	30-Jun-21 (Taka)	30-Jun-20 (Taka)	Increase / (Decrease) Taka	Increase/(Decrease) %
Turnover (Net)	32,324,867	42,787,497	-10,462,630	-24.45%
Gross Profit	4,222,179	5,834,461	-1,612,282	-27.63%
Net Profit Before Tax	-5,929,452	-5,396,640	-532,812	9.87%
Net Profit After Tax	-6,123,401	-5,653,365	-470,036	8.31%
Net Assets Value Per Share (NAV)	781.72	842.95	-61.23	-7.26%
Earning Per Share (EPS)	-61.23	-56.53	-4.70	8.32%

### Shareholding

The shareholding position of the company is as follows:

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





### **Board of Directors:**

The Board of Fuwang Beverage Industry Limited has been reconstituted on September 04, 2021. Following members has joined in the Board:

<b>Name of the Member</b>	<b>Board of FW Beverage</b>	<b>Position</b>
Professor Dr. Md. Nizamul Hoque Bhuiyan	Independent Director	Chairman
Mohammad Sanaullah FIPM FCS	Independent Director	Member
Ajit Kumar Paul FCA	Independent Director	Member
Brig. General Md. Israt Hossain, ndc, psc (LPR)	Independent Director	Member
Afsana Tarannum	Non-Executive Director	Member
Lubaba Tabassum	Non-Executive Director	Member

### **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 i.e. year ending June 30, 2022 with increase of Audit fee.

The Directors endorsed the appointment of M/s. MABS J. Partners, Chartered Accountants as the auditors of the company for the year 2021-2022 at a fee of Tk. 60,000 (Taka sixty thousands only) excluding VAT.

### **Acknowledgement**

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

On behalf of the Board

**Professor Dr. Md. Nizamul Hoque Bhuiyan**  
**Chairman**



# Independent Auditor's Report To the Shareholders of Fu-Wang Beverage Industry Limited

## Report on the Audit of the Financial Statements

### Qualified Opinion

We have audited the financial statements of **Fu-Wang Beverage Industry Limited**, which comprise the statement of financial position as at 30 June 2021, 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, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### Basis for Qualified Opinion

- (i) Refer to Note-10, for Gross Sales of BDT. 37,173,597, no proper accounting books and supporting documents such as invoice, sales day book etc. could be produced to us. However, the sales figure so reported was in agreement with the VAT Return.
- (ii) Accounts Receivable of BDT.137,219,026 is reported in the Financial Statements. To confirm the receivables balance as at 30 June 2021, we sent balance confirmation letters to the receivables, which accumulates to BDT. 17,591,229, against which we have not received any replies yet. Hence, the above-mentioned balance remains unconfirmed.
- (iii) Refer to Note-11.02, packing materials consumption reported in the financial statements as BDT. 6,512,458 comprises of the packing materials procured locally from outside vendors. Packing materials received from the holding company is not accounted for in the financial statements and no documents are maintained by either company in this regard. As a result, we could not confirm the actual consumption of packing materials. Both cost of goods sold and cost of packing materials are understated.
- (iv) No deferred tax was reported in the financial statements, a non-compliance of IAS-12 Income Taxes.
- (v) No Fixed Asset register was maintained containing details such as item-wise cost price, book value, tag no., person in charge, condition etc. Also, as the assets were not tagged, we were unable to carry out a physical inspection of the same. The net book value of property, plant and equipment as at 30 June 2021 is BDT.103,736,499.
- (vi) Refer to Note-5, receivable balance of BDT.2,798,034 for VAT was held with the VAT authority from July 2019 and this has remained unadjusted since then. Considering the nature of the balance and content of the new VAT Act, 2012 it appears that, the amount of BDT. 2,798,034 has been barred by limitation for its realization adjustment.



- (vii) No advance tax was paid by the company in compliance with Section-64 of Income Tax Ordinance, 1984. As a result, the company shall be deemed to be an assessee in default and penalty may be imposed as per Section-73 of ITO. Also, no adjustment was made against the advance tax amount of BDT. 34,449,207 since 2010.
- (viii) **Refer to Note-6,** Cash at bank reported in the statement of financial position as BDT. 745,033 was overstated by BDT. 741,743; as a result, asset is overstated by the same. Also, no documents for the unreconciled items were made available to us for verification.
- (ix) **Refer to Note-9,**  
For inter-company transaction with the holding company of BDT. 84,118,426, no supporting documents could be produced to us for verification.
- (x) In the financial statements, the Company discloses BDT 40,100,000 as 'Deposit against share by holding company'. As per gazette # ১৪৬/এফআরসি/প্রশাস/প্রজ্ঞাপন/২০২০/০১ dated 02 March 2020, any money received as Share Money Deposit (SMD) or whatever name, included in the Equity, is not refundable. And money received under SMD should be converted to Share Capital within 6 months of receipt of the money. However, it seems that the reported SMD has not been adjusted for over four years.
- (xi) As per section-26 and 27 of Bangladesh Labor Law 2006 (as amended in 2015), permanent employees are to be paid with compensation more commonly known as gratuity as per the given conditions in the aforementioned section. No gratuity is paid by the Company to its permanent employees; hence, a non-compliance of Bangladesh Labor Law results in.
- (xii) As per section-99 of Bangladesh Labor Law 2006 (as amended in 2015), for an establishment with 100 permanent workers, the employer is to arrange group insurance for its employees. The company has not introduced any group insurance for its employees; a non-compliance of the Bangladesh Labor Law.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act, 1994 and other applicable laws and regulations 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 achieves fair presentation.

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



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with the mall relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Report on Other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994, we also report that except for the effects of the matters described in the Basis for Qualified Opinion section of our report:

- 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.

**Place: Dhaka, Bangladesh**

**Dated: 14 November 2021**

**Signed for & on behalf of  
MABS & J Partners  
Chartered Accountants**

**Jagadish Chandra Biswas, FCA  
Partner  
ICAB Enrollment No: 199  
DVC No.: 2111210199AS931724**





**Fu-Wang Beverage Industry Limited**  
**Statement of Financial Position**  
**As at 30 June 2021**

Particulars	Notes	Amount in Taka	
		30 Jun 2021	30 Jun 2020
<b>ASSETS:</b>			
<b>Non-Current Assets</b>		<b>38,606,741</b>	<b>41,420,901</b>
Property, Plant and Equipment (Net of Depreciation)	3.00	103,736,499	103,736,499
Less : Accumulated Depreciation		65,129,758	62,315,598
<b>Current Assets , Loan and Advance</b>		<b>210,804,076</b>	<b>212,381,740</b>
Inventories	4.00	27,379,300	27,306,137
Accounts Receivable		137,419,026	140,089,127
Advances, Deposits and Prepayments	5.00	45,010,581	43,788,343
Cash and Cash Equivalents	6.00	995,169	1,198,133
<b>Total Assets</b>		<b>249,410,817</b>	<b>253,802,641</b>
<b>EQUITY &amp; LIABILITIES:</b>			
<b>Shareholders' Equity</b>		<b>78,172,054</b>	<b>84,295,455</b>
Issued, Subscribed and Paid up Capital	7.00	10,000,000	10,000,000
Retained Earnings	8.00	28,072,054	34,195,455
Deposit against Share by Holding Company		40,100,000	40,100,000
<b>Current Liabilities</b>	9.00	<b>171,238,763</b>	<b>169,507,186</b>
Liability for Security Deposit		995,500	995,500
Accrued Expenses		973,477	1,069,042
Audit Fee Payable		46,000	46,000
Advance Received from Fu-Wang Foods Limited		140,623,833	138,935,407
Sundry Creditors (Others)		512,500	567,733
Provision for Income Tax		28,087,453	27,893,504
<b>Total Liabilities</b>		<b>249,410,817</b>	<b>253,802,641</b>

The annexed notes form an integral part of these Financial Statements.

  
**Chief Financial Officer**


  
**Managing Director**

  
**Chairman**

This is the Statement of Financial Position referred to in our separate report of even date.

**Place: Dhaka, Bangladesh**  
**Dated: 14 November 2021**

**Signed for & on behalf of**  
**MABS & J Partners**  
**Chartered Accountants**

  
**Jagadish Chandra Biswas, FCA**  
**Partner**  
**ICAB Enrollment No: 199**  
**DVC No.: 2111210199AS931724**



**Fu-Wang Beverage Industry Limited**  
**Statement of Profit or Loss and other comprehensive Income**  
**For the Year Ended 30 June 2021**

Particulars	Notes	Amount in Taka	
		2020-2021	2019-2020
Sales Revenue	10.00	32,324,867	42,787,497
Less : Cost of Goods Sold	11.00	28,102,688	36,953,036
<b>Gross Profit</b>		<b>4,222,179</b>	<b>5,834,461</b>
Less : Administrative Expenses	12.00	2,520,384	3,046,809
<b>Profit before Selling &amp; Distribution Expenses</b>		<b>1,701,795.07</b>	<b>2,787,652</b>
Less : Selling & Distribution Expenses	13.00	7,631,247	8,184,292
<b>Operating Net Profit before Tax</b>		<b>(5,929,452)</b>	<b>(5,396,640)</b>
Less: Provision For Income Tax		(193,949)	(256,725)
<b>Net Profit/(Loss)</b>		<b>(6,123,401)</b>	<b>(5,653,365)</b>

The annexed notes form an integral part of these Financial Statements.

Chief Financial Officer

Managing Director

Chairman

This is the Statement of Profit or Loss and Other Comprehensive Income referred to in our separate report of even date.

Place: Dhaka, Bangladesh

Dated: 14 November 2021

Signed for & on behalf of  
MABS & J Partners  
Chartered Accountants

Jagadish Chandra Biswas, FCA  
Partner

ICAB Enrollment No: 199

DVC No.: 2111210199AS931724



**Fu-Wang Beverage Industry Limited**  
**Statement of Changes in Equity**  
**For the Year Ended 30 June 2021**

Particulars	Share Capital	Retained Earnings	Total
Opening Balance as on 01 July 2020	10,000,000	34,195,455	44,195,455
Net profit/(Loss) for the year	-	(6,123,401)	(6,123,401)
<b>Closing Balance as on 30 June 2021</b>	<b>10,000,000</b>	<b>28,072,054</b>	<b>38,072,054</b>

**For the Year Ended 30 June 2020**

Particulars	Share Capital	Retained Earnings	Total
Opening Balance as on 01 July 2019	10,000,000	39,848,820	49,848,820
Net profit/(Loss) for the year	-	(5,653,365)	(5,653,365)
<b>Closing Balance as on 30 June 2020</b>	<b>10,000,000</b>	<b>34,195,455</b>	<b>44,195,455</b>

The annexed notes form an integral part of these Financial Statements.

  
**Chief Financial Officer**

  
**Managing Director**

  
**Chairman**

**Place: Dhaka, Bangladesh**  
**Dated: 14 November 2021**



**Fu-Wang Beverage Industry Limited**  
**Statement of Cash Flows**  
**For the Year Ended 30 June 2021**

Particulars	Amount in Taka	
	2020-2021	2019-2020
<b>Cash Flows from Operating Activities:</b>		
Collections from Turnover and Others	39,843,698	35,557,781
Payment for Cost and Expenses	(29,548,887)	(34,339,887)
Paid for Administrative Expenses	293,777	-
Paid for Selling and Distribution Expenses	(7,631,247)	-
VAT Paid	(4,848,730)	-
Income Tax Paid and Deducted at Source	-	(544,704)
	<b>(1,891,390)</b>	<b>673,190</b>
<b>Cash Flows from Investing Activities:</b>		
Acquisition of Property, Plant and Equipment	-	-
Receipt from Holding Company	1,688,426	-
	<b>1,688,426</b>	<b>-</b>
<b>Cash Flows from Financing Activities:</b>		
Share Capital	-	-
Short Term Loan Received/(Paid)	-	-
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(202,964)</b>	<b>673,190</b>
<b>Cash and Cash Equivalents at the Beginning of the Period</b>	<b>(1,198,133)</b>	<b>(524,943)</b>
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>995,169</b>	<b>1,198,133</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>(202,964)</b>	<b>673,190</b>
<b>Net Operating Cash Flow per Share</b>	<b>(2.03)</b>	<b>6.73</b>

The annexed notes form an integral part of these Financial Statements.

  
**Chief Financial Officer**

  
**Managing Director**

  
**Chairman**

**Place: Dhaka, Bangladesh**  
**Dated: 14 November 2021**



## Notes to the Financial Statements

### As at and for the Year Ended 30 June 2021

#### 1.00 General:

#### 1.01 About Company

The company being a private company limited by shares incorporated on 13th December 2004 with the Registrar of Joint Stock Companies vide registration number C-55230(1914)/04.

#### 1.02 Address of Company

The registered office of the Company is Located at House 55, Road: 17 Banani C/A, Dhaka-1213, Bangladesh. The factory is situated at located at Bokran Monipur, Hotapara, Gazipur.

#### 1.03 Activity of Company

Principal activities of the company are manufacturing & marketing of different type of beverage items.

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

#### 1.05 The Financial Statements are prepared and presented in Bangladeshi Currency (Taka) which is the Company's Functional currency. All financial information presented have been rounded off to nearest Taka.

#### 1.06 Depreciation has been charged on all fixed assets of the company on the basis of diminishing balance method.

The annual depreciation rates to the principal categories are:

Categories of Property, Plant & Equipment's	Rate of Depreciation
Factory building and other construction	2.50 to 5%
Plant and machinery	5%
Office equipment	20%
Furniture and Fixtures	10%
Other assets	10% to 20%

#### 1.07 Reporting Period

The Financial Statements covers twelve months from 1 July 2020 to 30 June 2021 consistently.

#### 1.08 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 30 June 2021;
- ii) Statement of Profit or Loss & Other Comprehensive Income for the year ended 30 June 2021;
- iii) Statement of Cash Flows for the year ended 30 June 2021;
- iv) Statement of Changes in Shareholders Equity for the year ended 30 June 2021; and
- v) Accounting policies and Explanatory notes for the year ended 30 June 2021.





**1.09 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.

**1.10 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.

**1.11 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.

**1.12 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".

**1.13 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".

**Financial Position**

**2.00 Shareholders' Equity**

**2.01 Authorised Capital Tk. 200,000,000**

Authorized capital is Tk. 200,000,000 divided into 2,000,000 ordinary shares of Tk. 100 each.

**2.02 Issued, Subscribed and Paid- up Capital Tk. 10,000,000**

It represents the paid up capital of the company consisting of 100,000 ordinary shares of Tk.100 each issued for cash and fully subscribed and paid up.



Notes	Particulars	Amount in Taka	
		30 Jun 2021	30 Jun 2020
<b>3.00</b>	<b>Property, Plant and Equipment: Tk. 38,606,741</b>		
	The break-up is as below:		
	<b>Cost</b>		
	Opening Balance	103,736,499	103,736,499
	Add: Addition during the year	-	-
	Closing Balance	<u>103,736,499</u>	<u>103,736,499</u>
	<b>Accumulated Depreciation</b>		
	Opening Balance	62,315,598	58,930,733
	Add: Charged during the year	2,814,160	3,384,865
	Closing Balance	<u>65,129,758</u>	<u>62,315,598</u>
		<u><b>38,606,741</b></u>	<u><b>41,420,901</b></u>

Details of Property, Plant and Equipment along with depreciation charged thereon as on 30 June 2021 has been shown in Annexure-"A".

**4.00 Inventories: Tk. 27,379,300**

The break-up is as below:

Stock of Raw Materials	13028500	12,709,683
Stock of Packing Materials	3327800	4,318,954
Stock of Finished Goods	11023000	10,277,500
<b>Total</b>	<u><b>27,379,300</b></u>	<u><b>27,306,137</b></u>

**5.00 Advance, Deposits & Prepayments: Tk. 45,010,581**

The break-up is as below:

Margin on Bank Guarantee (Titas Gas, T&D Co. Ltd)	7,763,340	6,541,102
Current Account Vat & SD	2,798,034	2,798,034
Advance Income Tax (Note: 5.01)	34,449,207	34,449,207
<b>Total</b>	<u><b>45,010,581</b></u>	<u><b>43,788,343</b></u>

**5.01 Advance Income Tax: Tk. 34,449,207**

The break-up is as below:

Opening Balance	34,449,207	33,904,503
Add: Addition during the year	-	544,704
	<u>34,449,207</u>	<u>34,449,207</u>
Less : Adjustment made during this year	-	-
<b>Total</b>	<u><b>34,449,207</b></u>	<u><b>34,449,207</b></u>



Notes	Particulars	Amount in Taka	
		30 Jun 2021	30 Jun 2020
<b>6.00</b>	<b>Cash and Cash Equivalents: Tk. 995,169</b>		
	The break-up is as below:		
	<b>Cash In Hand :</b>		
	Head Office	217,500	423,100
	Factory	30,000	30,000
		<b>247,500</b>	<b>453,100</b>
	<b>Cash at Bank</b>		
	Pubali Bank Ltd. CD-2240	745,033	745,033
	Dhaka Bank Ltd. CD-28161	2,636	-
		<b>747,669</b>	<b>745,033</b>
	<b>Total</b>	<b>995,169</b>	<b>1,198,133</b>
<b>7.00</b>	<b>Issued, Subscribe and paid up Capital: Tk. 10,000,000</b>		
	It represent the paid up capital of the company consisting of 100,000 ordinary shares of Tk. 100 each issued for cash and fully subscribe and paid up.		
	Fu-Wang Foods Limited (99%)	9,900,000	9,900,000
	Mr. A K M Afzal UL Munir (1%)	100,000	100,000
	<b>Total</b>	<b>10,000,000</b>	<b>10,000,000</b>
<b>8.00</b>	<b>Retained Earnings: Tk. 28,072,054</b>		
	The break-up is as below:		
	Opening from the Last year	34,195,455	39,848,820
	Less: Dividend Paid	-	-
		<b>34,195,455</b>	<b>39,848,820</b>
	Add: Net Profit for 2020-2021	(6,123,401)	(5,653,365)
	<b>Balance as at 30 June 2021</b>	<b>28,072,054</b>	<b>34,195,455</b>
<b>9.00</b>	<b>Current Liabilities and Provision: Tk. 171,238,763</b>		
	The break-up is as below:		
	Liability for Security Deposit	995,500	995,500
	Accrued Expenses	973,477	1,069,042
	Audit Fee Payable	46,000	46,000
	Sundry Creditors (Holdings Company)	140,623,833	138,935,407
	Sundry Creditors (Others)	512,500	567,733
	Provision for Income Tax	28,087,453	27,893,504
	<b>Total</b>	<b>171,238,763</b>	<b>169,507,186</b>



Notes	Particulars	Amount In Taka	
		30 Jun 2021	30 Jun 2020
<b>10.00</b>	<b>Sales Revenue: Tk. 32,324,867</b>		
	The break-up is as below:		
	Sales	37,173,597	49,205,622
	Less : VAT Paid	4,848,730	6,418,125
	<b>Net Sales</b>	<b>32,324,867</b>	<b>42,787,497</b>
<b>11.00</b>	<b>Cost of Goods Sold: Tk. 28,102,688</b>		
	The break-up is as below:		
	Raw Material Consumed (Note: 11.01)	12,414,491.00	15,906,163
	Direct Wages & Salary	1,875,853.00	3,287,346
	Packing Materials Consumed (Note: 11.02)	6,512,458.00	8,045,540
	Direct Overhead (Note: 11.03)	8,045,386.00	10,519,613
	<b>Total Cost of Production</b>	<b>28,848,188</b>	<b>37,758,662</b>
	Add : Opening Stock of Finished Goods	10,277,500	9,471,874
		<b>39,125,688</b>	<b>47,230,536</b>
	Less : Closing Stock of Finished Goods	11,023,000	10,277,500
	<b>Cost of Goods Sold</b>	<b>28,102,688</b>	<b>36,953,036</b>
<b>11.01</b>	<b>Raw Material Consumed: Tk. 12,414,491</b>		
	The break-up is as below:		
	Raw Material Import	-	-
	Local Procured	12,733,308	15,719,585
		<b>12,733,308</b>	<b>15,719,585</b>
	Add: Opening Stock of Raw Material	12,709,683	12,896,261
	Less: Closing Stock of Raw Materials	13,028,500	12,709,683
	<b>Total</b>	<b>12,414,491</b>	<b>15,906,163</b>
<b>11.02</b>	<b>Packing Materials Consumed: Tk. 6,512,458</b>		
	The break-up is as below:		
	Packing Material Purchase :		
	Imported	-	-
	Local	5,521,304	6,702,652
	Add : Opening Stock of Packing Material	4,318,954	5,661,842
		<b>9,840,258</b>	<b>12,364,494</b>
	Less : Closing Stock of Packing Material	3,327,800	4,318,954
	<b>Total</b>	<b>6,512,458</b>	<b>8,045,540</b>



Notes	Particulars	Amount In Taka	
		30 Jun 2021	30 Jun 2020
<b>11.03</b>	<b>Direct Overhead: Tk. 8,045,386</b>		
	The break-up is as below:		
	Factory Maintenance (Spare Parts)	74,039	48,769
	Festival Bonus	32,599	250,700
	Power & Fuel	5,659,052	6,960,467
	Fooding Allowance	175,000	212,456
	Oil & Lubricants	78,500	175,950
	Generator Maintenance	-	95,848
	Depreciation	2,026,196	2,775,423
	<b>Total</b>	<b>8,045,386</b>	<b>10,519,613</b>

**12.00 Administrative Expenses: Tk. 2,520,384**

The break-up is as below:

Director's Remuneration	1,200,000	1,200,000
Printing & Stationery	7,900	45,820
Office Maintenance	42,500	75,192
Festival Bonus	42,618	232,890
Travelling & Conveyance	92,181	124,197
Office Rent	-	350,000
Fuel for Generator	270,500	298,306
Miscellaneous Expenses	5,720	11,562
Professional Fees	25,000	53,400
Audit Fee	46,000	46,000
Depreciation	787,965	609,442
<b>Total</b>	<b>2,520,384</b>	<b>3,046,809</b>

**13.00 Selling & Distribution Expenses: Tk. 7,631,247**

The break-up is as below:

Salary & Allowances (Head Office)	6,181,200	6,133,036
Business Promotion & Development Exp.	288,350	445,298
Carriage Outward	822,500	876,208
Bonus on Sale	339,197	729,750
<b>Total</b>	<b>7,631,247</b>	<b>8,184,292</b>

  
 Chief Financial Officer

  
 Managing Director

  
 Chairman





## Fu-Wang Beverage Industry Limited

Schedule of Property, Plant and Equipment  
As on 30 June 2021

### Annexure-A

Particulars	Cost		Rate	Depreciation			Written Down Value as on 30 Jun 2021
	Balance as on 01 Jul 2020	Addition during the year		Total as on 30 June 2021	Charged during the year	Adjustment during	
Land & Land Development	11,105,300	-	0%	11,105,300	-	-	11,105,300
Factory Building Const.	23,373,536	-	2.5%	23,373,536	419,233	-	16,350,081
Plant & Machinery	37,497,914	-	20%	37,497,914	1,658,043	-	6,632,174
Gas Line	958,000	-	10%	958,000	21,383	-	192,449
Office Building & Construction	382,768	-	2.5%	382,768	6,525	-	254,464
Furniture and Fixture	348,216	-	10%	348,216	23,059	-	207,532
Electrical Equipment	5,344,631	-	10%	5,344,631	174,266	-	1,568,392
Electrical Generator	22,561,467	-	20%	22,561,467	461,703	-	1,846,811
Deep Tube Well & Water Pump	2,164,667	-	10%	2,164,667	49,949	-	449,537
<b>Total</b>	<b>103,736,499</b>	<b>-</b>		<b>103,736,499</b>	<b>2,814,160</b>	<b>-</b>	<b>38,606,741</b>

Factory	72%	2,026,196
Head office	28%	787,965
<b>Total</b>		<b>2,814,161</b>

**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 25<sup>th</sup> Annual General Meeting of the Company to be held on 29<sup>th</sup> December 2021 at Through Digital Platform at 11:00 a.m. (BST) and any adjournment there of.

As witness my hand this ..... day of ..... 2021

Revenue Stamp

Tk. 20.00

(Signature of Proxy)

Register Folio:

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 or email to [share@fuwangs-foodltd.com](mailto:share@fuwangs-foodltd.com) not later than 48 hours before the time fixed to the meeting

(Signature of Shareholders)

Register Folio:

BO ID :

**FU-WANG FOODS LIMITED**

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

**ATTENDANCE SLIP**

I hereby record my attendance at the 25<sup>th</sup> Annual General Meeting of the Company being held on 29<sup>th</sup> December 2021 at Through Digital Platform at 11:00 a.m. (BST)

Name of Shareholder/Proxy .....

Shareholder's Folio No./BO ID:..... Proxy Folio No./BO ID:..... Signature:.....

No. of Shares : .....

Date: .....

**N.B.** Provided that, as the AGM will be held by using digital platform, we encourage honourable shareholders to log on to the system prior to the meeting and allow ample time to establish connectivity. In this case the attendance slip is not necessary.



## FU-WANG FOODS LTD.

### Corporate Head Office

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Mobile : 01701 222 789, Fax: 88-02-2222 85452

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Web : [www.fuwangfoodsltd.com](http://www.fuwangfoodsltd.com)

Factory : Bokran, Monipur, Hotapara, Gazipur.

**Hot Line : 01701 222 666**