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Letter of Transmittal



All valued Shareholders
Bangladesh Securities and Exchange Commission (BSEC)
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Ltd. (DSE)
Chittagong Stock Exchange Ltd. (CSE)

Subject: **Annual Report for the year ended June 30, 2020**

Dear Sir (s),

We are pleased to present you a copy of the Annual Report 2020 of Fu-Wang Foods Limited containing Directors' Report along with Audited Financial Statementsfor the year ended 30 June 2020 with notes thereinfor your kind information and record.

The annual report is also available in the official website at www.fuwangfoodsltd.com

Thanking you.

Sincerely Yours,

(Md. Sharif Al Mahmood)
Company Secretary

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Notice of the 24th AGM

Notice is hereby given that the 24th Annual General Meeting of the Shareholders will be held on Tuesday, 29th December 2020 at 11:00 a.m. (BST) by using Digital Platform (in pursuance with BSEC order SEC/SRMRC/04-231/25 dated July 08, 2020) to transact the following business:

AGENDA:

1) To receive, consider and adopt the audited financial statements for the year ended 30 June 2020 and reports of Auditors and Directors thereon.
2) To declare and approve Cash Dividend at the rate 1.65% for the year ended 30 June 2020.
3) To elect Directors and confirm the appointment of Independent Director.
4) i) To appoint Statutory Auditors and fix their remuneration for the financial year 2020-2021.
   ii) To appoint Corporate Governance Compliance Auditors and fix their remuneration for the financial year 2020-2021.

Dated : Dhaka,
14 December 2020

By order of the Board

Md. Sharif Al Mahmood
Company Secretary

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NOTES:

1. The Record Date of the Company was on **24 November 2020** and the Shareholders whose names appeared in the Register of Members of the Company or in the depository (CDBL) on the Record Date shall be entitled to attend the meeting as well as qualify for cash dividend to be approved at the AGM.
2. The shareholders will be able to submit their questions/comments electronically 24 hours before commence ment of the AGM and vote during the AGM. For logging in to the system, the Members need to put their 16-digit Beneficial Owner (BO) ID number and other credential as proof of their identity by visiting the link: www.fu wang.hisoftcloud.com. We encourage Members to log in to the system prior to the meeting and allow ample time to login and establish connectivity. The webcast may start at 11:00 a.m. (BST).
3. Detail login process for the meeting will be available at Company's website atwww.fuwangfoodsltd.com and login link will be emailed to respective Shareholder's email address or by Short Message Service available with the Registers.
4. A member entitled to join and voteat the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf (through digital platform). Proxy Form, duly stamped with Taka 20 must be deposited/email at the Company's Registered Office or email: share@fuwangfoodsltd.com not later than 48 hours before the time fixed for the meeting.
5. Annual report is available at the company's website at www.fuwangfoodsltd.com and soft copy sent to share holders' email address available in their respective BO Account. It is also requested to the members to update the BO with address, valid email address andactive mobile number.
6. The members of BO Accounts are requested to update their respective Bank Account name, Account Number with Bank routing number, Branch name etc.
7. **No gift, cash or kind will be given for attending the meeting according to the circular of BSEC.**

Corporate Profile

Board of Directors

Abdul Quader	:	Chairman
Dr. Arif Ahmed Chowdhury, CIP	:	Managing Director
AfsanaTarannum	:	Director
Quazi Tafazzal Hossain	:	Independent Director
Sayed Jishan	:	Independent Director

Audit Committee

Quazi Tafazzal Hossain	:	Independent Director	Chairman
AfsanaTarannum	:	Director	Member
Sayed Jishan	:	Independent Director	Member
Md. Sharif Al Mahmood	:	Company Secretary	Member Secretary

Nomination and Remuneration Committee

Abdul Quader	:	Chairman	Chairman
AfsanaTarannum	:	Director	Member
Sayed Jishan	:	Independent Director	Member
Md. Sharif Al Mahmood	:	Company Secretary	Member Secretary

Chief Financial Officer

Mohendra Nath Mondol

Company Secretary

Md. Sharif Al Mahmood

Head of Internal Audit and Compliance

Mohammed Mohshin

Registered Office

FU-WANG BUILDING
House No. # 55, Road No. # 17, Banani C/A, Dhaka-1213

Factory

Bokran Monipur, Hotapara, Gazipur Sadar, Gazipur

Auditors

M/S. RAHAMAN MOSTAFA ALAM & CO.
Chartered Accountants
Paramount Heights (7th Floor, D2 & C1)
65/2/1, Box Culvert Road, Purana Paltan, Dhaka-1000

Bankers

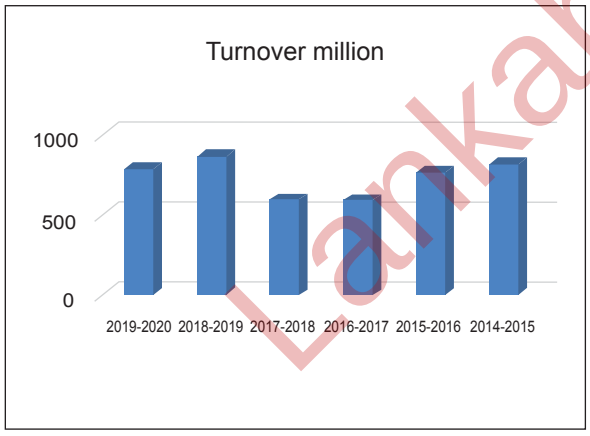
Dhaka Bank Limited, Banani Branch, Dhaka
Pubali Bank Limited, Gulshan M.T. Branch, Dhaka
Standard Bank Limited, Gulshan Branch, Dhaka
IDLC Finance Limited, Dhaka

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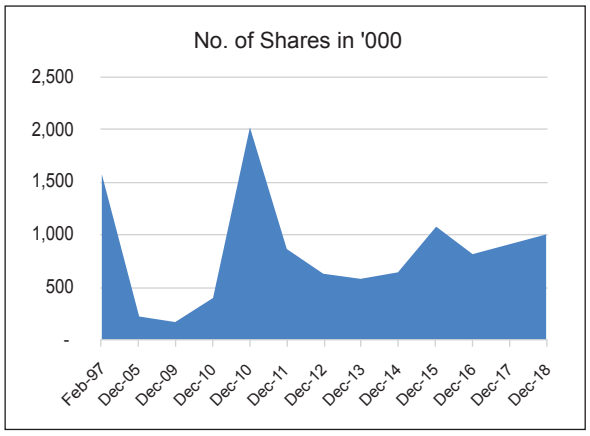
History of the company

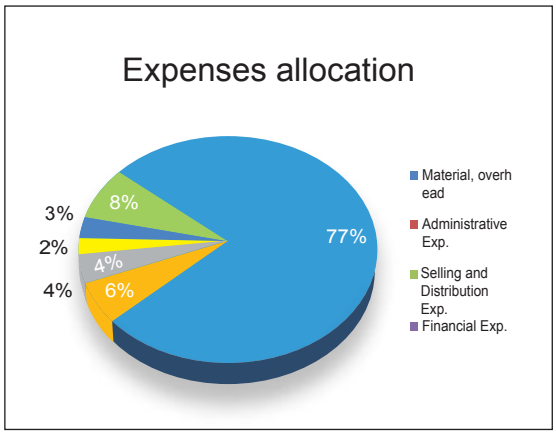
Date of Incorporation	:	17 February 1997
Listed in Dhaka Stock Exchange Ltd.	:	July 2000
Listed in Chittagong Stock Exchange Ltd.	:	July 2000
Commercial Operation	:	August 1997
ISO Certification	:	ISO-9002 Certified on 04 November 1998
Business Lines	:	Food Processing Industry
Authorized Capital	:	Tk. 1500 Million
Paid up Capital	:	Tk. 1,108.393 Million
Number of Employees	:	1,632

Highlights of the company









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Board of Directors



Abdul Quader
Chairman



Dr. Arif Ahmed Chowdhury, CIP
Managing Director



Afsana Tarannum
Director



Quazi Tafazzal Hossain
Independent Director



Sayed Jishan
Independent Director

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23rd Annual General Meeting





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Message From the Managing Director



Distinguished Shareholders and Guest

Assalamu Alaikum, by the grace of Almighty Allah, Fu-Wang Foods Limited passed another financial year of its operation. I, on behalf of the Board of Directors feel happy for having this opportunity to welcome you to the 24th Annual General Meeting and to write few words about the company's performance during the financial year 2019-2020.

Dear shareholders

During the year the factory operated @59% of production capacity and produced 6,430.80 M.Ton compared to last year's 7,420.40 M. Ton. Your company earned a net profit after tax of Tk. 6.06 crore compared to Tk. 8.65 crore for the last year, which is decreased by 29.91%, beside this turnover decreased by 8.81%.

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

Delivery of products to the dealers/distributors is hampered very badly. Turnover is 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 commodity, which also has significant impact in the decreasing turnover.

However, despite of such critical situation and financial position of the company, the Board of Directors have recommended a 1.65% cash dividend for all Shareholders for approval in the 24th Annual General Meeting.

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 five nos. of new product in 2019-2020 and more to come.

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

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

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

With best regards,

Dr. Arif Ahmed Chowdhury, CIP
Managing Director

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REPORT OF THE BOARD OF DIRECTORS
for the year ended 30 June 2020

Dear Shareholders
Assalamu Alaikum. On behalf of the Board of Directors I am pleased to welcome you to the 24th Annual General Meeting of Fu-Wang Foods Ltd. (FWFL). My profound well wishes to you who joined and also to those who could not be join unfortunately. We deeply mourn for those respected shareholders whom we lost forever since our last Annual General Meeting and pray for salvation of their departed souls. I pray to Almighty for your healthy life and thank you very much for continuing relationship with the Fu-Wang family.

Respected Shareholders
I feel honourable to be able to present before you the 24th Annual Report of the company along with the Audited Financial Statements for the year ended 30 June 2020 and the Auditors' Report thereon.

Distinguished Shareholders
FWFL is a leading foods processing company in Bangladesh. It produces bread, biscuits, noodles, snacks, mini-snacks, chocolates, energy drinks and other food items for the growing and rapidly evolving middle class in Bangladesh. The company has been existence since 1997 and has been able to create the ''Fu-Wang`` brand name through its own network over the country. It has 6 (six) branch offices, 4 (four) depot and 516 (Five hundred and twentysix) distributors/dealers over the country. the products are availble in retaile stores through distributors/dealers. The project is located in Gazipur about 20 km north of Dhaka.

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

Financial Results and Businees Performance
Honourable shareholders, you are aware that Fu-Wang Foods Ltd. is a food manufacturing industry with yearly production capacity of 10,900 M.Ton in three shifts (after balancing) as against which it could operate at 59% capacity during the year under review, producing 6,430.80 M.Ton in the fiscal year compared to last year 7,420.40 M.Ton.

We have passed another year 2019-2020 and your company earned a net profit after tax Tk. 6.06 crore as against Tk. 8.65 crore for the last year which is decreased by 29.91%, turnover decreased by 8.81% as well.

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Dividend

As you all know our country as the whole world was badly affected by the Covid-19 pandemic situation. Your company had also passed through a lock down period. However, as a custodian we tried to continue the factory operation running by one shift instead of three but sales dropped significantly as well as collection process. We still passing 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 has tried hard and recommended 1.65% (one and six five percent) cash dividend for all Shareholders after approval in the 24th Annual General Meeting.

Subsidiary Operation

FWFL has a subsidiary company in the name of "Fu-Wang Beverage Industry Limited" (FWBIL). The company was incorporated on 13 December, 2004 under the Companies Act. 1994 having Authorized Capital of Tk. 200,000,000.00 of which paid up capital of Tk. 10,000,000.00 divided into 100,000 Ordinary Shares of Tk. 100/- each as on June 30, 2020. FWFL holds 99% shares of the company (FWBIL).

The operating financial results for the year ended 30 June 2020 are as follows :

Particulars	30 June 2020 (Taka)	30 June 2019 (Taka)	Increase/(Decrease) (Taka)	Increase/(Decrease) %
Turnover (Net)	42,787,497	114,278,588	(71,491,091)	(62.56%)
Gross Profit	5,834,461	22,713,339	(16,878,878)	(74.31%)
Net Profit Before Tax	(5,396,640)	2,577,537	(7,974,177)	(309.37%)
Net Profit After Tax	(5,653,365)	1,675,399	(7,328,764)	(437.43%)
Net Assets Value Per Share (NAV)	842.95	899.49	(56.54)	(6.29%)
Earning Per Share (EPS)	(56.53)	16.75	(73.28)	(437.51%)

Additional Statement

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

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

Fu-Wang Foods Ltd. (FWFL) is one of the largest food manufacturing industries in the country. As a quality brand in Bangladesh 'Fu-Wang' is recognized to most of the middle to lower income group of people, to whom most of the company's products are aimed. Food business is a distribution intensive business. FWFL currently has 6 (Six) branch offices, 4 (four) depots and 516 (Five hundred and sixteen) 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 5 nos. of new product in the corresponding year. The present strategy is to enhance the strength of the company.

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

Description	Taka-2020 Net revenue	Taka-2019 Net revenue	Increase/Decrease over last year	
			Amount Tk.	%
1. VAT able Items	477,051,288	273,318,297	(203,732,991)	(74.54)
2. Non VAT able Items	314,125,215	594,263,267	280,138,054	47.14
TOTAL	**791,176,503**	**867,581,564**	**(76,405,063)**	**(8.81)**

(ii) 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 4 (four) depots and 516 distributors/dealers over the country. It may be difficult for a new company to establish such a wide distribution network in a short period of time. Therefore it is difficult and time consuming for a new entrant to quickly establish itself in the market and grab market share from us.

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

Interest Rate Risks

Interest rate risk is concerned with borrowed funds of short term and long term maturity. Considering of money market and increase of demand for loans/investments, increase current liquidity position have effect the rate of interest in recent times.

Management Perception

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

Exchange Rate Risk

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

Management Perception

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

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Market and Technology related Risk

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

Management Perception

FWFL continuously upgrades its machines and technology. So the risk of obsolete technology is mitigated as the company continuously upgrades its technology every 5-6 years.

Changes in Economic & Political Condition

Changing economic & political conditions may affect the demand for the product offered by the company which may affect the turnover as well as profitability.

Management Perception

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

Energy Costs may raise

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

Management Perception

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

History of non-operation, if any

Fu-Wang Foods Limited is a food manufacturing industry with yearly production capacity of 10,900 M.Ton in three shifts as against which it could operate at 59% capacity during the year under review, producing 6,430.80 M.Ton in the fiscal year compared to last year 7,420.40 M.Ton. The shortfall in utilization of production capacity is greatly effected due to Covid-19 situation, during the period factory was operated in single shift instead of three 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 23 years of successful operation. It has no record of operation failure yet and chances of being non-operative in the future is very remote.

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

During the year the company's revenue decreased by 8.81%, cost of Goods Sold decreased by 4.30%, Gross profit decreased by 21.25% and net profit decreased by 29.91% comparing to last year.

The details are as follows:-

Particulars	30 June 2020 (Taka)	30 June 2019 (Taka)	Increase/(Decrease) (Taka)	Increase/(Decrease) %
Revenue	791,176,503	867,581,564	(76,405,061)	(8.81)
Cost of Goods Sold	609,379,004	636,737,367	(27,358,363)	(4.30)
Gross Profit	181,797,499	230,844,197	(49,046,698)	(21.25)
Net Profit after Tax	60,632,854	86,501,411	(25,868,557)	(29.91)

Reasons for increase / Decrease of

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

Decrease of Revenue

During the year revenue decreased by Taka 76,405,061. The reason for lower turnover is cumulative effects of Covid19 pandemic situation, which still prevailing. During lock down situation market closed, consumers not willing to buy items other than regular commodity which has significant impact in declining turnover.

Increased percentage of Cost of Goods Sold

During the year, Cost of Goods Sold is 77.02% of revenue as against 73.39% of the preceding year due to following reasons

- Increase of Raw Materials Cost and
- Supply of Raw Materials was not smoothly performed

Decrease of Gross Profit

This financial year Fu-Wang Foods Ltd. Gross profit reduced by Taka 49,046,698.07 which is 21.25% lower than previous year.

Decreased percentage of Net Profit

Fu-Wang Foods Limited earned net profit @ 7.66% as against @ 9.97% in the preceding year against Sales. Net profit decreased for the following reasons:

- Decrease of net turnover by Tk. 76,405,061 due to Covid-19 pandemic
- Increase of operating expenses by 6.46%

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(v) Discussion on continuity of any Extra-Ordinary gain or loss:
There is no extra-ordinary gain or loss during the year 2019-2020

(vi) Related party transactions:
During the year the company did not make any transaction with any related party other than its subsidiary company.

(vii) Utilization of proceeds from Public Issues, Rights Issues and/or any other:
The company did not raised any fund from Public Issues, rights issues and/or any other instruments during the year 2019-2020

(viii) Financial results deteriorated after IPO, RPO, Rights Offer and Direct Listing:
The company did not raise share capital through Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing or through any other instruments during the year 2019-2020.

(ix) Significant variance of financial performance:
No significant variance occurred in between quarterly financial performance and Annual Financial Statements.

(x) Remuneration to directors including independent directors:
Remuneration to directors including independent director of the company is stated in Note No. 21.00 in the "Notes to the Financial Statements."

The Directors also report that:
The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity The proper books of account of the issuer company have been maintained

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

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

The system of internal control is sound in design and has been effectively implemented and monitored
There are no significant doubts upon the company's ability to continue as a going concern.
There are significant deviations from the last year's operating results of the company due to Covid-19.

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The summary of key operating and financial data of preceding 6 (six) years are as follows: (Taka in million)

The details are as follows:-

Particulars	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
Turnover (Net)	791.18	867.58	595.26	586.79	767.11	819.85
Gross Profit	181.80	230.84	166.18	167.42	203.46	240.16
Net Profit before Tax	80.84	130.00	81.84	82.40	114.88	146.74
Net Profit after Tax	60.63	86.50	61.38	61.80	86.16	110.05
Shareholders' Equity	1,296.52	1,257.58	1,170.57	1,101. 636	1,038.91	951.78
Earnings Per Share after Tax (Taka), Adjusted	0.55	0.78	0.55	0.61	0.94	1.52
Cash Dividend	1.65% (Proposed)	2%	Nil	Nil	Nil	Nil
Bonus Dividend (Percentage)	Nil	Nil	10%	10%	10%	15%

Despite of the covid-19 pandemic situation and overall financial position of the Company, the Board of Directors has recommended 1.65% (One and six five percent) cash dividend to all shareholders for the year ended 30 June 2020 (subject to approval by the shareholders in the forthcoming AGM) whose names will appear in the share register of the company and/or Depository Register of CDBL as on Record Date i.e. 24 November 2020.

The number of Board meetings held during the year ended 30 June 2020 and attendance by each director

During the year ended 30 June 2020 the Board of Directors held 12 (Twelve) meetings and attendance by the Directors at the Board meeting during the year as follows:

Name of the Directors	Official Status	Meeting Attended
Abdul Quader	Independent Director & Chairman	12
Dr. Arif Ahmed Chowdhury, CIP	Managing Director	12
Asif Maswood Md. Iqbal	Director	6
Quazi Tafazzal Hossain	Independent Director	12
Sayed Jishan	Independent Director	9
AfsanaTarannum	Director	Appointed after 30 June 2020

Notes:

1. Mr. Asif Maswood Md Iqbal has resigned as Director on 20 June 2020.
2. The Chief Financial Officer and Company Secretary attended at all Board Meetings of the Company held in the said year.

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The pattern of shareholding as on 30 June 2020

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	Abdul Quader Chairman & Independent Director	6,60,000	0.595
2	Dr. Arif Ahmed Chowdhury, CIP Managing Director	4,978,407	4.492
3	Asif Maswood Md Iqbal Director	30,90,000	2.788
4	Sayed Jishan Independent Director	572,000	0.516
5	Hsu Chin Hua Sponsor	256,033	0.231
6	Quazi Tafazzal Hossain Independent Director	Nil	Nil
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 and Compliance	Nil	Nil
c)	Executives	Nil	Nil
d)	Shareholders holding ten percent (10%) or more voting interest in the company	Nil	Nil

Composition of the shareholders:

Sl. No.	Particulars	30-06-20			30-06-19		
		No. of Shares	Value of Shares	%	No. of Shares	Value of Shares	%
	Directors/Sponsors	6,466,440	64,664,400	5.83%	5,937,541	59,375,410	5.36%
	Institutions	27,798,492	277,984,920	25.08%	1,383,677	13,836,770	1.25%
	General Public	76,574,352	765,743,520	69.09%	103,518,066	1,035,180,660	93.39%
	Total	**110,839,284**	**1,108,392,840**	**100.00%**	**110,839,284**	**1,108,392,840**	**100.00%**

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Auditors' Qualified Opinion on Financial Statements for the year ended June 30, 2020

The Auditors qualified their report on the assets revaluation, which is a sufficient regularity to ensure that the carrying amount does not` differ materially from that which would be determined using fair value at the end of the reporting period, but the entity did not revalue its Building since 2010.

We are assuring you that we will take necessary measures to revalue the Building before the end of the next Financial year on June 30, 2021.

Appointment/re-appointment of Directors:

Re-appointment of Independent Director
Sayed Jishan re-appointed as Independent Director for another one year with effect from October 24. 2020 and his re-appointment is required to be rectified by the shareholders at the 24th Annual General Meeting which is schedule to be held on 29 December 2020.

Afsana Tarannum
Ms. Afsana Tarannum is appointed as Director to the Board by a board meeting held on October 13, 2020. The appointment of Afsana Tarannum is required to be ratified by the shareholders in the 24th Annual General Meeting. She is a business graduate from an internationally reputed university. She is young & energetic and may contribute dynamically in upcoming years.

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

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

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

Corporate Governance Compliance Report:
In pursuance of Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 issued by Bangladesh Securities and Exchange Commission, the corporate governance compliance report by the Directors and certified of compliance of corporate governance shall send to the shareholders along with the Annual Report 2019-2020, please see the **Annexure-B and Annexure-C.**

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Appointment of Auditors:

The existing Auditors M/s. Rahman Mostafa Alam & Co., Chartered Accountants carried out the audit for the year ended June 30, 2020 and retired at this Annual General Meeting,

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

A shareholder of the company Mr. Md. Nasir Uddin Badal, BO No. 1202610000028100 nominate M/s. MABS & J Partners, Chartered Accountants to be auditors of the company and auditors also offered themselves for being appointed as Auditors of the company for the year 2020-2021 with reasonable fee. Accordingly the matter be placed in this Annual General Meeting for consideration of Shareholders.

Mr. Badal also nominated M/s. S.K. Barua & Co.., Chartered Accountants to be the Compliance Auditor as per Corporate Governance code-2018 and auditors also offered themselves for being appointed as Corporate Governance Auditors of the company. Accordingly the matter be placed in this Annual General Meeting for consideration of Shareholders.

Appreciation:

This year business hampered significantly due to Covid-19 pandemic situation. Still passing through tough time and driving hard to overcome the financial damage in future. We have taken various steps to regain our business at earliest. The Board expresses its heartfelt thanks to you, the valued shareholders for your understanding and look forward to your continues support. Best wishes to you all.

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

On behalf of the Board

Abdul Quader
Chairman

Dated, Dhaka, 31 October 2020

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REPORT OF THE AUDIT COMMITTEE

For the year 2019-2020

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

Composition of Audit Committee:

The Audit Committee consists of the following members:

Name of Members	Position in the Committee	Position in the Board
Quazi Tafazzal Hossain	Chairman	Independent Director
Sayed Jishan	Member	Independent Director
Asif Maswood Md. Iqbql	Member	Director (Resigned on 20 June 20)
Md. Sharif Al Mahmood	Member Secretary	Company Secretary

Function of the Audit Committee defined as under:

Oversee the Financial reporting process.
Review the Audited Financial Statements and recommended to approved for statutory purpose.
Review Internal Audit Systems and monitoring the function of Internal Audit Department.
Review the implementation of significant issues as recommended to the Board.
Review the function of management policy, system of governance.
Review and consider the internal report and statutory auditors' observation and internal control.
Review the quarterly and half yearly financial statements before submission to the board for approval and to the stakeholders as a statutory requirement.

Activities carried out during the year

The committee reviewed and discussed the procedure and task of the internal audit, financial report preparation and the external auditors' observation in their reports on the draft financial statements of the company initialed by the auditors for the year ended 30th June 2020. The committee found the statements adequate arrangement to present a true and fair view of the financial status of the company; and did not find any material deviation, discrepancies of any adverse finding/observation in the areas of reporting and disclosures.

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

Acknowledgement

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

Quazi Tafazzal Hossain
Chairman, Audit Committee

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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 2020.

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

(1) The Financial Statements of Fu-Wang Foods Limited for the year ended on 30 June 2020 have been prepared incompliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has beenadequately 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 reason ably and fairly presented in itsfinancial statements;

(4) To ensure above, the Company has taken proper and adequatecare in installing a system of internal control and maintenance of accounting records;

(5) Our internal auditors have conducted periodic audits to providereasonable assurance that the established policies and proceduresof the Company were consistently followed; and

(6) The management's use of the going concern basis of accounting in preparing the financial state ments 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 2020 and that to the best of our knowledge and belief:

(a) These statements do not contain any materially untruestatement or omit any material fact or contain statements thatmight be misleading;

(b) These statements collectively present true and fair view of the Company's affairs and are in compli ance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transactionsentered 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,

(Dr. Arif Ahmed Chowdhury, CIP)
Managing Director

Mohendra Nath Mondol
Chief Financial Officer (CFO)

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BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2020/224

BAPLC

Date of issue : August 12, 2020

Renewed Certificate

This is to certify that

FU-WANG FOODS LIMITED

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

This certificate remains current until 31st December 2020.

BAPLC

Secretary-General

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Annexure-B

ম্যাবস এন্ড জে পার্টনার্স
MABS & J Partners
Chartered Accountants

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 2020. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

(b) The Company have complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this 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.

Place : Dhaka
Date : 05 November 2020

J C Biswas, FCA
Partner
MABS & J Partners
Chartered Accountants

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Web : www.mabsj.com

Motijheel Branch Office:
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Phone : +88-02-58315469/58315471
Fax : +88-02-9332936
E-mail : info@mabsj.com
Web : www.mabsj.com

CORPORATE GOVERNANCE COMPLIANCE STATUS

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

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/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)	**Size of the Board of Directors:** The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	✓		Total 4 (Four) Directors of the company. However, subsequently one new director already appointed.
1.2	**Independent Directors:**			
1.(2)(a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓		
1.(2)(b)(i)	**"Independent Director" means a director-** who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		
1.(2)(b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	✓		
1.(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		
1.(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		
1.(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		
1.(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		
1.(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		
1.(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies;	✓		
1.(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	✓		
1.(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	✓		
1.(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		
1.(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	✓		
1.(2)(e)	**The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only:** Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]: Provided further that the independent director shall not be subject to retirement by rotation as per Companies Act, 1994.	✓		

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

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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;			The Company declared 1.65% cash dividend on paid up capital
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		Total 12 Bord Meeting held during the year
1.5(xxiii)(a)	**A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:** Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓		
1.5(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	✓		
1.5(xxiii)(c)	Executives; and	✓		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);			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;	✓		
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	✓		

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

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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	**Board of Directors' Committee.**			
4(i)	**For ensuring good governance in the company, the Board shall have at least following sub-committees:** Audit Committee; and	✓		
4(ii)	Nomination and Remuneration Committee.	✓		
5.0	**Audit Committee**			
5(1)(a)	**Responsibility to the Board of Directors:** The company shall have an Audit Committee as a sub-committee of the Board;	✓		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5(2)(a)	**Constitution of the Audit Committee:** The Audit Committee shall be composed 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 incident happened
5(2)(e)	The company secretary shall act as the secretary of the Committee;	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5(3)(a)	**Chairperson of the Audit Committee:** The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
5(3)(c)	**Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):** Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	✓		
5(4)(a)	**Meeting of the Audit Committee:** **The Audit Committee shall conduct at least its four meetings in a financial year:** Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(5)(a)	**Role of Audit Committee** **The Audit Committee shall:** Oversee the financial reporting process;	✓		
5(5)(b)	Monitor choice of accounting policies and principles;	✓		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5(5)(d)	Oversee hiring and performance of external auditors;			
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5(5)(h)	Review the adequacy of internal audit function;	✓		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	Review statement of all related party transactions submitted by the management;	✓		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;			
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		
5(5)(m)	**Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:** Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.			No such event occurred in 2020
5.6	**Reporting of the Audit Committee**			
5(6)(a)(i)	**Reporting to the Board of Directors:** The Audit Committee shall report on its activities to the Board;	✓		
5(6)(a)(ii)(a)	The Audit Committee shall immediately report to the Board on the following findings, if any: Report on conflicts of interests;			No such incident happened
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			No such incident happened
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			No such incident happened
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			No such incident happened
5(6)(b)	**Reporting to the Authorities:** If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	✓		
5(7)	**Reporting to the Shareholders and General Investors:** Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.			No such incident happened
6(1)(a)	**Nomination and Remuneration Committee (NRC).** **Responsibility to the Board of Directors:** The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓		

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Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5) (b).	✓		
6(2)(a)	**Constitution of the NRC:** The Committee shall comprise of at least three members including an independent director;	✓		
6(2)(b)	All members of the Committee shall be non-executive directors;	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			If arise, will be complied
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	✓		
6(2)(g)	The company secretary shall act as the secretary of the Committee;	✓		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓		
6(3)(a)	**Chairperson of the NRC:** The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	✓		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	✓		
6(4)(a)	**Meeting of the NRC:** 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;			If arise, will be complied
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓		
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)	**Role of the NRC:** 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;	✓		

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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.	✓		
7.0	**External or Statutory Auditors**			
7(1)(i)	**The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-** Appraisal or valuation services or fairness opinions;	✓		
7(1)(ii)	Financial information systems design and implementation;	✓		
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	Broker-dealer services;	✓		
7(1)(v)	Actuarial services;	✓		
7(1)(vi)	Internal audit services or special audit services;	✓		
7(1)(vii)	Any service that the Audit Committee determines;	✓		
7(1)(viii)	Audit or certification services on compliance of corporate governance; and	✓		
7(1)(ix)	Any other service that creates conflict of interest.	✓		
7(2)	**No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:** Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
8.0	**Maintaining a website by the Company.**			
8(1)	The company shall have an official website linked with the website of the stock exchange.	✓		
8(2)	The company shall keep the website functional from the date of listing.	✓		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9.0	**Reporting and Compliance of Corporate Governance.**			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		

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

Report on the Audit of the Consolidated and Separate Financial Statements

Qualified Opinion

We have audited the consolidated and separate financial statements of **Fu-Wang Foods Limited** (the Company), which comprise the consolidated and separate statement of financial position as at June 30, 2020, and the consolidated and separate statement of profit or loss and other comprehensive Income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information disclosed in notes 1 to 32 & Annexure-A.

In our opinion, except for the effect of the matter 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 June 30, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Qualified Opinion

1. Revaluation shall be made with sufficient regularity to ensure that the carrying amount does not` differ materially from that which would be determined using fair value at the end of the reporting period,but the entity did not revalue its building since 2010.

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

Emphasis of Matter

We draw attention to the fact disclosed in note-9.03

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Our key audit matters

Risk	Our response to the risk
Income tax	
Refer note no 18.00(a) to the consolidated statement of financial position and note no. 24.00(a) to the consolidatedstatement of profit or loss and other comprehensive Income.	
The company has different items of income, assets and provisions which requires significant judgment for both in current tax and deferred tax calculation.	Our procedure includes: **Control test:** testing the effectiveness of the entity's control around the recording and re-assessment of the amount of tax expenses and related assets and liabilities. **Test of details:** obtaining supporting documents, checked calculation and challenged the amount as per our knowledge of corporate taxation both for current and deferred portion. **Assessing disclosure:** considering the adequacy of the entity's disclosure regarding tax. **Our result:** the results of our testing were satisfactory and we found the level of tax provisioning is acceptable.
Revenue	
Refer note no 19.00(a) to the ConsolidatedStatement of Profit or Loss and Other Comprehensive Income.	
The group has multiple products with different procedure of revenue recognition. More over inter unit sales and inventory holding makes it complex audit issue.	Our procedure includes: **Control test:** testing the effectiveness of the entity's control around the recording revenue recognition. **Test of details:** recognition, point of revenue recognition, sales return adjustments, rebates, discounts, commissions, warranty etc. and transaction recorded either side of the year and debit notes issued after the year end to determine whether the amount recorded in correct period. Test the adjustments made for consolidation for inter unit/company sales and closing inventory. Test the adjustments made for commission, sales return, discounts with the revenue. Challenged the adjustments for warranty made in revenue as per our best knowledge. **Assessing disclosure:** considering the adequacy of the entity's disclosure regarding revenue. **Our result:** the result of our testing is satisfactory and we considered the carrying amount of revenue recognized to be acceptable and recorded in correctly.

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Other Information

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

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud orerror.

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.

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

- Identify and assess the risks of material misstatement of the 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.
- 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 under lying 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 consoli dated financial statements. We are responsible for the direction, supervision, and performance of the group 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 safe guards.

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 out weigh the public interest benefits of such communication.

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Report on other Legal and Regulatory Requirements

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

a) We have obtained all the information and explanations which to the best of our knowl edge and belief were necessary for the purpose of our audit and made due verifica tionthereof;

b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our exam inations of thosebooks;

c) The consolidated and separate statement of financial position and statement of profit or loss and other comprehensive Income, statement of changes in equity and statement of cash flows of the Company together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and

d) The expenditure was incurred for the purpose of the Company'sbusiness. ance of the group audit. We remain solely responsible for our audit opinion.

The engagement partner on the audit resulting in this independent auditors' report is Md. Mustafizur Rahman FCA.

Dated: Dhaka
October 27, 2020

Rahman Mostafa Alam & Co.
Chartered Accountants

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Consolidated Statement of Financial Position
As at June 30, 2020

PARTICULARS	NOTES	TAKA June 30, 2020	TAKA 30 JUNE 2019
ASSETS:			
Non-Current Assets		**670,809,346**	**655,321,225**
Property, Plant and Equipment	**3.00(a)**	670,809,346	655,321,225
Current Assets		**1,277,833,839**	**1,246,195,435**
Inventories	**5.00(a)**	308,946,499	260,453,964
Trade and Other Receivables	**6.00(a)**	498,548,679	528,611,946
Advances, Deposits and Prepayments	**7.00(a)**	463,441,020	436,094,046
Cash and Cash Equivalents	**8.00(a)**	6,897,641	21,035,479
Total Assets:		**1,948,643,185**	**1,901,516,660**
EQUITY & LIABILITIES:			
Shareholders' Equity		**1,330,811,955**	**1,297,524,256**
Share Capital	**9.02**	1,108,392,840	1,108,392,840
Revaluation Reserve		51,256,523	53,954,235
Retained Earnings	**10.00(a)**	170,720,638	134,678,693
Non-Controlling Interest	**11.00**	441,954	498,488
Non-Current Liabilities		**88,126,766**	**97,596,317**
Deferred Tax Liabilities	**12.00**	64,431,851	53,504,868
Long Term Loan	**13.00**	23,694,915	44,091,449
Current Liabilities		**529,704,464**	**506,396,087**
Short Term Bank Loans and Others	**14.00**	136,907,824	124,186,090
Trade and Other Payables	**15.00(a)**	27,346,274	26,305,403
Payable for WPPF and Welfare fund	**16.00**	15,144,663	16,601,823
Liabilities for Expenses	**17.00(a)**	13,107,795	11,169,491
Provision for Income Tax	**18.00(a)**	337,197,908	328,133,280
Total Equity and Liabilities		**1,948,643,185**	**1,901,516,660**
Net Asset Value (NAV) Per Share	**25.00(a)**	**12.01**	**11.71**

The annexed notes from 01 to 32 & Annexure-A form an integral part of these financial statements.

Md. Sharif Al Mahmood
Company Secretary

Dr. Arif Ahmed Chowdhury, CIP
Managing Director

Abdul Quader
Chairman

Signed in terms of our separate report of even date.

Dated: Dhaka
October 27, 2020

Rahman Mostafa Alam & Co.
Chartered Accountants

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Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2020

PARTICULARS	NOTES	TAKA 30 JUNE 2020	TAKA 30 JUNE 2019
Turnover (Net of VAT)	19.00(a)	833,964,000	981,860,152
Cost of Goods Sold	20.00(a)	(646,332,040)	(728,302,616)
Gross profit		**187,631,960**	**253,557,536**
Operating Expense		**(88,922,533)**	**(93,113,399)**
Administrative Expenses	21.00(a)	(55,802,298)	(56,986,563)
Selling and Distribution Expenses	22.00(a)	(33,120,235)	(36,126,836)
Operating Profit		**98,709,427**	**160,444,137**
Financial Expenses	23.00	(19,220,071)	(21,375,736)
Profit From Operation		**79,489,356**	**139,068,401**
Contribution to WPPF and Welfare Fund		(4,042,190)	(6,499,565)
Net Profit Before Tax		**75,447,166**	**132,568,836**
Income Tax Expenses		**(20,467,677)**	**(44,392,027)**
Current Tax	24.00(a)	(9,064,628)	(27,268,394)
Deferred Tax		(11,403,049)	(17,123,633)
Net Profit After Tax		**54,979,489**	**88,176,809**
Profit Attributable to :			
Parent Shareholders		55,036,023	88,160,055
Non-Controlling Interest		(56,534)	16,754
		54,979,489	**88,176,809**
Earnings Per Share (EPS)	26.00 (a)	**0.50**	**0.80**

The annexed notes from 01 to 32 & Annexure-A form an integral part of these financial statements.

Md. Sharif Al Mahmood
Company Secretary

Dr. Arif Ahmed Chowdhury, CIP
Managing Director

Abdul Quader
Chairman

Signed in terms of our separate report of even date.

Dated: Dhaka
October 27, 2020

Rahman Mostafa Alam & Co.
Chartered Accountants

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Consolidated Statement of Changes in equity
For the year ended June 30, 2020

Particulars	Share Capital	Tax Holiday Reserve	Revaluation Reserve	Retained Earnings	Non Controlling Interest	Total
Opening Balance	**1,108,392,840**	-	**53,954,235**	**134,678,693**	**498,488**	**1,297,524,256**
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 Year	-	-	-	55,036,023	(56,534)	**54,979,489**
Balance as at 30 June 2020	**1,108,392,840**	-	**51,256,523**	**170,720,638**	**441,954**	**1,330,811,955**

For the year ended June 30, 2019

Particulars	Share Capital	Tax Holiday Reserve	Revaluation Reserve	Retained Earnings	Non Controlling Interest	Total
Opening Balance	**1,007,629,860**	**18,245,470**	**56,793,932**	**125,695,329**	**481,734**	**1,208,846,325**
Bonus Share	100,762,980	(18,245,470)	-	(82,517,510)	-	-
Depreciation on Revaluation	-	-	(3,340,819)	3,340,819	-	-
Adjustment for Deferred Tax (Last Year)	-	-	10,022,458	-	-	10,022,458
Adjustment for Deferred Tax (Current Year)	-	-	(9,521,336)	-	-	(9,521,336)
Net Profit for 2018-19	-	-	-	88,160,055	16,754	88,176,809
Balance as at 2018-2019	**1,108,392,840**	-	**53,954,235**	**134,678,693**	**498,488**	**1,297,524,256**

The annexed notes from 01 to 32 & Annexure-A form an integral part of these financial statements.

Md. Sharif Al Mahmood
Company Secretary

Dr. Arif Ahmed Chowdhury, CIP
Managing Director

Abdul Quader
Chairman

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Consolidated Statement of Cash flows
For the year ended June 30, 2020

PARTICULARS	NOTES	July 01, 2019 to June 30, 2020	July 01, 2018 to June 30, 2019
Cash Flows from Operating Activities:			
Collections from Turnover and Others		864,929,405	932,266,379
Payment for Cost and Expenses		(764,872,098)	(800,109,934)
Financial Expenses Paid		(18,142,071)	(20,072,542)
Income Tax Paid and Deducted at Source		(16,401,070)	(37,684,920)
A. Net Cash Provided from Operating Activities		**65,514,166**	**74,398,983**
Cash Flows from Investing Activities:			
Acquision of Property, Plant and Equipment		(51,419,598)	(76,874,753)
B. Net Cash Used in Investing Activities		**(51,419,598)**	**(76,874,753)**
Cash Flows from Financing Activities:			
Dividend Paid		(20,557,606)	-
Loan Received		(7,674,800)	10,182,268
C. Net Cash Provided from Financing Activities		**(28,232,406)**	**10,182,268**
D. Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		(14,137,838)	7,706,498
E. Cash and Cash Equivalents at the Begaining of the Year		21,035,479	13,328,981
F. Cash and Cash Equivalents at the End of the Year		**6,897,641**	**21,035,479**
Net Operating Cash Flow Per Share	**27.00(a)**	**0.59**	**0.67**

The annexed notes from 01 to 32 & Annexure-A form an integral part of these financial statements.

Md. Sharif Al Mahmood	**Dr. Arif Ahmed Chowdhury, CIP**	**Abdul Quader**
Company Secretary	Managing Director	Chairman

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Statement of Financial Position
As at June 30, 2020

PARTICULARS	NOTES	TAKA 30 JUNE 2020	TAKA 30 JUNE 2019
ASSETS:			
Non-Current Assets		**629,388,445**	**610,515,459**
Property, Plant and Equipment (Net of Depreciation)	**3.00**	629,388,445	610,515,459
Investment	**4.00**	**50,000,000**	**50,000,000**
Current Assets		**1,204,387,506**	**1,167,990,324**
Inventories	**5.00**	281,640,362	232,423,987
Trade and Other Receivables	**6.00**	358,459,552	395,752,535
Advances, Deposits and Prepayments	**7.00**	558,588,084	519,303,266
Cash and Cash Equivalents	**8.00**	5,699,508	20,510,536
Total Assets		**1,883,775,951**	**1,828,505,783**
EQUITY & LIABILITIES:			
Shareholders' Equity		**1,296,516,500**	**1,257,575,436**
Share Capital	**9.00**	1,108,392,840	1,108,392,840
Revaluation Reserve		51,256,523	53,954,235
Retained Earnings	**10.00**	136,867,137	95,228,361
Non-Current Liabilities		**88,126,766**	**97,596,317**
Deferred Tax Liabilities	**12.00**	64,431,851	53,504,868
Long Term Loan	**13.00**	23,694,915	44,091,449
Current Liabilities		**499,132,685**	**473,334,030**
Short Term Bank Loans and Others	**14.00**	136,907,824	124,186,090
Trade and Other Payables	**15.00**	25,783,041	22,893,425
Payable for WPPF and Welfare fund	**16.00**	15,144,663	16,601,823
Liabilities for Expenses	**17.00**	11,992,753	9,156,191
Provision for Income Tax	**18.00**	309,304,404	300,496,501
Total Equity and Liabilities		**1,883,775,951**	**1,828,505,783**
Net Asset Value (NAV) Per Share	**25.00**	**11.70**	**11.35**

The annexed notes from 01 to 32 & Annexure-A form an integral part of these financial statements.

Md. Sharif Al Mahmood
Company Secretary

Dr. Arif Ahmed Chowdhury, CIP
Managing Director

Abdul Quader
Chairman

Signed in terms of our separate report of even date.

Dated: Dhaka
October 27, 2020

Rahman Mostafa Alam & Co.
Chartered Accountants

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Statement of Profit or Loss & Other Comprehensive Income
For the year ended June 30, 2020

PARTICULARS	NOTES	TAKA 30 JUNE 2020	TAKA 30 JUNE 2019
Turnover (Net of VAT)	19.00	791,176,503	867,581,564
Cost of Goods Sold	20.00	(609,379,004)	(636,737,367)
Gross profit		**181,797,499**	**230,844,197**
Operating Expense		**(77,691,432)**	**(72,977,597)**
Administrative Expenses	21.00	(46,622,453)	(43,189,754)
Selling and Distribution Expenses	22.00	(31,068,979)	(29,787,843)
Operating Profit before Financial Expenses		**104,106,067**	**157,866,600**
Financial Expenses	23.00	(19,220,071)	(21,375,736)
Profit From Operation		**84,885,996**	**136,490,864**
Provision to WPPF and Welfare Fund		(4,042,190)	(6,499,565)
Net Profit Before Tax		**80,843,806**	**129,991,299**
Income Tax Expenses		**(20,210,952)**	**(43,489,889)**
Current Tax	24.00	(8,807,903)	(26,366,256)
Deferred Tax		(11,403,049)	(17,123,633)
Profit After Tax		**60,632,854**	**86,501,411**
Earnings Per Share (EPS)	26.00	**0.55**	**0.78**

The annexed notes from 01 to 32 & Annexure-A form an integral part of these financial statements.

Md. Sharif Al Mahmood
Company Secretary

Dr. Arif Ahmed Chowdhury, CIP
Managing Director

Abdul Quader
Chairman

Signed in terms of our separate report of even date.

Dated: Dhaka
October 27, 2020

Rahman Mostafa Alam & Co.
Chartered Accountants

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Statement of Changes in equity
For the year ended June 30, 2020

Particulars	Share Capital	Tax Holiday Reserve	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**

For the year ended June 30,2019

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

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

Md. Sharif Al Mahmood
Company Secretary

Dr. Arif Ahmed Chowdhury, CIP
Managing Director

Abdul Quader
Chairman

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Statement of Cash flows
For the year ended June 30, 2020

PARTICULARS		TAKA 30 JUNE 2020	TAKA 30 JUNE 2019
Cash Flows from Operating Activities:			
Collections from sales		828,469,486	827,277,453
Payment for Cost and Expenses		(717,147,525)	(699,254,514)
Financial Expenses Paid		(18,142,071)	(20,072,542)
Income Tax Paid and Deducted at Source		(15,856,366)	(33,529,970)
A. Net Cash Provided from Operating Activities		**77,323,524**	**74,420,427**
Cash Flows from Investing Activities:			
Acquision of Property, Plant and Equipment		(51,419,598)	(76,640,217)
Advance to Subsidiary		(12,482,548)	(324,349)
B. Net Cash Used in Investing Activities		**(63,902,146)**	**(76,964,566)**
Cash Flows from Financing Activities:			
Dividend Paid		(20,557,606)	-
Loan Received		(7,674,800)	10,182,268
C. Net Cash Provided from Financing Activities:		**(28,232,406)**	**10,182,268**
D. Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)		(14,811,027)	7,638,129
E. Cash and Cash Equivalents at the Begaining of the Year		20,510,535	12,872,407
F. Cash and Cash Equivalents at the End of the Year		**5,699,508**	**20,510,535**
Net Operating Cash Flow Per Share	**27.00**	**0.70**	**0.67**

The annexed notes from 01 to 32 & Annexure-A form an integral part of these financial statements.

Md. Sharif Al Mahmood
Company Secretary

Dr. Arif Ahmed Chowdhury, CIP
Managing Director

Abdul Quader
Chairman

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NOTES TO THE FINANCIAL STATMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1.0 Corporate Information and Nature of Business Activities:

1.1 Corporate Information:

The company, initially 100% owned by foreign nationals, was incorporated on 17.02.1997 as private limited company and subsequently converted into public company limited by shares on 05.06.1999. It is now a public limited company with foreign and local shareholders. It is a food processing industry with yearly production capacity of 10,900 M. Ton. in three shifts (after balancing) as against which it ran at 59% capacity during the year under review producing 6,430.80 M. Ton. The shortfall in utilization of production capacity is for time lost for maintenance of machinery and for shortage of market demand. It has started its commercial operation on 23.08.1997. As per Board of Investments' condition for registration, the Industry was to export 30% of its products. The industry has however applied to Board of Investment vide its letter no FWF/COM-06 dated 12-08-2000 to amend the conditions for registration to make it 100% local sales oriented. The said application is under consideration of BOI till to date. Meanwhile the company has been operating in local market fully.

1.2 Address of Company:

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

1.3 Address of Factory:

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

1.3.1 Nature of Business Activities:

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

1.3.2 Number of Employees:

On the payroll of the Company, there were 215 officers 42 Staff and 607 permanent workers and 768 daily workers/ technicians apart from many casual / contract technicians /workers.

			73,193,192
i)	1,632	Staff/Officers/Employees drew yearly salary & allowances of Tk. 36,000 or more	
			Nil
ii)	Nil	Staff/Officers/Technicians and many other casual workers drew yearly salary/wages & allowances less than Tk. 36,000	
			73,193,192
	1,632		

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

2.1 Statement of Compliance:

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

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

SL. No.	Applicable Accounting Standards	Note reference
01.	IAS-1	2.4
02.	IAS-2	2.10
03.	IAS-7	2.13 & 2.14
04.	IAS-10	2.27
05.	IAS-12	2.17
06.	IAS-16	2.8
07.	IFRS-15	2.19
08.	IAS-19	2.26
09.	IAS-21	2.20
10.	IAS-24	2.21
11.	IAS-33	2.24
12.	IAS-36	2.25
13.	IAS-37	27.00

2.3 Basis of Reporting:

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 01 July 2019 to 30 June 2020

Ii. Going Concern:

The company has adequate resources continue in operation for foreseeable future.

For this reason, the board of directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and resources of the company provide sufficient funds to meet the present requirements of its existing busi ness and operations.

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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 2020;
(ii) Statement of Profit or Loss & Other Comprehensive Income for the year ended 30 June 2020;
(iii) Statement of Cash Flows for the year ended 30 June 2020;
(iv) Statement of Changes in Shareholders Equity for the year ended 30 June 2020; and
(v) Accounting policies and Explanatory notes for the year ended 30 June 2020.

2.5 Accounting Estimates:

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

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

2.6 Risk and Uncertainty for Use of Estimates:

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

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

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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 ready 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.

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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 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 Tax Holiday Reserve:

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

2.18 Income Tax Expenses:

Taxation is provided in accordance with fiscal regulations applicable. The company is publicly traded company as per the Income Tax Ordinance, 1984. The company qualifies for being treated as a "Publicly Traded Company" for which the rate for tax at 25.00% has been applied for while making provision for income tax.

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2.19 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.

2.20 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.

2.21 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".*

2.22 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 2019-2020 expect the transaction with the subsidiary company.

2.23 Responsibility for the Preparation and Presentation of Financial Statements:

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

2.24 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".

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2.25 Earning Per Share (EPS):

The company calculates Earnings Per Share (EPS) in accordance with IAS-33 "Earnings Per Share" which has been shown on the face of statement of comprehensive income and the computation of EPS is stated in Note-26.

i. Basic Earnings:

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

ii. Basic Earnings Per Share:

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

iii. Diluted Earnings Per Share:

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

2.26 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.

2.27 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.

2.28 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-31).

2.29 Acknowledgement of Claims:

There was no claim against the company acknowledged as debt as on 30 June 2019.

2.30 Credit Facility not Availed of:

There was no general credit facilities other than those stated in "Note-13 & 14" were available to the company under any contract to be availed of at the Balance Sheet date.

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

2.31 Board Meeting and Board Members:
There were five (05) members in the Board of Directors including independent Director of the Company and twelve (12) Board Meetings were held in the year under report.

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

2.33 by 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.

2.34 Audit Fee:
As per decision taken in the 23rd Annual General Meeting (AGM) of the company held on 18 December 2019 the auditors' remuneration of Tk. 2,35,750 (including vat) has been provided for in the financial statements which is the only sum to be paid to auditors' as remuneration.

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

2.36 Net Operating Cash Flow Per Share (NOCFPS):

Because of decreasing the collection against sales, the NOCFPS is less than previous year.

2.37 Disclosure relating to restatement:
Calculation of Non-Controlling Interest consisted of error in last year which has been ratified and restated the figures accordingly.

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

i) The financial statements are presented in Bangladeshi Taka which in the compa ny's functional currency. Figures appearing in these financial statements have been rounded off to the nearest taka.

ii) The expenses, irrespective of capital or revenue nature, accrued / due but not paid have been provided for in the financial statements of the company.

iii) Figures of previous year have been re-arranged whenever necessary to conform to current year's presentation.

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Notes	Particulars		Amount in Tk.	
			June 30, 2020	June 30, 2019
3.00	**Property, Plant and Equipment: Tk. 629,388,445**			
	The details of fixed Assets schedule has been shown in annexure- A			
	Cost	3.01	989,229,032	937,809,434
	Less: Accumulated depreciation	3.02	359,840,587	327,293,975
	Written Down Value		**629,388,445**	**610,515,459**
3.01	**Cost: Tk. 989,229,032**			
	The above balances are made up as follows:			
	Opening Balance		937,809,434	861,169,217
	Add : Addition during the year		51,419,598	76,640,217
			989,229,032	**937,809,434**
	Less: Adjustment made during the year		-	-
	Balance as at June 30, 2020		**989,229,032**	**937,809,434**
3.02	**Accumulated Depreciation: Tk. 359,840,587**			
	The above balances are made up as follows:			
	Opening Balance		327,293,975	296,273,523
	Add : Addition during the year		32,546,612	31,020,452
			359,840,587	**327,293,975**
	Less: Adjustment made during the year		-	-
	Balance as at June 30, 2020		**359,840,587**	**327,293,975**
	Details of Property, Plant and Equipment have been shown in 'Annexure - A'.			
3.00(a)	**Consolidated Property, Plant and Equipment: Tk. 629,388,445**			
	The above balances are made up as follows:			
	Fu-Wang Foods Ltd.			
	At Cost/Revaluation		989,229,032	937,809,434
	Less : Accumulated Depreciation		359,840,587	327,293,975
	Sub total		**629,388,445**	**610,515,459**
	Fu-Wang Beverage Industry Ltd.			
	At Cost/Revaluation		103,736,499	103,736,499
	Less : Accumulated Depreciation		62,315,598	58,930,733
	Sub total		**41,420,901**	**44,805,766**
	Total		**670,809,346**	**655,321,225**
4.00	**Investment : Tk. 50,000,000**			
	Investment in Fu-Wang Beverage Industry Limited		**50,000,000**	**50,000,000**

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

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Notes	Particulars		Amount in Tk.	
			June 30, 2020	June 30, 2019

5.00 Inventories :Tk. 281,640,362

The above balances are made up as follows:

Stock of Raw Materials	5.01	205,554,797	159,716,514
Stock of Finished Foods		16,287,301	15,609,873
Stock of Packing Materials		59,798,264	57,097,600
		281,640,362	**232,423,987**

5.01 Stock of Raw Materials: Tk. 205,554,797

Sl No.	Name of the Item	Unit	Opening		Purchase	
			Qty.	Tk.	Qty.	Tk.
1	Flour	MT.	1,159	42,322,600	6,089	222,348,845
2	Dalda	MT.	290	22,572,500	615	47,869,267
3	Sugar	MT.	721	39,632,500	895	49,197,070
4	Sala Oil	MT.	219	16,358,700	335	25,023,582
5	Milk Powder	MT.	21	7,852,400	115	43,001,238
6	Others	MT.	168	26,351,400	265	56,668,420
7	Eggs	Pcs.	560,777	4,626,414	4,753,435	41,589,241
			2,595	**159,716,514**	**8,314**	**485,697,663**

Sl No.	Available for Consumption		Consumed		Clossing	
	Qty.	Tk.	Qty.	Tk.	Qty.	Tk.
1	7,248	264,671,445	5,875	214,534,318	1,373	50,137,127
2	905	70,441,767	570	44,366,638	335	26,075,129
3	1,616	88,829,570	954	52,440,229	662	36,389,341
4	554	41,382,282	345	25,770,555	209	15,611,727
5	136	50,853,638	75	28,044,286	61	22,809,352
6	433	83,019,820	217	34,084,812	216	48,935,008
7	5,314,212	46,215,655	4,615,449	40,618,542	698,763	5,597,113
	10,892	**645,414,177**	**8,036**	**439,859,380**	**2,856**	**205,554,797**

5.00(a) Consolidated Inventories: Tk. 308,946,499

The above balances are made up as follows:

Stock of Raw Materials	218,264,480	172,612,775
Stock of Finished Foods	26,564,801	25,081,747
Stock of Packing Materials	64,117,218	62,759,442
	308,946,499	**260,453,964**

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Notes	Particulars	Amount in Tk.	
		June 30, 2020	June 30, 2019

6.00 Trade and Other Receivables: Tk. 358,459,552

The above balances are made up as follows:

Aging of above receivable is us under:

Below Six Month	331,692,062	360,060,375
Over Six Month	26,767,490	35,692,160
	358,459,552	**395,752,535**

As the Company deals with large number of parties, party-wise trade and other receivables could not be given.

6.00(a) Consolidated Trade and Other Receivables: Tk. 498,548,679

The above balances are made up as follows:

Trade and Other Receivables	498,548,679	528,611,946
	498,548,679	**528,611,946**

7.00 Advances, Deposits and Prepayments (considered good): Tk. 558,588,084

The above balances are made up as follows:

		June 30, 2020			June 30, 2019
		Below Six Month	Over Sox Month	Total	
Advances	**(7.01)**	15,856,366	532,897,767	548,754,133	511,369,138
Deposits	**(7.02)**	-	9,833,951	9,833,951	7,934,128
		15,856,366	**542,731,718**	**558,588,084**	**519,303,266**

7.01 Advances: Tk. 548,754,133

The above balances are made up as follows:

Advance Rent for Chitangong Branch Office		240,000	79,000
Advance Rent for Rongpur Branch Office		165,000	3,100
Current Account VAT		4,375,844	4,375,844
Advance Income Tax	7.01.1	347,377,834	331,521,468
Advance to Mymensingh Br. Office		-	233,316
Advance for VAT Appellate Tribunal		10,222,777	10,222,777
Advance against Salary		4,422,326	4,907,826
Advance against Bristy Biscuit		1,956,598	1,956,598
Advance against Purchase		41,058,347	31,616,350
Advance to Fu-wang Beverage Industry Ltd.		138,935,407	126,452,859
		548,754,133	**511,369,138**

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Notes	Particulars	Amount in Tk.	
		June 30, 2020	June 30, 2019

7.01.1 Advance Income Tax : Tk. 347,377,834

The above balances are made up as follows:

Balance as at 01 July 2019	331,521,468	297,991,498
Add : Addition during the year	15,856,366	33,529,970
	347,377,834	**331,521,468**
Less : Adjustment made during the year	-	-
Balance as at June 30, 2020	**347,377,834**	**331,521,468**

7.02 Deposits: Tk. 9,833,951

The above balances are made up as follows:

Titas Gas T & D Co. Ltd. (Gas connection)	3,592,198	3,592,198
Rangpur Branch Office	107,000	107,000
Sylhet Branch	113,000	113,000
Margin Against Bank Guarantee–Titas Gas	4,263,890	2,321,067
VAT deposit against appeal	1,005,884	1,005,884
Chittagong Br. Grameen Phone	23,999	23,999
Jessore Branch Grameen Phone	2,000	2,000
Rangpur Branch Grameen Phone	2,000	2,000
Bogra Branch	55,000	86,000
Jessore Branch	7,500	7,500
Madaripur Branch	14,000	14,000
Shirajgonj Branch	74,000	86,000
Deposit against Rent (Ctg. Factory)	84,980	84,980
Deposit against Rent (Kustia Factory)	28,000	28,000
T & T Phone (Factory)	8,000	8,000
Bangladesh Sugar and Food Industry Corporation	75,000	75,000
Bangladesh Beverage Co.	5,000	5,000
Coca-Cola Bottle	1,400	1,400
Deposit against Bhrammanbaria Branch	43,500	43,500
Grameen Mobile Phone	12,600	12,600
City cell Mobile	15,000	15,000
Deposit to CDBL	300,000	300,000
	9,833,951	**7,934,128**

7.00(a) Consolidated Advances, Deposits and Prepayments (considered good): Tk. 463,441,020

The above balances are made up as follows:

Advanves	592,542,476	548,071,675
Deposits	9,833,951	14,475,230
	602,376,427	562,546,905
Adjust with Subsidiary Company	(138,935,407)	(126,452,859)
	463,441,020	**436,094,046**

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Notes	Particulars		Amount in Tk.	
			June 30, 2020	June 30, 2019
8.00	**Cash and Cash Equivalents: Tk. 5,699,508**			
	The above balances are made up as follows:			
	Cash in Hand	8.01	547,491	500,661
	Cash at Banks	8.02	5,152,017	20,009,875
			5,699,508	**20,510,536**
8.01	**Cash in Hand: Tk. 547,491**			
	The above balances are made up as follows:			
	At Head Office		192,491	145,661
	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	20,000
	At Sayestagonj Branch Office		20,000	20,000
	At Barisal Branch Office		22,000	22,000
	At Feni Branch Office		133,000	133,000
			547,491	**500,661**
8.02	**Cash at Banks: Tk. 5,152,017**			
	The above balances are made up as follows:			
	Pubali Bank Ltd., Local Office Dhaka STD-1144		29,629	29,629
	Dutch Bangla Rocket Account		563,860	230,788
	Dhaka Bank Ltd., CD-9127		2,847	
	Dutch Bangla Bank Ltd.-CD-39015		2,158,790	557,993
	Sonali Bank Ltd., Banani Br., CA 313		1,080,999	1,596,049
	Standard Bank Ltd., Gulshan Br., CD-34003721		149,049	1,947,562
	Standard Bank Ltd., CD-33003806		266	39,477
	Pubali Bank Ltd. Gulshan Br., CD-17903		1,166,577	15,608,377
			5,152,017	**20,009,875**
	All bank balances are reconciled with bank statements.			
8.00(a)	**Consolidated Cash and Cash Equivalents: Tk. 6,897,641**			
	The above balances are made up as follows:			
	Cash in Hand		1,000,591	927,704
	Cash at Banks		5,897,050	20,107,775
			6,897,641	**21,035,479**
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**

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Notes	Particulars	Amount in Tk.	
		June 30, 2020	June 30, 2019

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 :

The break up of the above amount is as under :				
Date	**No. Of Shares**	**Particulars**		
	16,000,000	Ordinary of Tk. 10 each fully paid-up	160,000,000	160,000,000
22.12.2005	2,400,000	Ordinary of Tk. 10 each fully paid-up issued as bonus shares	24,000,000	24,000,000
15.11.2009	1,840,000	Ordinary of Tk. 10 each fully paid-up issued as bonus shares	18,400,000	18,400,000
15.12.2010	4,048,000	Ordinary of Tk. 10 each fully paid-up issued as bonus shares	40,480,000	40,480,000
15.12.2010	20,240,000	Ordinary of Tk. 10 each fully paid-up issued as bonus 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	30.06.2020			30.06.2019	
		No.of Shares	Value of Shares	%	Value of Shares	%
1	Directors/Sponsors	6,466,440	64,664,400	5.83%	59,375,410	5.36%
2	Institutions	27,798,492	277,984,920	25.08%	10,629,490	0.96%
3	Foreign	321,434	3,214,340	0.29%	-	0.00%
4	General Public	76,252,918	762,529,180	68.80%	1,038,387,940	93.68%
		110,839,284	**1,108,392,840**	**100%**	**1,108,392,840**	**100%**

Note: Although the Sponsors/Directors Shareholding position is 5.83/ as on 30th June '2020. But the Directors are trying to comply the BSEC notification No. BSEC/CMRRCD/2009-193/217/Admin/90, dated May 21, 2019.

The Subsequent position of the directors/Sponsors is 7.84% of total number of Shares

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Notes	Particulars	Amount in Tk.	
		June 30, 2020	June 30, 2019
10.00	**Retained Earnings: Tk. 136,867,137**		
	The above balances are made up as follows:		
	Opening Balance	95,228,361	87,903,642
	Add: Profit after tax for the year	60,632,854	86,501,410
	Depreciation on Revaluation	3,173,779	3,340,819
	Profit available for Appropriation	**159,034,994**	**177,745,871**
	Less: Appropriations		
	Utilized for Dividend	(22,167,857)	(82,517,510)
	Balance as at June 30, 2020	**136,867,137**	**95,228,361**
10.00(a)	**Consolidated Retained Earnings: Tk. 170,720,638**		
	The above balances are made up as follows:		
	Opening Balance	134,678,693	125,695,329
	Add: Profit after tax for the Year/Period	55,036,023	88,160,055
	Depreciation on Revaluation	3,173,779	3,340,819
	Profit available for Appropriation	**192,888,495**	**217,196,203**
	Less: Appropriations		
	Utilized for Dividend	(22,167,857)	(82,517,510)
	Balance as at June 30, 2020	**170,720,638**	**134,678,693**
11.00	**Non-Controlling Interest: Tk. 441,954**		
	The above balances are made up as follows:		
	Opening Balance (1% of Subsidiary Net Assets)	498,488	481,734
	Profit for the period ended 30 June 2020	(56,534)	16,754
		441,954	**498,488**
12.00	**Deferred Tax Liabilities: Tk. 64,431,851**		
	Deferred Tax Liability for temporary Difference of PPE	55,386,582	43,983,532
	Deferred Tax Liability for Revaluation	9,045,269	9,521,336
	Deferred Tax Liability as at June 30, 2020	**64,431,851**	**53,504,868**
12.01	**Deferred Tax Liability for temporary Difference**		
	Opening Balance	43,983,532	26,859,899
	Addition during the year	11,403,050	17,123,633
	Closing Balance	**55,386,582**	**43,983,532**
	Calculation of Deferred Tax Liability:		
	Accounting Base written down value (WDV)	569,086,654	547,039,889
	Tax Base written down value (WDV)	347,540,327	371,105,757
	Taxable Temporary difference	221,546,327	175,934,132
	Applicable tax rate	25%	25%
	Total Deferred tax Liability for Temporary Difference of PPE	**55,386,582**	**43,983,533**
	Less: Opening Deferred tax Liability for Temporary Difference of PPE	(43,983,532)	(26,859,899)
	Deferred Tax expense for the year	**11,403,050**	**17,123,633**

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Notes	Particulars	Amount in Tk.	
		June 30, 2020	June 30, 2019

13.00 Long Term Loan: Tk. 23,694,915

The above balances are made up as follows:

IDLC Finance Ltd.	34,251,603	52,869,178
Term Loan, Dhaka Bank Ltd.	16,960,000	12,717,512
	51,211,603	**65,586,690**
Less: IDLC Finance Ltd.-Current Portion	21,636,640	18,861,445
Less: Term Loan, Dhaka Bank-Current Portion	5,880,048	2,633,796
	27,516,688	21,495,241
	23,694,915	**44,091,449**

14.00 Short Term Bank Loans and Others: Tk. 136,907,824

The above balances are made up as follows:

Dhaka Bank Ltd., OD-264	78,183,361	81,034,185
Time Loan, Dhaka Bank Ltd.	19,867,775	10,122,740
Dhaka Bank Ltd., LTR	11,340,000	11,533,924
IDLC Finance Ltd.-Current Portion	21,636,640	18,861,445
Term Loan, Dhaka Bank-Current Portion	5,880,048	2,633,796
	136,907,824	**124,186,090**

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 30-06-2020 was Tk. 78,724,043
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.

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15.00 Trade and Other Payables: Tk. 25,783,041

The above balances are made up as follows:

	June 30, 2020			June 30, 2019
	Below Six Month	Over Six Month	Total	
Trade Creditors	9,715,228	-	9,715,228	9,835,863
Dividend Payable	1,610,251		1,610,251	-
Security Deposit against Sale and Others	1,400,000	13,057,562	14,457,562	13,057,562
	12,725,479	**13,057,562**	**25,783,041**	**22,893,425**

Trade creditors consists of balances owing to large number of suppliers and thus supplier-wise detailed break up has not been given.

Notes	Particulars	Amount in Tk.	
		June 30, 2020	June 30, 2019
15.00(a)	**Consolidated Trade and Other Payables: Tk. 27,346,274**		
	The above balances are made up as follows:		
	Trade Creditors	10,282,961	12,252,341
	Sundry Creditors with Holding Company	138,935,407	126,452,859
	Dividend Payable	1,610,251	-
	Security Deposit against Sale and Others	15,453,062	14,053,062
		166,281,681	**152,758,262**
	Adjust with Subsidiary Company	(138,935,407)	**(126,452,859)**
		27,346,274	**26,305,403**
16.00	**Payable for (WPPF) and Welfare Fund: Tk. 15,144,663**		
	The above balances are made up as follows:		
	Opening Balance	16,601,823	11,847,219
	Add : Addition during the year	4,042,190	6,499,565
	Add: Interest	1,078,000	1,303,194
		21,722,013	**19,649,978**
	Less: Payment during the year	(6,577,350)	(3,048,155)
	Balance as at 30 June 2020	**15,144,663**	**16,601,823**
17.00	**Liabilities for Expenses: Tk. 11,992,753**		
	The above balances are made up as follows:		
	Salary & Allowances (H/O)	1,078,582	1,829,633
	Salary & Allowances (Fac.)	1,036,290	1,394,723
	Audit Fees	235,750	172,500
	Power and fuel	9,109,328	5,439,961
	Other Expenses	532,803	319,374
		11,992,753	**9,156,191**
17.00(a)	**Consolidated Liabilities for Expenses: Tk. 13,107,795**		
	The above balances are made up as follows:		
	Salary & Allowances (H/O)	1,078,582	1,829,633
	Salary & Allowances (Fac.)	1,036,290	1,394,723
	Audit Fees	281,750	218,500
	Power & Fuel	9,109,328	5,439,961
	Other Expenses	1,601,845	2,286,674
		13,107,795	**11,169,491**

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Notes	Particulars	Amount in Tk.	
		June 30, 2020	June 30, 2019

18.00 Provision for Income Tax: Tk. 309,304,404

The above balances are made up as follows:

Opening Balance	300,496,501	274,130,245
Add : Addition during the year	8,807,903	26,366,256
	309,304,404	**300,496,501**
Less: Adjustment made during the year	-	-
Balance as at June 30, 2020	**309,304,404**	**300,496,501**

18.00(a) Consolidated Provision for Income Tax: Tk. 337,197,908

The above balances are made up as follows:

Opening Balance	328,133,280	300,864,886
Add : Addition during the year	9,064,628	27,268,394
	337,197,908	**328,133,280**
Less: Adjustment made during the year	-	-
Balance as at June 30, 2020	337,197,908	**328,133,280**

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Notes	Particulars	Amount in Tk.	
		July 01, 2019 to June 30, 2020	July 01, 2018 to June 30, 2019

19.00 Turnover (net of VAT etc.): Tk. 791,176,503

Local Sales	816,500,146	902,760,728
Less : VAT, SD etc.	25,323,643	35,179,164
Total Turnover	**791,176,503**	**867,581,564**

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

Vatable items	Gross Sales	VAT & SD	Net Sales 2020	Net Sales 2019
Dia Salt Biscuit	56,096,432	2,671,259	53,425,173	25,075,619
Eco Dia Salt Biscuit	8,102,929	385,854	7,717,075	8,990,886
Fu-Wang Tube Biscuit-1.800 Kg	7,690,765	366,227	7,324,538	6,756,684
Horlicks Biscuit	23,846,216	1,135,534	22,710,682	11,145,798
Milk Marie Biscuit	1,749,152	83,293	1,665,859	2,459,183
Namkin Biscuit	14,189,175	675,675	13,513,500	10,484,305
New Nutritious Biscuit	14,636,172	696,961	13,939,212	7,966,560
Salted Bis	135,568	6,456	129,113	-
Krispy Carckers Biscuit				9,302
Fu-Wang Twitter Diasalt Biscuit 27 Gm	25,464,957	1,212,617	24,252,340	17,169,239
Choco Toast	2,634,543	125,454	2,509,088	3,456,143
Crunchy Ghee Toast - 200 gm	17,896,924	852,234	17,044,689	5,122,440
Finger Toast	-	-	-	263,068
Fu-Wang Toast	18,865,754	898,369	17,967,385	9,793,560
Misty Toast	7,078,591	337,076	6,741,516	1,560,758
Miu Miu Toast	689,661	32,841	656,820	333,295
Non Stop Crispy Toast	8,431,181	401,485	8,029,696	7,323,192
Hi Quality Toast	5,639	269	5,370	227,909
Sandwich Toast	210,336	10,016	200,320	96,684
Spicy Toast	25,136,909	1,196,996	23,939,913	12,008,579
Sweet Toast	1,965,105	93,576	1,871,529	677,719
American Cheese Cake	9,411,903	448,186	8,963,717	2,949,686
Any Time Slice Cake-100 gm	46,807,578	2,228,932	44,578,646	9,729,612
Any Time Slice Cake-50 gm	3,089,826	147,135	2,942,691	560,832
Apple Pie	1,775,177	84,532	1,690,645	670,867
Chocolate Cake-90 gm	6,778,988	322,809	6,456,180	533,142
Chocolate Cake-35 gm	250,148	11,912	238,236	61,694
Cheese Slice Cake	40,868,205	1,946,105	38,922,100	2,664,265
Jerry Cake	48,410,172	2,305,246	46,104,926	8,553,828
Muffin Cake	14,774,891	703,566	14,071,324	1,765,892
Swiss Cheese Cake	12,196,128	580,768	11,615,360	3,726,883
Vanilla Pie	21,618,652	1,029,460	20,589,193	10,440,956
Fu-Wang Butter Bun				11,390,221
Pocet Waffer	280,588	13,361	267,227	-
Yo Yo Pocet Waffer (S F)	777,362	37,017	740,344	3,694,347
Yo Yo Poket Waffer (V F)	730,485	34,785	695,700	-

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Vatable items	Gross Sales	VAT & SD	Net Sales 2020	Net Sales 2019
Dry Cake-350 gm	5,752,565	273,932	5,478,633	1,953,383
Dry Cake-40	21,728,495	1,034,690	20,693,805	2,679,166
ChocoNut	114,612	5,458	109,155	-
Choco Pie	14,414,817	686,420	13,728,397	-
Doremon Wafer	2,869,897	136,662	2,733,235	-
Play Glucose	1,089,031	51,859	1,037,172	-
Dairy Milk	487,388	23,209	464,179	-
Go Go	162,428	7,735	154,693	-
Ko Ko	146,431	6,973	139,458	-
Chocolate Items	-	-	-	1,513,725
Fu-Wang Atta	1,249,500	59,500	1,190,000	56,372,000
Lascha Shemai	1,199,565	152,527	1,047,039	1,634,831
Printing Items (poly/pouch)	4,789,705	624,744	4,164,961	15,201,408
Unprinted inner poly	2,332,850	304,285	2,028,566	-
Jeera Plus	431,725	131,395	300,331	-
Beverage Item				259,914
Dry Cake-200 gm				65,892
Chanacur -150 gm				89,768
Vanila Plain Cake (Nacked)				2,890,008
Waifer Biscuit 10gm (Nacked)				2,559,735
Waifer Biscuit 06gm (Nacked)				395,416
Volt Carbonated	1,743,612	530,664	1,212,947	-
Pure Drinking Water -500Ml	1,057,009	181,639	875,370	39,903
Pure Drinking Water -1500Ml	209,190	35,948	173,242	-
Sub-Total	**502,374,932**	**25,323,643**	**477,051,288**	**273,318,297**
Non Vatable items				
Butter Bun Bread	36,254,399	-	36,254,399	7,293,514
Custard Bun	3,063,056	-	3,063,056	
Daily Bread	33,430,054	-	33,430,054	59,292,522
Delicious Bread	44,801,493	-	44,801,493	101,187,365
E. Sweet Bread	14,317,139	-	14,317,139	32,743,468
Family Bread	14,135,391	-	14,135,391	45,883,265
Honeymix	15,279,942	-	15,279,942	8,798,914
Medium Bread	44,116,423	-	44,116,423	80,064,199
Mercury Bread	15,946,230	-	15,946,230	25,443,479
Mini Bread (Pcs)				6,475,492
Milky Bread-700 Gm	3,623,827	-	3,623,827	18,269,466
Milky Bread-350 Gm	27,981,967	-	27,981,967	50,854,442
Platinum Sandwich Bread	12,882,410	-	12,882,410	37,749,132
Sandwich Bread	805,369	-	805,369	1,575,502
Special Bread	27,891,514	-	27,891,514	72,184,026
Sweet Bread	8,636,439	-	8,636,439	36,804,615
Tiffin Bread	1,864,268	-	1,864,268	3,807,082
V Butter Bun	9,059,871	-	9,059,871	4,369,538
China Bun	35,424	-	35,424	1,467,248
Sub-Total	**314,125,215**	-	**314,125,215**	**594,263,269**
Grand Total	**816,500,146**	**25,323,643**	**791,176,503**	**867,581,566**

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Notes	Particulars		Amount in Tk.	
			June 30, 2020	June 30, 2019
19.00(a)	**Consolidated Turnover (net of VAT etc.): Tk. 833,964,000**			
	The above balances are made up as follows:			
	Fu-Wang Foods Limited		791,176,503	867,581,564
	Fu-Wang Beverage Industry Limited		42,787,497	114,278,588
			833,964,000	**981,860,152**
20.00	**Cost of Goods Sold: Tk. 609,379,004**			
	The above balances are made up as follows:			
	Raw Materials Consumed	**20.01**	**439,859,380**	**466,659,756**
	Direct Wages and Salary		53,627,474	50,123,765
	Prime Cost		**493,486,854**	**516,783,521**
	Factory Overhead	**20.02**	116,569,578	120,979,097
	Total Manufactured Cost		**610,056,432**	**637,762,618**
	Opening Finished Goods		15,609,873	14,584,622
	Cost of Goods Available for Sales		**625,666,305**	**652,347,240**
	Closing Finished Goods		(16,287,301)	(15,609,873)
	Cost of Goods Sold		**609,379,004**	**636,737,367**
20.01	**Raw Materials Consumed: Tk. 439,859,380**			
	The above balances are made up as follows:			
	Opening Balance		159,716,514	155,926,462
	Add: Raw Materials Purchased During the Year		485,697,664	470,449,808
	Raw Materials Available for Use		**645,414,178**	**626,376,270**
	Less : Balance as at June 30, 2020		(205,554,798)	(159,716,514)
	Raw Materials Consumed		**439,859,380**	**466,659,756**
20.02	**Factory Overheads: Tk. 116,569,578**			
	The above balances are made up as follows:			
	Factory Maintenance		3,565,172	2,482,645
	Festival Bonus to Factory Staff		3,590,368	4,491,264
	Medical Allowance		15,494	316,374
	Packing Materials Consumed	**20.02.1**	33,264,718	35,710,890
	Repairing & Maintenance		315,000	423,873
	Power, Fuel & Rent		48,730,613	49,639,168
	Repairs & Maintenance of Machinery & Equipment		1,571,242	3,527,325
	Uniform		131,950	7,050
	Conveyance Allowance		255,341	203,514
	Fuel for Transport		487,053	521,734
	Carriage Inward		307,984	302,745
	Fooding Allowance		412,760	378,331
	Insurance Premium		450,096	450,096
	Depreciation		23,471,787	22,524,088
			116,569,578	**120,979,097**

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Notes	Particulars	Amount in Tk.	
		June 30, 2020	June 30, 2019
20.02.1	**Packing Materials: Tk. 33,264,718**		
	The above balances are made up as follows:		
	Opening Balance	57,097,600	49,264,317
	Add: Purchase during the year	35,965,382	43,544,173
		93,062,982	**92,808,490**
	Less: Balance as at June 30, 2020	(59,798,264)	(57,097,600)
	Packaging Materials Consumed	**33,264,718**	**35,710,890**
20.00(a)	**Consolidated Cost of Goods Sold: Tk. 646,332,040**		
	The above balances are made up as follows:		
	Fu-Wang Foods Limited	609,379,004	636,737,367
	Fu-Wang Beverage Industry Limited	36,953,036	91,565,249
		646,332,040	**728,302,616**
21.00	**Administrative Expenses: Tk. 46,622,453**		
	The above balances are made up as follows:		
	Director Remuneration	3,600,000	3,600,000
	Salary & Allowances including contribution to PF	13,037,500	10,784,803
	Bonus	2,937,850	2,923,636
	Conveyance Allowance	355,719	867,653
	Printing & Stationary	705,219	412,653
	Repairing & Maintenance (Car)	2,080,124	1,742,096
	Fuel for Car	1,079,916	949,553
	Office Maintenance	563,795	657,217
	Office Rent	3,075,245	3,132,600
	Postage & Telegram	12,380	33,886
	Overtime Expenses	428,798	632,654
	Fooding Allowance	1,057,632	1,076,363
	Electricity, WASA & Gas	1,525,894	1,812,170
	Foreign Tour/ Travelling Allowance	3,612,870	2,546,427
	Telephone Allowance	427,336	686,432
	Audit Fee	235,750	172,500
	Labor Charge	125,972	174,964
	Registration & Renewals	1,077,740	1,016,667
	Donation & Subscription	200,000	149,129
	AGM Expenses	582,888	546,987
	Fees & Professional Expenses	825,000	775,000
	Depreciation	9,074,825	8,496,364
		46,622,453	**43,189,754**

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Notes	Particulars	Amount in Tk.	
		June 30, 2020	June 30, 2019
21.00(a)	**Consolidated Administrative Expenses: Tk. 55,802,298**		
	The above balances are made up as follows:		
	Fu-Wang Foods Limited	46,622,453	43,189,754
	Fu-Wang Beverage Industry Limited	9,179,845	13,796,809
		55,802,298	**56,986,563**
22.00	**Selling and Distribution Expenses: Tk. 31,068,979**		
	The above balances are made up as follows:		
	Salary & Allowances including contribution to PF	5,824,380	5,565,350
	Advertisements	677,935	491,689
	Carriage Outward	16,784,601	15,470,482
	Incentives on Sale	5,762,341	6,144,518
	Business Promotion & Development Expenses	2,019,722	2,115,804
		31,068,979	**29,787,843**
22.00(a)	**Consolidated Selling and Distribution Expenses: Tk. 33,120,235**		
	The above balances are made up as follows:		
	Fu-Wang Foods Limited	31,068,979	29,787,843
	Fu-Wang Beverage Industry Limited	2,051,256	6,338,993
		33,120,235	**36,126,836**
23.00	**Financial Expenses: Tk. 19,220,071**		
	The above balances are made up as follows:		
	Bank Interest	17,833,382	20,515,126
	Bank Charges and Commission	1,386,689	860,610
		19,220,071	**21,375,736**
24.00	**Current Tax: Tk. 8,807,903**		
	The above balances are made up as follows:		
	Profit before tax as per accounts	80,843,806	129,991,299
	Add: Depreciation as per accounts	29,372,833	27,679,633
		110,216,639	157,670,933
	Less: Depreciation as per 3rd Schedule	74,985,026	52,205,910
		35,231,613	**105,465,022**
24.00(a)	**Consolidated Current Tax: Tk. 9,064,628**		
	The above balances are made up as follows:		
	Fu-Wang Foods Limited	8,807,903	26,366,256
	Fu-Wang Beverage Industry Limited	256,725	902,138
		9,064,628	**27,268,394**
25.00	**Net Asset Value Per Share (NAV) : Tk.11.70**		
	The above balances are made up as follows:		
	Share holder's Equity	1,296,516,500	1,257,575,436
	Number of ordinary share	110,839,284	110,839,284
	Net asset value per share	**11.70**	**11.35**

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Notes	Particulars	Amount in Tk.	
		June 30, 2020	June 30, 2019

25.00(a) Net Asset Value Per Share (NAV) (Consolidated): Tk. 12.01

The above balances are made up as follows:

Share holder's Equity	1,330,811,955	1,297,524,256
Number of ordinary share	110,839,284	110,839,284
Net asset value per share	**12.01**	**11.71**

26.00 Earnings Per Share (EPS) Consolidated : TK. 0.55

The above balances are made up as follows:

Earnings Attributable to the Ordinary Shareholders	60,632,854	86,501,411
Weighted Average Number of Ordinary Shares Outstanding During the Year	110,839,284	110,839,284
Earnings Per Share (EPS)- Basic	**0.55**	**0.78**
Earnings Per Share (EPS)- Adjusted		
Earnings Attributable to the Ordinary Shareholders	60,632,854	86,501,411
Number of ordinary share	110,839,284	110,839,284
Earnings Per Share (EPS)- Adjusted	**0.55**	**0.78**

Earnings per shares (EPS) has been computed by dividing the net profit after tax (NPAT) by the Weighted Average Number of Ordinary Shares Outstanding on the reporting date as per IAS-33 Earning Per Share.

26.00 (a) Earnings per Share (EPS) Consolidated Tk.0.50

The above balances are made up as follows:

Earnings Attributable to the Ordinary Shareholders	55,036,023	88,160,055
Weighted Average Number of Ordinary Shares Outstanding During the Year	110,839,284	110,839,28
Earnings Per Share (EPS)- Basic	**0.50**	**0.80**
Earnings Per Share (EPS)- Basic		
Earnings Attributable to the Ordinary Shareholders	55,036,023	88,160,055
Number of ordinary share	110,839,284	110,839,284
	0.50	**0.80**

Because of decrease of sale volume, earning per share (EPS) also decrease during the year than preced ing year.

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Notes	Particulars	Amount in Tk.	
		June 30, 2020	June 30, 2019

27.00 Net operating cash flow per share(NOCFPS) Tk.0.70

The above balances are made up as follows:

Net cash generated from operating activities	77,323,524	74,420,427
Number of ordinary share	110,839,284	110,839,284
Net Operating Cash Flow Per Share	**0.70**	**0.67**

27.00(a) Net operating cash flow per share (Consolidated) Tk.0.59

The above balances are made up as follows:

Net cash generated from operating activities	65,514,166	74,398,983
Number of ordinary share	110,839,284	110,839,284
Net Operating Cash Flow Per Share	**0.59**	**0.67**

28.00 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	126,452,859	71,143,548	58,661,000	138,935,407

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, 2019 to June 30, 2020 is as follows:

Name	Designation	Monthly Remuneration	Bonus during the year	June 30, 2020	June 30, 2019
Dr. Arif Ahmed Chowdhury, CIP	Managing Director	300,000		3,600,000	3,600,000

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Notes	Particulars	Amount in Tk.	
		" July 01, 2019 to June 30, 2020 "	" July 01, 2018 to June 30, 2019 "
29.00	**Reconciliation of cash flows from operating activities under indirect method**		
	Net profit/(loss) during the year	60,632,854	86,501,411
	Depreciation	32,546,612	31,020,452
	Change in current assets and liabilities		
	(Increase)/Decrease in advance deposit and prepayments	(10,945,904)	(6,745,348)
	(Increase)/Decrease in Trade and other receivables	37,292,983	(40,304,111)
	(Increase)/Decrease in Inventories	(49,216,375)	(12,648,586)
	Increase/(Decrease) in Trade and other Payables	1,279,364	908,329
	Increase/(Decrease) in Liabilities for expense	2,836,562	973,758
	Increase/(Decrease) in provision of income tax	8,807,903	26,366,256
	(Increase)/Decrease In Advance income tax	(15,856,366)	(33,529,970)
	Deffered Tax	11,403,050	17,123,633
	Workers' profit participation fund(WPPF)	(1,457,160)	4,754,604
		77,323,524	**74,420,427**
29.00(a)	**Reconciliation of cash flows from operating activities under indirect method**		
	Net profit/(loss) during the year	54,979,489	88,176,809
	Depreciation	35,931,477	35,073,014
	Change in current assets and liabilities		
	(Increase)/Decrease in advance deposit and prepayments	(10,945,904)	360,430
	(Increase)/Decrease in Trade and other receivables	30,063,267	(49,593,773)
	(Increase)/Decrease in Inventories	(48,492,535)	(12,164,340)
	Increase/(Decrease) in Trade and other Payables	(569,380)	250,180
	Increase/(Decrease) in Liabilities for expense	1,938,304	834,952
	Increase/(Decrease) in provision of income tax	9,064,628	27,268,394
	(Increase)/Decrease In Advance income tax	(16,401,070)	(37,684,920)
	Deffered Tax	11,403,050	17,123,633
	Workers' profit participation fund(WPPF)	(1,457,160)	4,754,604
		65,514,166	**74,398,983**

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30.00 Contingent Liability:

There was a demand of Tk. 10,473,921 by the Custom & VAT Authority for payment of VAT in excess of the amount paid by the company during he 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 thereager filed a Writ Petition 2058 of 2005 before the High Court Division of Hon'ble Supreme Court of Bangladesh. The Hon'ble High Court through its order dated 03/04/2005 stayed the operation of the Tribunal Order till disposal of the writ. This liability of Tk. 7,838,832 is thus contingent upon disposal of the Writ petition and further appeals, if any at all arises. Therefore, Tk. 7,838,832 is the contingent liability pertaining to the period upto June 30, 2019.

31.00 Event after the Balance Sheet Date:

31.01 The Board of Directors in its meeting held on October 27, 2020 has approved the Financial Statements for the year ended June 30, 2020 and recommended 1.65 % Cash dividend for the all shareholders which is subject to approval by the shareholders at the forthcoming Annual General Meeting (AGM) and authorize the financial statements for issue.

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

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Md. Sharif Al Mahmood	**Dr. Arif Ahmed Chowdhury, CIP**	**Abdul Quader**
Company Secretary	Managing Director	Chairman

Dated: Dhaka
October 27, 2020

32.00 Financial risk management (IFRS 7)

32.01 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.

32.02 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, 2020:

Maturity analysis

Particulars	Current	>30 days	>90 days	>1 year	Total
Loans and receivables:					
Cash and Cash Equivalents	5,699,508	-	-	-	5,699,508
Trade and Other Receivables	52,512,614	99,852,400	179,327,048	26,767,490	358,459,552
Advances, Deposits and Prepayments	41,058,347	-	32,761,240	484,768,417	558,588,084
Balance at June 30, 2020	99,270,469	99,852,400	212,088,288	511,535,907	922,747,144
Financial liabilities measured at amortized cost:					
Long Term Loan	-	-	-	23,694,915	23,694,915
Short Term Bank Loans and Others	78,183,361	-	11,340,000	47,384,462	136,907,823
Trade and Other Payables	25,783,041	-	-	-	25,783,041
Trade and Other Payables	11,992,753	-	-	-	11,992,753
Balance at June 30, 2020	115,959,155	-	11,340,000	71,079,377	198,378,532

32.03 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

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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.

32.04 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.

32.05 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.

32.06 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:

BDT	Carrying amount	"Between 1 and 90 days"	"Between 91 and 360 days"	"Between 1 and 2 years"	Over 2 years
Non-derivative financial liabilities					
Long Term Loan	23,694,915	-		14,809,322	8,885,593
Short Term Bank Loans and Others	136,907,823	45,635,941	91,271,882		
Trade and Other Payables	25,783,041	8,594,347	17,188,694		
Liabilities for Expenses	11,992,753	3,997,584	7,995,169		
Balance at June 30, 2020	198,378,532	58,227,872	116,455,745	14,809,322	8,885,593

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SCHEDULE OF PROPERTY, PLANT & EQUIPMENT

Schedule for Property Plant and Equipment

For the year ended June 30, 2020

Annexure - A

Particulars	Cost			Rate	Depreciation			Written dow value as at 30.06.2020
	Balance as at 01.07.2019	Addition during the year	Balance as at 30.06.2020		Balance as at 01.07.2019	Charged during the year	Balance as at 30.06.2020	
Land & Land Development	19,536,009	-	19,536,009	-	-	-	-	19,536,009
Factory Building Construction	134,129,960	22,216,997	156,346,957	2.50%	22,328,145	3,072,758	25,400,903	130,946,054
Plant and Machinery	465,393,373	14,316,986	479,710,359	5%	168,778,065	15,188,690	183,966,755	295,743,604
Gas Line	28,074,502	-	28,074,502	10%	13,752,903	1,432,160	15,185,063	12,889,439
Buildings & Other Constructions	49,969,879	5,562,532	55,532,411	5%	19,900,621	1,630,938	21,531,559	34,000,852
Furniture and Fixture	6,632,441	808,168	7,440,609	10%	2,681,113	442,276	3,123,389	4,317,220
Motor Vehicles	54,263,636	6,902,426	61,166,062	10%	21,835,085	3,645,497	25,480,582	35,685,480
Electrical Equipment	56,663,179	1,288,039	57,951,218	10%	28,887,903	2,852,663	31,740,566	26,210,652
Telephone & PABX Installation	2,005,660	-	2,005,660	10%	825,230	118,043	943,273	1,062,387
Office Equipment	2,170,357	321,900	2,492,257	20%	2,068,424	63,307	2,131,731	360,526
Cookeries & Cutleries	102,316	2,550	104,866	20%	101,137	576	101,713	3,153
Bicycle & Rickshaw Van	163,685	-	163,685	20%	161,639	409	162,048	1,637
Deep Tube-well & Pump	1,141,315	-	1,141,315	10%	853,936	28,738	882,674	258,641
Generator	16,848,122	-	16,848,122	10%	7,880,344	896,778	8,777,122	8,071,000
Sub Total	**837,094,434**	**51,419,598**	**888,514,032**		**290,054,545**	**29,372,833**	**319,427,378**	**569,086,654**
Revaluation								
Buildings & Other Constructions	100,715,000	-	100,715,000	5%	37,239,430	3,173,779	40,413,209	60,301,791
Sub Total	**100,715,000**	**-**	**100,715,000**		**37,239,430**	**3,173,779**	**40,413,209**	**60,301,791**
Grand Total 2020	**937,809,434**	**51,419,598**	**989,229,032**		**327,293,975**	**32,546,612**	**359,840,587**	**629,388,445**
Grand Total 2019	**861,169,217**	**76,640,217**	**937,809,434**		**296,273,523**	**31,020,452**	**327,293,975**	**610,515,459**

Allocation of Depreciation :	Cost	Revaluation	Total
Production	23,471,787	-	**23,471,787**
Administration	5,901,046	3,173,779	**9,074,825**
	29,372,833	**3,173,779**	**32,546,612**

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FU-WANG BEVERAGE INDUSTRY LTD.

Report of the Board of Directors for the year ended 30 June 2020

Dear Shareholders

In compliance of section 184 of the Companies Act 1994 and BIAS codes, on behalf of the Board of Directors, I have the pleasure to submit this report along with Audited Financial Statements containing Statement of financial Position, Statement of Profit or Loss & other Comprehensive Income, Statement of Change in Equity and Statement of Cash Flows for the year ended on 30 June 2020 at this 15th 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 2019-2020, the company earned a net loss after tax of Tk. 56.53 lac as against profit of Tk. 16.75 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 2020 are as follows:

Particulars	30-Jun-20 (Taka)	30-Jun-19 (Taka)	Increase / (Decrease) Taka	Increase /(Decrease) %
Turnover (Net)	42,787,497	114,278,588	(71,491,091)	(62.56%)
Gross Profit	5,834,461	22,713,339	(16,878,878)	(74.31%)
Net Profit Before Tax	(5,396,640)	2,577,537	(7,974,177	(309.37%)
Net Profit After Tax	(5,653,365)	1,675,399	(7,328,764)	(437.43%)
Net Assets Value Per Share (NAV)	842.95	899.49	(56.54)	(6.29%)
Earning Per Share (EPS)	(56.53)	16.75	(73.28)	(437.51%)

Shareholding

The shareholding position of the company is as follows:

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

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Board of Directors:

Name of the Directors	Position in the Company	Remarks
Dr. Arif Ahmed Chowdhury, CIP	Chairman and Managing Director	Nominated by Fu-Wang Foods Ltd.
Mr. Abdul Quader	Director	Nominated by Fu-Wang Foods Ltd.

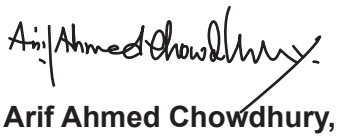
Appointment of Auditors

The existing auditors M/s. MABS & J Partners, Chartered Accountants retired at this Annual General Meeting, being eligible offered themselves for re-appointment for the next term.

Acknowledgement

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

On behalf of the Board



Dr. Arif Ahmed Chowdhury, CIP
Chairman

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Independent Auditors' Report

of

Fu-Wang Beverage Industry Limited

Report onthe Audit of the Financial Statements

Opinion

We have audited the financial statements of **FU-WANG BEVERAGE INDUSTRY LTD.** which comprise the statement of financial position as at 30 June 2020, and the statement of profit or loss & other comprehensive income, statement of cash flows, statement of changes in equity for the year then ended, and Notes to the Financial Statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

Basis for Opinion

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

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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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 par to fan audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism through out the audit. We also:

- Identify and assesst he risks of materialm is statement of the financial statements, whether due to fraudorerror, designand performaudit procedures responsive to those risks, and obtain auditevidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting amaterialmis statement resulting from fraudishig her than for one resulting from error, as fraud may involve collusion, for gery, intentional omissions, misrepresentations, or the over ride 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' sinternal 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 amaterial uncertainty exists related to events or conditions that may cast significant doubt ont he Company' sability to continue asa going concern. If we conclude tha ta 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 in adequate, 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 continueas a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives atrue and fair view.

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

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Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act1994, we also report the following

a) We have obtained all the information and explanation which to the best of our knowledge and be lief 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 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.

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Dated: Dhaka, 30 September 2020

MABS & J Partners
Chartered Accountants

FU-WANG BEVERAGE INDUSTRY LTD.

STATEMENTS OF FINANCIAL POSITION

AS AT 30TH JUNE 2020

PARTICULARS	30.06.2020	30.06.2019
ASSETS :		
Non-Current Assets	**41,420,901**	**44,805,766**
Property, Plant and Equipment at Cost	103,736,499	103,736,499
Less: Accumulated Depreciation	62,315,598	58,930,733
Current Assets, Loan and Advances	**212,381,740**	**204,657,970**
Inventories	27,306,137	28,029,977
Account Receivables	140,089,127	132,859,411
Advance, Deposit and Prepayments	43,788,343	43,243,639
Cash and Cash Equivalents	1,198,133	524,943
Total Asset:	**253,802,641**	**249,463,736**
EQUITY & LIABILITIES:		
Shareholders' Equity	**84,295,455**	**89,948,820**
Issued, Subscribed and Paid up Capital	10,000,000	10,000,000
Retained Earnings	34,195,455	39,848,820
Deposit Against Shares by Holding Company	40,100,000	40,100,000
Current Liabilities	**169,507,186**	**159,514,916**
Total Equity & Liabilities:	**253,802,641**	**249,463,736**

Managing Director **Director**

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

MABS & J Partners
Chartered Accountants

Dated: Dhaka, 30 september 2020

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FU-WANG BEVERAGE INDUSTRY LTD.

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

PARTICULARS	01.07.2019 to 30.06.2020	01.07.2018 to 30.06.2019
Sales (Net of VAT etc.)	42,787,497	114,278,588
Cost of Goods Sold	(36,953,036)	(91,565,249)
Gross Profit	**5,834,461**	**22,713,339**
Operating Expenses		
Administrative and Selling Expenses	(11,231,101)	(20,135,802)
Net Profit Before Tax	**(5,396,640)**	**2,577,537**
Provision for Income Tax (35%)	(256,725)	(902,138)
Net Profit After Tax	**(5,653,365)**	**1,675,399**
Balance as per Last Account	39,848,820	38,173,421
BALANCE TRANSFERRED TO FINANCIAL POSITION	**34,195,455**	**39,848,820**

Managing Director **Director**

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

MABS & J Partners
Chartered Accountants

Dated: Dhaka, 30 september 2020

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FU-WANG BEVERAGE INDUSTRY LTD.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

PARTICULARS		01.07.2019 to 30.06.2020	01.07.2018 to 30.06.2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Collections from Turnover & Others		35,557,781	104,988,926
Payment for Cost & Expenses		(43,339,887)	(100,531,171)
Income Tax Paid & Deducted at Source		(544,704)	(4,154,950)
		673,190	**302,805**
CASH FLOWS FROM INVESTING ACTIVITIES			
Tangible Fixed Asset Acquired		**-**	**(234,536)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Share Capital		-	-
Other Short Term Loan Paid		-	-
		-	-
Increase/(Decrease) in Cash and Cash Equivalents	**Tk.**	**673,190**	**68,269**
Cash and Cash Equivalents at Opening		(524,943)	(456,574)
Cash and Cash Equivalents at Closing		1,198,133	524,943
Increase/(Decrease) in Cash and Cash Equivalents	**Tk.**	**673,190**	**68,369**

Managing Director **Director**

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

MABS & J Partners
Chartered Accountants

Dated: Dhaka, 30 september 2020

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FU-WANG BEVERAGE INDUSTRY LTD.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

Particulars	Share Capital	Share Capital	Total
At 01 July 2019	10,000,000	39,848,820	49,848,820
Net profit/(Loss) for the year	-	(5,653,365)	(5,653,365)
At 30 June 2020	**10,000,000**	**34,195,455**	**44,195,455**

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

Managing Director **Director**

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

MABS & J Partners
Chartered Accountants

Dated: Dhaka, 30 september 2020

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FU - WANG BEVERAGE INDUSTRY LIMITED

SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT

FOR THE YEAR ENDED 30 JUNE 2020

Annexure-A

Particulars	Cost			Depreciation				Written down value as on 30.06.2020
	Balance as on 01.07.2019	Addition during the year	Total as on 30.06.2020	Rate	Balance as on 01.07.2019	Charged during the year	Total as on 30.06.2020	
Land & Land Development	11,105,300	-	11,105,300	-	-	-	-	11,105,300
Factory Building & Construction	23,373,536	-	23,373,536	2.5%	6,174,240	429,982	6,604,222.00	16,769,314
Plant & Machinery	37,497,914	-	37,497,914	20%	27,135,143	২,০৭২,৫৫৪	29,207,697	8,290,217
Gas Line	958,000		958,000	10%	720,409	23,759	744,168	213,832
Office Building & Construction	382,768		382,768	2.5%	115,087	6,692	121,779	260,989
Furniture & Fixture	348,216	-	348,216	10%	92,004	25,621	117,625	230,591
Electric Equipment	5,344,631	-	5,344,631	10%	3,408,344	193,629	3,601,973	1,742,658
Electric Generator	22,561,467	-	22,561,467	20%	19,675,824	৫৭৭,১২৯	20,252,953	2,308,514
Deep Tubewell & Water Pump	2,164,667	-	2,164,667	10%	1,609,682	55,499	1,665,181	499,486
Total	**103,736,499**	**-**	**103,736,499**		**58,930,733**	**3,384,865**	**62,315,598**	**41,420,901**

Allocation of Depreciation:

Charge to Production	2,775,423
Charge to Administration	609,442
	3,384,865

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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 24th Annual General Meeting of the Company to be held on 29th December 2020 at Through Digital Platform at 11:00 a.m. (BST) and any adjournment there of.

As withess my hand this ..... day of 2020

Revenue Stamp
Tk. 20.00

(Signature of Proxy)

Register Folio:

BO ID :

(Signature of Shareholders)

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 not later than 48 hours before the time fixed to the meeting

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FU-WANG FOODS LIMITED

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

ATTENDANCE SLIP

I hereby record my attendance at the 24th Annual General Meeting of the Company being held on 29th December 2020 at Through Digital Platform at 11:00 a.m. (BST)

Name of Shareholdet/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.