ANNUAL REPORT

2021-2022

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富王食品®

FU-WANG FOODS LTD.

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Notice Of The 26th Annual General Meeting

Notice is hereby given that the 26th Annual General Meeting of the Members of Fu-Wang Foods Limited will be held on **Wednesday, December 21, 2022 at 11:00 AM.** The AGM will be held virtually by using digital platform though link https://fuwangfood26thagm.digitalagmbd.net to transact the following businesses:

AGENDA:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2022 together with the Auditors' Report thereon and the Report of the Directors'.
2. To declare dividend for the year ended June 30, 2022.
3. To elect/ re-elect Directors.
4. To consider approval of appointment of Independent Directors.
5. To confirm appointments of Managing Director and Executive Director.
6. To re-appoint Statutory Auditors for the year ending June 30, 2023 and to fix their remuneration.
7. To appoint Corporate Governance Auditors for the year ending June 30, 2023 and to fix their remuneration.

By order of the Board

Dated: Dhaka, December 01, 2022

Md. Sharif Al Mahmood
Company Secretary

Notes:

1. Record Date was **01 December 2022.** Members whose names appeared in the Members Register / Depository Register as on the Record date will be eligible to attend/ participate and vote at the Annual General Meeting through digital platform.
2. A Member entitled to attend/ participate and vote in the Annual General Meeting, may appoint a proxy in his/her stead. Scanned copy of the proxy form, duly stamped must be submitted at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.
3. AGM Notice and link of digital platform will be mailed to the respective Member's email address available with us. Members need to use respective BO ID and number of shares for login through the link of digital platform.
4. Pursuant to the BSEC notification no. BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018, soft copy of the Annual Report 2021-2022 will be sent to Members' respective email addresses as available with the Company. The Annual Report 2021-2022 will also be available in the Company's website www.fuwangfoodsltd.com.
5. The Shareholders will be able to join the virtual AGM through the link and submit their questions/comments electronically before 24 (Twenty Four) hours before commencement of the AGM.

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Corporate Profile

Board of Directors

CHAIRMAN
Md. Afzal Hossain

MANAGING DIRECTOR
Miya Mamun

EXECUTIVE DIRECTOR
Sidratul Mahabub Hasan

INDEPENDENT DIRECTORS
Md. Maksudur Rahman
Md. Abul Kashem
Ishter Mahal

COMPANY SECRETARY
Md. Sharif Al Mahmood

CHIEF FINANCIAL OFFICER
Md. Shahjahan ACA

HEAD OF INTERNAL AUDIT AND COMPLIANCE
Md. Azizul Haque

Audit Committee
Ishter Mahal, Chairperson
Md. Abul Kashem, Member
Md. Afzal Hossain, Member
Md. Sharif Al Mahmood, Secretary

Nomination and Remuneration Committee
Md. Abul Kashem, Chairman
Ishter Mahal, Member
Md. Afzal Hossain, Member
Md. Sharif Al Mahmood, Secretary

Auditors
MABS & J Partners
Chartered Accountants

Corporate Governance Compliance Auditor
SARashid & Associates
Chartered Secretaries

Bankers
Dhaka Bank Limited
Pubali Bank Limited
Standard Bank Limited
Dutch Bangla Bank Ltd.
Sonali Bank Ltd.

REGISTERED OFFICE
Fu-Wang Building
House No. 55, Road No. 17,
Banani C/A, Dhaka-1213

FACTORY
Bokran Monipur, Hotapara
Gazipur Sadar, Gazipur

SUBSIDIARY COMPANY
Fu-Wang Beverage Industry Ltd.

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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. 1,500 Million
Paid up Capital	: Tk. 1,108.393 Million
Number of Employees	: 949

25th Annual General Meeting



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Some Events



Committee Meeting



Board meeting of fuwang foods ltd.



Board meeting of fuwang Beverage Industry ltd.

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Directors profile



Md. Afzal Hossain

Chairman

Md. Afzal Hossain is the Chairman of Fu-Wang Foods Limited effective from February 2022. Apart from Fu-Wang Foods Ltd. He is also serving as Managing Director of Emerald Oil Industries Limited. Mr. Afzal is the Director of Minori Bangladesh Limited, a sister concern of Minori Co. Ltd., Japan. In his career, he served many organization ranging from NGO to group of companies. He has more than 17 years' of experience specialized on the finance and banking sector. He also has vast knowledge of export & import, international dealings & trade and corporate governance.

He completed Master of Commerce and Bachelor of Commerce in "Accounting" from National University with an excellent academic track record. In personal life he is also attached himself with various social initiatives.



Miya Mamun

Managing Director

Miya Mamun is a distinguished businessman in Chiba, Japan. He started business career in early 2012 with his agriculture and food processing company named Minori Co. Limited in Japan. It is a group of companies certified as the Global GAP (Good Agricultural Practice) and HACCP. His knowledge about Japanese agriculture and farm management techniques are unique of its kind. As a successful entrepreneur Mr. Mamun expanded his business in Bangladesh with the aim to contribute more in local agro economy. Mr. Mamun brought Minori in Bangladesh to help local agro based resources to improve quality by using Japanese technology. Graduate from Chittagong University he completed his study in Tokyo, Japan at the end of 2008. He joined as Managing Director of Fu-Wang Foods Limited in February 2022.

He has versatile leadership skills on managing the business and administration and ensuring harmonious working relations within the working area.

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Directors profile



Sidratul Mahabub Hasan

Executive Director

Sidratul Mahabub Hasan was appointed as Executive Director to the company in February 2022. He is nominated Director from Minori Bangladesh Limited. Before joining Minori Bangladesh Ltd, a sister concern of "Minori Co. Ltd., Japan" he worked in Aman Group and different other companies over the last 10 years. Mr. Sidratul gathered remarkable experiences in different sectors especially on Finance & Banking industry. He completed Post graduation on "Finance" from International Islamic University, Malaysia and graduated from the same University on "Economics".

His article on "Efficiency & Performance of Islamic Banks in Bangladesh" was published in the Journal of Islamic Banking & Finance.

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Maksudur Rahman

Independent Director



Md. Maksudur Rahman is an experienced professional with eighteen years of experience in financial & marketing management in different sectors. In the course of his career Mr. Md. Maksudur Rahman is self-motivated & highly proficient in implementing objectives. He completed his Graduation & post-Graduation in Accounting from Jagannath University. His vast knowledge and experience would help to add value in our existing performance and ultimately serve the interest of our valuable shareholders.

Directors profile



Md. Abul Kashem
Independent Director

Md Abul Kashem is currently working as Professor in the department of "Management Information System", University of Dhaka. Currently pursuing PhD Degree from University of Dhaka on "Human Resource Information System (HRIS) in Bangladesh-an Exploratory Study". He obtained M. Com. in "Management" from University of Dhaka. Md Abul Kashem actively working as the Head of SA Entity department of "Management Information System". He has 19 publications in different reputed Journals.
Mr. Md Abul Kashem joined the Board of Fu-Wang Foods Limited as an Independent Director from February 2022. He is the Chairman of Nomination and Remuneration Committee (NRC).



Ishter Mahal
Independent Director

Ishter Mahal is currently working as Associate Professor in the Department of "Accounting & Information Systems", University of Dhaka. She achieved Research Master Degree with Honor Distinction in 'International Finance and Accounting' from University of Extremadura, Spain under prestigious Erasmus Mundus Scholarship funded by European Union. She awarded MBA and BBA degree in the department of 'Accounting & Information Systems' from University of Dhaka securing 1st position in both the degrees. She is actively engaged in research and publications and has 13 publications in different reputed national and international journals. Her research area of interest is management accounting, public policy, family business, financial accounting, intellectual capital and economics. She is working as an Independent Director and Audit Committee member of 'Apex Weaving and Finishing Ltd' from May, 2021. She is serving as the Vice-President, Bangladesh Muktijuddha Poribar Songshod - National Command Council since 2021 and was the Welfare Secretary, Accounting Alumni Association in the period (2018-2022). She joined in the Board of Fu-Wang Food Ltd as an Independent Director from February, 2022. She is the Chairmen of Audit Committee.

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FUWANG FOODS LIMITED
Five Years' Financial Highlights

The key operating and financial data of Fuwang Foods Ltd for last five years are:

Particulars	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Turnover (Net)	1,100.94	839.58	791.18	867.58	595.26
Gross Profit	44.29	153.53	181.80	230.84	166.18
Net Profit/Loss before Tax	-223.62	19.09	80.84	130.00	81.84
Net Profit/Loss after Tax	-243.29	11.38	60.63	86.50	61.38
Shareholders' Equity	383.59	1,285.77	1,296.52	1,257.58	1,170.57
Net Assets per share	3.46	11.60	11.70	11.35	10.56
Earnings Per Share after Tax	-2.19	0.10	0.55	0.78	0.55
Cash Dividend	* Nil	* Nil	1.65%	2%	Nil
Bonus Dividend (Percentage)	* Nil	* Nil	Nil	Nil	10%

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Unpaid or Unclaimed Cash and Stock Dividend

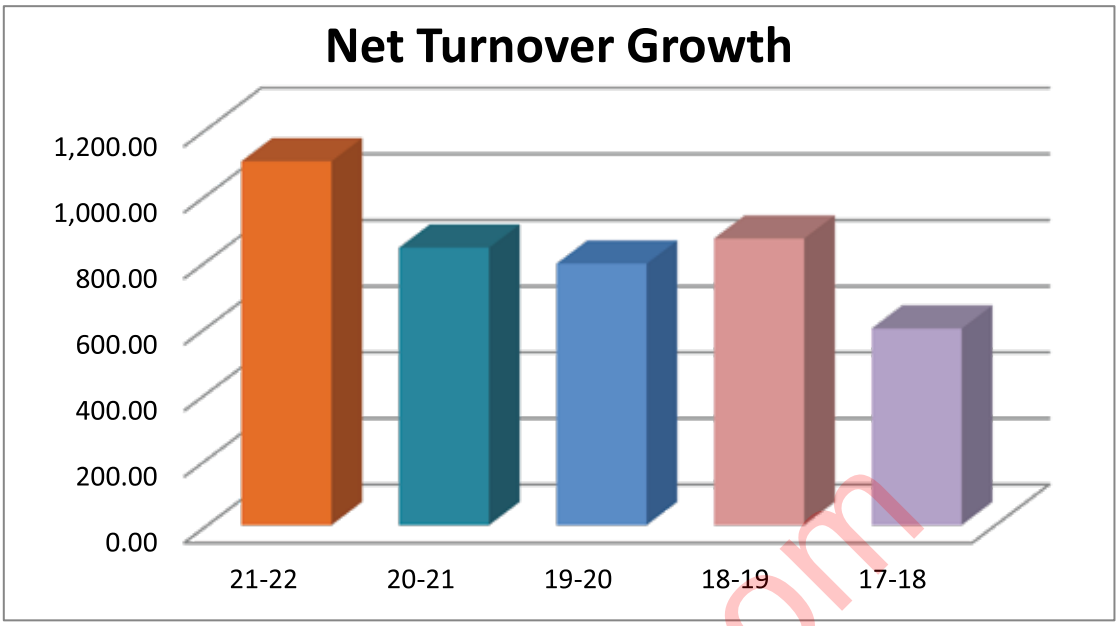
In pursuant to the directive no BSEC/CMRRCD/2021-386/03 dated 14 January 2021 from Bangladesh Securities Exchange Commission (BSEC) the company has already transferred the Unpaid or Unclaimed Stock Dividend of total 19,27,165 shares to the Capital Market Stabilization Fund (CMSF) within stipulated time.

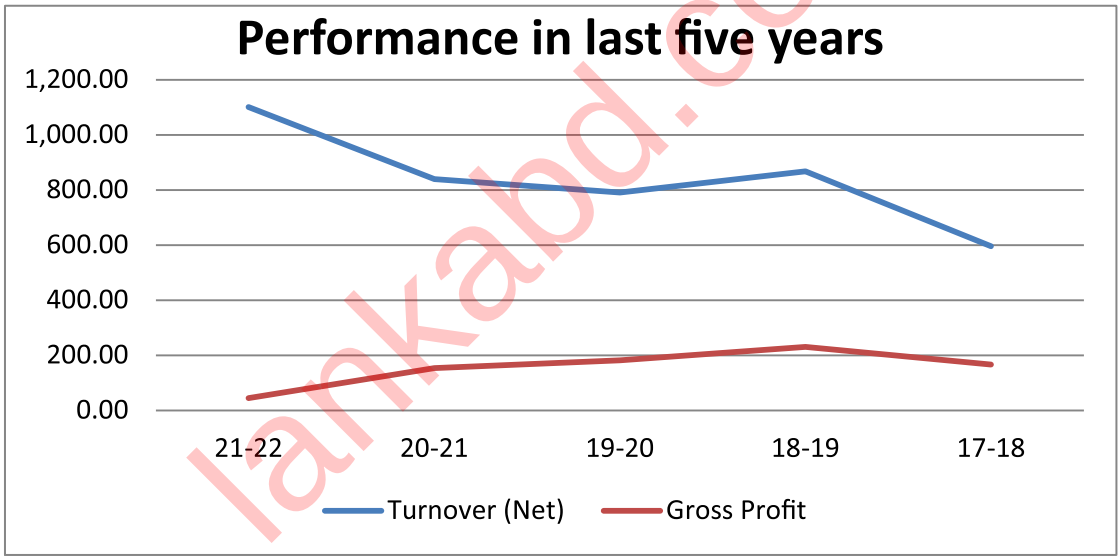
As per requirement of three years tenor regarding transfer of the unpaid Cash dividend to CMSF, the company has already published an advertisement notifying shareholders to claim respective uncollected dividends amounting Taka 12,78,637 within 30 days. After the expiry remaining amount will be deposited to the fund as per directive.

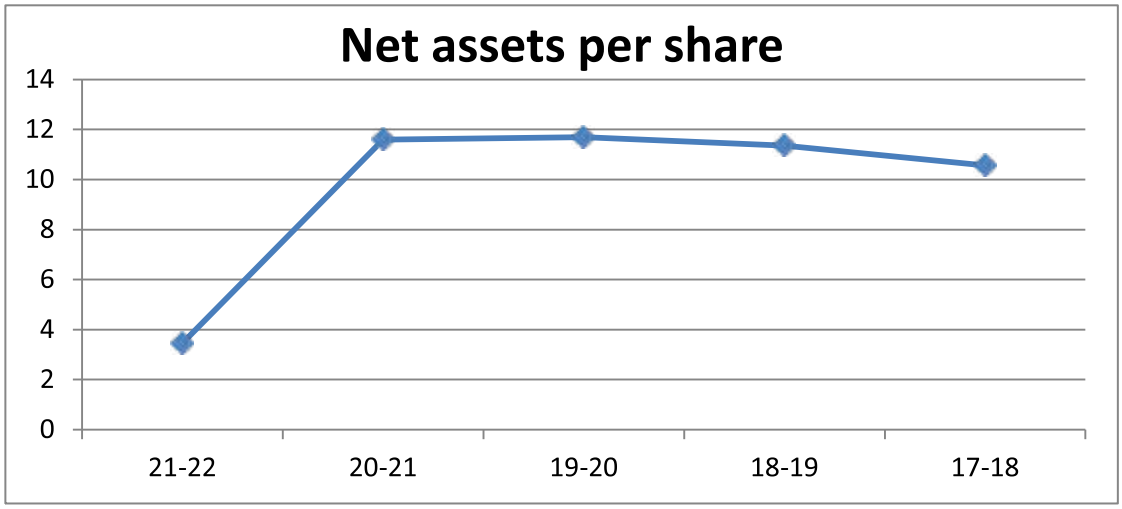
Details of the Unclaimed Dividends are available on the company's website. Summary of the unclaimed cash dividend as follows:

Particulars	2018-2019	2019-2020
Transferable to CMSF	12,78,637	973,987

Graphical Presentation







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Directors' Report

for the year ended 30 June 2022

Dear Shareholders

AssalamuAlikumWa-rahmatullah.

It is an immense pleasure for me to welcome you all in the 26th Annual General Meeting of Fu-Wang Foods Ltd. (FWFL). I feel honored to be able to present before you the Annual Report of the company along with the Audited Financial Statements for the year ended 30 June 2022 and the Auditors' Report thereon.

This report has been prepared in compliance with section 184 of the Companies Act 1994 and Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018. The annual report also reflects the overall performance of the company for the year ended 30 June 2022.

Principal Activities

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

Business Review

The Company has continued its endeavor to overcome challenging situations throughout the year. Succeeding the pandemic period, this year has started with high hope. However, the company passed through few additional changes. Minori Bangladesh Ltd., Bangladesh chapter of Minori Co. Ltd., Japan, has acquired 7.61% shares in the paid-up capital of the company during second half of the year. The Board of Directors was reconstituted. Previous Board and operation management are no longer valid. Apart from the change, the war between Ukraine-Russia has also been commenced in the same period. The war affected Bangladesh as well as our business devastatingly and push to difficult situation. The prices of raw materials significantly increased during the period. As obvious effect, product cost increased abnormally and decline the Gross Margin by 71.15%.

After new management took over, the revenue of Fuwang Foods reached to record high to Taka 1,100.94 million which was higher by 31.13% over the previous year's revenue of Taka 839.58 million. However, despite of high revenue unfortunately the Operating loss reached to Taka 223.62 million. This is due to adjustment against Impairment of fixed assets (72%) on Factory overhead and on Administrative expenses (28%). The total adjustment value is Taka 243.66 million. The matter is also disclosed as qualified opinion by the statutory auditor.

The Management analysis also presented on page 4 states the company's affairs and highlight important events that occurred during the year.

Our subsidiary company's revenue increased to Tk. 40.53 million which is higher by 25.38% over the previous year's revenue of Tk 32.32 million. Net loss for the year stood Tk. 7.46 million against net loss Tk. 6.12 million of previous year.

Investment in Fuwang Beverage Industries Limited

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

This year the company passed changed situation. In addition to that the net margin is not in a healthy position due to high cost price of raw material. The negative growth in net margin also reached to an undesirable level. Considering the true scenario of the financial position, the Board of Directors found this year is not suitable to declare any cash dividend. However, we assure you that the new management is

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sincerely trying hard to overcome the situation and request all our honorable shareholders for their endurance. We optimistic you will find improvement soon.

Property, Plant and Equipment

During the year under review, the company took initiative to revaluate company's fixed assets at various locations. A valuer firm, M/s. Shiraz Khan Basak & Co. Chartered Accountants, engaged specifically for the purpose. Based on their report necessary adjustments have already been given on the Financial Statements. Movement, adjustments in property, plant and equipment during the year also disclosed in the note section. Throughout the year, Company invested a sum of Tk. 13.41 million in property, plant and equipment. However, the Impairment value of the fixed assets amounting Taka 243.66 million was adjusted under Factory overhead and Administration Expenses.

Industry Outlook and Possible Future Development

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

Fuwang Foods Ltd. (FWFL) is one of the popular food manufacturing industries in the country. As a quality brand in Bangladesh 'Fuwang' is recognized by most of the middle to lower income group of people, towards whom most of the company's products are aimed. Food business is a distribution intensive business. FWFL currently has 6 (six) branch offices, 9 (nine) depots and 467 (four hundred and sixty seven) distributors/dealers over the country.

Despite of downtrend in current business condition, 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. We believe you will continue your support on us and we are very much optimistic to return a good result shortly.

The Board of Directors is striving hard in line to increase profitability. As part of the diversification policy, the company has always been introducing new product as per demand of the market. We took initiative to bring positive effect on the company by next year.

Segment-wise or product-wise performance:

Description	Taka-2022	Taka-2021	Increase/Decrease over last year	
	Net revenue	Net revenue	Amount Tk.	%
1. VAT-able Items	450,163,900	360,742,817	89,421,083	24.79
2. Non-VAT-able Items	650,773,276	478,846,598	171,926,678	35.90
TOTAL	1,100,937,176	839,589,415	261,347,761	31.13

Notable that VAT-able items are Cake, Biscuits, Chocolate, Toasts and others while the non VAT-able Items are only Bread products. Details are also disclosed in separate annexure.

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 opponents 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) branches offices 9 (nine) depots and 467 distributors/dealers over the country. It would be challenging for a new company to establish such a wide distribution network in a short period of time.

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Therefore it is almost impossible and cumbersome for a new entrant to quickly establish itself in the market and grab market share from us.

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

Interest Rate Risks

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

Management Perception:

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

Exchange Rate Risk

Exchange rate fluctuation may reduce the profitability of Fu-Wang Foods Limited because of its foreign trade commitments from various sources of foreign exchange like imported raw materials and machineries. Due to the war in Ukraine Bangladesh is passing harsh time in exchange rate.

Management Perception:

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

Market and Technology related Risk

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

Management Perception:

FWFL continuously upgrades its machines and technology. Recently new machineries also introduced in the factory. Therefore, the risk of obsolete technology is mitigated as the company continuously upgrades its technology every 5-6 years.

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 and shortage of Gas supply the production may be hampered. The interruption of utility shortages or increased rate of energy cost may result in higher production cost and lower productivity.

Management Perception:

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

History of non-operation, if any

Fuwang Foods Limited is a food manufacturing industry with yearly production capacity of 11,118 M. Ton in three shifts as against which it could operate at 72.03% capacity during the year under review, producing 8,008 M.Ton in the fiscal year compared to last year 6,893.00 M. Ton. The production capacity utilization has been increased by more than 16% from last year. New management has initiated constructive steps to improve the quality and quantity of the factory production.

Management Perception:

Fu-Wang Foods Limited was incorporated on 17 February, 1997. It has already completed more than 25 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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Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin

During the year the company's revenue increased by 31.13%, cost of goods sold also increased by 54.02%, as COGS is high due to effect of impairment adjustment; the gross profit decreased by 71.15% and operating profit decreased to Taka 223.62 million due to prior years' adjustment. Followings are the variance within the Financial Year of Fuwang Foods

Management Perception

Particulars	30 June 2022 (Taka)	30 June 2021 (Taka)	Increase/(Decrease) (Taka)	Increase/(Decrease) %
Revenue	1,100,937,177	839,589,415	261,347,762	31.13%
Cost of Goods Sold	1,056,647,868	686,061,495	370,586,373	54.02%
Gross Profit	44,289,308	153,527,920	-109,238,612	-71.15%
Net Profit/Loss after Tax	-243,287,316	11,382,118	-254,669,434	-2237.45%

Reasons for increase / Decrease of
- Revenue
- Cost of Goods sold
- Gross Profit

Increase of Revenue

During the year revenue increased Taka 261,347,762. The reason for increased turnover is changes in sales policy, introduction of 'Direct Sales channel', the quality of products has also been improved. Moreover, supervision and monitoring started vigorously. Human resources of the company have been motivated significantly which also help to boost the sale. Therefore, consumers' confidence increased and they didn't reduced buying products which help the company increasing turnover.

Increased percentage of Cost of Goods Sold

During the year, Cost of Goods Sold is 95.98% of revenue as against 81.71% of the preceding year due to following reasons

- Increased the cost of Raw Materials significantly and
- Impairment of fixed assets and adjustment of prior year's qualifying points
- Supply of raw materials was not smooth in the market due to Russian and Ukraine war

Gross Profit deteriorated

During the financial year gross profit of Fuwang Foods Ltd. reduced by Taka 109,238,612 which affected the bottom line of the company severely.

Extra-Ordinary Events

The management of the company has been changed as Minori Bangladesh Ltd., a sister concern on Minori Co. Ltd., Japan acquired Fuwang Foods Limited by holding 7.61% shares of the company.

Events of extra ordinary gain or loss which require adjustments or disclosure in the financial statements occurred during the reporting period are already stated in the related notes to the accounts.

Related Party Transactions

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

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 2021-2022

Significant variance over the last year's Operating Result

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

Remuneration to Directors

This information is incorporated in Note 21 of the notes to the financial statements with reference to the "Directors Remuneration".

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Explanation on significant variance between quarterly financial statements and annual financial statements

Total revenue of the Company is Taka 1,100.90 million in 2022 which is consistent with disclosed quarterly Financial Statements. However, it is reported very low gross profit margin in 2022 compare to quarterly performance. The gross margin declined to only 4.0% in the year 2022 that has been dropped from average 16% gross margin reported in the quarterly financial statements.

This significant variance is due to impairment of the fixed assets under Factory Overhead amounting Taka 175.4 million. Moreover, the administrative expenses also increased to Taka 153.1 million in 2022, this is due to impact of Taka 66.2 million impairment on fixed assets. Fixed Assets revaluation has adverse impact on profit. Subsequently the company incurred net loss of Taka 243.3 million.

Fairness of Financial Statements

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

Five Years Financial Highlights

The key operating and financial data of Fuwang Foods Ltd for last five years have been given separately.

MD and CFO's Declaration on Financial Statements

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

Books of Accounts

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

Accounting Policies

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

Application of IAS and IFRS

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

Going Concern/Forward Looking Statement

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

Dividend

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

Interim Dividend

Since the financial performance of the company was not in suitable position, the Board of Directors has not been declared any Interim dividend during the year. The Directors state that no bonus share or stock dividend has been declared during the year as interim dividend.

Board and Committee Meetings

Total meeting of the Board of Directors held during the year was 15 (fifteen). The Audit Committee met 10 (ten) times and Nomination and Remuneration Committee met 7 (seven) times.

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Attendance in Board Meetings:
The attendance record of the Directors is shown below:

SL	Name of the Directors	Official Status	Total Meeting	
			Held	Attended
1	Md. Afzal Hossain	Chairman	6	6
2	Miya Mamun	Managing Director	6	6
3	Sidratul Mahabub Hasan	Executive Director	6	6
4	Md. Abul Kashem	Independent Director	5	5
5	Ishtar Mahal	Independent Director	5	5
Former Board members :				
6	Major General Firoz Hasan ndu, psc (retd)	Chairman and Independent Director	4	4
7	Dr. Arif Ahmed Chowdhury, CIP	Managing Director	11	11
8	Afsana Tarannum	Director	11	10
9	Lubaba Tabassum	Director	11	2
10	Sayed Jishan	Independent Director	4	1
11	Ajit Kumar Paul FCA	Chairman and Independent Director	9	9
12	Mohammad Sanaullah FIPM FCS	Independent Director	9	9
13	Professor Dr. Md. Nizamul Hoque Bhuiyan	Independent Director	9	9
14	Brigadier General Md. Israt Hossain, ndc, psc (LPR)	Independent Director	9	9
15	Mohammad Salahuddin Chowdhury FCA	Independent Director	9	9
16	Quazi Tafazzal Hossain	Independent Director	4	0

The Directors who could not attend the meetings were granted leave of absence.

Pattern of Shareholding

Sl. No.	Name and Description	No. of Shares	% of Holding
a)	Parent/Subsidiary/Associated Companies and other related parties : Minori Bangladesh Limited	84,42,726	7.61
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	Md. Afzal Hossain (Nominated from Minori Bangladesh Ltd) Chairman	Nil	Nil
2	Miya Mamun (Nominated from Minori Bangladesh Ltd) Managing Director	Nil	Nil
3	Sidratul Mahabub Hasan (Nominated from Minori Bangladesh Ltd) Executive Director	Nil	Nil
4	Hsu Chin Hua Sponsor	256,033	0.231
5	Md. Maksudur Rahman Independent Director	Nil	Nil
6	Md. Abul Kashem Independent Director	Nil	Nil
7	Ishter Mahal Independent Director	Nil	Nil
8	Md. Sharif Al Mahmood Company Secretary	Nil	Nil
9	Md. Shahjahan ACA Chief Financial Officer	Nil	Nil
10	Md. Azizul haque Head of Internal Audit and Compliance	Nil	Nil
c)	Executives (Top 5 salaried Executives)	Nil	Nil
1	Colonel Md. Manirul Islam psc (Retd), Chief Operating Officer	Nil	Nil
2	Rafiqul Hasan Khan, Head of Procurement	Nil	Nil
3	Md. Nasir Sikder, Senior Manager, Finance	Nil	Nil
4	Mohammad Abul Hossain, Chief Marketing Officer	Nil	Nil
5	Meherunnesa Rosy, Manager, HR and Admin	Nil	Nil
d)	Shareholders holding ten percent (10%) or more voting interest in the company	Nil	Nil

Note: Minori Bangladesh Ltd. has acquired the company's 84,42,726 number of shares (7.61%) and Nominated 3 (three) Directors to the Board of Fuwang Foods Ltd. vide letter no. SEC/SRMIC/2000-922/28 dated 20 January 2022 which was accepted by the Board in its meeting held on 03 February 2022.

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Market Value of Shares

The market value per share as on 13 November 2022 was Tk. 23.50 (Taka twenty three and paisa fifty only).

Corporate Governance Compliance Report

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

Further in compliance with the requirement of the Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Code dated June 3, 2018, the Corporate Governance Auditor of the Company M/s. SARashid & Associates, Chartered Secretaries shall issue the Corporate Governance Compliance Certificate which will be placed as Annexure II of this report.

Share Information

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

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

Reconstitution of the Board of Directors

For the interest of the investors and capital market, Bangladesh Securities and Exchange Commission (BSEC) vide its letter bearing no. SEC/SRMIC/179/2020/part-1(Z)/175 dated July 14, 2021], reconstituted the Board of Directors comprising 5 (five) Independent Directors namely Mohammad Sanaullah FCS, Ajit Kumar Paul FCA, Professor Dr. Md. Nizamul Hoque Bhuiyan, Brigadier General Md Israt Hossain, ndc, psc (LPR) and Mohammad Salahuddin Chowdhury FCA with specific Terms of Reference (ToR). Thereafter BSEC through its another letter bearing no. SEC/SRMIC/2020-922/part-2/61 dated February 14, 2022 repealed its earlier letter bearing no. SEC/SRMIC/179/2020/part-1(Z)/175 dated July 14, 2021 and further reconstituted the Board comprising 2 (two) Independent Directors namely Md. Abul Kashem and Ishter Mahal and 1 (one) or more Director(s) to be nominated by Minori Bangladesh Limited (against their 7.61% shareholding) with certain terms and conditions. Subsequently Minori Bangladesh Ltd. nominated 3 (three) Directors namely Md. Afzal Hossain, Miya Mamun and Sidratul Mahabub Hasan who were included in the Board in its meeting held on February 03, 2022.

Appointment of Chairman, Managing Director and Executive Director

After reconstitution of Board of Directors, for smooth operation of the Company, based on the recommendations of the Nomination & Remuneration Committee, the Board of Directors appointed Md. Afzal Hossain as Chairman in its meeting held on February 15, 2022, and appointed Miya Mamun as Managing Director & Sidratul Mahabub Hasan as Executive Director in its meeting held on February 26, 2022. Since Miya Mamun and Sidratul Mahabub Hasan are holding office of profit, their appointments shall have to be approved by the shareholders in the AGM as per the provisions of the Companies Act 1994.

Appointment of Independent Director

As has been stated under "Reconstitution of the Board of Directors", BSEC vide its letter bearing no. SEC/SRMIC/2020-922/part-2/61 dated February 14, 2022, for the greater interest of the investors and capital market has appointed Md. Abul Kashem and Ishter Mahal as Independent Directors under section 2CC of the Securities and Exchange Ordinance, 1969, with few terms and conditions. Accordingly two new Independent Directors were inducted by the Board on February 15, 2022. Moreover, to comply with condition 1(2) as well as some other conditions of Corporate Governance Code 2018 and as per recommendation of the Nomination & Remuneration Committee, the Board in its meeting held on October 26, 2022 appointed Md. Maksudur Rahman as Independent Director of the company. The appointment of Independent Directors shall also be placed for approval in the AGM.

Reconstitution of Board Committees

The new Board of Directors reconstituted following two Board Committees:

- **Audit Committee**
  - Ishter Mahal — Chairperson
  - Md. Abul Kashem — Member
  - Md. Afzal Hossain — Member
- **Nomination & Remuneration Committee**
  - Md. Abul Kashem — Chairman
  - Ishter Mahal — Member
  - Md. Afzal Hossain — Member

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Directors' Profiles

Brief Profiles of all Directors on the existing Board of the Company are provided in the section "Board of Directors" of the annual report separately.

Retirement and Re-election of Directors

As provided in the Companies Act 1994, Mr. Md. Afzal Hossain, Mr. Miya Mamun and Mr. Sidratul Mahabub Hasan will retire from the office of Director in the upcoming AGM, and being eligible for re-election, each of them has offered themselves to be re-elected. The Board recommended them for re-appointment by the shareholders in the AGM.

Financial Statements

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

Statutory Auditors Qualified Report

Statutory Auditors' M/s. MABS & J Partners, Chartered Accountants submitted "Qualified Opinion" on the consolidated Financial Statement of Fu-Wang Foods Limited for the year ended June 30, 2022 on Trade and Other Receivables, Trade and Other Payables, Payable for WPPF and Welfare Fund and Deposit against share by holding company. Company's new management has been considering these opinions with utmost priority. Appropriate measures will be taken and hopeful these issues will be mitigated in upcoming year.

Appointment of Auditors

As per section 210 of the Companies Act 1994, the company's statutory Auditors M/s. MABS & J. Partners, Chartered Accountants retires at the 26th Annual General Meeting as auditors of the Company.

Pursuant to Bangladesh Securities and Exchange Commission (BSEC) order no SEC/CMRRCD/2009-193/104/ Admin dated July 27, 2011 the retiring Auditors are eligible for reappointment as Statutory Auditors for 2022-2023. The Audit Committee recommended to re-appoint M/s. MABS & J. Partners, Chartered Accountants as the auditors of the company for the year 2022-2023.

The Directors endorsed recommendation of the Audit Committee for appointment of M/s MABS & J. Partners, Chartered Accountants as the auditors of the company for the year 2023 at a fee of Tk. 379,000 (Taka three lac seventy-nine thousand only) inclusive of applicable Tax and VAT.

Appointment of Corporate Governance Auditor

The Audit Committee recommended appoint of M/s. Jasmin & Associates, Chartered Secretaries in practices as the Corporate Governance Auditors of the company for the year 2022-2023. The Directors endorsed recommendation of M/s. Jasmin & Associates, Chartered Secretaries as the CGC Auditors of the company for the year 2022-2023 at a fee of Tk. 40,000 (Taka Forty Thousand) excluding VAT.

Conclusion

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

On behalf of the Board of Directors

On behalf of the Board of Directors

Dated, Dhaka, 13 November 2022

Md. Afzal Hossain
Chairman

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Management Discussion and Analysis

Management Discussion and Analysis of the company's position and operations along with a brief discussion of changes in the financial statements as per condition no 5 (XXV) of Corporate Governance Code dated June 03, 2018.

Distinguished Shareholders,

Assalamu Alaikum,

By the grace of Almighty Allah, Fuwang Foods Limited passed another exciting year. I, on behalf of the Board of Directors feel happy for having this opportunity to welcome you to the 26th Annual General Meeting and to write few words about the company's performance during the Annual Report 2021-22. You might be aware that Bangladesh Securities and Exchange Commission (BSEC) for the greater interest of the investors and capital market has approved, with reference no. SEC/SRMIC/2000-922/28 dated 20 January 2022, that Minori Bangladesh Ltd., Bangladesh wing of Minori Co. Ltd. Japan, to acquired Fuwang Foods Ltd. In February 2022, Minori Bangladesh stepped in with high hope. However, it had to go though many challenging situations; not only in terms of financial anomalies but operational barriers too. We are optimistic new changes will bring positive impacts on Fuwang Foods! A brief discussion on company's position and operations shown below:

(a) Comparative analysis of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons are as follows:

Particulars	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Turnover (Net)	110.09	83.96	79.12	86.76	59.53	58.68
Gross Profit/ Loss	4.43	15.35	18.18	23.08	16.62	16.74
Net Profit/Loss before Tax	-22.36	1.91	8.08	13.00	8.18	8.24
Net Profit/ Loss after Tax	-24.33	1.14	6.06	8.65	6.14	6.18
Shareholders' Equity	38.36	128.58	129.65	125.76	117.06	110.16
Total Assets	119.51	195.49	188.38	182.85	168.17	158.19
Total Current Assets	70.51	124.58	120.44	116.80	106.68	96.78
Total Current Liabilities	72.66	57.56	49.91	47.33	41.55	38.41
Current Ratio	0.97	2.16	2.41	2.47	2.57	2.52

During the year under review the turnover increased in current year and reached to record high amount of Taka 110.09 crore which is 31% increased from preceding year's turnover of Taka 83.96 crore. Despite of high jump on Turnover the company also recorded loss of Tk. 24.33 crore whereas the profit was Tk.1.14 crore in the last year. It is disappointing that the loss incurred due to adjustment of prior years' adjustments on Impairment of fixed assets and other assets. The operating loss reached to 22.36 crore. Another reason is the increase of Cost of Goods Sold due to increase of price of main raw materials.

(b) The company has prepared and presented its financial statement as per applicable IAS/IFRS. The following IAS/IFRSs are applicable for the financial statements for the period under review:

Compliance of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS)

	IAS/IFRS
Presentation of financial statements (IAS)	1
Inventories (IAS)	2
Statement of cash flows (IAS)	7
Accounting policies, changes in accounting estimates and errors (IAS)	8
Events after the reporting period (IAS)	10
Income taxes (IAS)	12
Property, plant and equipment (IAS)	16
Employee's benefits (IAS)	19

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The Effects of Changes in Foreign Exchange Rates	21
Borrowing costs	23
Related party disclosures (IAS)	24
Separate Financial Statements	27
Financial Instruments	32
Earnings per share (IAS)	33
Impairment of Assets (IAS)	36
Provisions, Contingent Liabilities and Contingent Assets (IAS)	37
Financial Instruments	7
Consolidated Financial Statements	10
Fair Value Measurement	13
Revenue from contracts with customers (IFRS)	15

(c) There is no changes in accounting policies and estimation during the preparation of financial statements for the year ended June 30, 2022

(d) Bangladesh Economy reeling under Russia-Ukraine war impact. We already know that the world, after getting wrecked by the pandemic, supply chain reversal and price hike, is now faced with the worst human and economic catastrophe due to Russia-Ukraine war. As we have trade relations with both countries and key ingredients, raw materials of our products also imported, therefore, the gross margin for the year also effected badly.

(e) Risks and concerns have both internal and external issues of any company. Investors should aware that there are risks associated with the company. This year new competitors have entered, as a result market competition increase significantly. However, the Food business is a Distribution Intensive Business. Fu-Wang Foods Limited has distribution network throughout the country. It is very cumbersome for a new competitor to quickly establish itself in the market and grab market share from us. Another risk company facing is uninterrupted supply of gas. Low pressured gas sometimes enforces the factory to run slow. We are scrutinizing unconventional method to mitigate the issue. However, within very short span of time we tried to do our best and continued to run the factory operation smoothly. During this difficult and challenging time period factory production as well as turnover has increased significantly.

(f) Factory production depends largely on the utilities, especially on Gas supply. As you know current condition of the gas supply is under pressure. Therefore, Company is trying to consider alternative solution of the crisis for smooth operation of the production process.

As you know, we have focused more on eradication of financial and other irregularities inside the company, two Chartered Accountant firms were engaged for conducting special audit on prior year's qualified opinion and assets revaluation. Considering the realistic situation of the company; Board of Directors are not in a position to declare any dividend for this year.

Fu-Wang Foods is one of the significant 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.

I would like to mention the continuous support, guidance and access that our national regulatory and financial institutions have extended to us. The encouraging cooperation from Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange and Chittagong Stock Exchange, all of our banks acted as the crucial element behind the smooth and effective execution of our business operations. At the end thanks to our valuable customers and shareholders without whose relentless trust and loyalty in our brand, Fu-Wang Foods Ltd. would not have been here today.

With best regards,

Miya Mamun
Managing Director

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Report of Audit Committee

for the year ended 30 June 2022

Preamble

The Audit Committee of the Fuwang Foods Limited is a sub-committee of the Board of Directors consisting of the Members appointed by the Board of Directors of the company. The Audit Committee is responsible to the Board of Directors. The Committee acts as an effective forum in assisting the Board in discharging its responsibilities on ensuring the quality of financial reporting, overseeing internal and external audit functions and internal control structure as well as making related communications to the shareholders and other stakeholders.

Constitution and Composition of the Committee

The Audit Committee was last reconstituted on February 26, 2022. All members of the Audit Committee are Non-Executive Directors.

Before last reconstitution, Composition of the Audit Committee was as follows:

Name of Members	Position of Board	Position of the Committee
Ajit Kumar Paul FCA	Independent Director	Chairman [Aug 10, 2021 to Nov 13, 2021]
Mohammad Sanaullah FCS	Independent Director	Member [Aug 10, 2021 to Nov 13, 2021] Chairman [Nov 13, 2021 to Feb 15, 2022]
Mohammad Salah Uddin Chowdhury FCA	Independent Director	Member [Aug 10, 2021 to Feb 15, 2022]
Afsana Tarannum	Director	Member [Oct 26, 2020 to Feb 15, 2022]
Sayed Jishan	Independent Director	Member [Oct 26, 2019 to Oct 23, 2021]
Ishter Mahal	Independent Director	Chairman [since Feb 26, 2022]
Md. Abul Kashem	Independent Director	Member [since Feb 26, 2022]
Sidratul Mahabub Hasan	Director	Member [Feb 03, 2022 to Feb 15, 2022]
Miya Mamun	Director	Member [Feb 15, 2022 to Feb 26, 2022]

Present Composition of the Audit Committee is as follows:

Name of Members	Position of Board	Position of the Committee
Ishter Mahal	Independent Director	Chairman [since Feb 26, 2022]
Md. Abul Kashem	Independent Director	Member [since Feb 26, 2022
Md. Afzal Hossain	Director	Member [since Feb 26, 2022]

The Company Secretary acts as the Secretary of the Audit Committee.

Roles and Responsibilities of the Committee

The Roles & Responsibilities of the Audit Committee have been defined in the "Terms of Reference (ToR)" as has been laid down by the Board. The Audit Committee is empowered to consider any matter related to the financial affairs of the Company and to review all internal and external audits, internal control systems and procedures, accounting policies, related party transaction, management letters issued by statutory auditors, determination of audit fees etc. so as to ensure that a sound financial reporting system is in place and is well managed in order to provide accurate, appropriate and timely information to the Management, the Regulatory Authorities and to the Shareholders as well. The Roles and Responsibilities of the Committee are in line with the "Corporate Governance Code" issued by the Bangladesh Securities and Exchange Commission (BSEC).

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Meetings and Attendance:

During the year ended June 30, 2022 total 10 (ten) meetings of the Committee were held. The Audit Committee Member's attendances for the year ended June 30, 2022 were as follows:

Name	Meeting Tenure	No. of Meetings during the Tenure	
		Held	Attended
Ajit Kumar Paul FCA	Jul 27, 2021 to Nov 13, 2022	5	5
Mohammad Sanaullah FCS	Jul 27, 2021 to Feb 15, 2022	7	7
Mohammad Salah Uddin Chowdhury FCA	July 27, 2021 to Feb 15, 2022	7	7
Afsana Tarannum	Jul 27, 2021 to Feb 15, 2022	7	6
Sayed Jishan	Jul 27, 2021 to Oct 23, 2022	3	3
Ishter Mahal	Feb 26, 2022 to Jun 30, 2022	3	3
Md. Abul Kashem	Feb 26, 2022 to Jun 30, 2022	3	3
Sidratul Mahabub Hasan	Feb 03, 2022 to Feb 15, 2022	1	1
Miya Mamun	Feb 15, 2022 to Feb 26, 2022	1	1
Md. Afzal Hossain	Feb 26, 2022 to 30 Jun 2022	2	2

Participation of non-members

The Chief Financial Officer (CFO) and the Head of Internal Audit and Compliance (HIAC) also attended the meetings as invitees. The Members of the senior management of the Company were also invited to attend the meetings as and when required.

Summary of Activities:

The activities of the Committee were regularly reported to the Board of Directors. Following activities were carried out by the Committee during the year ended June 30, 2022:

Financial Reporting:

The Committee reviewed along with the management, the quarterly and half yearly unaudited financial statements of the Company before submission to the board for approval.

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

The Committee reviewed along with the management, the Annual Financial Statements of the Company and recommended to the Board of Directors for approval. The review was to ensure that the financial reporting and disclosures were in compliance with the securities laws, provisions of the Companies Act 1994, and International Financial Reporting Standards (IFRS) as applicable in Bangladesh.

Reviewing Internal Audit activities

The Committee reviewed internal audit activities of the company with special emphasis given on Inventory Management, Receivables Management and Internal Control Systems of the Company.

Reviewing External Audit Report

M/s MABS & J Partners, Chartered Accountants performed the statutory audit of the company for another year. Proceeding year's qualified opinions are considered in the financial statements during year. However, they further submitted qualified report on the adjustment of prior year's anomalies in the Financial Statements for the year ended June 30, 2022.

During the year under review, the Audit Committee sat with the External Auditors to discuss on the key audit matters and findings of audit and of annual financial statements of the company.

Appointment of Auditors

The Audit Committee recommended to the Board of Director's to re-appoint M/s MABS & J Partners, Chartered Accountants as statutory Auditors for the year ended June 30, 2023 subject to approval of the members at the 26th Annual General Meeting of the Company.

The audit Committee also recommended to the Board of Directors to appoint M/s Jasmin & Associates, Chartered Secretaries as Corporate Governance Auditors subject to approval of the members at the 26th Annual General Meeting of the Company.

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Auditors activities

During the year ended June 30, 2022 the Audit Committee has -

- overseen the financial reporting process;
- monitored choice of accounting policies and principles;
- 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;
- overseen performance of external auditors;
- reviewed the adequacy of internal audit function;
- reviewed the Management's Discussion and Analysis before disclosing in the Annual Report
- reviewed statement of all related party transactions submitted by the management; and
- 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;

Reporting of the Committee

- The Audit Committee reports on its activities to the Board of Directors.
- Pursuant to Condition # 6 (a) of the Corporate Governance Code dated 03 June 2018 issued by BSEC, the Committee reports that it did not find any conflict of interest or any fraud, irregularity, material defect in the Internal Control System. There are no infringement of laws, rules and regulations also.
- The Audit Committee reviewed the effectiveness of the internal financial controls and the procedures established for identifying, assessing and managing risks and is of the view that steps has already been taken to improve the control systems compared to preceding year.

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.

On behalf of the Audit Committee,



(Ishter Mahal)
Chairperson

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Report of the Nomination and Remuneration Committee (NRC)

[For the year ended June 30, 2022 and up to the Report Date]

Preamble

Nomination and Remuneration Committee (NRC) is a subcommittee of the Board. It has been duly constituted with one primary objective of supporting or assisting the Board on setting policies for nomination and remuneration functions of its Directors and other Human Resources. The Board clearly sets out the terms of reference or scopes of the committee's responsibilities. The committee reports regularly to the Board on the performance of the activities it has been assigned.

Composition and Composition of the Committee

During the year ended June 30, 2022 the NRC was reconstituted on August 10, 2021 and further reconstituted on February 26, 2022. All the members are Non-Executive Directors, nominated and appointed by the Board

Before last reconstitution, Composition of the NRC was as follows:

Name of Members	Position of Board	Position of the Committee
Brigadier General Md. Israt Hossain, ndc, psc (LPR)	Independent Director	Chairman [Aug 10, 2021 to Feb 15, 2022]
Professor Dr. Md. Nizamul Hoque Bhuiyan	Independent Director	Member [Aug 10, 2021 to Feb 15, 2022]
Afsana Tarannum	Director	Member [Sep 04, 2021 to Feb 15, 2022]
Md. Abul Kashem	Independent Director	Chairman [since Feb 26, 2022]
Ishter Mahal	Independent Director	Member [since Feb 26, 2022
Afzal Hossain	Director	Member [since Feb 26, 2022]
Sidratul Mahabub Hasan	Director	Member [Feb 15, 2022 to Feb 26, 2022]

Present Composition of the Audit Committee is as follows:

Name of Members	Position of Board	Position of the Committee
Md. Abul Kashem	Independent Director	Chairman [since Feb 26, 2022]
Ishter Mahal	Independent Director	Member [since Feb 26, 2022
Md. Afzal Hossain	Director	Member [since Feb 26, 2022]

Roles and Responsibilities of NRC:

The Role and Responsibilities of the Committee have been defined in the "Terms of Reference (ToR)" as has been laid down by the Board. The Roles and Responsibilities of the Committee are in line with the "Corporate Governance Code" issued by the Bangladesh Securities and Exchange Commission (BSEC).

Meetings and Attendance:

During the year ended June 30, 2022 total 7 (seven) meetings of the Committee were held. The NRC Member's attendances for the year ended June 30, 2022 were as follows:

Name	Meeting Tenure	No. of Meetings during the Tenure	
		Held	Attended
Brigadier General Md. Israt Hossain, ndc, psc (LPR)	Jul 27, 2021 to Feb 15, 2022	5	5
Professor Dr. Md. Nizamul Hoque Bhuiyan	Jul 27, 2021 to Feb 15, 2022	5	4
Afsana Tarannum	Jul 27, 2021 to Feb 15, 2022	5	4
Md. Abul Kashem	Feb 26, 2022 to Jun 30, 2022	2	2
Ishter Mahal	Feb 26, 2022 to Jun 30, 2022	2	2
Afzal Hossain	Feb 26, 2022 to Jun 30, 2022	1	1
Sidratul Mahabub Hasan	Feb 15, 2022 to Feb 26, 2022	0	0

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Activity Summary of NRC:

During the year under review and up to the date of this report, NRC has -

- Reviewed the ToR of the NRC;

- Reviewed the Board Structure of the Subsidiary Company and recommended to the Board for its reconstitution;

- Reviewed the Service Rules and recommended to the Board for approval;

- Reviewed the Formation of Procurement & Quality Assurance Committee;

- Reviewed the Remuneration/ Compensation Packages of the employees;

- Reviewed and recommended the Appointment of the Chairman of the Company;

- Approved the Annual Report of the NRC;

- Advised to take initiative for framing Training Policy;

- Reviewed and recommended the Formation of Executive management Committee of the Company for approval by the Board;

- Reviewed the recruitment processes for different positions of the company including CEO and M (Sales & Marketing);

- Conducted Selection Processes for the posts of CFO and HIAC, and recommended their appointments and remunerations for consideration by the Board;

- Recommended the appointments and remunerations of Managing Director and Executive Director;

- Reviewed the performance of existing VAT Software and selection of new Accounting Software and made its recommendations;

- Reviewed appointment of new Independent Director and recommended to the Board for approval; and

- Reviewed and recommended Nomination & Remuneration Policy (NRC Policy) for approval by the Board.

Acknowledgement

The Committee expresses its sincere appreciation and acknowledgement to the Board, the operational Management and other stakeholders for their support and assistance in carrying out its duties and responsibilities effectively.

On behalf of the Nomination and Remuneration committee,

(Md. Abul Kashem)
Chairman

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Nomination And Remuneration Policy

PREAMBLE

The Nomination and Remuneration Policy ("the Policy" or "NRC Policy") has been stated incompliance with the Corporate Governance Code 2018, circulated by the Bangladesh Securities and Exchange Commission (BSEC) in conjunction with the Companies Act 1994.

The policy shall provide directions and guidelines to the Nomination and Remuneration committee on nomination criteria for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as formal process of considering remuneration of directors, top level executive; It may also provide a framework for identification of persons who are qualified to become Directors and who may be appointed in Senior Management and recommend to the Board for their appointment.

The policy may be reviewed by the Nomination and Remuneration Committee of the Board of Directors.

OBJECTIVES

The objectives of the Policy are summarized as follows:

1. The key objective is to enable the company to attract, retain and motivate high quality members for the Board and executives.
2. It will enable the company to provide a well-balanced compensation package, taking into consideration of shareholder interests, industry practices and relevant Bangladeshi corporate regulations.
3. The Policy will ensure that the interests of Executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.
4. It will ensure that remuneration to Executives involves a balance between fixed pay and incentive (by way of increment/bonus/ promotion/any other form) reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

ROLE OF NRC

The NRC while recommending for appointment of any directors including independent directors/Top level executive/ Key Management personnel, shall ensure compliance with the Companies Act 1994, Corporate Governance Code and Memorandum and Articles of Association and other relevant laws, rules and regulations as applicable.

The NRC shall also assist the Board of Directors 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;

NRC shall oversee, among others, the following matters and make report with recommendation to the Board:

1. 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:

   a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;

   b. the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   c. remuneration to directors, top level executive involves a balance between fixed and incentive pay

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reflecting short and long-term performance objectives appropriate to the working of the company and its goals;

2. devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
3. 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;
4. formulating the criteria for evaluation of performance of independent directors and the Board;
5. identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and
6. developing, recommending and reviewing annually the company's Human Resources and training policies;

Criteria for Remuneration

All the Directors (excluding Managing Director & CEO) are paid sitting fees in compliance with the prescribed limit, as mentioned under Companies Act, 1994.

The level and composition of remuneration will be reasonable and sufficient to attract, retain and motivate employees of the quality required to run the company successfully.

Remuneration may also be involves in a mix of fixed and variable pay based on performance.

The remuneration of Key Management Personnel and other employees of the organization are in line with the internal policies and procedures established / approved by the Company.

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Dividend Distribution Policy

INTRODUCTION

In pursuance to the Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January, 2021 of the Bangladesh Securities and Exchange Commission (BSEC); Fu-Wang Foods Ltd. developed the Dividend Distribution Policy. This policy defines the amount of Cash and/or Stock (Bonus) dividend which may be distributed to the shareholders as Dividend from the after-tax profit or can be retained in the business. The highlights of the policy are given below:

ENTITLEMENT OF DIVIDEND:

Shareholder whose names appears in the Register of Members of the Company or in the Depository Register (CDBL) on the Record Date shall be entitled for Dividend approved at the respective year's AGM.

PROCESS OF DISTRIBUTION OF CASH DIVIDEND:

The cash dividend shall be paid directly to the shareholders bank account through Bangladesh Electronic Funds Transfer Network (BEFTN) within 30 (thirty) days from the date of approval by the shareholders in the AGM and the date of Board approval in the case of an interim dividend, subject to compliance with BSEC or Bangladesh Bank or other regulatory authority circulars/directives from time to time.

Payable amount of declared cash dividend for the concerned year/period shall be kept in a separate bank account as per circular of BSEC or other regulatory authority from time to time.

PROCEDURE OF STOCK DIVIDEND DISTRIBUTION:

The stock dividend declared for the concerned year/period shall be credited to the respective shareholders BO account within 30 (thirty) days of approval; subject to regulatory clearance.

The bonus dividend shall be transferred to the suspense BO accounts if respective BO account is not available or found inactive. The sale proceeds of fractional bonus dividend shall be paid off as per circular of BSEC or other regulatory authority.

PROCESS FOR SETTLING UNCLAIMED DIVIDENDS:

Unclaimed or undistributed or unsettled cash/stock dividends shall be settled as per instructions of BSEC or other regulatory authority.

TAX ISSUES:

Tax on dividends will be applied at source as per applicable tax laws.

SUBMISSION OF DIVIDEND DISTRIBUTION COMPLIANCE REPORT:

In-compliance with the Dhaka Stock Exchange (Listing) Regulation-2015 and Chittagong Stock Exchange (Listing) Regulation-2015 and other regulatory requirement has to submit a Dividend Distribution Compliance Report to BSEC, DSE and CSE within 7 days from the date of completion of dividend distribution of the respective year; as per circular of BSEC.

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BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2022/215

BAPLC

Date of issue : April 18, 2022

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 **2022.**

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES ★ BAPLC

Secretary General

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SARashid & Associates
(Chartered Secretaries)
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S. Abdur Rashid FCS
MBS, MBA (Finance), PGDHRM, LLB, **FIPM**
Chartered Secretary in Practice
Private Practice Certificate No.: 003

Report to the Shareholders of Fu-Wang Foods Limited on Compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Fu-Wang Foods Limited for the year ended on 30 June 2022. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

(a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission, by this date, except as stated in the remarks column of the Statement on Status of Compliance prepared by the Directors of the Company;

(b) The Company has 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.

For
SARashid & Associates

S. Abdur Rashid FCS
Chartered Secretary in Practice

Place : Dhaka
Dated : 01 December 2022

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CORPORATE GOVERNANCE COMPLIANCE STATUS

[As per Annexure-C and Condition No. 1(5) (xxvii) of the Corporate Governance Code]

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).	✓		
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)	**For the purpose of this clause "Independent director" means a director-**			
1.(2)(b)(i)	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 should not hold above mentioned shares in the company. Provided that spouse, son, daughter, father, mother, brother, sister, son-in-low, and daughter -in-low 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 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 be an independent director in more than 05 (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-Banking 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) term 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 tenure [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)	**Independent directors shall have following qualifications:**			
1(3)(b)(i)	Business leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100 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 million or of a listed company; or	✓		
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or			
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	✓		
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;			
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			Not Applicable.
1.4	**Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive officer**			
1(4)(a)	The positions of the Chairman of the Board and the Managing Director 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 the Chief Executive Officer;			Will soon be complied with
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in minutes.			Not Applicable.
1.5	**The Director's Report to the Shareholders** The Board of the company shall include the following additional statements or discussion in the Directors, Report prepared under section 184 of the company Act 1994 (Act No. XVIII of 1994)			
1(5)(i)	Industry outlook and possible future developments in the industry;	✓		
1(5)(ii)	Segment-wise or product-wise performance;	✓		
1(5)(iii)	Risk and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		
1(5)(v)	Discussion on continuity of any Extra-Ordinary activities and their implications (gain or loss);			Not Applicable.
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;			Not Applicable.
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for initial Public Offering (IPO), Repeat Public Offerings (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 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 of 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;			Will be complied with
1(5)(xvii)	A statement that there are no significant doubts upon the issuer company's ability to continue as a going concern, If the issuer company is not considered to be a going concern, the fact along with reasons there of should 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 there of should be explained;	✓		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	✓		
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		
1.5(xxiii)	**A report on the pattern of shareholding disclosing the aggregate number of shares (along with name wise details where stated below) held by:**			
1.5(xxiii)(a)	Parent or Subsidiary or Associate 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)	**In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:**			
1(5)(xxiv)(a)	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 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:**			
1(5)(xxv)(a)	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 reason thereof;	✓		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;			Will be complied with
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	✓		
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;			Will be complied with
1(5)(xxv)(h)	Declaration or certification by the CEO and CFO to the Board as required under condition no. 3(3) shall be disclosed as per **Annexure - A;** and	✓		

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Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this code as required under condition no. 9 shall be disclosed as per **Annexure-B** and **Annexure-C**.	✓		
1.6	**Meeting of the Board of Directors**			
1(6)	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	**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	**Appointment**			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC);	✓		
3(1)(b)	The positions of the Managing Director 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, HIAC and the CS;			Will soon be complied with
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 the board meetings The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board;**			
3(2)	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 of Directors 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)	**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:**			
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
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 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 violation of the company's code of conduct for the company's Board or its members;	✓		

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Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4	**Board of Directors' Committee**			
4.1	**For ensuring good governance in the company, the Board shall have at least following sub-committees:**			
4(i)	Audit committee; and	✓		
4(ii)	Nomination and Remuneration Committee.	✓		
5	**Audit Committee**			
5.1	**Responsibility to the Board of Directors**			
5(1)(a)	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	**Constitution of the Audit Committee**			
5(2)(a)	The Audit Committee shall 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;	✓		Chairman is a member of Audit Committee
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 services, 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;	✓		
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	**Chairperson of the Audit Committee**			
5(3)(a)	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 absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for the 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.			Not Applicable.
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM). Provied that in absenc of Chairperson of the Audit Committee, any other memberfrom 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	**Meeting of the Audit Committee**			
5(4)(a)	The Audit Committee shall conduct at least 04 (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.	✓		
5.5	**Role of Audit Committee**			
5(5)(a)	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 the annual financial statements before submission to the Board for approval or adoption;	✓		

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Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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 Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	Review statement of all related party transaction submitted by the management;	✓		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;			Not Applicable.
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise developed 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 Right 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 the 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.			Not Applicable.
5.6	**Reporting of the Audit Committee**			
5 (6)(a)	**Reporting to the Board of Directors**			
5 (6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		
5 (6)(a)(ii)	**The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:**	✓		
5 (6)(a)(ii)(a)	report on conflicts of interests;			Not Applicable.
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;			Not Applicable.
5 (6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			Not Applicable.
5 (6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.			Not Applicable.
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 the 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.			Not Applicable.
6	**Nomination and Remuneration Committee (NRC)**			
6.1	**Responsibility to the Board of Directors**			
6(1)(a)	The company shall have a Nomination an Remuneration Committee (NRC) as a sub-committee of the Board;	✓		
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 executives as well as 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	**Constitution of the NRC**			
6(2)(a)	The Committee shall compromise 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;	✓		

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Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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;	✓		Not Applicable.
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;			Not Applicable.
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	**Chairperson of the NRC**			
6(3)(a)	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	**Meeting of the NRC**			
6(4)(a)	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;			Not Applicable.
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 a 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	**Role of NRC**			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
6(5)(b)	**NRC shall oversee, among others, the following matters and make report with recommendation to the Board:**			
6(5)(b)(i)	**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:**			
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓		ToR of NRC incudes this Role
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓		ToR of NRC incudes this Role
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;	✓		ToR of NRC incudes this Role
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;			ToR of NRC incudes this Role
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 recommended their appointment and removal to the Board;	✓		ToR of NRC incudes this Role
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	✓		ToR of NRC incudes this Role
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;			ToR of NRC incudes this Role
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	✓		ToR of NRC incudes this Role

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Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		NRC Policy and Report of NRC Shall be disclosed in the Annual Report
7	**External or Statutory Auditors**			
7.1	**The issuer company shall not engage its external or statutory auditors to perform the following services of the company; namely:-**			
7(1)(i)	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 and their family members shall possess any share of the company they audit at least during the tenure of their audit assignment of that 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	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	**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 Annexure-C attached, in the directors' Report whether the company has complied with these conditions or not.	✓		

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Independent Auditor's Report to the Shareholders Of Fu-Wang Foods Limited and its Subsidiaries

Report on the Audit of the Consolidated and Separate Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of Fu-Wang Foods Limited and its subsidiary Fu-Wang Beverage Industries Limited (the Group) as well as the separate financial statements of Fu-Wang Foods Limited (the 'Company') which comprise the consolidated and separate statements of financial position as at 30 June 2022, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Group and the separate financial position of the Company as at 30 June 2022, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

i. **Refer to Note-6(a),** Trade and Other Receivables of BDT. 88,634,646, a prior year adjustment was made of BDT. 487,359,722 by the management, following a special audit conducted at their company as per the instruction of BSEC via letter with reference no. SEC/SRMIC/2000-922/431, dated December 14, 2021. On verification of the basis of such adjustment, we found that the adjustment was considered from the mismatches between the trade receivables reported in the financial statements and the figure reported from the sales software without making any communication with the concerned customers. Hence, there is risk of declining the receivable amount by the concerned customers in future and no proper basis for the adjustment was made available to us. Also, for trade receivables of BDT. 22,037,424, we sent balance confirmation, against which we received responses for BDT. 2,102,787 (9.54% of balance confirmation sent). Hence, the above-mentioned balance remains unverified and unconfirmed to the extent the responses were not forthcoming.

ii. **Refer to Note-15,** Trade and Other Payables of BDT. 108,836,166, a prior year adjustment was made of BDT. 97,206,749 by the management, following a special audit conducted at their company as per the instruction of BSEC via letter with reference no. SEC/SRMIC/2000-922/431, dated December 14, 2021. On verification of the basis of such adjustment, we found that the adjustment was considered from the mismatches between the trade payables reported in the financial statements and the figure as per the purchase ledger without making any communication with the concerned suppliers. Hence, there is risk of getting claims by the concerned suppliers in future and no proper basis for the adjustment was made available to us. Also, for trade payables of BDT. 100,788,489, we sent balance confirmation, against which we received responses for BDT. 50,174,338 (54% of balance confirmation sent). Hence, the above-mentioned balance remains unverified and unconfirmed to the extent the responses were not forthcoming.

iii. **Refer to Note- 16,** Payable for WPPF and Welfare Fund of BDT. 19,719,400, as per section-234 of Bangladesh Labor Act, 2006, a company is to pay 5% of net profit of the year within 9 months of following the close of year at the proportion of 80:10:10 to the Participatory Fund, Welfare Fund and Workers Welfare Foundation Fund respectively. The

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company has not made any payments against Workers' Profit Participation Fund (WPPF) during the year. Management also stated that since the inception of WPPF, no payment was made to the Workers Welfare Foundation Fund.

iv. **Refer to Note-10,** 'Current Liabilities and Provision', for the subsidiary, BDT 40,100,000 was reported as 'Deposit against share by holding company' in the financial year 2020-21, which was transferred as a liability with the holding company in Note-10 'Current Liabilities and Provision' during the year. As per gazette #১৪৬/এফআরসি/প্রশাঃ/প্রজ্ঞাপন/২০২০/০১ dated 02 March 2020, any money received as Share Money Deposit (SMD) or whatever name, included in the Equity, is not refundable. The money received under SMD should be converted into Share Capital within 6 months of receipt of the money. However, it is reported by management that as no receipt of money from the holding company against the said shares was evident, it is adjusted as an intercompany transaction.

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

Emphasis of Matter

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

i. **Refer to Note-12,** Deferred Tax, deferred tax expense charged during the year with deferred tax liability stands at BDT. 13,064,936 and BDT. 722,933,070 respectively. As per IAS-12 Income Taxes, any adjustments to deferred tax liability as a result of temporary difference arising during the year is to be charged in the statement of profit or loss and other comprehensive income. However, management made adjustment of BDT. 26,913,112 as prior year adjustment instead of charging the same to the statement of profit or loss and other comprehensive income of the current year. Hence, a non-compliance of the above IAS results in with an overstatement of EPS for the same amount. As for the subsidiary, no deferred tax was reported in the financial statements.

ii. **Refer to Note-9.03,** 'Composition of Shareholders' of the financial statements, which describes, as per Gazette notification no: BSEC/CMRRCD/2009-193/217/Admin/90 dated 21 May 2019, all sponsors and directors other than independent directors of a company listed with any stock exchange shall all time jointly hold minimum 30% (thirty percent) shares of the paid-up capital of the company. Whereas as at 30 June 2022, sponsor shareholders at the company holds only 7.85% of the total paid-up capital.

iii. **Refer to Note-7.01,** for inter-company transaction with the subsidiary of BDT. 24,217,521, no prior resolution or arrangements are evident between the parent and the subsidiary. Also, it is evident that business operational transactions are paid by both the companies from time to time.

iv. **IFRS-16** Leases was not applied while accounting for rental payments for its premises; hence a non-compliance of the concerned IFRS results in.

v. **Refer to Note-13,** Short Term Bank Loans and Others, includes a temporary loan from the Ex-Managing Director of BDT. 16,580,000 at the year-end, for which no resolutions of the Board of Directors was evident.

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vi. **Refer to Note-17.01 & 17.02,** provision for gratuity expense and provident fund expense of BDT. 44,720,453, and BDT. 48,745,875 respectively, for both the holding company and the subsidiary company, the above provisions during the year are charged to the holding company. It is reported by management that since most of the employees are appointed in the holding company, the whole amount is charged in the holding company. Consequently, the resulting deferred tax expense and liability has hit the holding company only.

vii. **As per section-9**9 of Bangladesh Labor Act 2006 (as amended in 2015), for an establishment with 100 permanent workers, the employer is to arrange group insurance for its employees. The company has not introduced any group insurance for its employees; a non-compliance of the Bangladesh Labor Act.

Key Audit Matters

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

See note no 13.00 and 14.00 to The Financial Statements	
Short-term bank loans and Long-term loan	
At reporting date, the position of loans remained (both short term and long term) amounting to BDT. 161,430,806 for both the Company and the Group. In other words, 19% of total liabilities for both the Company and the Group are represented by loans. Evidently, the Company is using loans to operate the business. Therefore, it has been considered as key audit area.	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the loans. Our audit procedures included: among others, the followings: • Understanding and reviewing the nature and types of loans; • Reviewing the board minutes for arrangements of the loans; • Obtaining the repayment schedules, loan statements and facility offer letters to review terms, debt covenants, interest rates and other conditions associated with the loans; • Reviewing the mortgages, major covenants, guarantees and interest rates etc. attached to the loans; • Recalculating the interest related to loans; • Checking the adjustments or repayments of loans through bank statements as per repayment schedule; • Checking whether there is any overdue payments and penal interests; and • Finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards.

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See Note No 4.00 to the Financial Statements	
Investments in subsidiaries of the Company and its impairment	
The Company has investments amounting to BDT. 9,900,000 on 30 June 2022 held at cost less impairment that represents 1% of the Company's total assets. At the time of conducting our audit of the separate financial statements of the Company we have considered the recoverable value of the Company's investments in Fu Wang Beverage Industries Limited at cost. Management has conducted impairment assessment and calculated recoverable value of it subsidiary in accordance with IAS-36.	In particular, our discussions with the Management were focused on the continued appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation. We also checked mathematical accuracy of the model, recalculated discount rate used within the model, inputs used in the determination of assumptions within the model were challenged and corroborating information was obtained with reference to external market information, third-party sources.

Other Information

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

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRSs, the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will

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always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

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

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

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

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

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the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

b) In our opinion, proper books of account as required by law have been kept by the Group and the Company so far as it appeared from our examination of those books;

c) The consolidated and the separate statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and

d) The expenditure incurred was for the purpose of the Group's and Company's busine

Place: Dhaka, Bangladesh
Dated: 13 November 2022

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

Jagadish Chandra Biswas, FCA
Partner
ICAB Enrollment No: 199
DVC No: 2211140199AS672382

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FU-WANG FOODS LIMITED

Consolidated Statement of Financial Position

As at 30 June 2022

Particulars	Notes	30 Jun 2022	30 Jun 2021
ASSETS:			
Non-Current Assets		**590,771,235**	**695,224,244**
Property, Plant and Equipment	**3.00(a)**	590,771,235	695,224,244
Machinery in Transit		**929,760**	**2,552,874**
Current Assets		**604,704,918**	**1,315,932,962**
Inventories	**5.00(a)**	57,222,875	310,457,681
Trade and Other Receivables	**6.00(a)**	88,634,646	531,595,081
Advances, Deposits and Prepayments	**7.00(a)**	453,304,215	468,776,213
Cash and Cash Equivalents	**8.00(a)**	5,543,182	5,103,987
Total Assets		**1,196,405,913**	**2,013,710,080**
EQUITY & LIABILITIES:			
Shareholders' Equity		**352,019,013**	**1,313,937,951**
Share Capital	**9.02**	1,108,392,840	1,108,392,840
Revaluation Reserve		173,940,702	44,397,194
Retained Earnings	**10.00(a)**	(930,620,610)	160,767,196
Non-Controlling Interest	**11.00**	306,081	380,720
Non-Current Liabilities		**84,926,227**	**93,516,937**
Deferred Tax Liabilities	**12.00**	72,933,070	70,949,419
Long Term Loan	**13.00**	11,993,157	22,567,518
Current Liabilities		**759,460,672**	**606,255,192**
Short Term Bank Loans and Others	**14.00**	149,437,649	176,157,761
Trade and Other Payables	**15.00(a)**	131,090,491	49,813,682
Payable for WPPF and Welfare fund	**16.00**	19,719,400	17,765,225
Liabilities for Expenses	**17.00(a)**	114,949,345	20,089,131
Provision for Income Tax	**18.00(a)**	344,263,788	342,429,393
Total Equity and Liabilities		**1,196,405,913**	**2,013,710,079**
Net Asset Value (NAV) Per Share	**26.00(a)**	**3.18**	**11.85**

The annexed notes form an integral part of these Financial Statements. These Financial Statements were authorized for issue by the Board of Directors on 13 November 2022 and were signed on its behalf by:

Chief Financial Officer **Company Secretary** **Managing Director** **Chairman**

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

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

Jagadish Chandra Biswas, FCA
Partner
ICAB Enrollment No: 199
DVC No: 2211140199AS672382

Place: Dhaka, Bangladesh
Dated: 13 November 2022

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FU-WANG FOODS LIMITED

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2022

Particulars	Notes	Amount in Taka	
		1 Jul to 2021 30 Jun 2022	1 Jul to 2020 30 Jun 2021
Turnover (Net of VAT)	19.00(a)	1,141,466,167	871,914,282
Cost of Goods Sold	20.00(a)	(1,096,659,517)	(714,164,183)
Gross profit		**44,806,649**	**157,750,099**
Operating Expense		**(257,986,808)**	**(126,220,973)**
Administrative Expenses	21.00(a)	(155,162,418)	(83,205,398)
Selling and Distribution Expenses	22.00(a)	(102,824,390)	(43,015,575)
Operating Profit		**(213,180,159)**	**31,529,126**
Financial Expenses	23.00	(17,657,337)	(17,410,946)
Profit From Operation		**(230,837,495)**	**14,118,180**
Contribution to WPPF and Welfare Fund		-	(954,649)
Net Profit/(Loss) Before Tax		**(230,837,495)**	**13,163,531**
Income Tax Expenses		**(19,913,733)**	**(7,904,814)**
Current Tax	24.00(a)	(6,848,797)	(5,231,485)
Deferred Tax	12.01	(13,064,936)	(2,673,329)
Net Profit /(Loss)After Tax		**(250,751,228)**	**5,258,717**
Profit Attributable to:			
Shareholders of the Parent Company	25.00	(250,676,589)	5,319,951
Non-Controlling Interest	11.00	(74,639)	(61,234)
		(250,751,228)	**5,258,717**
Earnings Per Share (EPS)	27.00 (a)	**(2.26)**	**0.05**

The annexed notes form an integral part of these Financial Statements. These Financial Statements were authorized for issue by the Board of Directors on 13 November 2022 and were signed on its behalf by:

Chief Financial Officer | **Company Secretary** | **Managing Director** | **Chairman**

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

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

Place: Dhaka, Bangladesh
Dated: 13 November 2022

Jagadish Chandra Biswas, FCA
Partner
ICAB Enrollment No: 199
DVC No: 2211140199AS672382

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FU-WANG FOODS LIMITED

Consolidated Statement of Changes in equity

For the year ended 30 June 2022

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Non Controlling Interest	Total
Opening Balance	1,108,392,840	44,397,194	160,767,196	380,720	1,313,937,951
Prior Period Adjustment	-		(846,012,702)	-	(846,012,702)
Revaluation Reserve	-	150,676,819	-	-	150,676,819
Depreciation on Revaluation	-	(5,301,483)	5,301,483	-	-
Adjustment for Deferred Tax (Last Year)	-	12,889,508	-	-	12,889,508
Adjustment for Deferred Tax (Current Year)	-	(28,721,336)	-	-	(28,721,336)
Net Profit/(Loss) for the Year	-	-	(250,676,589)	(74,639)	(250,751,228)
Balance as at 30 June 2022	**1,108,392,840**	**173,940,702**	**(930,620,611)**	**306,081**	**352,019,012**

For the year ended 30 June 2021

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Non Controlling Interest	Total
Opening Balance	1,108,392,840	51,256,523	170,720,638	441,954	1,330,811,955
Cash Dividend for 2019-20	-	-	(18,288,482)	-	(18,288,482)
Depreciation on Revaluation	-	(3,015,090)	3,015,090	-	-
Adjustment for Deferred Tax (Last Year)	-	9,045,269	-	-	9,045,269
Adjustment for Deferred Tax (Current Year)	-	(12,889,508)	-	-	(12,889,508)
Net Profit for Year	-	-	5,319,951	(61,234)	5,258,717
Balance as at 30 June 2021	**1,108,392,840**	**44,397,194**	**160,767,196**	**380,720**	**1,313,937,950**

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The annexed notes form an integral part of these Financial Statements. These Financial Statements were authorized for issue by the Board of Directors on 13 November 2022 and were signed on its behalf by:

Chief Financial Officer | **Company Secretary** | **Managing Director** | **Chairman**

Place: Dhaka, Bangladesh
Dated: 13 November 2022

FU-WANG FOODS LIMITED

Consolidated Statement of Cash flows
For the year ended 30 June 2022

Particulars	Notes	Amount in Taka	
		01 Jul 2021 to 30 June 2022	01 Jul 2020 to 30 June 2021
Cash Flows from Operating Activities:			
Prior Period Adjustment for Opening Bank Balance		(741,359)	-
Collections from Turnover and Others		1,191,196,336	858,119,226
Payment for Cost and Expenses		(1,088,120,561)	(779,014,321)
Financial Expenses Paid		(15,703,162)	(17,410,946)
VAT Paid		(29,702,194)	(19,251,346)
Income Tax Paid and Deducted at Source		(6,977,563)	(2,600,000)
A. Net Cash Provided from Operating Activities		**49,951,497**	**39,842,613**
Cash Flows from Investing Activities:			
Acquision of Property, Plant and Equipment		(11,262,927)	(59,584,964)
Machinery in Transit		(929,760)	(2,552,874)
Advance to Subsidiary		-	-
B. Net Cash Used in Investing Activities		**(12,192,687)**	**(62,137,838)**
Cash Flows from Financing Activities:			
Dividend Paid		(25,140)	(17,620,969)
Long term Loan Received/(Paid)		(10,574,361)	(1,127,397)
Short term Loan Received/(Paid)		(26,720,112)	39,249,937
C. Net Cash Provided from Financing Activities		**(37,319,613)**	**20,501,571**
D. Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		439,197	(1,793,654)
E. Cash and Cash Equivalents at the Beginning of the Year		5,103,987	6,897,641
F. Cash and Cash Equivalents at the End of the Year		**5,543,183**	**5,103,987**
Net Operating Cash Flow Per Share		**0.45**	**0.36**

The annexed notes form an integral part of these Financial Statements. These Financial Statements were authorized for issue by the Board of Directors on 13 November 2022 and were signed on its behalf by:

Chief Financial Officer | **Company Secretary** | **Managing Director** | **Chairman**

Place: Dhaka, Bangladesh
Dated: 13 November 2022

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FU-WANG FOODS LIMITED
Statement of Financial Position
As at 30 June 2022

Particulars	Notes	Amount in Taka	
		30 Jun 2022	30 Jun 2021
ASSETS:			
Non-Current Assets		**479,177,473**	**656,617,503**
Property, Plant & Equipment (Net of Depreciation)	**3.00**	479,177,473	656,617,503
Machinery in Transit		**929,760**	**2,552,874**
Investment	**4.00**	**9,900,000**	**50,000,000**
Current Assets		**705,078,876**	**1,245,752,719**
Inventories	**5.00**	47,620,142	283,078,381
Trade and Other Receivables	**6.00**	77,172,156	394,176,055
Advances, Deposits and Prepayments	**7.00**	575,733,022	564,389,465
Cash and Cash Equivalents	**8.00**	4,553,556	4,108,818
Total Assets		**1,195,086,109**	**1,954,923,096**
EQUITY & LIABILITIES:			
Shareholders' Equity		**383,585,498**	**1,285,765,897**
Share Capital	**9.00**	1,108,392,840	1,108,392,840
Revaluation Reserve		98,929,048	44,397,194
Retained Earnings	**10.00**	(823,736,390)	132,975,863
Non-Current Liabilities		**84,926,227**	**93,516,937**
Deferred Tax Liabilities	**12.00**	72,933,070	70,949,419
Long Term Loan	**13.00**	11,993,157	22,567,518
Current Liabilities		**726,574,384**	**575,640,262**
Short Term Bank Loans and Others	**14.00**	149,437,649	176,157,761
Trade and Other Payables	**15.00**	127,230,598	48,305,682
Payable for WPPF and welfare fund	**16.00**	19,719,399	17,765,225
Liabilities for Expenses	**17.00**	114,053,577	19,069,654
Provision for Income Tax	**18.00**	316,133,161	314,341,940
Total Equity and Liabilities		**1,195,086,109**	**1,954,923,096**
Net Asset Value (NAV) Per Share	**26.00**	**3.46**	**11.60**

The annexed notes form an integral part of these Financial Statements. These Financial Statements were authorized for issue by the Board of Directors on 13 November 2022 and were signed on its behalf by:

Chief Financial Officer **Company Secretary** **Managing Director** **Chairman**

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

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

Jagadish Chandra Biswas, FCA
Partner
ICAB Enrollment No: 199
DVC No: 211140199AS672382

Place: Dhaka, Bangladesh
Dated: 13 November 2022

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FU-WANG FOODS LIMITED
Statement of Profit or Loss & Other Comprehensive Income
For the year ended 30 June 2022

Particulars	Notes	Amount in Taka	
		01 Jul 2021 to 30 June 2022	01 Jul 2020 to 30 June 2021
Turnover (Net of VAT)	19.00	1,100,937,177	839,589,415
Less: Cost of Goods Sold	20.00	1,056,647,868	686,061,495
Gross profit		**44,289,308**	**153,527,920**
Less: Operating Expense		**250,248,729**	**116,069,342**
Administrative Expenses	**21.00**	**153,127,254**	**80,685,014**
Selling and Distribution Expenses	22.00	97,121,475	35,384,328
Operating Profit/(Loss) before Financial Expenses		(205,959,421)	37,458,578
Less: Financial Expenses	23.00	17,657,337	17,410,946
Profit From Operation		**(223,616,757)**	**20,047,632**
Less: Provision to WPPF and Welfare Fund		-	954,649
Net Profit /(Loss) Before Tax		**(223,616,757)**	**19,092,983**
Income Tax Expenses		**19,670,559**	**7,710,865**
Current Tax	24.00	6,605,623	5,037,536
Deferred Tax	12.01	13,064,936	2,673,329
Profit /(Loss) After Tax		**(243,287,316)**	**11,382,118**
Earnings Per Share (EPS)	**27.00**	**(2.19)**	**0.10**

The annexed notes form an integral part of these Financial Statements. These Financial Statements were authorized for issue by the Board of Directors on 13 November 2022 and were signed on its behalf by:

Chief Financial Officer **Company Secretary** **Managing Director** **Chairman**

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

Place: Dhaka, Bangladesh
Dated: 13 November 2022

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

Jagadish Chandra Biswas, FCA
Partner
ICAB Enrollment No: 199
DVC No: 2211140199AS672382

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FU-WANG FOODS LIMITED
Statement of Changes in equity
For the year ended 30 June 2022

Amount in Taka

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total
Balance as at 01 July 2021	**1,108,392,840**	**44,397,194**	**132,975,863**	**1,285,765,897**
Prior Period Adjustment			(718,487,525)	(718,487,525)
Cash Dividend for 2021-22	-	-	-	-
Depreciation on Revaluation	-	(5,062,588)	5,062,588	-
"Adjustment for Deferred Tax (Last Year)"	-	12,889,508	-	12,889,508
Adjustment for Deferred Tax (Current Year)	-	(28,721,336)	-	(28,721,336)
Revaluation Reserve	-	75,426,270	-	75,426,270
Net Profit/(Loss) for the year 2021-2022	-	-	(243,287,316)	**(243,287,316)**
Balance as at 30 June 2022	**1,108,392,840**	**98,929,048**	**(823,736,390)**	**383,585,498**

For the year ended 30 June 2021

Amount in Taka

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total
Balance as at 01 July 2020	**1,108,392,840**	**51,256,523**	**136,867,137**	**1,296,516,500**
Cash Dividend for 2019-20	-	-	(18,288,482)	(18,288,482)
Depreciation on Revaluation	-	(3,015,090)	3,015,090	-
"Adjustment for Deferred Tax (Last Year)"	-	9,045,269	-	9,045,268
Adjustment for Deferred Tax (Current Year)	-	(12,889,508)	-	(12,889,508)
Net Profit for 2020-2021	-	-	11,382,118	11,382,118
Balance as at 30 June 2021	**1,108,392,840**	**44,397,194**	**132,975,863**	**1,285,765,897**

The annexed notes form an integral part of these Financial Statements. These Financial Statements were authorized for issue by the Board of Directors on 13 November 2022 and were signed on its behalf by:

Chief Financial Officer **Company Secretary** **Managing Director** **Chairman**

Place: Dhaka, Bangladesh
Dated: 13 November 2022

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FU-WANG FOODS LIMITED
Statement of Cash flows
For the year ended 30 June 2022

Particulars	Notes	Amount in Taka	
		01 Jul 2021 to 30 June 2022	01 Jul 2020 to 30 June 2021
Cash Flows from Operating Activities:			
Collections from sales		1,142,617,243	823,124,258
Payment for Cost and Expenses		(1,063,041,413)	(742,127,962)
Financial Expenses Paid		(15,703,162)	(17,410,946)
VAT Paid		(23,622,845)	(19,251,346)
Income Tax Paid and Deducted at Source		(6,577,563)	(2,600,000)
A. Net Cash Provided from Operating Activities		**33,672,260**	**41,734,004**
Cash Flows from Investing Activities:			
Acquision of Property, Plant and Equipment		(10,860,627)	(59,584,964)
Machinery in Transit		(929,760)	(2,552,874)
Advance from Subsidiary		15,882,479	(1,688,426)
B. Net Cash Used in Investing Activities		**4,092,092**	**(63,826,264)**
Cash Flows from Financing Activities:			
Dividend Paid		(25,140)	(17,620,969)
Long Term Loan paid		(10,574,361)	(1,127,397)
Short Term Loan Paid		(26,720,112)	39,249,937
C. Net Cash Provided from Financing Activities		**(37,319,613)**	**20,501,571**
D. Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)		444,739	(1,590,690)
E. Cash and Cash Equivalents at the Beginning of the Year		4,108,818	5,699,508
F. Cash and Cash Equivalents at the End of the Year		**4,553,557**	**4,108,818**
Net Operating Cash Flow Per Share (NOCFPS)	**28.00**	**0.30**	**0.38**

The annexed notes form an integral part of these Financial Statements. These Financial Statements were authorized for issue by the Board of Directors on 13 November 2022 and were signed on its behalf by:



Chief Financial Officer



Company Secretary



Managing Director



Chairman

Place: Dhaka, Bangladesh
Dated: 13 November 2022

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Fu-Wang Foods Limited

Notes to the Financial Statements
For the year ended 30 June 2022

1.00 Corporate Information and Nature of Business Activities:

1.1 Corporate Information:

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

1.2 Address of Company:

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

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

1.3.1 Nature of Business Activities:

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

1.3.2 Number of Employees:

On the payroll of the Company, there were 238 officers including Staffs and 466 permanent workers and 245 daily workers/technicians apart from many casual/ contract technicians/ workers.

Sl. No	No. of employe	Details	Amount in Tk.
i)	949	Staff/Officers/Employees drew yearly salary & allowances of Tk. 36,000 or more	140,216,922
ii)	Nil	Staff/Officers/Technicians and many other casual workers drew yearly salary/wages & allowances less than Tk. 36,000	Nil

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

2.1 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:

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

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2.2 Basis of Preparation:

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

2.2.1 Basis of Reporting:

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

I. Reporting Period:

Financial statements of the company cover one financial year from July 01, 2021 to June 30, 2022.

II. Going Concern:

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

2.3 Authorization for Issue

The financial statements were approved by the Board of Directors of the company on 26 October 2022.

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 2022;

ii) Statement of Profit or Loss & Other Comprehensive Income for the year ended 30 June 2022;

iii) Statement of Cash Flows for the year ended 30 June 2022;

iv) Statement of Changes in Shareholders Equity for the year ended 30 June 2022; and

v) Accounting policies and Explanatory notes for the year ended 30 June 2022.

2.5 Accounting Estimates:

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

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

2.6 Risk and Uncertainty for Use of Estimates:

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

i) When the company has an obligation as a result of past events;

ii) When it is provable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

iii) Reliable estimate can be made of the amount of the obligation.

2.7 Consistency:

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

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2.8 Reorganization of Property, Plant & Equipment and Depreciation:

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

The annual depreciation rates to the principal categories are:

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

2.9 Retirement and Disposals:

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

2.10 Inventories:

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

2.11 Trade and Other Receivables:

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

2.12 Advance, Deposits and Prepayments:

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

2.13 Statement of Cash Flows:

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

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2.14 Cash and Cash Equivalents:

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

2.15 Share Capital:

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

2.16 Lease (IFRS 16):

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

2.17 Income Tax Expenses:

Taxation is provided in accordance with fiscal regulations applicable. The company is publicly traded company as per the Income Tax Ordinance, 1984. The company qualifies for being treated as a "Publicly Traded Company" for which the rate for tax at 22.50% or minimum Tax rate 0.60% has been applied for while making provision for income tax.

2.18 Current Tax:

Current income tax expense represents the sum of the tax currently payable.

2.19 Deferred Tax

Deferred tax liabilities are the amount of income taxes payable in future years in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future years in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted at the financial statement date.

2.20 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.

2.21 Finance Cost

Finance cost (Borrowing Cost) incurred during the year was recognized as revenue expenditure in accordance with IAS 23 "Borrowing Cost." Finance cost comprises interest on borrowings and bank commission & charges.

2.22 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”.

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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.

2.23 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".

2.24 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 2021-2022 except the transaction with the subsidiary company and Directors Remuneration as disclosed in Note # 29.

2.25 Responsibility for the Preparation and Presentation of Financial Statements:

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

2.26 Proposed Dividend:

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

2.27 Earning Per Share (EPS):

The company calculates Earnings Per Share (EPS) in accordance with IAS 33 "Earnings Per Share" which has been shown on the face of statement of comprehensive income and the computation of EPS is stated in Note-27.

i. Basic Earnings:

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

ii. Basic Earnings Per Share:

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

iii. Diluted Earnings Per Share:

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

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2.28 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 been considered.

2.29 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.

2.30 Events after the Reporting Period:

In compliance with the requirements of IAS 10: Events after the balance sheet date are those events that occur between the balance sheet and the date when the financial statements are authorized for issue. All material events occurring after the balance sheet date have been considered in these financial statements (Note-39)

2.31 Acknowledgement of Claims:

There was no claim against the company acknowledged as debt as on 30 June 2022.

2.32 Credit Facility not Availed of:

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

2.33 Board Meeting and Board Members:

There were five (05) members in the Board of Directors including independent Director of the Company and fifteen (15) Board Meetings were held in the year under reporting period.

2.34 Miscellaneous Expenses:

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

2.35 Due by the Directors:

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

2.36 Comparative Information and Re-arrangement thereof

Comparative information has been disclosed in respect of the previous year for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements. Previous year's figures have been rearranged wherever considered necessary, to ensure better comparability with the current year's financial statements and to comply with relevant IASs.

2.37 Provisions:

In accordance with the guidelines as prescribed by IAS 37: Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized in the following situations:

a) when the company has an obligation (legal or constructive) as a result of past events;

b) when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

c) reliable estimates can be made of the amount of the obligation.

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2.38 Workers Profit Participation Fund

The company has introduced workers profit participation fund in accordance with chapter 15 under Labour Act 2006 as amended in 2013.

2.39 Property, Plant and Equipment (PPE)

Recognition and Measurement:

Property, Plant and Equipments have been stated at cost and subsequent revaluation (only land) amount less accumulated depreciation. Accumulated historical cost and depreciation have been shown in the Financial Statements. The cost of acquisition comprises of purchase price, including import duties and non-refundable Taxes and any directly attributable cost of bringing the assets to its state of intended use.

Subsequent Expenditure:

Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an addition to cost of the assets.

Disposal:

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized as non operating income and reflected in the Statement of Profit or Loss and Other Comprehensive Income.

2.40 General:

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

ii) The expenses accrued/ due but not paid have been provided for in the financial statements of the company.

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

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Notes	Particulars		Amount in Taka	
			30 Jun 2022	30 Jun 2021
3.00	**Property, Plant and Equipment: Tk. 479,177,473**			
	The above balances are made up as follows:			
	Cost	3.01	893,997,558	1,048,813,996
	Less: Accumulated depreciation	3.02	414,820,085	392,196,493
	Written Down Value		**479,177,473**	**656,617,503**
3.01	**Cost: Tk. 893,997,558**			
	The above balances are made up as follows:			
	Opening Balance		1,048,813,996	989,229,032
	Add: Prior period Adjustment for Re-valuation		75,426,270	-
	Less: Prior Period Adjustment for Impairment		243,656,209	-
	Add : Addition during the year		13,413,501	59,584,964
			893,997,558	**1,048,813,996**
	Less: Adjustment made during the year		-	-
	Balance as at 30 June 2022		**893,997,558**	**1,048,813,996**

Disclosure for valuation of Property Plant & Equipment:

Reference to the minutes of the meetings held at Bangladesh Securities and Exchange Commission (BSEC) with the then members of Board of Directors (forwarded vide commissions' letter No. SEC/SRMIC/2000-922/431, dated December 14, 2021), the adjustment was made as per decision Note-B with regard to the fictitious assets carrying in the Statement of Financial Position. The advice derived from the meeting held on 07 December 2021 between Bangladesh Securities and Exchange Commission and the representative of Fu-Wang Foods Limited.

Pursuant to the BSEC notification, in 174th meeting the Board of Directors of Fu-wang Foods Limited held on February 26, 2021 resolved to appoint a professional valuer Firm enlisted with Bangladesh Securities and Exchange commission (BSEC) to conduct the valuation of all fixed assets of the company.

Subsequently M/s. Shiraz Khan Basak & Co, Chartered Accountants was appointed as an independent valuer to conduct and prepare an appraisal of valuation of fixed assets viz. Land, Building, Plant & Machineries and Other Assets as owned by the company through physical inspection/verification available at various locations.

M/s. Shiraz Khan Basak & Co, Chartered Accountants has submitted their report on the valuation of all fixed assets with effect from July 01, 2021. Accordingly the Board of the company has resolved to give necessary impact on the Financial Statements for the year ended 30 June 2022 as reported by Shiraz Khan Basak & Co, Chartered Accountants.

3.02	**Accumulated Depreciation: Tk.414,820,085**		
	The above balances are made up as follows:		
	Opening Balance	392,196,493	359,840,587
	Add : Addition during the year	22,623,592	32,355,906
		414,820,085	**392,196,493**
	Less: Adjustment made during the year	-	-
	Balance as at 30 June 2022	**414,820,085**	**392,196,493**

Details of Property, Plant and Equipment have been shown in 'Annexure - A'.

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Notes	Particulars	Amount in Taka	
		30 Jun 2022	30 Jun 2021

3.00(a) Consolidated Property, Plant and Equipment: Tk. 590,771,235

The above balances are made up as follows:

Fu-Wang Foods Ltd.		
At Cost/Revaluation	893,997,558	1,048,813,996
Less : Accumulated Depreciation	414,820,085	392,196,493
Sub total	**479,177,473**	**656,617,503**
Fu-Wang Beverage Industry Ltd.		
At Cost/Revaluation	179,389,348	103,736,499
Less : Accumulated Depreciation	67,795,586	65,129,758
Sub total	**111,593,762**	**38,606,741**
Total	**590,771,235**	**695,224,244**

4.00 Investment : Tk. 9,900,000

The above balances are made up as follows:

Investment in Fu-Wang Beverage Industry Limited		
Opening Balance	50,000,000	50,000,000
Add: Addition during the year	-	-
	50,000,000	**50,000,000**
Less: Adjustment made during the year	40,100,000	-
Balance as at 30 June 2022	**9,900,000**	**50,000,000**

The Company invested in shares of Fu-Wang Beverage Industry Limited by acquiring its 99% shares at a cost of Tk. 9,900,000 (99,000 Shares of Tk. 100 each); on 28 March 2011; hence making Fu-Wang Beverage Industry Limited a subsidiary of Fu-Wang Foods Limited.

5.00 Inventories :Tk. 47,620,142

The above balances are made up as follows:

Stock of Raw Materials	12,043,423	208,730,227
Stock of Finished Foods	14,604,759	15,804,844
Stock of Packing Materials	20,971,960	58,543,310
Total	**47,620,142**	**283,078,381**

5.00(a) Consolidated Inventories: Tk. 57,222,875

The above balances are made up as follows:

Fu-Wang Foods Ltd.		
Stock of Raw Materials	12,043,423	208,730,227
Stock of Finished Foods	14,604,759	15,804,844
Stock of Packing Materials	20,971,960	58,543,310
Sub Total	**47,620,142**	**283,078,381**
Fu-Wang Beverage Industry Ltd.		
Stock of Raw Materials	1,565,067	13,028,500
Stock of Finished Foods	4,468,020	11,023,000
Stock of Packing Materials	3,569,646	3,327,800
Sub total	**9,602,733**	**27,379,300**
Total	**57,222,875**	**310,457,681**

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Notes	Particulars	Amount in Taka	
		30 Jun 2022	30 Jun 2021
6.00	**Trade and Other Receivables: Tk. 77,172,156**		
	The above balances are made up as follows:		
	Trade Receivable (6.01)	32,048,304	394,176,055
	Others Receivable (6.02)	45,123,852	-
	Balance as at 30 June 2022	**77,172,156**	**394,176,055**
6.01	**Trade Receivable: Tk. 32,048,304**		
	The above balances are made up as follows:		
	Opening Balance	394,176,055	358,459,552
	Less: Prior period Adjustment	363,373,938	-
	Adjusted Opening Balance	**30,802,117**	**358,459,552**
	Add: Sales during the year (Note # 19.00)	1,124,560,022	839,589,415
		1,155,362,139	**1,198,048,967**
	Less: Realised during the year	1,123,313,835	803,872,912
	Balance as at 30 June 2022	**32,048,304**	**394,176,055**
	Aging of Trade Receivables		
	Below 30 days	24,608,504	17,494,333
	Within 31-60 days	3,719,902	12,017,573
	Within 61-90 days	1,859,950	30,272,273
	Within 91-180 days	1,301,965	10,365,740
	Above 180 days	557,985	324,026,135
	Provision for Bad Debts	-	-
		32,048,306	**394,176,054**
	The classification of receivables as required by the schedule XI of the Companies Act, 1994 are given below:		
	Receivable considered good in respect of which the company is fully secured	30,188,356	14,357,562
	Receivable considered good in respect of which the company holds no security other than the debtor personal security	-	-
	Receivables considered doubtful bad	-	-
	Receivable to Directors	N/A	-
	Receivables due by common management	N/A	-
	The maximum amount of receivable due by any director or other officer of the company.		N/A
	-		
		30,188,356	**14,357,562**
6.02	**Others Receivable**		
	The above balances are made up as follows:		
	Opening Balance	-	-
	Add: Prior period Adjustment	64,427,260	-
	Adjusted Opening Balance	**64,427,260**	**-**
	Less: Realised during the year	19,303,408	-
	Balance as at 30 June 2022	**45,123,852**	**-**

Disclosure for Prior Period Adjustment for Receivables:

Reference to the minutes of the meetings held at Bangladesh Securities and Exchange Commission (BSEC) with the then members of Board of Directors (forwarded vide commissions' letter No. SEC/SRMIC/2000-922/431, dated December 14, 2021),

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Notes	Particulars	Amount in Taka	
		30 Jun 2022	30 Jun 2021

the adjustment was made as per decision Note-B with regard to the fictitious assets carrying in the Statement of Financial Position. The advice derived from the meeting held on 07 December 2021 between Bangladesh Securities and Exchange Commission and the representative of Fu-Wang Foods Limited.

Addressing the BSEC requirement, in its 177th meeting the Board of Directors of the company resolved to conduct a special audit and appointed M/s. Artisan, Chartered Accountants accordingly to perform the Audit specially on Consolidated Financial Statements of the company for the year ended June 30, 2021 on the assets and liabilities which seemed fictitious of the doubtful accounts resulting the qualified opinion substantiating by the statutory Auditor.

Necessary adjustment was made as per Special Auditor's recommendation:

M/s. Artisan, Chartered accountants has issued a report recommending for adjustments with effect from July 01,2021. The Board in the 178th meeting dated August 31, 2022 decided to make necessary adjustments as suggested by special auditors.

6.00(a) Consolidated Trade and Other Receivables: Tk. 88,634,646

The above balances are made up as follows:

Fu-Wang Foods Ltd.	77,172,156	394,176,055
Fu-Wang Beverage Industry Ltd.	11,462,490	137,419,026
	88,634,646	**531,595,081**

7.00 Advances, Deposits and Prepayments: TK.575,733,022

The above balances are made up as follows:

Advances	(7.01)	567,568,934	555,082,494
Deposits	(7.02)	8,164,088	9,306,971
	Total	**575,733,022**	**564,389,465**

7.01 Advances: Tk. 567,568,934

The above balances are made up as follows:

Advance Against Rent (Ctg. Branch)	119,000	119,000
Advance Against Rent (Rangpur Branch)	81,000	230,000
Advance Against Rent (Mymensingh Branch)	213,875	447,215
Advance Against Rent (Sylhet Branch)	100,000	113,000
Advance Against Rent (Bogra Branch)	91,000	19,000
Advance Against Rent (Sirajgong Branch)	86,000	98,000
Advance Against Rent (Gazipur Branch)	50,000	50,000
Advance Against Rent (Barishal Branch)	56,000	56,000
Advance Against Rent (Madaripur Branch)	30,000	30,000
Advance Against Rent (Mahammadpur Branch)	11,500	-
Advance against LC Margin (LC NO.140720010088)	315,964	205,246
Elements of Advance for Prior period adjustment (Note-7.01.2	-	22,555,219
Advance Income Tax (Note 7.01.1)	351,740,995	349,977,834
Advance Against Salary	922,000	1,027,000
Advance Against Purchase	47,144,422	39,531,147
Advance Against others	1,765,824	-
Advance to Fu-Wang Beverage Ind. Ltd.	164,841,354	140,623,833
Total	**567,568,934**	**555,082,494**

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Notes	Particulars	Amount in Taka	
		30 Jun 2022	30 Jun 2021
	7.01.1 Advance Income Tax : Tk. 351,740,995		
	The above balances are made up as follows:		
	Opening balance	349,977,834	347,377,834
	Add : Addition during the year	1,763,161	2,600,000
		351,740,995	**349,977,834**
	Less : Adjustment made during the year	-	-
	Balance as at 30 June 2022	**351,740,995**	**349,977,834**
	7.01.2 Elements of Advance for Prior period adjustment : Tk. 0		
	Current Account (VAT)	4,375,844	4,375,844
	Advance Against VAT	6,000,000	6,000,000
	Advance for VAT Tribunal	10,222,777	10,222,777
	Advance Against Bristy Biscuit Factory	1,956,598	1,956,598
	Opening Balance	**22,555,219**	**22,555,219**
	Less: Prior period Adjustment	22,555,219	-
	Adjusted Closing Balance	**-**	**22,555,219**
	7.02 Deposits: Tk.8,164,088		
	The above balances are made up as follows:		
	Titas Gas T and D Co. Ltd. (Gas connection)	3,592,198	3,592,198
	Margin Against Bank Guarantee–Titas Gas	4,263,890	4,263,890
	Deposit for Prior period adjustment (Note:7.02.1)	-	1,095,884
	Chittagong Br. Grameen Phone	-	23,999
	Jessore Branch Grameen Phone	-	2,000
	Rangpur Branch Grameen Phone	-	2,000
	T and T Phone (Factory)	8,000	8,000
	Bangladesh Beverage Co.	-	5,000
	Coca-Cola Bottle	-	1,400
	Grameen Mobile Phone	-	12,600
	Deposit to CDBL	300,000	300,000
	Total	**8,164,088**	**9,306,971**
	7.02.1 Deposit for Prior period adjustment: Tk.0		
	VAT deposit against appeal	1,005,884	1,005,884
	Bangladesh Sugar and Food Industry Corporation	75,000	75,000
	City cell Mobile	15,000	15,000
	Opening Balance	**1,095,884**	**1,095,884**
	Less: Prior period Adjustment	1,095,884	-
	Adjusted Closing Balance	**-**	**1,095,884**

Disclosure for Prior Period Adjustment for Advances, Deposits and Prepayments:

Reference to the minutes of the meetings held at Bangladesh Securities and Exchange Commission (BSEC) with the then members of Board of Directors (forwarded vide commissions' letter No. SEC/SRMIC/2000-922/431, dated December 14, 2021), the adjustment was made as per decision Note-B with regard to the fictitious assets carrying in the Statement of Financial Position. The advice derived from the meeting held on 07 December 2021 between Bangladesh Securities and Exchange Commission and the representative of Fu-Wang Foods Limited.

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Notes	Particulars	Amount in Taka	
		30 Jun 2022	30 Jun 2021

Addressing the BSEC requirement, in its 177th meeting the Board of Directors of the companyresolved to conduct a special audit and appointed M/s. Artisan, Chartered Accountants accordingly to perform the Audit specially on Consolidated Financial Statements of the company for the year ended June 30, 2021 on the assets and liabilities which seemed fictitious of the doubtful accounts resulting the qualified opinion substantiating by the statutory Auditor.

Necessary adjustment was made as per Special Auditor's recommendation:

M/s. Artisan, Chartered accountants has issued a report recommending for adjustments with effect from July 01,2021. The Board in the 178th meeting dated August 31, 2022 decided to make necessary adjustments as suggested by special auditors.

7.00(a) Consolidated Advances, Deposits and Prepayments: Tk. 453,304,215

The above balances are made up as follows:

Fu-Wang Foods Ltd.		
Advances	567,568,934	555,082,494
Deposits	8,164,088	9,306,971
Sub total	**575,733,022**	**564,389,465**
Fu-Wang Beverage Industry Ltd.		
Margin on Bank Guarantee (Titas Gas, T and D Co. Ltd)	7,763,340	7,763,340
Current Account Vat and SD	-	2,798,034
Advance Income Tax	34,649,207	34,449,207
Sub total	**42,412,547**	**45,010,581**
Total	**618,145,569**	**609,400,046**
Less: Adjust with Subsidiary Company	164,841,354	140,623,833
	453,304,215	**468,776,213**

8.00 Cash and Cash Equivalents: Tk. 4,553,556

The above balances are made up as follows:

Cash in Hand	8.01	625,130	298,810
Cash at Banks	8.02	3,928,426	3,810,008
	Total	**4,553,556**	**4,108,818**

8.01 Cash in Hand: Tk. 625,130

The above balances are made up as follows:

At Head Office	245,130	116,810
At Factory	50,000	50,000
At Chittagong Branch Office	-	20,000
At Bogra Branch Office	70,000	20,000
At Sylhet Branch Office	20,000	20,000
At Rangpur Branch Office	40,000	-
At Jessore Branch Office	90,000	30,000
At Mymensingh Branch Office	30,000	20,000
At Barisal Branch Office	80,000	22,000
Total	**625,130**	**298,810**

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Notes	Particulars	Amount in Taka	
		30 Jun 2022	30 Jun 2021
8.02	**Cash at Banks: Tk. 3,928,426**		
	The above balances are made up as follows:		
	Pubali Bank Ltd., Local Office Dhaka STD-1144	16,741	16,741
	Dutch Bangla Rocket Account	1,028,785	436,700
	Dutch Bangla Bank Ltd.-CD-39015	757,687	2,944,684
	Sonali Bank Ltd., Banani Br., CA 313	555,016	194,579
	Dhaka Bank Ltd., CD-6908	308,819	17,312
	Standard Bank Ltd., Gulshan Br., CD-34003721	1,239	6,088
	Pubali Bank Ltd. Gulshan Br., CD-17903	1,260,139	193,904
	Total	**3,928,426**	**3,810,008**
8.00(a)	**Consolidated Cash and Cash Equivalents: Tk. 5,543,182**		
	The above balances are made up as follows:		
	Fu-Wang Foods Ltd.		
	Cash in Hand	625,130	298,810
	Cash at Banks	3,928,426	3,810,008
	Sub total	**4,553,556**	**4,108,818**
	Fu-Wang Beverage Industry Ltd.		
	Cash in Hand	40,000	247,500
	Cash at Banks	949,626	747,669
	Sub total	**989,626**	**995,169**
	Total	**5,543,182**	**5,103,987**
9.00	Share Capital: Tk. 1,108,392,840		
9.01	**Authorized Capital : Tk. 1,500,000,000**		
	150,000,000 ordinary shares @ of Tk. 10/= each	1,500,000,000	1,500,000,000
9.02	**Issued, Subscribed & Fully Paid-up Capital: Tk. 1,108,392,840**		
	110,839,284 ordinary shares @ of Tk. 10/= each issued for cash	1,108,392,840	1,108,392,840

The break up of the above amount is as under :

Date	No. of Shares	Particulars	30 June 2022	30 June 2021
17.02.1997	16,000,000	Ordinary of Tk. 10 each fully paid- up	160,000,000	160,000,000
22.12.2005	2,400,000	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	24,000,000	24,000,000
15.11.2009	1,840,000	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	18,400,000	18,400,000
15.12.2010	4,048,000	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	40,480,000	40,480,000
15.12.2010	20,240,000	Ordinary of Tk. 10 each fully paid- up issued as right shares	202,400,000	202,400,000
26.12.2011	8,905,600	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	89,056,000	89,056,000
23.12.2012	6,412,032	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	64,120,320	64,120,320
26.12.2013	5,984,563	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	59,845,630	59,845,630
28.12.2014	6,583,019	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	65,830,190	65,830,190
27.12.2015	10,861,982	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	108,619,820	108,619,820
21.12.2016	8,327,519	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	83,275,190	83,275,190
29.12.2017	9,160,271	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	91,602,710	91,602,710
23.12.2018	10,076,298	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	100,762,980	100,762,980
	110,839,284		**1,108,392,840**	**1,108,392,840**

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Notes	Particulars	Amount in Taka	
		30 Jun 2022	30 Jun 2021

9.03 Composition of the Shareholders:

SL No.	Particulars	30/Jun/2022				30/Jun/2021	
		No. of Shares	Value of Shares	%	No. of Shares	Value of Shares	%
01	Directors/ Sponsors	8,698,759	86,987,590	7.85%	10,266,440	102,664,400	9.26%
02	Institutions	6,694,787	66,947,870	6.04%	20,000,564	200,005,640	18.04%
03	Foreign	417,852	4,178,520	0.38%	424,369	4,243,690	0.38%
04	General Public	95,027,886	950,278,860	85.73%	80,147,911	801,479,110	72.31%
	Total	**110,839,284**	**1,108,392,840**	**100%**	**110,839,284**	**1,108,392,840**	**100%**

Note: Although the Sponsors/Directors Shareholding position is 7.85% as on 30 June 2022. But the Directors are trying to comply the BSEC notification No. BSEC/CMRRCD/2009-193/217/Admin/90, dated May 21, 2019.

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

Range of Share Holdings	As per Folio		As per BO ID		Total No. Holder	Total No. of Share	Percentage (%)
	Holders	Shares	Holders	Shares			
Less than 500	552	99,000	4,935	907,564	5,487	1,006,564	0.91%
501 to 5,000	105	117,450	5,184	10,541,083	5,289	10,658,533	9.62%
5001 to 10,000	2	13,250	998	7,756,012	1,000	7,769,262	7.01%
10,001 to 20,000	1	11,500	617	9,260,656	618	9,272,156	8.37%
20,001 to 30,000	2	47,800	270	6,914,681	272	6,962,481	6.28%
30,001 to 40,000	-	-	152	5,377,624	152	5,377,624	4.85%
40,001 to 50,000	1	41,975	116	5,438,189	117	5,480,164	4.94%
50,001 to 100,000	1	57,500	178	13,610,502	179	13,668,002	12.33%
100,001 to1,000,000	-	-	133	32,836,642	133	32,836,642	29.63%
Over 1,000,000	-	-	8	17,807,856	8	17,807,856	16.07%
Total	**664**	**388,475**	**12,591**	**110,450,809**	**13,255**	**110,839,284**	**100%**

10.00 Retained Earnings: Tk. -823,736,390

The above balances are made up as follows:

Opening Balance	132,975,863	136,867,137
Prior Period Adjustment	(718,487,525)	-
Adjusted Opening Balance	**(585,511,662)**	**136,867,137**
Add: Profit after tax for the year	(243,287,316)	11,382,118
Depreciation on Revaluation	5,062,588	3,015,090
Profit available for Appropriation	(823,736,390)	151,264,344
Less: Appropriations	-	-
Utilized for Cash Dividend (At 1.65% for FY 2019-20)	-	18,288,482
Total	**(823,736,390)**	**132,975,863**

Disclosure of Prior Period Adjustment for Retained Earnings:

Reference to the minutes of the meetings held at Bangladesh Securities and Exchange Commission (BSEC) with the then members of Board of Directors (forwarded vide commissions' letter No. SEC/SRMIC/2000-922/431, dated December 14, 2021), the adjustment was made as per decision Note-B with regard to the fictitious assets carrying in the Statement of Financial Position. The advice derived from the meeting held on 07 December 2021 between Bangladesh Securities and Exchange Commission and the representative of Fu-Wang Foods Limited.

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Notes	Particulars	Amount in Taka	
		30 Jun 2022	30 Jun 2021

Addressing the BSEC requirement, in its 177th meeting the Board of Directors of the company resolved to conduct a special audit and appointed M/s. Artisan, Chartered Accountants accordingly to perform the Audit specially on Consolidated Financial Statements of the company for the year ended June 30, 2021 on the assets and liabilities which seemed fictitious of the doubtful accounts resulting the qualified opinion substantiating by the statutory Auditor.

Necessary adjustment was made as per Special Auditor's recommendation:

M/s. Artisan, Chartered accountants has issued a report recommending for adjustments with effect from July 01,2021. The Board in the 178th meeting dated August 31, 2022 decided to make necessary adjustments as suggested by special auditors.

10.00(a) Consolidated Retained Earnings: Tk. -930,620,610

The above balances are made up as follows:

Fu-Wang Foods Limited	(823,736,390)	132,975,863
Fu-Wang Beverage Industry Ltd.	(105,611,358)	27,791,334
Fu-Wang Beverage Industry Ltd.-Prior period Adj	(1,275,252)	-
Fu-Wang Beverage Industry Ltd.-Dep on rev Adj	2,389	-
Prior Period Adjustment for deffer Tax	-	
Total	**(930,620,610)**	**160,767,196**

11.00 Non-Controlling Interest: Tk. 306,081

The above balances are made up as follows:

Opening Balance (1% of Subsidiary Net Assets)	380,720	441,954
Profit for the period ended 30 June 2022	(74,639)	(61,234)
Total	**306,081**	**380,720**

12.00 Deferred Tax Liabilities: Tk. 72,933,070

Deferred Tax Liability for Temporary Difference of PPE	12.01	44,211,734	58,059,911
Deferred Tax Liability for Revaluation	12.02	28,721,336	12,889,508
Deferred Tax Liability as at 30 June 2022		**72,933,070**	**70,949,419**

12.01 Deferred Tax Liability for Temporary Difference of PPE: TK. 44,211,734

Opening Balance	58,059,911	55,386,582
Less: Prior period Adjustment	26,913,112	-
Adjusted Opening Balance	**31,146,799**	**55,386,582**
Addition during the year	13,064,936	2,673,329
Closing Balance	**44,211,734**	**58,059,911**

Calculation of Deferred Tax Liability:

Accounting Base Written Down Value (WDV)	396,247,543	599,330,802
Tax Base written down value (WDV)	199,750,946	341,286,755
Taxable Temporary Difference	196,496,597	258,044,047
Applicable Tax Rate	22.5%	22.5%
Total Deferred tax Liability for Temporary Difference of PPE	**44,211,734**	**58,059,911**
Less: Adjusted Opening Deferred Tax Liability for Temporary Difference of PPE	31,146,799	55,386,582
Deferred Tax expense for the year	**13,064,936**	**2,673,329**

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Notes	Particulars	Amount in Taka	
		30 Jun 2022	30 Jun 2021
12.02	**Deferred Tax Liability for Revalutation of PPE: TK. 28,721,336**		
	Opening Balance	12,889,508	12,889,508
	Add: Prior period Adjustment	16,970,910	-
	Adjusted Opening Balance	**29,860,418**	**12,889,508**
	Addition during the year	(1,139,082)	-
	Closing Balance	28,721,336	12,889,508

Disclosure of Prior Period Adjustment for Deferred Tax Liability:

Reference to the minutes of the meetings held at Bangladesh Securities and Exchange Commission (BSEC) with the then members of Board of Directors (forwarded vide commissions' letter No. SEC/SRMIC/2000-922/431, dated December 14, 2021), the adjustment was made as per decision Note-B with regard to the fictitious assets carrying in the Statement of Financial Position. The advice derived from the meeting held on 07 December 2021 between Bangladesh Securities and Exchange Commission and the representative of Fu-Wang Foods Limited.

Addressing the BSEC requirement, in its 177th meeting the Board of Directors of the company resolved to conduct a special audit and appointed M/s. Artisan, Chartered Accountants accordingly to perform the Audit specially on Consolidated Financial Statements of the company for the year ended June 30, 2021 on the assets and liabilities which seemed fictitious of the doubtful accounts resulting the qualified opinion substantiating by the statutory Auditor.

Necessary adjustment was made as per Special Auditor's recommendation:

M/s. Artisan, Chartered accountants has issued a report recommending for adjustments with effect from July 01,2021. The Board in the 178th meeting dated August 31, 2022 decided to make necessary adjustments as suggested by special auditors.

13.00	**Long Term Loan: Tk. 11,993,157**		
	The above balances are made up as follows:		
	Term Loan, Dhaka Bank Ltd.	19,430,205	45,002,797
	Less: IDLC Finance Ltd.-Current Portion	-	-
	Less: Term Loan, Dhaka Bank-Current Portion	7,437,048	22,435,279
	Total	**11,993,157**	**22,567,518**
14.00	**Short Term Bank Loans and Others: Tk. 149,437,649**		
	The above balances are made up as follows:		
	Dhaka Bank Ltd., OD-264	81,018,738	79,561,108
	Dhaka Bank Ltd., Time Loan,	29,983,348	24,309,309
	Dhaka Bank Ltd., LTR	1,890,848	13,937,503
	Dhaka Bank Ltd., STL	12,527,667	9,269,312
	Dhaka Bank Ltd Stimulus Package Loan	-	10,065,250
	Term Loan, Dhaka Bank-Current Portion	7,437,048	22,435,279
	Temporary Loan from Director	16,580,000	16,580,000
	Total	**149,437,649**	**176,157,761**

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 June 2022 was Tk. 81,018,738

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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Notes	Particulars		Amount in Taka	
			30 Jun 2022	30 Jun 2021
15.00	**Trade and Other Payables: Tk. 127,230,598**			
	The above balances are made up as follows:			
	Trade Creditors	15.01	108,836,166	31,670,356
	Dividend Payable		2,252,624	2,277,764
	Security Deposit against Sale and Others		16,141,808	14,357,562
	Total		**127,230,598**	**48,305,682**
	Note: Unpaid or Unclaim dividend for the year 2018-2019 & 2019-2020 Taka 1,278,637 & 973,987 total taka 2,252,624			
15.01	**Trade Creditors**			
	Opening Balance		31,670,356	9,715,228
	Add: Prior period adjustment		97,206,749	-
	Adjusted opening Balance		**128,877,105**	**9,715,228**
	Add: Addition during the year		710,110,876	545,636,819
	Less: Adjustmet/Paid		730,151,815	523,681,691
		Total	**108,836,166**	**31,670,356**

Disclosure of Prior Period Adjustment for Trade Creditors:

Reference to the minutes of the meetings held at Bangladesh Securities and Exchange Commission (BSEC) with the then members of Board of Directors (forwarded vide commissions' letter No. SEC/SRMIC/2000-922/431, dated December 14, 2021), the adjustment was made as per decision Note-B with regard to the fictitious assets carrying in the Statement of Financial Position. The advice derived from the meeting held on 07 December 2021 between Bangladesh Securities and Exchange Commission and the representative of Fu-Wang Foods Limited.

Addressing the BSEC requirement, in its 177th meeting the Board of Directors of the company resolved to conduct a special audit and appointed M/s. Artisan, Chartered Accountants accordingly to perform the Audit specially on Consolidated Financial Statements of the company for the year ended June 30, 2021 on the assets and liabilities which seemed fictitious of the doubtful accounts resulting the qualified opinion substantiating by the statutory Auditor.

Necessary adjustment was made as per Special Auditor's recommendation:

M/s. Artisan, Chartered accountants has issued a report recommending for adjustments with effect from July 01,2021. The Board in the 178th meeting dated August 31, 2022 decided to make necessary adjustments as suggested by special auditors.

15.00(a)	**Consolidated Trade and Other Payables: Tk. 131,090,491**			
	The above balances are made up as follows:			
	Fu-Wang Foods Ltd.			
	Trade Creditors		108,836,166	31,670,356
	Dividend Payable		2,252,624	2,277,764
	Security Deposit against Sale and Others		16,141,808	14,357,562
		Sub Total	**127,230,598**	**48,305,682**
	Fu-Wang Beverage Industry Ltd.			
	Liability for Security Deposit		1,035,500	995,500
	Sundry Creditors (Holdings Company)		164,841,354	140,623,833
	Sundry Creditors (Others)		2,824,393	512,500
		Sub Total	**168,701,247**	**142,131,833**
	Grand Total		295,931,845	190,437,515
	Less: Adjust with Subsidiary Company		164,841,354	140,623,833
		Total	**131,090,491**	**49,813,682**

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Notes	Particulars	Amount in Taka	
		30 Jun 2022	30 Jun 2021

16.00 Payable for (WPPF) and Welfare Fund: Tk. 19,719,400

The above balances are made up as follows:

Opening Balance	17,765,225	15,144,663
Add : Addition during the year	-	954,649
Add: Interest (11%)	1,954,174.74	1,665,913
	19,719,400	**17,765,225**
Less: Payment during the year	-	-
Balance as at 30 June 2022	**19,719,400**	**17,765,225**

Note: Now Bank interest rate is @8.5% with addition interest rate @2.5% consider for WPPF.

17.00 Liabilities for Expenses: Tk. 114,053,577

The above balances are made up as follows:

Salary & Allowances (H/O)	3,543,405	4,466,578
Salary & Allowances (Fac.)	9,385,832	10,433,539
Director's Remuneration	780,000	-
Audit Fees	391,000	333,500
VAT Payable	1,836,308	-
Power and fuel	4,650,704	3,836,037
Gratuity Provision (Note: 17.01)	44,720,453	-
Provident Fund Provision (Note:17.02)	48,745,875	-
Total	**114,053,577**	**19,069,654**

17.01 Gratuity Provision

Opening Balance	-	-
Add: Prior period Adjustment	38,343,089	-
Adjusted Opening Balance	**38,343,089**	**-**
Add: Addition	6,377,364	-
Total	**44,720,453**	**-**

17.02 Provident Fund Provision

Opening Balance	-	-
Add: Prior period Adjustment	47,864,786	-
Adjusted Opening Balance	**47,864,786**	**-**
Add: Addition	881,089	-
Total	48,745,875	-

Disclosure of Prior Period Adjustment for Provision:

Reference to the minutes of the meetings held at Bangladesh Securities and Exchange Commission (BSEC) with the then members of Board of Directors (forwarded vide commissions' letter No. SEC/SRMIC/2000-922/431, dated December 14, 2021), the adjustment was made as per decision Note-B with regard to the fictitious assets carrying in the Statement of Financial Position. The advice derived from the meeting held on 07 December 2021 between Bangladesh Securities and Exchange Commission and the representative of Fu-Wang Foods Limited.

Addressing the BSEC requirement, in its 177th meeting the Board of Directors of the company resolved to conduct a special audit and appointed M/s. Artisan, Chartered Accountants

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Notes	Particulars	Amount in Taka	
		30 Jun 2022	30 Jun 2021

accordingly to perform the Audit specially on Consolidated Financial Statements of the company for the year ended June 30, 2021 on the assets and liabilities which seemed fictitious of the doubtful accounts resulting the qualified opinion substantiating by the statutory Auditor.

Necessary adjustment was made as per Special Auditor's recommendation:

M/s. Artisan, Chartered accountants has issued a report recommending for adjustments with effect from July 01,2021. The Board in the 178th meeting dated August 31, 2022 decided to make necessary adjustments as suggested by special auditors.

17.00(a) Consolidated Liabilities for Expenses: Tk. 114,053,577

The above balances are made up as follows:

Fu-Wang Foods Ltd.		
Salary & Allowances (H/O)	3,543,405	4,466,578
Salary & Allowances (Fac.)	9,385,832	10,433,539
Audit Fees	391,000	333,500
Power & Fuel	4,650,704	3,836,037
Director's Remuneration	780,000	-
VAT Payable	1,836,308	-
Gratuity Provision	44,720,453	-
Provident Fund Provision	48,745,875	-
Sub Total	**114,053,577**	**19,069,654**
Fu-Wang Beverage Industry Ltd.		
Accrued Expenses	826,768	973,477
Audit Fee Payable	69,000	46,000
Sub Total	**895,768**	**1,019,477**
Grand Total	**114,949,345**	**20,089,131**

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

The above balances are made up as follows:

Opening Balance	314,341,940	309,304,404
Add: Addition during the year	6,605,623	5,037,536
	320,947,563	**314,341,940**
Less: Adjustment made during the year	4,814,402	-
Balance as at 30 June 2022	**316,133,161**	**314,341,940**

18.00(a) Consolidated Provision for Income Tax: Tk. 344,263,788

The above balances are made up as follows:

Opening Balance	342,429,393	337,197,908
Add : Addition during the year (Fu-Wang Foods Ltd.)	6,605,623	5,037,536
Less : Adjustment during the year (Fu-Wang Foods Ltd.)	4,814,402	-
Add : Addition during the year (Fu-Wang Beverage Ind. Ltd.)	43,174	193,949
	344,263,788	**342,429,393**
Less: Adjustment made during the year	-	-
Balance as at June 30, 2022	**344,263,788**	**342,429,393**

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Notes	Particulars		Amount in Taka	
			30 Jun 2022	30 Jun 2021
19.00	**Turnover (net of VAT etc.): Tk. 1,100,937,177**			
	Local Sales		1,124,560,022	858,840,761
	Less : VAT, SD etc.		23,622,845	19,251,346
	Total Turnover		**1,100,937,177**	**839,589,415**
	Details are shown in Annexure-C			
19.00 (a)	**Consolidated Turnover (net of VAT etc.): Tk. 1,141,466,167**			
	The above balances are made up as follows:			
	Fu-Wang Foods Limited		1,100,937,177	839,589,415
	Fu-Wang Beverage Industry Limited		40,528,990	32,324,867
		Total	**1,141,466,167**	**871,914,282**
20.00	**Cost of Goods Sold: Tk. 1,056,647,868**			
	The above balances are made up as follows:			
	Raw Materials Consumed	20.01	**540,243,774**	**458,478,352**
	Packing Materials Consumed	20.02	164,737,024	85,237,992
	Prime Cost		**704,980,798**	**543,716,344**
	Factory Overhead	20.03	350,466,985	141,862,694
	Total Manufactured Cost		**1,055,447,783**	**685,579,038**
	Opening Finished Goods		15,804,844	16,287,301
	Cost of Goods Available for Sales		**1,071,252,627**	**701,866,339**
	Closing Finished Goods		14,604,759	15,804,844
	Cost of Goods Sold		**1,056,647,868**	**686,061,495**
20.01	**Raw Materials Consumed: Tk. 540,243,774**			
	The above balances are made up as follows:			
	Opening Balance as reported		208,730,227	205,554,798
	Less: Prior Period Adjustment		187,002,896	-
	Adjusted Opening Balance		**21,727,331**	**205,554,798**
	Add: Raw Materials Purchased During the Year		530,559,866	461,653,781
	Raw Materials Available for Use		**552,287,197**	**667,208,579**
	Less : Balance as at 30 June 2022		12,043,423	208,730,227
	Raw Materials Consumed		**540,243,774**	**458,478,352**

Disclosure of Prior Period Adjustment for Inventory:

Reference to the minutes of the meetings held at Bangladesh Securities and Exchange Commission (BSEC) with the then members of Board of Directors (forwarded vide commissions' letter No. SEC/SRMIC/2000-922/431, dated December 14, 2021), the adjustment was made as per decision Note-B with regard to the fictitious assets carrying in the Statement of Financial Position. The advice derived from the meeting held on 07 December 2021 between Bangladesh Securities and Exchange Commission and the representative of Fu-Wang Foods Limited.

Addressing the BSEC requirement, in its 177th meeting the Board of Directors of the company resolved to conduct a special audit and appointed M/s. Artisan, Chartered Accountants accordingly to perform the Audit specially on Consolidated Financial Statements of the company for the year ended June 30, 2021 on the assets and liabilities which seemed fictitious of the doubtful accounts resulting the qualified opinion substantiating by the statutory Auditor.

Necessary adjustment was made as per Special Auditor's recommendation:

M/s. Artisan, Chartered accountants has issued a report recommending for adjustments with effect from July 01,2021. The Board in the 178th meeting dated August 31, 2022 decided to make necessary adjustments as suggested by special auditors.

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Notes	Particulars	Amount in Taka	
		30 Jun 2022	30 Jun 2021

20.02 Packing Materials: Tk. 164,737,024

The above balances are made up as follows:

Opening Balance as reported	58,543,310	59,798,264
Less: Prior Period Adjustment	52,385,336	-
Adjusted Opening Balance	**6,157,974**	**59,798,264**
Add: Purchase during the year	179,551,010	83,983,038
Packing Materials Available for Use	**185,708,984**	**143,781,302**
Less: Balance as at 30 June 2022	20,971,960	58,543,310
Packaging Materials Consumed	**164,737,024**	**85,237,992**

Disclosure of Prior Period Adjustment for Inventory:

Reference to the minutes of the meetings held at Bangladesh Securities and Exchange Commission (BSEC) with the then members of Board of Directors (forwarded vide commissions' letter No. SEC/SRMIC/2000-922/431, dated December 14, 2021), the adjustment was made as per decision Note-B with regard to the fictitious assets carrying in the Statement of Financial Position. The advice derived from the meeting held on 07 December 2021 between Bangladesh Securities and Exchange Commission and the representative of Fu-Wang Foods Limited.

Addressing the BSEC requirement, in its 177th meeting the Board of Directors of the company resolved to conduct a special audit and appointed M/s. Artisan, Chartered Accountants accordingly to perform the Audit specially on Consolidated Financial Statements of the company for the year ended June 30, 2021 on the assets and liabilities which seemed fictitious of the doubtful accounts resulting the qualified opinion substantiating by the statutory Auditor.

Necessary adjustment was made as per Special Auditor's recommendation:

M/s. Artisan, Chartered accountants has issued a report recommending for adjustments with effect from July 01,2021. The Board in the 178th meeting dated August 31, 2022 decided to make necessary adjustments as suggested by special auditors.

20.03 Factory Overheads: Tk. 350,466,985

The above balances are made up as follows:

Salary & Wages	77,166,988	59,596,535
Factory Maintenance	9,009,388	3,413,015
Festival Bonus to Factory Staff	9,944,043	4,177,965
Company's Contribution to PF	6,837,497	-
Gratuity	3,826,418	-
Medical Allowance	48,548	75,042
Power, Fuel & Rent	48,917,809	46,732,777
Spare Parts	511,355	2,127,581
Uniform expenses	149,000	-
Conveyance Allowance	337,647	150,322
Fuel for Transport	399,333	304,834
Carriage Inward	865,699	1,281,368
Fooding Allowance	104,800	80,000
Insurance Premium	627,003	627,003
Impairment of fixed assets (72%)	175,432,470	-
Depreciation	16,288,986	23,296,252
Total	**350,466,985**	**141,862,694**

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Notes	Particulars	Amount in Taka	
		30 Jun 2022	30 Jun 2021

Disclosure for Impairment of Property, Plant & Equipment:

Reference to the minutes of the meetings held at Bangladesh Securities and Exchange Commission (BSEC) with the then members of Board of Directors(forwarded vide commissions' letter No. SEC/SRMIC/2000-922/431, dated December 14, 2021), the adjustment was made as per decision Note-B with regard to the fictitious assets carrying in the Statement of Financial Position. The advice derived from the meeting held on 07 December 2021 between Bangladesh Securities and Exchange Commission and the representative of Fu-Wang Foods Limited.

Pursuant to the BSEC notification, in 174th meeting the Board of Directors of Fu-wang Foods Limited held on February 26, 2021 resolved to appointed a professional valuer Firm enlisted with Bangladesh Securities and Exchange commission (BSEC) to conduct the valuation of all fixed assets of the company.

Subsequently M/s. Shiraz Khan Basak & Co, Chartered Accountants was appointed as an independent valuer to conduct and prepare an appraisal of valuation of fixed assets viz. Land, Building, Plant & Machineries and Other Assets as owned by the company through physical inspection/verification available at various locations.

M/s. Shiraz Khan Basak & Co, Chartered Accountants has submitted their report on the valuation of all fixed assets with effect from July 01, 2021. Accordingly the Board of the company has resolved to give necessary impact on the Financial Statements for the year ended 30 June 2022 as reported by Shiraz Khan Basak & Co, Chartered Accountants.

20.00(a) Consolidated Cost of Goods Sold: Tk. 1,096,659,517

The above balances are made up as follows:

Fu-Wang Foods Limited	1,056,647,868	686,061,495
Fu-Wang Beverage Industry Limited	40,011,649	28,102,688
Total	**1,096,659,517**	**714,164,183**

21.00 Administrative Expenses: Tk. 153,127,254

The above balances are made up as follows:

Director Remuneration	5,303,571	3,600,000
Salary & Allowances	40,986,965	44,706,481
Festival Bonus	3,463,153	1,959,488
Company's Contribution to PF	1,314,311	-
Gratuity	1,275,473	-
Conveyance Allowance	253,857	620,066
Printing & Stationary	612,532	635,381
Repairing & Maintenance (Car)	1,592,080	1,624,589
Fuel for Car	1,637,693	1,406,489
Office Maintenance	1,102,452	599,117
Office Rent	6,420,946	6,199,943
Postage & Telegram	4,080	3,890
Rent, Rates & Taxes	1,911,073	-
Fooding Allowance	772,467	774,599
Electricity, WASA & Gas	1,415,449	1,497,743
Foreign Tour/ Travelling Allowance	879,564	1,264,364
Telephone Allowance	1,739,208	1,548,171
Audit Fee	391,000	333,500

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Notes	Particulars	Amount in Taka	
		30 Jun 2022	30 Jun 2021
	Labor Charge	221,538	110,500
	Registration & Renewals	3,437,687	1,645,023
	Donation & Subscription	120,000	509,000
	AGM Expenses	102,554	314,315
	Softaware & Development Expense	50,000	-
	Fees & Professional Expenses	671,172	607,625
	Consultancy fee	688,045	-
	Depreciation	6,334,606	9,059,654
	Internet Expenses	907,768	1,117,329
	Insurance premium	166,171	226,747
	Books and periodicals	2,100	1,800
	Sign and Billboard	-	134,200
	Impairment of fixed assets (28%)	68,223,739	-
	Board meeting attendance fees	1,126,000	185,000
	Total	**153,127,254**	**80,685,014**

Disclosure for Impairment of Property, Plant & Equipment:

Reference to the minutes of the meetings held at Bangladesh Securities and Exchange Commission (BSEC) with the then members of Board of Directors (forwarded vide commissions' letter No. SEC/SRMIC/2000-922/431, dated December 14, 2021), the adjustment was made as per decision Note-B with regard to the fictitious assets carrying in the Statement of Financial Position. The advice derived from the meeting held on 07 December 2021 between Bangladesh Securities and Exchange Commission and the representative of Fu-Wang Foods Limited.

Pursuant to the BSEC notification, in 174th meeting the Board of Directors of Fu-wang Foods Limited held on February 26, 2021 resolved to appointed a professional valuer Firm enlisted with Bangladesh Securities and Exchange commission (BSEC) to conduct the valuation of all fixed assets of the company.

Subsequently M/s. Shiraz Khan Basak & Co, Chartered Accountants was appointed as an independent valuer to conduct and prepare an appraisal of valuation of fixed assets viz. Land, Building, Plant & Machineries and Other Assets as owned by the company through physical inspection/verification available at various locations.

M/s. Shiraz Khan Basak & Co, Chartered Accountants has submitted their report on the valuation of all fixed assets with effect from July 01, 2021. Accordingly the Board of the company has resolved to give necessary impact on the Financial Statements for the year ended 30 June 2022 as reported by Shiraz Khan Basak & Co, Chartered Accountants.

21.00(a) Consolidated Administrative Expenses: Tk. 155,162,418

The above balances are made up as follows:

Fu-Wang Foods Limited	153,127,254	80,685,014
Fu-Wang Beverage Industry Limited	2,035,164	2,520,384
Total	**155,162,418**	**83,205,398**

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Notes	Particulars	Amount in Taka	
		30 Jun 2022	30 Jun 2021
22.00	**Selling and Distribution Expenses: Tk. 97,121,475**		
	The above balances are made up as follows:		
	Salary & Allowances	22,062,969	8,702,916
	Company's Contribution to PF	982,363	-
	Festival Bonus	3,463,153	-
	Gratuity	1,275,473	-
	Travelling & Conveyance	9,098,779	-
	Fuel for Transport	5,937,607	-
	Advertisements	994,371	167,600
	Carriage Outward	34,965,980	12,844,358
	Incentives on Sale	7,159,614	4,517,771
	Distribution of free sample	-	917,500
	Commission on sale	9,781,572	6,536,572
	Business Promotion & Development Expenses	1,399,594	1,697,611
	Total	**97,121,475**	**35,384,328**
22.00(a)	**Consolidated Selling and Distribution Expenses: Tk. 102,824,390**		
	The above balances are made up as follows:		
	Fu-Wang Foods Limited	97,121,475	35,384,328
	Fu-Wang Beverage Industry Limited	5,702,915	7,631,247
	Total	**102,824,390**	**43,015,575**
23.00	**Financial Expenses: Tk. 17,657,337**		
	The above balances are made up as follows:		
	Bank Interest	14,661,787	14,832,803
	Bank Charges and Commission	1,041,375	912,230
	Interest for WPPF	1,954,175	1,665,913
	Total	**17,657,337**	**17,410,946**
24.00	**Current Tax: Tk. 6,605,623**		
	The above balances are made up as follows:		
	Profit before tax as per accounts	(223,616,757)	19,092,983
	Add: Depreciation as per accounts	22,623,592	32,355,906
		(200,993,165)	**51,448,889**
	Less: Depreciation as per 3rd Schedule	30,906,931	65,838,534
	Total	**(231,900,096)**	**(14,389,645)**
	Income Tax as per applicable rate	22.5%	-
	As per Profit	(52,177,521.54)	-
	Minimum Tax:	-	-
	Revenue	1,100,937,177	839,589,415
	Income Tax @ 0.6%	**6,605,623**	**5,037,536**
24.00(a)	**Consolidated Current Tax: Tk. 6,848,797**		
	The above balances are made up as follows:		
	Fu-Wang Foods Limited	6,605,623	5,037,536
	Fu-Wang Beverage Industry Limited	243,174	193,949
	Total	**6,848,797**	**5,231,485**

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Notes	Particulars	Amount in Taka	
		30 Jun 2022	30 Jun 2021
25.00	**Profit Attributable to:**		
	The above balances are made up as follows:		
	Net Profit after Tax of Fu-Wang Foods Limited	(243,287,316)	11,382,117
	Less: Net Loss after Tax of Fu-Wang Beverage Ind. Limited (99%)	1,924,689	6,062,166
	Total	**(245,212,005)**	**5,319,951**
26.00	**Net Asset Value Per Share (NAV) with Revaluation**		
	The above balances are made up as follows:		
	Net Asset Value	383,585,497	1,285,765,897
	Number of ordinary share	110,839,284	110,839,284
	Net asset value per share	**3.46**	**11.60**
26.00(a)	**Net Asset Value Per Share (NAV) (Consolidated)**		
	The above balances are made up as follows:		
	Share holder's Equity	352,019,013	1,313,937,951
	Number of ordinary share	110,839,284	110,839,284
	Net asset value per share	**3.18**	**11.85**

During the year subsidiary company is suffered by loss for which consolidated NAV per share has decreased in comparison to previous year.

27.00	**Earnings per Share (EPS)**		
	The above balances are made up as follows:		
	Earnings Attributable to the Ordinary Shareholders	(243,287,316)	11,382,118
	Weighted Average Number of Ordinary Shares Outstanding During the Year	110,839,284	110,839,284
	Earnings Per Share (EPS)- Basic	**(2.19)**	**0.10**
	Earnings Per Share (EPS)		
	Earnings Attributable to the Ordinary Shareholders	(243,287,316)	11,382,118
	Number of ordinary share	110,839,284	110,839,284
	Earnings Per Share (EPS)- Restated	**(2.19)**	**0.10**

Company experienced an increase in the price of raw material and packing material and also administrative expenses and impairment of fixed assets for which significantly loss incured during the year. As a result earnings per share has also decreased in comparison to previous year significantly.

27.00 (a)	**Earnings per Share (EPS) Consolidated**		
	The above balances are made up as follows:		
	Earnings Attributable to the Ordinary Shareholders	(250,676,589)	5,319,951
	Weighted Average Number of Ordinary Shares Outstanding During the Year	110,839,284	110,839,284
	Earnings Per Share (EPS)- Basic	**(2.26)**	**0.05**
	Earnings Per Share (EPS)- Adjusted		
	Earnings Attributable to the Ordinary Shareholders	(250,676,589)	5,319,951
	Number of ordinary share	110,839,284	110,839,284
		(2.26)	**0.05**

Company experienced an increase in the price of raw material and packing material and also administrative expenses and impairment of fixed assets for which significantly loss incured during the year. As a result earnings per share has also decreased in comparison to previous year significantly.

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Notes	Particulars	Amount in Taka	
		30 Jun 2022	30 Jun 2021

28.00 Net operating cash flow per share (NOCFPS)

The above balances are made up as follows:

Net cash generated from operating activities	33,672,260	41,734,004
Number of ordinary share	110,839,284	110,839,284
Net Operating Cash Flow Per Share	**0.30**	**0.38**

Cash payment against purchase, administration & selling and distribution expenses increased during the year for which operating cash flows decreased in comparison with previous year.

28.00(a) Net operating cash flow per share (Consolidated)

The above balances are made up as follows:

Net cash generated from operating activities	49,951,497	39,842,613
Number of ordinary share	110,839,284	110,839,284
Net Operating Cash Flow Per Share	**0.45**	**0.36**

29.00 Related Party Disclosure:

The details of related party transaction during the year along with the relationship is illustrated below in accordance with IAS 24:

Name of the related party	Nature of transaction	Relation ship	Opening balance	Transaction during the year		Closing balance
				Debit	Credit	
Fu-Wang Beverage Industry Limited	Expenditure Purpose	Subsidiary Company	140,623,833	79,970,583	55,753,062	164,841,354

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

Mr. Miya Mamun, 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 from February 26, 2022 to June 30, 2022 is as follows:

Name	Designation	No. of Meeting	Meeting Attending Fees	Total Meeting Fees	Directors Remuneration	Total (Taka)
Major General Firoz Hasan, ndu psc (Retd)	Chairman	3	8,000	24,000	-	24,000
Dr. Arif Ahmed Chowdhury, CIP	Managing Director	10	8,000	80,000	2,100,000	2,180,000
Miya Mamun	Managing Director	6	8,000	48,000	2,464,286	2,512,286
Afsana Tarannum	Director	9	8,000	72,000	-	72,000
Lubaba Tabassum	Director	6	8,000	48,000	-	48,000
Md. Sidratul Mahabub Hasan	Director	6	8,000	48,000	739,285	787,285
Mohammad Sanaullah FIPM FCS	Independent Director	9	8,000	72,000	-	72,000
Professor Dr. Md. Nizamul Hoque Bhuiyan	Independent Director	9	8,000	72,000	-	72,000
Brigadier General Md. Israt Hossain, ndc, psc (LPR)	Independent Director	9	8,000	72,000	-	72,000
Ajit Kumar Paul FCA	Independent Director	9	8,000	72,000	-	72,000
Mohammad Salahuddin Chowdhury FCA	Independent Director	9	8,000	72,000	-	72,000
Sayed Jishan	Independent Director	1	8,000	8,000	-	8,000
Md. Afzal Hossain	Chairman	6	8,000	48,000	-	48,000
Md. Abul Kashem (MIS Dept, DU)	Independent Director	5	8,000	40,000	-	40,000
Ms. Ishter Mahal (AIS Dept, DU)	Independent Director	5	8,000	40,000	-	40,000
Total				**816,000**	**5,303,571**	**6,119,571**

(a) During the year total 15 Board Meetings were held, total meeting fee was Tk. 816,000 including VAT & Tax.

(b) During the Financial Year Arif Ahemd Chowdhury CIP, Managing Director of the Company received Remuneration amounting taka 2,100,000.

(b) During the Financial Year Miya Mamun, Managing Director of the Company received Remuneration amounting taka 2,464,286.

(b) During the Financial Year Md. Sidratul Mahabub Hasan, Director of the Company received Remuneration amounting taka 739,285.

(c) No compensation was made to the Managing Director & CEO of the company except as stated above.

(d) No amount was spent by the company for compensating any member of the Board of Directors except as stated above.

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Notes	Particulars	Amount in Taka	
		30 Jun 2022	30 Jun 2021
30.00	**Reconciliation of cash flows from operating activities under indirect method**		
	Net profit/(Loss) during the year	(243,287,316)	11,382,118
	Add: Impairment of Fixed Assets	243,656,209	-
	Add: Depreciation	22,623,592	32,355,906
	Change in current assets and liabilities		
	(Increase) in advance deposit and prepayments	(9,013,978)	(1,512,955)
	(Increase) in Trade and other receivables	18,057,221	(35,716,503)
	(Increase) in Inventories	(3,929,993)	(1,438,019)
	Increase in Trade and other Payables	-	21,855,128
	Increase in Liabilities for expense	8,776,048	7,076,901
	Increase in provision of income tax	1,791,221	5,037,536
	Increase In Advance income tax	(1,763,161)	(2,600,000)
	Deferred Tax	13,064,936	2,673,330
	Workers' profit participation fund (WPPF)	1,954,174	2,620,562
	Total	**51,928,953**	**41,734,004**

30.00(a) Reconciliation of cash flows from operating activities under indirect method (Consolidate)

Net profit during the year	(250,751,228)	5,258,717
Prior period adjustment	(741,359)	-
Impairment of fixed assets	243,656,209	-
Depreciation	25,289,420	35,170,066
Change in current assets and liabilities		
(Increase) in advance deposit and prepayments	(9,013,978)	(2,715,193)
(Increase) in Trade and other receivables	20,027,975	(33,046,403)
(Increase) in Inventories	13,846,574	(1,511,182)
Increase in Trade and other Payables	2,311,893	21,799,895
Increase in Liabilities for expense	8,692,339	6,981,336
Increase in provision of income tax	1,834,395	5,231,485
Decrease In Advance income tax	(1,963,161)	(2,600,000)
Deferred Tax	13,064,936	2,673,330
Workers' Profit Participation Fund (WPPF)	1,954,174	2,620,562
Total	**68,208,189**	**39,862,613**

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

Sl. No.	Salary Range	No. of Person	
		2021-2022	2020-2021
1	5000-15000	550	45
2	15000-25000	120	105
3	25000-50000	45	60
4	50000-200000	13	10
5	200000 -above	2	0
Total No. of Person		**730**	**220**

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32.00 Tax Assessment Status:

Accounting Year	Assessment Year	Provision for Income Tax	Tax Liabilities as per Assessment Order	Advance Income Tax Paid	Tax Paid	Total Tax as per the Company	Assessment Status
2002-2003	2003-2004	10,403,665	14,830,766	2,617,734	9,185,931	11,803,665	Stay No-248 High court C.R-t/d
2003-2004	2004-2005	11,178,107	14,145,576	5,018,121	9,127,455	14,145,576	Settled
2004-2005	2005-2006	11,303,774	14,539,767	5,533,963	9,005,804	14,539,767	Settled
2005-2006	2006-2007	11,802,224	15,991,182	12,286,491	3,704,691	15,991,182	Settled
2006-2007	2007-2008	8,632,226	17,873,196	-	15,809,222	15,809,222	High court ITRA No.195/2018 (certified copy attested)
2007-2008	2008-2009	9,408,956	31,930,291	8,517,596	2,303,301	10,820,897	Stay No-249 High court C.R-t/d
2008-2009	2009-2010	8,186,812	20,254,063	5,093,982	6,136,080	11,230,062	Stay No-250 High court C.R-t/d
2009-2010	2010-2011	10,178,651	25,305,422	-	13,065,926	13,065,926	Stay No-265 High court C.R-t/d
2010-2011	2011-2012	25,942,992	41,206,495	7,500,000	22,767,692	30,267,692	High court ITRA No. 466/216
2011-2012	2012-2013	28,518,008	44,112,659	24,724,892	3,419,108	28,144,000	High court ITRA No.447/2017 (10% deposit Tk. 21,44,000)
2012-2013	2013-2014	23,252,149	45,447,006	-	16,260,695	16,260,695	High court ITRA No. 172/2018 (10% deposit Tk. 17,60,695)
2013-2014	2014-2015	23,489,860	27,966,623	24,500,000	3,466,623	27,966,623	Settled by Deposit
2014-2015	2015-2016	34,910,997	39,842,348	15,235,397	27,405,570	42,640,967	Appeal order execution pending
2015-2016	2016-2017	24,262,246	38,741,028	32,462,246	-	32,462,246	After revised assessment
2016-2017	2017-2018	15,369,468	22,310,462	22,659,933	-	22,659,933	Appeal order implemented
2017-2018	2018-2019	17,290,110	20,779,990	17,290,110	-	17,290,110	Appeal order implemented
2018-2019	2019-2020	26,366,256	33,458,729	26,636,904	-	26,636,904	Appeal Pending+Previous FA Opening Balance correction required
2019-2020	2020-2021	8,807,903	-	6,800,000	1,600,000	8,400,000	Return submitted & under process
2020-2021	2021-2022	5,037,536	13,962,836	2,600,000	-	13,962,836	Return submitted & under process
2021-2022	2022-2023	-	-	-	-	-	Return bill be submitted
Total Taka		**314,341,940**	**482,698,439**	**219,477,369**	**143,258,098**	**374,098,303**	

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33.00 Financial Risk Management (IFRS 7)

33.01 Introduction

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

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

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

33.02 Carrying amounts of financial instruments by category

The following table shows the carrying amounts of financial instruments by category at the end of June 30, 2022:

Maturity analysis

Particulars	Current	>30 days	>90 days	>1 year	Total
Financial Assets					
Cash and Cash Equivalents	4,553,556	-	-	-	4,553,556
Trade and Other Receivables	24,608,503	5,579,851	11,301,965	35,681,837	77,172,156
Advances, Deposits and Prepayments	48,910,246	26,771,651	10,708,660	449,042,465	535,433,022
Balance at June 30, 2022	**78,072,305**	**32,351,502**	**22,010,625**	**484,724,302**	**617,158,734**

Financial liabilities measured at amortized cost:					
Long Term Loan	-	-	-	11,993,157	11,993,157
Short Term Bank Loans and Others	82,190,707	-	67,246,942	-	149,437,649
Trade and Other Payables	114,507,538	12,723,060	-	-	127,230,598
Liabilities for Expenses	20,587,249	4,673,316	4,673,316	84,119,695	114,053,576
Balance at June 30, 2022	**217,285,494**	**17,396,376**	**71,920,258**	**96,112,852**	**402,714,980**

33.03 Credit risks:

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

The credit risk with Accounts Receivable (see note 06) is limited, as the Company has numerous dealer located in various geographical regions. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each dealer. Credit limits are established for each dealer, whereby the credit limit represents the maximum open amount without requiring payments in advance these limits are reviewed regularly (credit check).The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the Statement of Financial Position. There are no commitments that could increase this exposure to more than the carrying amounts.

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33.04 Market risks

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

33.05 Interest rate risk

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

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

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

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

33.06 Liquidity risk

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

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

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

Particulars	Carrying amount	Between 1 and 90 days	Between 91 and 360 days	Between 1 and 2 years	Over 2 years
Non-derivative financial liabilities					
Long Term Loan	11,993,157	-	-	11,993,157	-
Short Term Bank Loans and Others	149,437,649	149,437,649	-	-	-
Trade and Other Payables	127,230,598	127,230,598	-	-	-
Liabilities for Expenses	114,053,576	29,933,881	84,119,695	-	-
Balance at June 30, 2022	**402,714,980**	**306,602,128**	**84,119,695**	**11,993,157**	**-**

34.00 Plant Installed Capacity and Capacity Utilization

Particulars	Unit	Capacity of Production	Actual Production	Capacity Utilization %
Foods & Beverage Items(2021-22)	MT	11,118	8,008	72%
Foods & Beverage Items(2020-21)	MT	11,118	6,893	62%

35.00 Capital Expenditure Commitment

There was no capital expenditure commitment as on June 30, 2022

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

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

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

38.00 Contingent Liability:

There was a demand of Tk. 10,473,921 by the Custom & VAT Authority for payment of VAT in excess of the amount paid by the company during 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 the eager filed a Writ Petition 2058 of 2005 before the High Court Division of Hon'ble Supreme Court of Bangladesh. The Hon'ble High Court through its order dated 03/04/2005 stayed the operation of the Tribunal Order till disposal of the writ. This liability of Tk. 7,838,832 is thus contingent upon disposal of the Writ petition and further appeals, if any at all arises. Therefore, Tk. 7,838,832 is the contingent liability pertaining to the period up to June 30, 2022.

39.00 Event after the Balance Sheet Date:

39.01 The Board of Directors in its meeting held on November 13, 2022 has approved the Financial Statements for the year ended 30 June 2022 and recommended no 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.

BSEC has appointed two independent Directors on 14 February 2022 as per the letter Ref # SEC/SRMIC/2020-922/part-2/61.

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

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Chief Financial Officer	Company Secretary	Managing Director	Chairman

Place: Dhaka, Bangladesh

Dated: 13 November 2022

FU-WANG FOODS LIMITED

Schedule for Property Plant and Equipment

For the year ended 30 June 2022

Annexure - A

Particulars	Cost				Rate	Depreciation			Written down value as at 30-June-2022	Written down value as at 30-June-2021
	Balance as at 01-Jul-2021	(Impairment)/ Revaluation	Addition during the year	Balance as at 30-June-2022		Balance as at 01-Jul-2021	Addition during the year	Balance as at 30-June-2022		
Land & Land Development	52,620,123	-	-	52,620,123	-	-	-	-	52,620,123	52,620,123
Factory Building	157,196,757	-	781,312	157,978,069	2.5%	28,684,136	3,232,348	31,916,484	126,061,585	128,512,621
Plant and Machinery	493,954,109	(238,498,000)	3,614,874	259,070,983	5%	199,036,209	3,001,739	202,037,947	57,033,036	294,917,900
Gas Line	28,074,502	-	500,000	28,574,502	10%	16,474,007	1,210,050	17,684,057	10,890,446	11,600,495
Head office Buildings	55,532,411	-	1,500,000	57,032,411	5%	23,231,602	1,690,040	24,921,642	32,110,769	32,300,809
Furniture and Fixture	7,471,509	-	162,300	7,633,809	10%	3,557,429	407,638	3,965,067	3,668,742	3,914,081
Motor Vehicles	62,562,603	-	-	62,562,603	10%	29,118,957	3,344,365	32,463,322	30,099,281	33,443,646
Electrical Equipment	58,276,918	-	888,260	59,165,178	10%	34,372,488	2,479,269	36,851,757	22,313,421	23,904,430
Telephone & PABX Installation	2,005,660	-	-	2,005,660	10%	1,049,512	95,615	1,145,127	860,533	956,148
Office Equipment	2,569,965	-	2,396,420	4,966,385	20%	2,211,607	550,956	2,762,563	2,203,822	358,358
Cookeries & Cutleries	104,866	-	21,900	126,766	20%	102,344	4,884	107,228	19,538	2,522
Bicycle & Rickshaw Van	163,685	-	249,800	413,485	20%	162,375	50,222	212,597	200,888	1,310
Deep Tube-well & Pump	1,141,315	-	-	1,141,315	10%	908,538	23,278	931,816	209,499	232,777
Generator	26,424,573	(5,158,209)	2,724,600	23,990,964	10%	9,858,992	1,413,197	11,272,189	12,718,775	16,565,581
Sub Total	**948,098,996**	**(243,656,209)**	**12,839,466**	**717,282,253**		**348,768,194**	**17,503,600**	**366,271,794**	**351,010,459**	**599,330,801**
Intansible Assets										
HR Software	-	-	574,035	574,035	10%	-	57,404	57,404	516,632	-
Sub Total	**-**	**-**	**574,035**	**574,035**		**-**	**57,404**	**57,404**	**516,632**	**-**
Revaluation										
Land & Land Development	-	13,107,877	-	13,107,877	0%		-	-	13,107,877	-
Buildings & Other Constructions	100,715,000	25,611,740	-	126,326,740	5%	43,428,299	4,144,922	47,573,221	78,753,519	57,286,701
Factory Building Construction	-	36,706,653	-	36,706,653	2.5%	-	917,666	917,666	35,788,987	-
Sub Total	**100,715,000**	**75,426,270**	**-**	**176,141,270**		**43,428,299**	**5,062,588**	**48,490,887**	**127,650,383**	**57,286,701**
Grand Total 2022	**1,048,813,996**	**(168,229,939)**	**13,413,501**	**893,997,558**	**-**	**392,196,493**	**22,623,592**	**414,820,085**	**479,177,473**	**656,617,502**
Grand Total 2021	**989,229,032**		**59,584,964**	**1,048,813,996**	**-**	**359,840,587**	**32,355,906**	**392,196,493**	**656,617,503**	**629,388,445**

Allocation of Depreciation :

	Cost	Revaluation	Total
Production	12,643,923	3,645,063.63	16,288,986
Administration	4,917,081	1,417,524.75	6,334,606
	17,561,004	**5,062,588**	**22,623,592**

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FU-WANG FOODS LIMITED
Schedule of Raw Materials
For the year ended 30 June 2022

Annexure-B

Sl No.	Name of the Item	Unit	Opening (Restated)		Purchase		Available for Consumption		Consumed		Closing	
			Qty.	Taka	Qty.	Taka	Qty.	Taka	Qty.	Taka	Qty.	Taka
1	Flour	MT.	133	4,846,743	2,973	118,352,645	3,106	123,199,388	3,080	122,059,453	26	1,139,935
2	Dalda	MT.	23	2,551,943	515	62,315,921	538	64,867,864	529	63,222,670	9	1,645,195
3	Sugar	MT.	53	4,150,189	1,196	101,343,501	1,250	105,493,691	1,238	104,547,384	12	946,307
4	Sala Oil	MT.	21	2,356,095	464	57,533,496	485	59,889,591	471	57,576,601	14	2,312,990
5	Milk Powder	MT.	5	1,894,897	103	46,271,497	107	48,166,394	107	48,057,558	0	108,835
6	Others	MT.	19	5,341,442	427	130,432,720	446	135,774,162	421	129,892,911	25	5,881,251
7	Eggs	Pcs.	75,131	586,022	1,683,141	14,310,085	1,758,271	14,896,108	1,757,192	14,887,198	1,080	8,910
Total			**75,384**	**21,727,331**	**1,688,819**	**530,559,866**	**1,764,204**	**552,287,197**	**1,763,038**	**540,243,774**	**1,165**	**12,043,423**

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FU-WANG FOODS LIMITED

Details of Turnover
For the year ended 30 June 2022

Annexure-C

Vatable items	Gross Sales	VAT & SD	Net Sales FY 2021-2022	Net Sales FY 2020-2021
Dia Salt Biscuit	43,608,935	2,076,616	41,532,319	50,331,090
Eco Dia Salt Biscuit	2,758,902	131,376	2,627,525	5,828,320
Fu-Wang Tube Biscuit	195,578	9,313	186,265	4,064,656
Fu-Wang Reo Biscuit	707,717	33,701	674,016	458,473
Horlicks Biscuit	18,707,120	890,815	17,816,305	10,529,088
Milk Marie Biscuit	1,369,844	65,231	1,304,613	1,403,856
Namkin Biscuit	1,617,812	77,039	1,540,773	5,508,432
New Nutritious Biscuit	7,217,701	343,700	6,874,001	5,205,666
Salted Biscuit	2,517,795	119,895	2,397,900	3,588
Fu-Wang Twitter Diasalt Biscuit	29,519,049	1,405,669	28,113,380	14,397,258
Choco Toast	2,611	124	2,486	276,960
Crunchy Ghee Toast	8,193,986	390,190	7,803,796	13,573,714
Signature Cream Roll	8,972,263	427,251	8,545,012	2,550,878
Signature Orange Biscuit	254,915	12,139	242,776	283,634
Signature Salted Biscuit	69,279	3,299	65,980	2,014,545
Fu-Wang Toast	12,849,690	611,890	12,237,800	10,598,505
Misty Toast	2,317,475	110,356	2,207,119	5,604,396
Miu Miu Toast	-	-	-	14,904
Non Stop Crispy Toast	59,577	2,837	56,740	293,194
Sandwich Toast	-	-	-	20,870
Spicy Toast	8,737,095	416,052	8,321,042	9,485,632
Sweet Toast	134,895	6,424	128,471	1,858,815
American Cheese Cake	8,131,401	387,210	7,744,192	5,530,649
Any Time Slice Cake	66,500,230	3,166,678	63,333,552	41,534,833
Any Time Slice Cake	469,175	22,342	446,833	415,054
Apple Pie	2,499	119	2,380	5,796
Chocolate Cake-90 gm	1,126,310	53,634	1,072,676	1,666,981
Chocolate Cake-35 gm	-	-	-	7,305
Cheese Slice Cake	91,558,479	4,359,928	87,198,552	41,923,519
Jerry Cake	76,246,370	3,630,780	72,615,590	51,321,419
Muffin Cake	4,313,985	205,428	4,108,558	4,637,945
Swiss Cheese Cake	9,323,630	443,982	8,879,648	9,244,978
Vanilla Pie	14,731,260	701,489	14,029,771	14,118,384
Yo Yo Pocket Waffer (S F)	500,369	23,827	476,542	524,922
Yo Yo Pocket Waffer (V F)	871,853	41,517	830,336	1,833,280
Dry Cake-350 gm	1,086,839	51,754	1,035,085	1,942,530
Dry Cake-40	7,742,637	368,697	7,373,940	8,450,177
ChocoNut	33,337	1,587	31,749	634,739
Choco Pie	14,620,305	696,205	13,924,100	9,889,597
Doremon Wafer	4,184,107	199,243	3,984,864	2,714,903
Play Glucose	4,589,479	218,547	4,370,933	2,530,325
Dairy Milk	32,369	1,541	30,828	191,388

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Go Go	24,045	1,145	22,900	65,070
Ko Ko	94,689	4,511	90,178	7,214
Fu-Wang Dairy Milk	80,766	3,846	76,920	210,040
Lascha Shemai	775,174	101,110	674,064	1,814,005
Printing Items (poly/pouch)	5,995,960	782,081	5,213,879	4,448,916
Unprinted inner poly	1,984,960	258,908	1,726,052	1,618,637
Jeera Plus	790,990	240,736	550,254	407,425
Boroi Chutney 50 Gm	313,926	14,949	298,977	495,599
Tetul Chutney 50 Gm	1,141,740	54,369	1,087,371	401,663
Volt Carbonated	175,601	53,444	122,157	365,866
Pure Drinking Water -500ML	483,089	83,015	400,074	713,494
First Love Biscuit (45GM) 45 Gm	5,821,406	277,210	5,544,196	6,680,661
Pure Drinking Water -1500ML	227,530	39,099	188,430	89,029
Sub-Total	**473,786,746**	**23,622,845**	**450,163,900**	**360,742,817**
Non Vatable items				
Butter Bun Bread	64,036,317	-	64,036,317	44,966,891
Custard Bun	27,077,743	-	27,077,743	2,244,868
Daily Bread	9,768,886	-	9,768,886	40,539,369
Delicious Bread	84,308,726	-	84,308,726	68,108,841
E. Sweet Bread	21,967,068	-	21,967,068	20,627,946
Family Bread	19,968,476	-	19,968,476	11,638,027
Honeymix	29,536,728	-	29,536,728	27,504,910
Medium Bread	59,360,345	-	59,360,345	60,767,574
Mercury Bread	121,527,625	-	121,527,625	36,585,172
Milky Bread-700 Gm	8,015,874	-	8,015,874	9,172,684
Milky Bread-350 Gm	75,652,039	-	75,652,039	52,100,277
Platinum Sandwich Bread	23,583,530	-	23,583,530	33,992,560
Sandwich Bread	501,567	-	501,567	774,380
Special Bread	75,760,679	-	75,760,679	39,116,813
Sweet Bread	6,701,512	-	6,701,512	14,093,601
Tiffin Bread	15,994	-	15,994	1,458,195
V Butter Bun	22,990,168	-	22,990,168	15,154,490
Sub-Total	**650,773,276**	**-**	**650,773,276**	**478,846,598**
Grand Total	**1,124,560,022**	**23,622,845**	**1,100,937,177**	**839,589,415**

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FU-WANG FOODS LIMITED

Disclosure as per requirement of Schedule XI, Part II of The Companies Act, 1994
For the year ended 30 June 2022

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

Employees position of the company as at 30 June, 2022

Annexure-D

Salary (Monthly)	Officer & Staff		Worker	Total Employees
	Factory	Head Office		
Aggregate remuneration for the year Taka. 36,000 and above.	207	31	492	730
Aggregate remuneration for the year below Taka. 36,000.	-	-	-	-
Total	**207**	**31**	**492**	**730**

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

Para	Particulars	Compliance status of disclosure of Schedule XI, Part II, Para 3
3(i)(a)	The turnover	Complied -Disclosed in Note No-2.19
3(i)(b)	Commission paid to the selling agent	Complied -Disclosed in Note No-2.19
3(i)(c)	Brokerage and discount on sales, other than the usual trade discount	Not Applicable
3(i)(d)(i)	The value of raw materials consumed, giving item wise break up as possible	Complied -Disclosed in Annexure-B
3(i)(d)(ii)	The opening and closing stocks of goods produced	Complied -Disclosed in Note No-20, 20.1 & 20.02
3(i)(e)	In the case of trading companies, the purchase made and the opening and closing stocks.	Complied -Disclosed in Note No-20.1 & 20.02
3(i)(f)	In the case of companies rendering of supplying services, the gross income derived from services rendered or supplied.	Not Applicable
3(i)(g)	Opening and closing stocks, purchases and sales and consumption of raw materials with value and quantity break-up for the company, which falls under one or more categories i.e.; manufacturing and/or trading.	Not Applicable
3(i)(h)	In the case of other companies, the gross income derived under different heads.	Not Applicable
3(i)(i)	Work-in-progress, which have been completed at the commencement and at the end of the accounting period.	Not Disclosed in FS
3(i)(j)	Provision for depreciation, renewals or diminution in the value of fixed assets.	Complied -Disclosed in Annexure-A
3(i)(k)	Interest on the debenture paid or payable to themanaging Directors, Managing Agent or Manager.	Not Applicable

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3(i)(l)	**Charge of income tax and other taxation on profits.**	**Complied -Disclosed in Note No-18**
3(i)(m)	**Revised for repayment of share capital and repayment of loans**	**Not Applicable**
3(i)(n)(i)	**Amount set aside or proposed to be set aside, to** reserve, but not including provisions made to meet any specific liability, contingency or commitment, know to exist at the date as at which the balance sheet is made up.	**Not Applicable**
3(i)(n)(ii)	Amount withdrawn from above mentioned reserve.	Not Applicable
3(i)(o)(i)	Amount set aside to provision made for meeting specific liabilities, contingencies of commitments.	Not Applicable
3(i)(o)(ii)	Amount withdrawn from above mentioned provisions, as no longer required.	**Not Applicable**
3(i)(p)	Expenditure incurred on each of the following items, separately for each item: (i) Consumption of stores and spare parts (ii) Power and Fuel (iii) Rent (iv) Repairs of Buildings (v) Repairs of Machinery (1) Salaries, wages and bonus (2) Contribution to provident and other funds (3) Workman and staff welfare expenses to the extent not adjusted from any previous provision or reserve.	**Complied -Disclosed in Note No-21 & 22**

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

Payment/Perquisites to Directors & Managers

Complied and Disclosed in Note: 28.

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

Details of Production capacity Utilization

			2021-2022	
Particulars	**License Capacity (In MT)**	**Installed Capacity**	**Annual Production**	**Capacity Utilization**
Annual production capacity in MT	N/A	11,118	8,008	72%

			2020-2021	
Particulars	**License Capacity (In MT)**	**Installed Capacity**	**Annual Production**	**Capacity Utilization**
Annual production capacity in MT	N/A	11,118	6893	62%

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

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

Items	Total Purchase (BDT)	Consumption (BDT)	% of consumption of total
Raw materials	530,559,866	540,243,774	102%
Spare parts	511,355	511,355	100%
Packing materials	179,551,010	164,737,024	92%
Total	**710,622,231**	**705,492,153**	

Value of export:

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

(i) The company has not incurred any expenditure in foreign currencies for the period from 01 July 2021 to 30 June 2022, on account of Royalty, know-how, professional fees, consultancy fees and interest;

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

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

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FU-WANG BEVERAGE INDUSTRY LIMITED
Report of the Board of Directors
for the year ended 30 June 2022

Dear Shareholders

In compliance of section 184 of the Companies Act 1994, on behalf of the Board of Directors, I have the pleasure to submit this report along with Audited Financial Statements containing Statement of financial Position, Statement of Profit or Loss & other Comprehensive Income, Statement of Change in Equity and Statement of Cash Flows for the year ended on 30 June 2022 at this 17th 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 Annual Report 2021-22, the company's turnover was Taka 4.05 crore that is 25.38% from the last year of Taka 3.23. Despite of the increased turnover company earned net loss after tax Taka 74.63 lac against the loss of Taka 61.23 lac from the preceding year. The reason behind decrease of the Gross profit was due to high cost of raw materials. The cogs increased by 42.38% compare to last year.

Financial Position

The operating financial results for the year ended 30 June 2022 are as follows

Particulars	30 June 2022 (Taka)	30 June 2021 (Taka)	Increase/(Decrease) (Taka)	Increase/(Decrease) %
Turnover (Net)	40,528,990	32,324,867	8,204,123.00	25.38%
Gross Profit	517,341	4,222,179	-3,704,838.15	-87.75%
Net Profit/Loss Before Tax	-7,220,738	-5,929,452	-1,291,286.34	21.78%
Net Profit/Loss After Tax	-7,463,912	-6,123,401	-1,340,511.28	21.89%
Net Assets Value Per Share (NAV)	-216.66	781.72	-998.38	-127.72%
Earning Per Share (EPS)	-74.64	-61.23	-13.41	21.90%

Shareholding

The shareholding position of the company is as follows:

Particulars	Increase/(Decrease) (Taka)	Increase/(Decrease) %
Fu-Wang Foods Limited (Holding Company)	98,000	98.00%
Mr. A.K.M. Afzal Ul Munir	1,000	1.00%
Mr. Mirza Rashed Nawaz	1,000	1.00%
Total	100,000	100.00%

Appointment of Director

The Board in its meeting held on October 26, 2022 appointed Mirza Rashed Nawaz as Director of the company.

Appointment of Auditors

The existing auditors M/s. MABS & J Partners, Chartered Accountants retire at this Annual General Meeting, being eligible offered themselves for re-appointment for the next term i.e. year ending June 30, 2023 with increase of Audit fee.

The Directors endorsed the appointment of M/s. MABS J. Partners, Chartered Accountants as the auditors of the company for the year 2022-2023 at a fee of Tk. 75,000 (Taka seventy thousands only) inclusive of tax and VAT.

Acknowledgement

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

On behalf of the Board



Md. Abul Kashem
Chairman

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

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Fu-Wang Beverage Industry Limited, which comprise the statement of financial position as at 30 June 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

(i) Refer to Note-5, Accounts Receivable of BDT. 11,462,488, a prior year adjustment was made of BDT. 123,985,784 by the management, following a special audit conducted at their company as per the instruction of BSEC via letter with reference no. SEC/SRMIC/2000-922/431, dated December 14, 2021. On verification of the basis of such adjustment, we found that the adjustment was considered from the mismatches between the trade receivables reported in the financial statements and the figure reported from the sales software without making any communication with the concerned customers. Hence, there is risk of declining the receivable amount by the concerned customers in future and no proper basis for the adjustment was made available to us. Also, for accounts receivable of BDT. 6,752,438, we sent balance confirmation, against which we did not receive any response. Hence, the above-mentioned balance remains unverified and unconfirmed to the extent the responses were not forthcoming.

(ii) No deferred tax was reported in the financial statements, a non-compliance of IAS-12 Income Taxes.

(iii) No Fixed Asset register was maintained containing details such as item-wise cost price, book value, tag no., person in charge, condition etc. Also, as the assets were not tagged, we were unable to carry out a physical inspection of the same. The net book value of property, plant and equipment as at 30 June 2022 is BDT. 111,593,762.

(iv) **Refer to Note-10, 'Current Liabilities and Provision',**

- For the subsidiary, BDT 40,100,000 was reported as 'Deposit against share by holding company' in the financial year 2020-21, which was transferred as a liability with the holding company in Note-10 'Current Liabilities and Provision' during the year. As per gazette **#১৪৬/এফআরসি/প্রশাঃ/প্রজ্ঞাপন/২০২০/০১** dated 02 March 2020, any money received as Share Money Deposit (SMD) or whatever name, included in the Equity, is not refundable. The money received under SMD should be converted into Share Capital within 6 months of receipt of the money. However, it is reported by management that as no receipt of money from the holding company against the said shares was evident, it is adjusted as an intercompany transaction.
- for inter-company transaction with the subsidiary of BDT. 24,217,521, no prior resolution or arrangements are evident between the parent and the subsidiary. Also, it is evident that business operational transactions are paid by both the companies from time to time.

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(v) As per section-99 of Bangladesh Labor Act 2006 (as amended in 2015), for an establishment with 100 permanent workers, the employer is to arrange group insurance for its employees. The company has not introduced any group insurance for its employees; a non-compliance of the Bangladesh Labor Act.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

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

a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and

c) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

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Place: Dhaka, Bangladesh
Dated: 13 November 2022

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

Jagadish Chandra Biswas FCA
Partner
ICAB Enrollment No: 199
DVC No: 2211140199AS748678

Fu-Wang Beverage Industry Limited
Statement of Financial Position
As at 30 June 2022

Particulars	Notes	Amount in Taka	
		2021-2022	2020-2021
ASSETS:			
Non-Current Assets		**111,593,762**	**38,606,741**
Property, Plant and Equipment (WDV)	**3.00**	179,389,348	103,736,499
Less : Accumulated Depreciation		67,795,586	65,129,758
Current Assets , Loan and Advance		**64,467,394**	**210,804,076**
Inventories	**4.00**	9,602,733	27,379,300
Accounts Receivable	**5.00**	11,462,488	137,419,026
Advances, Deposits and Prepayments	**6.00**	42,412,547	45,010,581
Cash and Cash Equivalents	**7.00**	989,626	995,169
Total Assets		**176,061,156**	**249,410,817**
EQUITY & LIABILITIES:			
Shareholders' Equity		**(21,666,486)**	**78,172,054**
Share Capital	**8.00**	10,000,000	10,000,000
Retained Earnings	**9.00**	(106,678,139)	28,072,054
Revaluation Reserve		75,011,653	-
Deposit against Share by Holding Company		-	40,100,000
Current Liabilities	**10.00**	**197,727,642**	**171,238,763**
Liability for Security Deposit		1,035,500	995,500
Accrued Expenses		826,768	973,477
Audit Fee Payable		69,000	46,000
Advance Received from Fu-Wang Foods Limited		164,841,354	140,623,833
Sundry Creditors (Others)		2,824,393	512,500
Provision for Income Tax		28,130,627	28,087,453
Total Liabilities		**176,061,156**	**249,410,817**

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

Chief Financial Officer **Managing Director** **Chairman**

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

Place: Dhaka, Bangladesh
Dated: 13 November 2022

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

Jagadish Chandra Biswas FCA
Partner
ICAB Enrollment No: 199
DVC No: 2211140199AS748678

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Fu-Wang Beverage Industry Limited

Statement of Profit or Loss and other comprehensive Income
For the Year Ended 30 June 2022

Particulars	Notes	Amount in Taka	
		30 Jun 2022	30 Jun 2021
Sales Revenue	11.00	40,528,990	32,324,867
Less : Cost of Goods Sold	12.00	40,011,649	28,102,688
Gross Profit		**517,341**	**4,222,179**
Less : Administrative Expenses	13.00	2,035,164	2,520,384
Profit/(Loss) before Selling & Distribution Expenses		**(1,517,823)**	**1,701,795**
Less : Selling & Distribution Expenses	14.00	5,702,915	7,631,247
Operating Net Profit/(Loss) before Tax		**(7,220,738)**	**(5,929,452)**
Less: Provision For Income Tax		(243,174)	(193,949)
Net Profit/(Loss)		**(7,463,912)**	**(6,123,401)**

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

Chief Financial Officer | **Managing Director** | **Chairman**

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

Place: Dhaka, Bangladesh
Dated: 13 November 2022

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

Jagadish Chandra Biswas FCA
Partner
ICAB Enrollment No: 199
DVC No: 2211140199AS748678

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Fu-Wang Beverage Industry Limited

Statement of Changes in Equity

For the Year Ended 30 June 2022

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total
Opening Balance as on 01 July 2021	10,000,000	-	28,072,054	38,072,054
Prior period Adjustment	-	-	(127,525,177)	(127,525,177)
Depreciation on Revaluation	-	(238,896)	238,896	-
Revaluation Reserve	-	75,250,549	-	75,250,549
Net profit/(Loss) for the year	-	-	(7,463,912)	(7,463,912)
Closing Balance as on 30 June 2022	**10,000,000**	**75,011,653**	**(106,678,139)**	**(21,666,486)**

For the Year Ended 30 June 2021

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

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

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Chief Financial Officer **Managing Director** **Chairman**

Place: Dhaka, Bangladesh
Dated: 13 November 2022

Fu-Wang Beverage Industry Limited
Statement of Cash Flows
For the Year Ended 30 June 2022

Particulars	Notes	Amount in Taka	
		30 Jun 2022	30 Jun 2021
Cash Flows from Operating Activities:			
Prior period Adjustment for Bank Balance		(741,359)	-
Collections from Turnover and Others		48,579,093	39,843,698
Payment for Cost and Expenses		(18,003,793)	(29,548,887)
Paid for Administrative Expenses		(1,372,441)	293,777
Paid for Selling and Distribution Expenses		(5,702,915)	(7,631,247)
VAT Paid		(6,079,349)	(4,848,730)
Income Tax Paid and Deducted at Source		(200,000)	-
		16,479,236	**(1,891,390)**
Cash Flows from Investing Activities:			
Acquision of Property, Plant and Equipment		(402,300)	-
		(402,300)	**-**
Cash Flows from Financing Activities:			
Received/ (Paid) from Fu-Wang Foods Limited		(15,882,479)	1,688,426
		(15,882,479)	**1,688,426**
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)		**194,457**	**(202,964)**
Cash and Cash Equivalents at the Beginning of the year		(995,169)	(1,198,133)
Cash and Cash Equivalents at the End of the year		**989,626**	**995,169**
Net Increase/ (Decrease) in Cash and Cash Equivalents		**(5,543)**	**(202,964)**
Net Operating Cash Flow per Share		**(0.06)**	**(2.03)**

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

Chief Financial Officer | **Managing Director** | **Chairman**

Place: Dhaka, Bangladesh
Dated: 13 November 2022

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Fu-Wang Beverage Industry Limited
Notes to the Financial Statements
As at and for the Year Ended 30 June 2022

1.00 General:

1.01 About Company

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

1.02 Address of Company

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

1.03 Activity of Company

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

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

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

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

The annual depreciation rates to the principal categories are:

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

1.07 Reporting Period

The Financial Statements covers twelve months from 1 July 2021 to 30 June 2022 consistently.

1.08 Components of the Financial Statements:

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

i) Statement of Financial Position as at 30 June 2022;

ii) Statement of Profit or Loss & Other Comprehensive Income for the year ended 30 June 2022;

iii) Statement of Cash Flows for the year ended 30 June 2022;

iv) Statement of Changes in Shareholders Equity for the year ended 30 June 2022; and

v) Accounting policies and Explanatory notes for the year ended 30 June 2022.

1.09 Inventories:

Inventories comprise raw material, finished goods and packing materials which are stated at the lower of cost and net realisable value on consistent basis in accordance with IAS 2.

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Notes	Particulars	Amount in Taka	
		30 Jun 2022	30 Jun 2021

Net realisable value is based on estimated selling price less any further costs expected to be incurred for completion and disposal.

1.10 Trade and Other Receivables:

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

1.11 Trade Creditors and Other Liabilities:

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

1.12 Statement of Cash Flows:

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

1.13 Revenue Recognition:

The revenue during the year represents revenue arising from the sale of food items which are recognised when deliveries are made, against the sales order received from the respective customer and after satisfying all the conditions for revenue recognition as provided in IFRS 15".

Financial Position

2.00 Shareholders' Equity

2.01 Authorised Capital Tk. 200,000,000

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

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

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

3.00 Property, Plant and Equipment: Tk. 111,593,762

The break-up is as below:

Cost		
Opening Balance	103,736,499	103,736,499
Add: Addition during the year	402,300	-
Add: Adjustment for Revaluation	75,250,549	-
Closing Balance	**179,389,348**	**103,736,499**
Accumulated Depreciation		
Opening Balance	65,129,758	62,315,598
Add: Charged during the year	2,665,828	2,814,160
Closing Balance	**67,795,586**	**65,129,758**
Written Down Value	**111,593,762**	**38,606,741**

Details of Property, Plant and Equipment along with depreciation charged thereon as on 30 June 2022 has been shown in Annexure-"A".

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Disclosure for Property, Plant and Equipment:

Reference to the minutes of the meetings held at Bangladesh Securities and Exchange Commission (BSEC) with the then members of Board of Directors (forwarded vide commissions' letter No. SEC/SRMIC/2000-922/431, dated December 14, 2021), the adjustment was made as per decision Note-B with regard to the fictitious assets carrying in the Statement of Financial Position. The advice derived from the meeting held on 07 December 2021 between Bangladesh Securities and Exchange Commission and the representative of Fu-Wang Foods Limited.

Pursuant to the BSEC notification, in 174th meeting the Board of Directors of Fu-wang Foods Limited held on February 26, 2021 resolved to appoint a professional valuer Firm enlisted with Bangladesh Securities and Exchange commission (BSEC) to conduct the valuation of all fixed assets of the company.

Subsequently M/s. Shiraz Khan Basak & Co, Chartered Accountants was appointed as an independent valuer to conduct and prepare an appraisal of valuation of fixed assets viz. Land, Building, Plant & Machineries and Other Assets as owned by the company through physical inspection/verification available at various locations.

Necessary impact in financial statement in refer to Valuer Firm

M/s. Shiraz Khan Basak & Co, Chartered Accountants has submitted their report on the valuation of all fixed assets with effect from July 01, 2021. Accordingly the Board of the company has resolved to give necessary impact on the Financial Statements for the year ended 30 June 2022 as reported by Shiraz Khan Basak & Co, Chartered Accountants.

4.00 Inventories: Tk. 9,602,733

The break-up is as below:

Stock of Raw Materials	1,565,067	13,028,500
Stock of Packing Materials	3,569,646	3,327,800
Stock of Finished Goods	4,468,020	11,023,000
Total	**9,602,733**	**27,379,300**

5.00 Accounts Receivable: Tk.11,462,490

The break-up is as below:

Opening Balance (As reported)	137,419,026	140,089,127
Less: Prior Period Adjustment	123,985,784	-
Adjusted Opening Balance	**13,433,242**	**140,089,127**
Add: Sales during the year	46,608,339	37,173,597
	60,041,581	**177,262,724**
Less Realized During the year	48,579,093	39,843,698
Total	**11,462,488**	**137,419,026**

Disclosure for Prior Period Adjustment of Receivable:

Reference to the minutes of the meetings held at Bangladesh Securities and Exchange Commission (BSEC) with the then members of Board of Directors (forwarded vide commissions' letter No. SEC/SRMIC/2000-922/431, dated December 14, 2021), the adjustment was made as per decision Note-B with regard to the fictitious assets carrying in the Statement of Financial Position. The advice derived from the meeting held on 07 December 2021 between Bangladesh Securities and Exchange Commission and the representative of Fu-Wang Foods Limited.

Addressing the BSEC requirement, in its 177th meeting the Board of Directors of the company resolved to conduct a special audit and appointed M/s. Artisan, Chartered Accountants

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accordingly to perform the Audit specially on Consolidated Financial Statements of the company for the year ended June 30, 2021 on the assets and liabilities which seemed fictitious of the doubtful accounts resulting the qualified opinion substantiating by the statutory Auditor.

Necessary adjustment was made as per Special Auditor's recommendation:

M/s. Artisan, Chartered accountants has issued a report recommending for adjustments with effect from July 01,2021. The Board in the 178th meeting dated August 31, 2022 decided to make necessary adjustments as suggested by special auditors.

6.00 Advance, Deposits & Prepayments: Tk. 42,412,547

The break-up is as below:

Margin on Bank Guarantee (Titas Gas, T&D Co. Ltd)		7,763,340	7,763,340
Current Account VAT & SD (Note-6.01)		-	2,798,034
Advance Income Tax (Note: 6.02)		34,649,207	34,449,207
	Total	**42,412,547**	**45,010,581**

6.01 Current Account VAT & SD Tk.0.00

The break-up is as below:

Opening Balance		2,798,034	2,798,034
Less: Prior period Adjustment		2,798,034	-
	Total	**-**	**2,798,034**

Disclosure for Prior Period Adjustment of Advance, Deposits & Prepayments:

Reference to the minutes of the meetings held at Bangladesh Securities and Exchange Commission (BSEC) with the then members of Board of Directors (forwarded vide commissions' letter No. SEC/SRMIC/2000-922/431, dated December 14, 2021), the adjustment was made as per decision Note-B with regard to the fictitious assets carrying in the Statement of Financial Position. The advice derived from the meeting held on 07 December 2021 between Bangladesh Securities and Exchange Commission and the representative of Fu-Wang Foods Limited.

Addressing the BSEC requirement, in its 177th meeting the Board of Directors of the company resolved to conduct a special audit and appointed M/s. Artisan, Chartered Accountants accordingly to perform the Audit specially on Consolidated Financial Statements of the company for the year ended June 30, 2021 on the assets and liabilities which seemed fictitious of the doubtful accounts resulting the qualified opinion substantiating by the statutory Auditor.

Necessary adjustment was made as per Special Auditor's recommendation:

M/s. Artisan, Chartered accountants has issued a report recommending for adjustments with effect from July 01,2021. The Board in the 178th meeting dated August 31, 2022 decided to make necessary adjustments as suggested by special auditors.

6.02 Advance Income Tax: Tk. 34,649,207

The break-up is as below:

Opening Balance		34,449,207	34,449,207
Add: Addition during the year		200,000	-
		34,649,207	**34,449,207**
Less : Adjustment made during this year		-	-
	Total	**34,649,207**	**34,449,207**

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Notes	Particulars		Amount in Taka	
			30 Jun 2022	30 Jun 2021
7.00	**Cash and Cash Equivalents: Tk. 989,626**			
	The break-up is as below:			
	Cash in Hand :			
	Head Office		10,000	217,500
	Factory		30,000	30,000
			40,000	**247,500**
	Cash at Bank			
	Pubali Bank Ltd. CD-2240	**(7.01)**	829,139	745,033
	Dhaka Bank Ltd. CD-28161	**(7.02)**	120,487	2,636
			949,626	747,669
		Total	**989,626**	**995,169**
7.01	**Pubali Bank Ltd. CD-2240: TK. 829,139**			
	Opening Balance-CD 2240 As reported		745,033	745,033
	Less: Prior period Adjustment		741,743	-
	Adjusted Opening Balance		**3,290**	**745,033**
	Net Transaction deposit during the period		825,849	-
	Closing Balance		**829,139**	**745,033**
7.02	**Dhaka Bank Ltd. CD-28161: TK. 120,487**			
	Opening Balance-CD 2240 As reported		2,636	2,636
	Add: Prior period Adjustment		384	-
	Adjusted Opening Balance		**3,020**	**2,636**
	Net Transection deposit during the period		117,467	-
	Closing Balance		**120,487**	**2,636**
8.00	**Share capital TK. 10,000,00**			
8.01	**Authorised capital TK. 200,000,000**			
	2,000,000 ordinary shares of TK. 100 each.		200,000,000	200,000,000
			200,000,000	**200,000,000**
8.02	**Issued, Subscribe and paid up Capital TK. 10,000,000**			
	It represent the paid up capital of the company consisting of 100,000 ordinary shares of Tk. 100 each issued for cash and fully subscribe and paid up.			
	Fu-Wang Foods Limited (99%)		9,900,000	9,900,000
	Mr. A K M Afzal UL Munir (1%)		100,000	100,000
		Total	**10,000,000**	**10,000,000**
9.00	**Retained Earnings: Tk. -106,678,139**			
	The break-up is as below:			
	Opening from the Last year		28,072,054	34,195,455
	Less: Prior Period Adjustment		127,525,177	-
	Add: Adjustment for Revaluation Depreciation		238,896	-
			(99,214,227)	**34,195,455**
	Add: Net Profit for 2021-2022		(7,463,912)	(6,123,401)
	Balance as at 30 June 2022		**(106,678,139)**	**28,072,054**

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Notes	Particulars	Amount in Taka	
		30 Jun 2022	30 Jun 2021

Disclosure for Prior Period Adjustment of Retained Earnings:

Reference to the minutes of the meetings held at Bangladesh Securities and Exchange Commission (BSEC) with the then members of Board of Directors (forwarded vide commissions' letter No. SEC/SRMIC/2000-922/431, dated December 14, 2021), the adjustment was made as per decision Note-B with regard to the fictitious assets carrying in the Statement of Financial Position. The advice derived from the meeting held on 07 December 2021 between Bangladesh Securities and Exchange Commission and the representative of Fu-Wang Foods Limited.

Addressing the BSEC requirement, in its 177th meeting the Board of Directors of the company resolved to conduct a special audit and appointed M/s. Artisan, Chartered Accountants accordingly to perform the Audit specially on Consolidated Financial Statements of the company for the year ended June 30, 2021 on the assets and liabilities which seemed fictitious of the doubtful accounts resulting the qualified opinion substantiating by the statutory Auditor.

Necessary adjustment was made as per Special Auditor's recommendation:

M/s. Artisan, Chartered accountants has issued a report recommending for adjustments with effect from July 01,2021. The Board in the 178th meeting dated August 31, 2022 decided to make necessary adjustments as suggested by special auditors.

10.00 Current Liabilities and Provision: Tk. 197,727,642

The break-up is as below:

Liability for Security Deposit	1,035,500	995,500
Accrued Expenses	826,768	973,477
Audit Fee Payable	69,000	46,000
Sundry Creditors (Holdings Company)	164,841,354	140,623,833
Sundry Creditors (Others)	2,824,393	512,500
Provision for Income Tax (Notes 10.01)	28,130,627	28,087,453
Total	**197,727,642**	**171,238,763**

10.01 Provision for Income Tax: Tk. 28,130,627

The break-up is as below:

Opening from the Last year	28,087,453	27,893,504
Add: Addition during the year	243,174	193,949
	28,330,627	28,087,453
Less: Payment for AY 2021-22	200,000	-
Balance as at 30 June 2022	**28,130,627**	**28,087,453**

11.00 Sales Revenue: Tk. 40,528,990

The break-up is as below:

Sales	46,608,339	37,173,597
Less : VAT Paid	6,079,349	4,848,730
Net Sales	**40,528,990**	**32,324,867**

12.00 Cost of Goods Sold: Tk. 40,011,649

The break-up is as below:

Raw Material Consumed (Note: 12.01)	15,449,962	12,414,491
Packing Materials Consumed (Note: 12.02)	8,039,072	6,512,458
Direct Overhead (Note: 12.03)	9,967,635	9,921,239
Total Cost of Production	**33,456,669**	**28,848,188**
Add : Opening Stock of Finished Goods	11,023,000	10,277,500
	44,479,669	**39,125,688**
Less : Closing Stock of Finished Goods	4,468,020	11,023,000
Cost of Goods Sold	**40,011,649**	**28,102,688**

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12.01 Raw Material Consumed: Tk. 15,449,962

The break-up is as below:

Local Procured	3,986,529	12,733,308
Add: Opening Stock of Raw Material	13,028,500	12,709,683
Less: Closing Stock of Raw Materials	1,565,067	13,028,500
Total	**15,449,962**	**12,414,491**

12.02 Packing Materials Consumed: Tk. 8,039,072

The break-up is as below:

Packing Material Purchase :		
Local	8,280,918	5,521,304
Add : Opening Stock of Packing Material	3,327,800	4,318,954
	11,608,718	**9,840,258**
Less : Closing Stock of Packing Material	3,569,646	3,327,800
Total	**8,039,072**	**6,512,458**

12.03 Direct Overhead: Tk. 9,967,635

The break-up is as below:

Direct Wages & Salary	3,338,962	1,875,853
Factory Maintenance (Spare Parts)	454,174	74,039
Festival Bonus	847,501	32,599
Power & Fuel	3,010,118	5,659,052
Fooding Allowance	254,747	175,000
Oil & Lubricants	138,633	78,500
Carriage Inward	4,104	-
Depreciation	1,919,397	2,026,196
Total	**9,967,635**	**9,921,239**

13.00 Administrative Expenses: Tk. 2,035,164

The break-up is as below:

Director's Remuneration	200,000	1,200,000
Printing & Stationery	5,200	7,900
Office Maintenance	187,500	42,500
Festival Bonus	19,638	42,618
Travelling & Conveyance	121,620	92,181
Licence Registration & Renewal	462,773	-
Bank charges	6,601	-
Fuel for Generator	216,400	270,500
Miscellaneous Expenses	-	5,720
Professional Fees	-	25,000
Audit Fee	69,000	46,000
Depreciation	746,432	787,965
Total	**2,035,164**	**2,520,384**

14.00 Selling & Distribution Expenses: Tk. 5,702,915

The break-up is as below:

Salary & Allowances (Head Office)	3,001,311	6,181,200
Business Promotion & Development Exp.	329,500	288,350
Carriage Outward	1,808,189	822,500
Bonus on Sale	563,915	339,197
Total	**5,702,915**	**7,631,247**

Chief Financial Officer **Managing Director** **Chairman**

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Fu-Wang Beverage Industry Limited

Schedule of Property, Plant and Equipment

As on 30 June 2022

Annexure-A

Particulars	Cost			Rate	Depreciation			Written Down Value as on 30 Jun 2022	Written Down Value as on 30 Jun 2021
	Balance as on 01 Jul 2021	Addition during the year	Total as on 30 June 2022		Balance as on 01 Jul 2021	Charged during the year	Total as on 30 June 2022		
Land & Land Development	11,105,300	-	11,105,300	0%	-	-	-	11,105,300	11,105,300
Factory Building Const.	23,373,536	-	23,373,536	2.5%	7,023,455	408,752	7,432,207	15,941,329	16,350,081
Plant & Machinery	37,497,914	340,000	37,837,914	20%	30,865,740	1,394,435	32,260,175	5,577,739	6,632,174
Gas Line	958,000	-	958,000	10%	765,551	19,245	784,796	173,204	192,449
Office Building & Construction	382,768	-	382,768	2.5%	128,304	6,362	134,665	248,103	254,464
Furniture and Fixture	348,216	-	348,216	10%	140,684	20,753	161,437	186,779	207,532
Electrical Equipment	5,344,631	62,300	5,406,931	10%	3,776,239	163,069	3,939,308	1,467,623	1,568,392
Electrical Generator	22,561,467	-	22,561,467	20%	20,714,656	369,362	21,084,018	1,477,449	1,846,811
Deep Tube Well & Water Pump	2,164,667	-	2,164,667	10%	1,715,130	44,954	1,760,083	404,584	449,537
Sub Total	**103,736,499**	**402,300**	**104,138,799**		**65,129,758**	**2,426,932**	**67,556,690**	**36,582,109**	**38,606,741**
Revaluation									
Land & Land Development	65,694,700	-	65,694,700	0%	-	-	-	65,694,700	65,694,700
Factory Building Const.	9,555,849	-	9,555,849	2.5%	-	238,896	238,896	9,316,953	9,555,849
Sub Total	**75,250,549**	-	**75,250,549**		-	**238,896**	**238,896**	**75,011,653**	**75,250,549**
Grand Total	**178,987,048**	**402,300**	**179,389,348**		**65,129,758**	**2,665,828**	**67,795,586**	**111,593,762**	**113,857,290**

Factory	1,919,397
Head office	746,432
	2,665,828

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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 26th Annual General Meeting of the Company to be held on 21st December 2022 at through Digital Platform at 11:00 a.m. (BST) and any adjournment there of.

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

Revenue Stamp
Tk. 100.00

(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@fuwangsfoodltd.com not later than 48 hours before the time fixed to the meeting time fixed for 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 26th Annual General Meeting of the Company being held on 21st December 2022 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.















富王食品®
FU-WANG FOODS LTD.

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