

# ANNUAL REPORT 2015-2016



富王食品

FU-WANG FOODS LIMITED



富王食品



## TABLE OF CONTENTS

Corporate Profile .....	03
History of the Company .....	04
Board of Directors .....	05
19th Annual General Meeting Picture .....	06
Notice of 20th Annual General Meeting .....	07
Message of Managing Director.....	08
Report of the Board of Directors .....	09
Auditors' Report to the Shareholders .....	28
Statement of Financial Position .....	30
Statement of Comprehensive Income .....	31
Statement of Cash Flows .....	32
Statement of Changes in Equity .....	33
Notes to the Financial Statements .....	34
Schedule of Property, Plant & Equipment .....	64
Information Relating to the Subsidiary Accounts .....	65
Proxy Form and Attendance Slip .....	79

## CORPORATE PROFILE

### Board of Directors

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

### Audit Committee

Mr. A.M. Naimur Rahman, MP	: Chairman
Mr. Kamal Kanti Mondal	: Member
Mr. Biplob Chakraborty	: Member
Mr. Md. A. Halim Thakur	: Secretary

### Chief Financial Officer

Mr. Mohendra Nath Mondol

### Company Secretary

Mr. Md. A. Halim Thakur

### Head of Internal Audit

Mr. Md. Monzurul Alam

### Registered Office

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



### Factory

Bokran Monipur, Hotapara, Gazipur Sadar, Gazipur

### Auditors

M/S. MABS & J PARTNERS  
Chartered Accountants  
SMC Tower (7<sup>th</sup> Floor)  
33, Banani C/A, Road No. 17  
Dhaka-1213

### Bankers

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

## HISTORY OF THE COMPANY

Date of Incorporation	:	17 February 1997
Listed in Dhaka Stock Exchange Ltd.	:	July 2000
Listed in Chittagong Stock Exchange Ltd.	:	July 2000
Commercial Operation	:	August 1997
ISO Certification	:	ISO-9002 Certified on 04 November 1998
Business Lines	:	Food Processing Industry
Authorized Capital	:	Tk. 1000 Million
Paid up Capital	:	Tk. 832.75 Million
Number of Employees	:	1,656 Persons.

## BOARD OF DIRECTORS



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



**Mr. Arif Ahmed Chowdhury**  
Managing Director



**Mr. Kamal Kanti Mondal**  
Director



**Mr. Biplob Chakraborty**  
Director



**Mr. Quazi Tafazzal Hossain**  
Independent Director

## 19<sup>TH</sup> ANNUAL GENERAL MEETING



## NOTICE OF THE 20<sup>TH</sup> AGM

Notice is hereby given that the 20th Annual General Meeting of the Shareholders will be held on Wednesday, 21th December 2016 at RAOWA COMPLEX, Hall-3 (Eagle), VIP Road, Mohakhali, Dhaka at 11:00 a.m. to transact the following business:

### AGENDA :

1. To receive, consider and adopt the audited financial statements for the year ended 30th June 2016 and reports of Auditors and Directors thereon.
2. To declare @ 10% Stock Dividend.
3. To elect Directors and confirm the appointment of Independent Director.
4. To appoint Auditors for the next term and fix their remuneration.

Dated : Dhaka,  
07 December 2016

By order of the Board



Md. A. Halim Thakur  
Company Secretary

### NOTES :

01. The Record Date of the Company was on **22 November 2016** and the Shareholders whose names appeared in the Register of Members of the Company or in the depository (CDBL) on the Record Date shall be entitled to attend the meeting as well as qualify for stock dividend to be approved at the AGM.
02. A member entitled to attend and vote at the Annual General Meeting may appoint another member as his/her Proxy to attend and vote on his/her behalf.
03. For appointing a Proxy, Proxy Form duly stamped must be deposited at the Company's Registered Office not later than 48 hours before the time appointed for the meeting.
04. Admission into the meeting venue will be strictly on production of the attendance slip sent with the Annual Report.
05. **No gift, cash or kind will be given for attending the meeting according to the circular of BSEC.**

## MESSAGE FROM THE MANAGING DIRECTOR

### Distinguished Shareholders and Guest

By the grace of Almighty Allah, Fu-Wang Foods Limited passed financial year 2015-2016 of its operation, I on behalf of the Board of Directors feel proud for having this opportunity to welcome you to the 20th Annual General Meeting and to write a few words about the company's performance during the financial year 2015-2016.



### Dear shareholders

During the year your company earned a net profit after tax Tk. 8.61 crore as against Tk. 11.00 crore for the last year which is decrease of 21.73% and turnover also decreased by 6.43%. The main reason for decrease turns over and profit is competition of market and increasing the value of raw materials respectively.

However, considering the overall financial position of the company the Board of Directors has recommended 10% (Ten percent) stock dividend for all Shareholders for approval in the 20th Annual general Meeting.

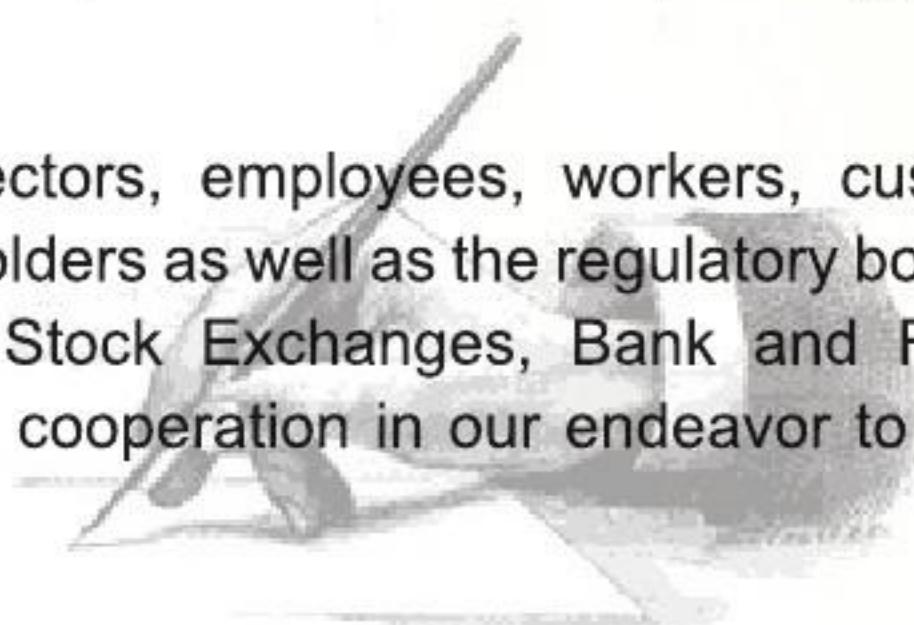
### Hon'ble Shareholders

Fu-Wang Foods is a largest brand in the country and we are striving hard in line to increase turnover and profitability. As diversification policy, we have always been introducing new product as demand of the market and we produced 14 nos. of new product in the corresponding year. Our strategy is to enhance strength of the company.

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

With best regards,

Arif Ahmed Chowdhury  
Managing Director



## Report of the Board of Directors for the year ended 30 June 2016

### Dear Shareholders

It is my great pleasure to welcome you, on behalf of the Board of Directors, to the 20th Annual General Meeting of Fu-Wang Foods Ltd. (FWFL). My profound well wishes to those who are present and also to those who could not present unfortunately. We deeply mourn for those respected shareholders whom we lost forever since our last Annual General Meeting and pray for salvation of their departed souls. I pray to Almighty for you all for long life and long relationship with the Fu-Wang family.

### Respected Shareholders

I feel honored to be able to present before you the 20th Annual Report of the company along with the Audited Financial Statements for the year ended 30 June 2016 and the Auditors' Report thereon.

### Distinguished Shareholders

FWFL is a leading snack foods manufacturing company in Bangladesh. It produces bread, biscuits, noodles, snacks, mini-snacks, chocolates, energy drinks and other food items for the growing and rapidly evolving middle class people in Bangladesh. The company has been existence since 1997 and has been able to create the "Fu-Wang" brand name through its own network over the country. It has 8 branch offices and 500 distributors/dealers over the country. The products are available in retail stores through distributors/Dealers. The project is located in Gazipur about 20 km north of Dhaka.

### Raw Materials

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

### Company's Performance and Financial Results

You, the hon'able shareholders are aware that Fu-Wang Foods is a food processing industry with yearly production capacity of 10,900 M.Ton in three shifts as against which it run at 77.86% capacity during the year under review, producing 8,486.52 M.Ton in the fiscal year compared to last year 8,486.52 M.Ton.

We have passed another financial year 2015-2016 and your company earned a net profit after tax Tk. 8.61 crore as against Tk. 11.00 crore for the last year which is decrease of 21.73% and turnover also decreased by 6.43%.

### **Subsidiary Operation**

FWFL has a subsidiary company in the name of "Fu-Wang Beverage Industry Limited" (FWBIL). The company was incorporate on December 13, 2004 under the Companies Act. 1994 having Authorized Capital of Tk. 200,000,000.00 of which paid up capital of Tk. 10,000,000.00 divided into 100,000 Ordinary Shares of Tk. 100/- each as on June 30, 2016. FWFL holds 99% shares of the company (FWBIL).

The operating financial results for the period from January 01, 2016 to June 30, 2016 are as follows :

<b>Particulars</b>	<b>June 30, 2016 (Taka)</b>	<b>June 30, 2015 (Taka)</b>
Turnover (Net)	66,672,515	68,113,754
Gross Profit	14,240,463	13,251,408
Net Profit Before Tax	2,190,282	1,453,254
Net Profit After Tax	1,423,683	944,615
Net Assets Value Per Share	448.16	433.92
Earning Per Share	14.24	9.45

### **Dividend**

Considering the overall financial position of the Company the Board of Directors has recommended 10% (Ten percent) stock dividend for all Shareholders for approval in the 20th Annual General Meeting.

### **Appointment of Auditors**

The existing Auditors M/s. MABS & J Partners, Chartered Accountants carried out the audit for the year ended June 30, 2016 and retire at this Annual General Meeting, being eligible offered themselves for re-appointment for the next term with a request for reasonable increase of fee.

### **Corporate Governance**

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

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

### **Corporate Governance Compliance Report**

In pursuance of Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969 of Bangladesh Securities and Exchange Commission, the corporate governance compliance report by the Directors and certified of compliance of corporate governance shall send to the shareholders along with the Annual Report 2015-2016.

### **APPRECIATION**

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

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

On behalf of the Board

**Sd/-**  
Chairman

Dhaka.

**Additional statements by the Board of Directors as per condition # 1.5 of the notification dated August 07, 2012 from the Bangladesh Securities and Exchange Commission:****Industry outlook and possible future developments in the industry :**

Fu-Wang Foods is one of the largest food processing industries in the country. FWFL is a brand name in Bangladesh recognizable by most middle to lower income groups to whom most of the company's products are aimed. Food business is a distribution intensive business. FWFL currently has 8 branch offices and 500 distributors/dealers over the country

The Board of Directors striving hard in line to increase turnover and profitability. As diversification policy, the company has always been introducing new product as demand of the market and the company produced 14 nos. of new product in the corresponding year. The present strategy is to enhance strength of the company.

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

Description	Taka-2016 Net revenue	% of total revenue	Taka-2015 Net revenue	% of total revenue	Increase/Decrease over last year	
					Amount Tk.	%
1. VATable Items	157,957,367	20.59	165,468,615	20.18	(-)7,511,248	(-) 4.54
2. Non VATable Items	609,152,026	79.41	654,383,236	79.82	(-) 45,231,210	(-) 6.91

**Risks and concerns :**

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

**Industry Risk**

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

**Management Perception**

Food business is a Distribution Intensive Business. FWFL currently has 8 branch offices and 500 distributors/dealers over the country. It may be difficult for a new company to establish such a wide distribution network in a short period of time. Therefore it is difficult and time consuming for a new entrant to quickly establish itself in the market and grab market share from us.

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

**Interest Rate Risks**

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

### **Management Perception**

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

### **Exchange Rate Risk**

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

### **Management Perception**

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

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

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

### **Management Perception**

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

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

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

### **Management Perception**

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

### **Energy Costs may raise**

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

### **Management Perception**

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

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

Fu-Wang Foods is a food processing industry with yearly production capacity of 10,900 M.Ton in three shifts as against which it runs at 77.86% capacity during the year under review, producing 8,486.52 M.Ton in the fiscal year compared to last year 8,581.38 M.Ton. The shortfall in utilization of production capacity is for time lost for maintenance of machinery and for shortage of market demand.

**Management Perception**

Fu-Wang Foods Limited was incorporated on 17 February, 1997. It has already completed more than 19 years of successful operation. It has no record of operation failure yet and chances of non-operative in future is very remote.

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

During the year the company's revenue decreased by 6.43%, cost of Goods Sold decreased by 2.77%, Gross profit decreased by 15.28% and net profit decreased by 21.71% comparing to last year. The details are as follows:-

Particulars	30-Jun-16	30-June-15	Increase/(Decrease)	Increase/(Decrease)
			(Taka)	(%)
Revenue	767,109,392	819,851,850	(-) 52,742,458	(-) 6.43
Cost of Goods Sold	563,649,060	579,692,313	(-) 16,043,253	(-) 2.77
Gross Profit	203,460,332	240,159,537	(-) 36,699,205	(-) 15.28
Net Profit after Tax	86,159,782	110,054,185	(-) 23,894,403	(-) 21.71

**Reasons for increase / Decrease of**

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

**Decrease of Revenue**

During the year 2015-16 revenue decreased by an amount of Tk. 52,742,458 due to competition of market, market demand.

**Increased of Cost of Goods Sold**

During the year, Cost of Goods Sold is 73.48% of revenue as against 70.70% of the preceding year due to following reasons

- Increasing raw materials cost.
- Increasing the direct cost.
- Increasing the transport cost.

**Decreased of Gross Profit**

In the financial year 2015-16, Fu-Wang Foods Ltd. earned Gross profit @ 26.52% as against 29.29% in the preceding year, due to the same reasons described in the preceding paragraph for decrease of Cost of Goods Sold.

**Decrease of Net Profit**

Due to decrease of gross profit margin and along with the following reasons, Fu-Wang Foods Limited earned net profit @ 11.23% as against @ 13.42% in the preceding year against Sales.

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

There is no extra-ordinary gain or loss during the year 2015-2016.

**Related party transactions :**

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

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

The Company has no raised any fund from Rights Issues/IPO during the year 2015-2016

**Significant variance of financial performance :**

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

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

The company did not raise share capital through Public Issue/Rights Issue or through any other instruments during the year 2015-2016.

**Remuneration to directors including independent directors :**

Remuneration to directors including independent director of the company stated in Note No. 20.00 in the "Notes to the Financial Statements."

**The Directors also report that:**

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

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

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

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

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

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

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

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

Particulars	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	(Taka in million)
Turnover (Net)	767.109	819.851	794.406	785.126	758.459	
Gross Profit	203.460	240.160	179.467	179.730	181.234	
Net Profit before Tax	114.879	146.738	88.237	92.145	103.780	
Net Profit after Tax	86.159	110.054	59.693	61.724	75.241	
Shareholders' Equity	1,038.910	951.776	838.646	777.765	739.844	
Earning Per Share after Tax (Taka)	1.03	1.52	0.91	1.03	1.41	
Cash Dividend Per Share (Taka)	Nil	Nil	Nil	Nil	Nil	
Bonus Dividend (Percentage)	10%	15%	10%	10%	12%	

**Dividend**

<b>FINANCIAL RESULTS</b>	<b>2015-2016</b>	<b>2014-2015</b>
Net Profit before Tax and WPPF for the year	120,623,695	154,075,859
Add: Realization from Revaluation Reserve	3,896,567	4,101,650
Add : Retained earnings up to last year (Net of Bonus for previous year)	42,330,895	36,794,880
	<b>166,851,157</b>	<b>194,972,389</b>
Less : Contribution to Workers Profit Participation & Welfare Fund	5,743,985	7,336,946
<b>Profit available for appropriation</b>	<b>Tk. 161,107,172</b>	<b>187,635,443</b>

<b>PROPOSED APPROPRIATION</b>	<b>2015-2016</b>	<b>2014-2015</b>
Provision for Income Tax	28,719,928	36,684,728
Dividend (Bonus 10%)	83,275,196	108,619,820
Retained Earnings	49,112,048	42,330,895
	<b>Tk. 161,107,172</b>	<b>187,635,443</b>

Considering the overall financial position of the Company, the Board of Directors has recommended 10% (Ten percent) stock dividend for the year ended 30 June 2016 (subject to approval by the shareholders in the forthcoming AGM) whose names will appear in the share register of the company and/or Depository Register of CDBL as on Record Date, i.e. November 22, 2016.

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

During the year ended June 30, 2016 the Board of Directors held 8 (Eight) meetings and attendance by the Directors at the Board meeting during the year as follows:

Name of the Directors	Official Status	Meeting Attended
Mr. A.K.M. Afzal UI Munir	Chairman	Nil
Mr. Arif Ahmed Chowdhury	Managing Director	8
Mr. Kamal Kanti Mondal	Director	8
Mr. Biplob Chakraborty	Director	8
Mr. A.M. Naimur Rahman, MP	Independent Director	4

**Notes :**

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

**The pattern of shareholding**

Sl. No.	Categories	No. of Shares	% of Holding
a)	Parent/Subsidiary/Associated Companies and other related parties (name wise Details)	Nil	Nil
b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details) are as follows:		
1	Mr. A.K.M. Afzal UI Munir Chairman	Nil	Nil
2	Mr. Arif Ahmed Chowdhury Managing Director	3,740,352	4.492
3	Mr. Kamal Kanti Mondal Shareholder Director	3,923	0.005
4	Mr. Biplob Chakraborty Shareholder Director	28,462	0.034
5	Mr. A.M. Naimur Rahman, MP Independent Director	Nil	Nil
6	Mr. Md. A. Halim Thakur Company Secretary	Nil	Nil
7	Mr. Mohendra Nath Mondol Chief Financial Officer	Nil	Nil
8	Mr. Md. Monzurul Alam Head of Internal Audit	Nil	Nil
c)	Executives	Nil	Nil
d)	Shareholders holding ten percent (10%) or more voting interest in the company		
1	Investment Corporation of Bangladesh (ICB)	8,513,537	10.22

**Composition of the shareholders:**

SL. No.	Particulars	30.06.2016			30.06.2015		
		No. of Shares	Value of Shares	%	No. of Shares	Value of Shares	%
1	Directors/Sponsors	3,965,100	39,651,000	4.76%	3,651,380	36,513,800	5.04%
2	Institutions	14,348,316	143,483,160	17.23%	11,857,410	118,574,100	16.37%
3	General Public	64,961,780	649,617,800	78.01%	56,904,424	569,044,240	78.59%
<b>Total</b>		<b>83,275,196</b>	<b>832,751,960</b>	<b>100%</b>	<b>72,413,214</b>	<b>724,132,140</b>	<b>100%</b>

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

In terms of articles 126 of the Articles of Association of the company Mr. Kamal Kanti Mondal and Mr. Biplob Chakraborty retire from the Board at this 20th Annual General Meeting and being eligible to be offered themselves for reelection.

**Kamal Kanti Mondal**

Mr. Kamal Kanti Mondal is a public shareholder director of the company, he obtained post graduate degree from National University. He is about 59 years. He is servicing in a recognized Group of Companies. Mr. Mondal has no directorship and membership of committee of the board of any other company.

**Biplob Chakraborty**

Mr. Biplob Chakraborty is also a public shareholder director of the company, he is also member of the audit committee, a sub-committee of the board. He obtained post graduate degree in 2000 from National University. He is about 42 years. He is servicing in a recognized technical consultant firms which are involved in design and supervision engineering. Mr. Chakraborty has no directorship and membership of committee of the board of any other company.

On behalf of the Board

Sd/-  
Chairman

Dated, Dhaka  
October 25, 2016

## REPORT OF AUDIT COMMITTEE

### For the year 2015-2016

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

#### **Composition of Audit Committee :**

The Audit Committee consists of the following members :

Name of Members	Position in the Committee	Position in the Board
Mr. A.M. Naimur Rahman, MP	Chairman	Independent Director
Mr. Kamal Kanti Mondal	Member	Independent Director
Mr. Biplob Chakraborty	Member	Director
Mr. Md. A. Halim Thakur	Secretary	Company Secretary

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

Oversee the Financial Reporting Process.

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

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

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

Review the function of management policy, system of governance.

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

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

#### **Activities carried out during the year**

The committee reviewed and discussed the procedure and task of the internal audit, financial report preparation and the external auditors' observation in their reports on the draft financial statements of the company initialed by the auditors for the year ended 30th June 2016. The committee found the statements adequate arrangement to present a true and fair view of the financial status of the company; and did not find any material deviation, discrepancies of any adverse finding/observation in the areas of reporting and disclosures.

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

#### **Acknowledgement**

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



**A.M. Naimur Rahman, MP**  
Chairman, Audit Committee

**REPORT ON FINANCIAL STATEMENTS  
FOR THE YEAR 2015-2016  
BY CEO AND CFO**

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

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

- (i) We have reviewed financial statements for the year ended on 30 June 2016 and to the best of our knowledge and belief :
  - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (b) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transaction entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.

**Sd/-**

**Arif Ahmed Chowdhury**  
Managing Director

**Sd/-**

**Mohendra Nath Mondol**  
Chief Financial Officer

## BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES



Ref. No: CW-2016/164

Date of issue : 3<sup>rd</sup> April 2016

### Renewed Certificate

*This is to certify that*

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

*This certificate remains current until 31<sup>st</sup> December 2016.*

A handwritten signature in black ink, appearing to read "Md. Atiqur Rahman".



## Shahadat Rashid & Co.

Chartered Accountants

House # 406 (1st Floor), Road # 29 Mohakhali DOHS, Dhaka-1206, Bangladesh  
Telephone Off: 9884049, Mobile: 01715-001622, 01783-294818, 01819-496565

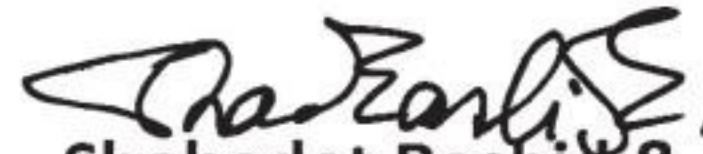
### CERTIFICATE OF COMPLIANCE TO THE SHAREHOLDERS OF Fu-Wang Foods Limited (As required under the BSEC Guidelines)

We have examined compliance to the BSEC guidelines on Corporate Governance by **Fu-Wang Foods Limited** for the year ended 30 June 2016. These guidelines relate to the notification # SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 and subsequently amended through the notification # SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance under section 2CC of the Securities and Exchange Ordinance, 1969.

Such compliance to the codes of Corporate Governance is the responsibility of the company's management. Our examination was limited to the procedures and implementation thereof as adopted by the company in ensuring the compliance to the conditions of Corporate Governance Guidelines. This is a scrutiny and verification only and not an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations provided to us, we certify that, subject to the remarks and observations as reported in the attached Compliance Statements, the company has complied with the conditions of Corporate Governance Guidelines as stipulated in the above-mentioned guidelines issued by the BSEC.

We also state that such compliance is neither an assurance as to the future viability of the company, nor a certification on the efficiency or effectiveness with which the management has conducted the affairs of the company. This is also no endorsement about quality of contents in the Annual Report of the company.

  
Shahadat Rashid & Co.  
Chartered Accountants

Dated: Dhaka, 01 December 2016

## CORPORATE GOVERNANCE COMPLIANCE REPORT

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

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.	<b>Board of Directors</b>			
1.1	Board's Size	✓		
1.2 (i)	At least one fifth (1/5) of the total number of directors in the company's board shall be Independent Director	✓		
1.2 (ii) a)	"Independent Director" means a director who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company.	✓		
1.2 (ii) b)	who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company	✓		
1.2 (ii) c)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/ associated companies	✓		
1.2 (ii) d)	who is not a member, director or officer of any stock exchange	✓		
1.2 (ii) e)	who is not a shareholder, director or officer of any member of stock exchange or any intermediary of the capital market	✓		
1.2 (ii) f)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm	✓		
1.2 (ii) g)	who shall not be an independent director in more than 3 (three) listed companies	✓		
1.2 (ii) h)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI)	✓		
1.2 (ii) i)	who has not been convicted for a criminal offence involving moral turpitude	✓		
1.2 (iii)	the independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM)			Will be complied in the AGM schedule to be held on 21.12.2016
1.2 (iv)	the post of independent director(s) can not remain vacant for more than 90 (ninety) days	✓		
1.2 (v)	the Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	✓		
1.2 (vi)	the tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only	✓		
1.3	<b>Qualification of Independent Director</b>			
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business	✓		
1.3 (ii)	The person should be a Business Leader/Corporate Leader/ Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/professional experiences	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission			No such incident happened
1.4	The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer	✓		
<b>1.5</b>	<b>The Directors' Report to Shareholders</b>			
1.5 (i)	Industry outlook and possible future developments in the industry	✓		
1.5 (ii)	Segment-wise or product-wise performance	✓		
1.5 (iii)	Risks and concerns	✓		
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	✓		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	✓		
1.5 (vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report	✓		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments	✓		
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc	✓		
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report	✓		
1.5 (x)	Remuneration to directors including independent directors	✓		
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	✓		
1.5 (xii)	Proper books of account of the issuer company have been maintained	✓		
1.5(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	✓		
1.5(xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed	✓		
1.5(xv)	The system of internal control is sound in design and has been effectively implemented and monitored	✓		
1.5(xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed	✓		
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained	✓		
1.5(xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		
1.5(xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given			Not applicable

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.5(xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed	✓		
1.5(XXI) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise Details)	✓		
1.5(XXI) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details)	✓		
1.5(XXI) c)	Executives	✓		
1.5(XXI) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details)	✓		
1.5(XXII) a)	A brief resume of the director	✓		
1.5(XXII) b)	Nature of his/her expertise in specific functional areas	✓		
1.5(XXII) c)	Names of companies in which the person also holds the directorship and the membership of committees of the board	✓		
<b>2</b>	<b>Chief Financial Officer (CFO), Head of Internal Audit &amp; Company Secretary</b>			
2.1	The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS	✓		
2.2	The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters	✓		
<b>3</b>	<b>Audit Committee</b>			
3(i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors	✓		
3(ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	✓		
3(iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing	✓		
3.1(i)	The Audit Committee shall be composed of at least 3 (three) members	✓		
3.1(ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director	✓		
3.1(iii)	All members of the audit committee should be "financially literate" and at least 1(one) member shall have accounting or related financial management experience	✓		
3.1(iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee	✓		
3.1(v)	The company secretary shall act as the secretary of the Committee	✓		
3.1(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
3.2(i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director	✓		
3.2(ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM)			Will be complied
<b>3.3</b>	<b>Role of Audit Committee</b>			
3.3(i)	Oversee the financial reporting process	✓		
3.3(ii)	Monitor choice of accounting policies and principles	✓		
3.3(iii)	Monitor Internal Control Risk management process	✓		
3.3(iv)	Oversee hiring and performance of external auditors	✓		
3.3(v)	Review along with the management, the annual financial statements before submission to the board for approval	✓		
3.3(vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval	✓		
3.3(vii)	Review the adequacy of internal audit function	✓		
3.3(viii)	Review statement of significant related party transactions submitted by the management	✓		
3.3(ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors	✓		
3.3(x)	When money is raised through Initial Public Offering (IPO)/ Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/ applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus	✓		
<b>3.4</b>	<b>Reporting of the Audit Committee</b>			
3.4.1(i)	The Audit Committee shall report on its activities to the Board of Directors	✓		
3.4.1(ii) a)	Report on conflicts of interests	No such incident happend		
3.4.1(ii) b)	Suspected or presumed fraud or irregularity or material defect in the internal control system	No such incident happend		
3.4.1(ii) c)	Suspected infringement of laws, including securities related laws, rules and regulations	No such incident happend		
3.4.1(ii) d)	Any other matter which shall be disclosed to the Board of Directors immediately	No such incident happend		
3.4.2	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier	No such incident happend		
3.5	Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company	No such incident happend		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
<b>4</b>	<b>External/statutory auditors perform</b> The issuer company should not engage its external/statutory auditors to perform the following services of the company, namely:			
4(i)	Appraisal or valuation services or fairness opinions	✓		
4(ii)	Financial information systems design and implementation	✓		
4(iii)	Book-keeping or other services related to the accounting records or financial statements	✓		
4(iv)	Broker-dealer services	✓		
4(v)	Actuarial services	✓		
4(vi)	Internal audit services	✓		
4(vii)	Any other service that the Audit Committee determines	✓		
4(viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company	✓		
4(ix)	Audit/certification services on compliance of corporate governance as required under clause (i) of condition no. 7	✓		
<b>5</b>	<b>Subsidiary Company</b>			
5(i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company	✓		
5(ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company	✓		
5(iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	✓		
5(iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	✓		
5(v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	✓		
<b>6</b>	<b>Duties of CEO &amp; CFO</b>			
6(i) a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	✓		
6(i) b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	✓		
6(ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct	✓		
<b>7</b>	<b>Reporting and compliance of corporate governance</b>			
7(i)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant /Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis	✓		
7(ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions	✓		

## **Auditors' Report To The Shareholders of FU-WANG FOODS LIMITED**

We have audited the accompanying consolidated Financial Statements of **FU-WANG FOODS LIMITED** and its subsidiary (the group) as well as the separate Financial Statements of **FU-WANG FOODS LIMITED**, which comprise the Statement of Financial Position as at 30 June 2016 and Statement of Profit or Loss & Other Comprehensive Income, Statements of Cash Flows and Statement of Changes in Equity for the year ended 30 June 2016 and a summary of significant accounting policies and other explanatory notes thereto. The financial statements of Fu-Wang Beverage Industry Limited (subsidiary) for the half-year ended 30 June 2016 have also audited by us on which we expressed unqualified opinion.

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

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

### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

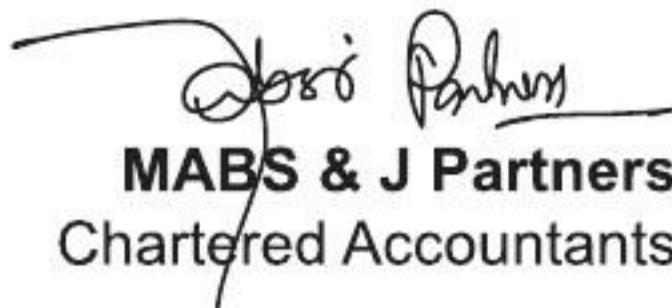
**Opinion**

In our opinion, the consolidated financial statements present fairly and give a true and fair view of the financial position of **FU-WANG FOODS LIMITED** and its subsidiaries as at 30 June 2016 and of its financial performance and cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs) and other applicable laws and regulations.

We also report that:

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

Dated : Dhaka, 25 October 2016

  
**MABS & J Partners**  
Chartered Accountants

# STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

PARTICULARS	NOTES	TAKA 30 JUNE 2016	TAKA 30 JUNE 2015
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment (Net of Depreciation)	3.00	558,553,462	512,279,620
Capital Work-in-Progress	4.00	519,885,201	38,668,261
Investment	5.00	37,593,160	50,000,000
<b>Current Assets</b>			
Inventories	6.00	873,650,360	189,444,994
Trade and Other Receivables	7.00	289,124,512	239,314,432
Advances, Deposits and Prepayments	8.00	387,066,057	338,584,199
Cash and Cash Equivalents	9.00	8,014,797	27,015,804
<b>Total Assets</b>		<b>1,482,203,822</b>	<b>1,343,232,984</b>
<b>EQUITY &amp; LIABILITIES:</b>			
<b>Shareholders' Equity</b>			
Share Capital	10.00	1,038,910,760	832,751,960
Tax Holiday Reserve	11.00	951,776,836	18,245,470
Revaluation Reserve		55,526,086	58,448,511
Retained Earnings	12.00	132,387,244	150,950,715
<b>Non-Current Liabilities</b>			
Deferred Tax Liabilities		56,690,929	36,963,287
Loan from IDLC		66,004,558	19,727,642
<b>Current Liabilities</b>			
Short Term Bank Loans and Others	13.00	386,602,133	100,344,571
Trade and Other Payables	14.00	325,451,590	36,860,247
Liabilities for Expenses	15.00	59,878,788	7,926,648
Provision for Income Tax	16.00	42,519,493	241,470,667
5,844,888		58,448,511	217,208,421
<b>Total Equity and Liabilities</b>		<b>1,482,203,822</b>	<b>1,343,232,984</b>
<b>Net Asset Value (NAV) Per Share (Adjusted)</b>	17.00	<b>12.92</b>	<b>11.83</b>

The annexed notes form an integral part of this financial statements.



**Arif Ahmed Chowdhury**  
Managing Director

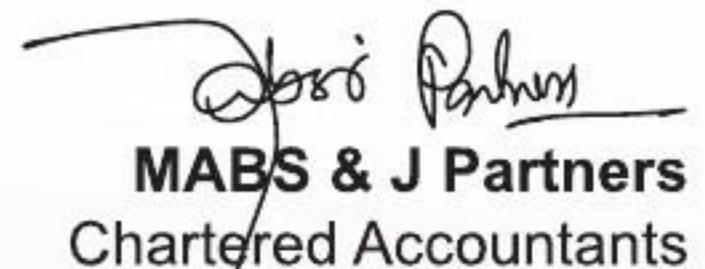
**BIPLOB**  
**Biplab Chakraborty**  
Director



**Md. Abdul Halim Thakur**  
Company Secretary

#### AUDITORS' REPORT TO THE SHAREHOLDERS :

Signed in terms of our separate report of even date.  
 SMC Tower (7th Floor), 33, Banani C/A,  
 Road No. 17, Dhaka-1213  
 Dated: Dhaka, 25 October 2016



**MABS & J Partners**  
Chartered Accountants

**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 30 June 2016**

PARTICULARS	NOTES	TAKA 30 JUNE 2016	TAKA 30 JUNE 2015
Turnover (Net of VAT)	18.00	767,109,392	819,851,850
Cost of Goods Sold	19.00	(563,649,060)	(579,692,313)
<b>Gross profit</b>		<b>203,460,332</b>	<b>240,159,537</b>
<b>Operating Expense</b>		<b>(69,095,390)</b>	<b>(70,255,742)</b>
Administrative Expenses	20.00	(44,069,573)	(44,777,133)
Selling and Distribution Expenses	21.00	(25,025,817)	(25,478,609)
<b>Operating Profit before Financial Expenses</b>		<b>134,364,942</b>	<b>169,903,795</b>
Financial Expenses	22.00	(13,741,247)	(15,827,936)
<b>Profit From Operation</b>		<b>120,623,695</b>	<b>154,075,859</b>
Provision for WPPF and Welfare Fund		(5,743,985)	(7,336,946)
<b>Net Profit Before Tax</b>		<b>114,879,710</b>	<b>146,738,914</b>
<b>Income Tax Expenses</b>		<b>(28,719,928)</b>	<b>(36,684,728)</b>
Current Tax	23.00	(24,262,246)	(34,910,997)
Deferred Tax		(4,457,682)	(1,773,731)
<b>Profit After Tax</b>		<b>86,159,782</b>	<b>110,054,185</b>
<b>Earnings Per Share (EPS) (Adjusted)</b>	<b>24.00</b>	<b>1.03</b>	<b>1.32</b>

The annexed notes form an integral part of this financial statements.



**Arif Ahmed Chowdhury**  
Managing Director

BIPLOB  
**Biplob Chakraborty**  
Director



**Md. Abdul Halim Thakur**  
Company Secretary

**AUDITORS' REPORT TO THE SHAREHOLDERS :**

Signed in terms of our separate report of even date.  
 SMC Tower (7th Floor), 33, Banani C/A,  
 Road No. 17, Dhaka-1213  
 Dated: Dhaka, 25 October 2016



**MABS & J Partners**  
Chartered Accountants

**STATEMENT OF CASH FLOWS**  
For the year ended 30 June 2016

PARTICULARS	TAKA 30 JUNE 2016	TAKA 30 JUNE 2015
<b>Cash Flows from Operating Activities:</b>		
Collections from Turnover and Others	717,299,312	746,668,853
Payment for Cost and Expenses	(630,023,974)	(666,165,088)
Financial Expenses Paid	(13,741,247)	(15,827,936)
Income Tax Paid and Deducted at Source	(37,217,355)	(15,235,397)
<b>A. Net Cash Used in Operating Activities</b>	<b>36,316,736</b>	<b>49,440,432</b>
<b>Cash Flows from Investing Activities:</b>		
Acquisition of Property, Plant and Equipment	(60,341,729)	(46,997,021)
Capital Working Progress	(10,638,724)	(12,558,614)
Advance to Subsidiary	(12,005,904)	(9,929,630)
<b>B. Net Cash Used in Investing Activities</b>	<b>(82,986,357)</b>	<b>(69,485,265)</b>
<b>Cash Flows from Financing Activities:</b>		
Loan Received	27,668,614	16,680,548
<b>C. Net Cash Provided from Financing Activities</b>	<b>27,668,614</b>	<b>16,680,548</b>
<b>D. Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	(19,001,007)	(3,364,285)
<b>E. Cash and Cash Equivalents at the Begaining of the Year</b>	27,015,804	30,380,089
<b>F. Cash and Cash Equivalents at the End of the Year</b>	<b>8,014,797</b>	<b>27,015,804</b>
<b>Net Operating Cash Flow Per Share (Adjusted)</b>	<b>0.44</b>	<b>0.59</b>

The annexed notes form an integral part of this financial statements.



**Arif Ahmed Chowdhury**  
Managing Director

**BIPLOB**  
**Biplob Chakraborty**  
Director



**Md. Abdul Halim Thakur**  
Company Secretary

**AUDITORS' REPORT TO THE SHAREHOLDERS :**

Signed in terms of our separate report of even date.  
SMC Tower (7th Floor), 33, Banani C/A,  
Road No. 17, Dhaka-1213  
Dated: Dhaka, 25 October 2016



**MABS & J Partners**  
Chartered Accountants

**STATEMENT OF CHANGES IN EQUITY**  
**For the Year Ended 30 June 2016**

Particulars	Share Capital	Tax Holiday Reserve	Revaluation Reserve	Retained Earnings	Total
<b>Balance as At 01 July 2015</b>	<b>724,132,140</b>	<b>18,245,470</b>	<b>58,448,511</b>	<b>150,950,715</b>	<b>951,776,836</b>
Bonus Share	108,619,820	-	-	(108,619,820)	-
Depreciation on Revaluation	-	-	(3,896,567)	3,896,567	-
"Adjustment for Deferred Tax (Last Year)"	-	-	19,482,837	-	19,482,837
Adjustment for Deferred Tax (Current Year)	-	-	(18,508,695)	-	(18,508,695)
Net Profit for 2015-2016	-	-	-	86,159,782	86,159,782
<b>Balance as at 30 June 2016</b>	<b>832,751,960</b>	<b>18,245,470</b>	<b>55,526,086.00</b>	<b>132,387,244</b>	<b>1,038,910,760</b>

**FOR THE YEAR ENDED 30 JUNE 2015**

Particulars	Share Capital	Tax Holiday Reserve	Revaluation Reserve	Retained Earnings	Total
<b>Balance as At 01 July 2014</b>	<b>658,301,950</b>	<b>18,245,470</b>	<b>59,473,923</b>	<b>102,625,070</b>	<b>838,646,413</b>
Bonus Share	65,830,190	-	-	(65,830,190)	-
Depreciation on Revaluation	-	-	(4,101,650)	4,101,650	-
Adjustment for Deferred Tax (Last Year)	-	-	22,559,075	-	22,559,075
Adjustment for Deferred Tax (Current Year)	-	-	(19,482,837)	-	(19,482,837)
Net Profit for 2014-2015	-	-	-	110,054,185	110,054,185
<b>Balance as at 30 June 2015</b>	<b>724,132,140</b>	<b>18,245,470</b>	<b>58,448,511</b>	<b>150,950,715</b>	<b>951,776,836</b>

The annexed notes form an integral part of this financial statements.

**Arif Ahmed Chowdhury**  
Managing Director

**Biplob Chakraborty**  
Director

**Md. Abdul Halim Thakur**  
Company Secretary

**AUDITORS' REPORT TO THE SHAREHOLDERS :**

Signed in terms of our separate report of even date.

SMC Tower (7th Floor), 33, Banani C/A,

Road No. 17, Dhaka-1213

Dated: Dhaka, 25 October 2016

**MABS & J Partners**  
Chartered Accountants

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 30 JUNE 2016

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

#### **1.1 Corporate Information**

The company, initially 100% owned by foreign nationals, was incorporated on 17.02.1997 as private limited company and subsequently converted into public company limited by shares on 05.06.1999. It is now a public limited company with foreign and local shareholders. It is a food processing industry with yearly production capacity of 10,900 M. Ton. in three shifts (after balancing) as against which it ran at 77.86% capacity during the year under review producing 8,486.52 M. Ton. The shortfall in utilization of production capacity is for time lost for maintenance of machinery and for shortage of market demand. It has started its commercial operation on 23.08.1997. As per Board of Investments' condition for registration, the Industry was to export 30% of its products. The industry has however applied to Board of Investment vide its letter no FWF/COM-06 dated 12-08-2000 to amend the conditions for registration to make it 100% local sales oriented. The said application is under consideration of BOI till to date. Meanwhile the company has been operating in local market fully.

#### **1.2 Address of Company**

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

#### **1.3 Nature of Business Activities**

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

#### **1.4 Number of Employees**

On the payroll of the Company, there were 214 officers 51 Staff and 649 permanent workers and 742 daily workers/ technicians apart from many casual / contract technicians /workers.

			<b>Amount in Tk.</b>
i)	1,656	Staff/Officers/Employees drew yearly salary & allowances of Tk. 36,000 or more	72,959,917
ii)	Nil	Staff/Officers/Technicians and many other casual workers drew yearly salary/wages & allowances less than Tk. 36,000	Nil
	<b><u>1,656</u></b>		<b><u>72,959,917</u></b>

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

### 2.1 Statement of Compliance

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

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

SL. No.	Applicable Accounting Standards	Note reference
01.	IAS/BAS - 1	2.4
02.	IAS/BAS - 2	2.10
03.	IAS/BAS - 7	2.13 & 2.14
04.	IAS/BAS - 10	2.27
05	IAS/BAS - 12	2.17
06.	IAS/BAS - 16	2.8
07.	IAS/BAS - 18	2.19
08.	IAS/BAS - 19	2.26
09.	IAS/BAS - 21	2.20
10.	IAS/BAS - 24	2.21
11.	IAS/BAS - 33	2.24
12.	IAS/BAS - 36	2.25
13.	IAS/BAS - 37	25.00

### 2.2 Basis of Preparation

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

### 2.3 Basis of Reporting

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

#### i. Reporting Period

Financial statements of the company cover one financial year from 01 July 2015 to 30 June 2016.

#### ii. Going Concern

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

**2.4 Components of the Financial Statements :**

According to the BAS-1 “Presentation of Financial Statements”, the complete set of Financial Statements includes the following components.

- (i) Statement of Financial Position as at 30 June 2016;
- (ii) Statement of Profit or Loss & Other Comprehensive Income for the year ended 30 June 2016;
- (iii) Statement of Cash Flows for the year ended 30 June 2016;
- (iv) Statement of Changes in Shareholders Equity for the year ended 30 June 2016; and
- (v) Accounting policies and Explanatory notes for the year ended 30 June 2016.

**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 BAS 37: Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized in the following situations:

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

**2.7 Consistency**

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

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

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

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

<b>Categories of fixed assets</b>	<b>Rate of Depreciation</b>
Factory building and other construction	2.50% to 5%
Plant and machinery	5%
Office equipment	20%
Furniture and Fixtures	10%
Motor vehicles	10%
Other assets	10% to 20%

**2.9 Retirement and Disposals**

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

**2.10 Inventories**

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

**2.11 Trade and Other Receivables**

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

**2.12 Advance, Deposits and Prepayments**

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

**2.13 Statement of Cash Flows**

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

**2.14 Cash and Cash Equivalents**

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

**2.15 Share Capital**

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

**2.16 Tax Holiday Reserve**

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

**2.17 Income Tax Expenses**

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

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

**2.18 Trade Creditors and Other Liabilities**

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

**2.19 Revenue Recognition**

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

**Turnover**

Turnover Comprises sales of the company excluding VAT etc.

**Commission**

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

**Brokerage or Discount**

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

**2.20 Foreign Currency Translation**

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

**2.21 Transaction with Related Parties**

As per BAS-24 "Related Party Disclosures" parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The company has no transactions with any related parties in the year 2015-2016.

**2.22 Responsibility for the Preparation and Presentation of Financial Statements**

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

**2.23 Proposed Dividend**

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

**2.24 Earning Per Share (EPS)**

The company calculates Earnings Per Share (EPS) in accordance with IAS-33 as adopted by ICAB as BAS-33 "Earnings Per Share" which has been shown on the face of statement of comprehensive income and the computation of EPS is stated in Note-24.

**i. Basic Earnings**

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

**ii. Basic Earnings Per Share**

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

**iii. Diluted Earnings Per Share**

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

**2.25 Assets of the Company**

As all assets of the company shown in the financial statement that are within the scope of BAS-36 are in physical existence and valued not more than their recoverable amount following International Accounting Standards adopted in Bangladesh, disclosures with regard to "Impairment of Assets" as per BAS-36 have not been considered necessary.

**2.26 Employee Benefit Obligations**

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

**2.27 Events after the Reporting Period**

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

**2.28 Acknowledgement of Claims**

There was no claim against the company acknowledged as debt as on 30 June 2016.

**2.29 Credit Facility not Availed of**

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

**2.30 Leases**

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

**2.31 Board Meeting and Board Members**

There were five (05) members in the Board of Directors including independent Director of the Company and eight (08) Board Meetings were held in the year under report.

**2.32 Miscellaneous Expenses**

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

**2.33 Due by the Directors**

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

**2.34 Audit Fee**

As per decision taken in the 19th Annual General Meeting (AGM) of the company held on 27 December 2015 the auditors' remuneration of Tk. 1,10,000 has been provided for in the financial statements which is the only sum to be paid to auditors' as remuneration.

**2.35 Comparative Figures**

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

**2.36 General**

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

NOTES	TAKA 30 JUNE 2016	TAKA 30 JUNE 2015
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**3.00 Property, Plant and Equipment: Tk. 519,885,201**

The figures have been arrived at as under:

Cost	3.01	765,056,049	695,150,697
Less: Accumulated depreciation	3.02	245,170,848	220,464,237
<b>Written Down Value</b>		<b>519,885,201</b>	<b>474,686,460</b>

**3.01 Cost: Tk. 765,056,049**

The figures have been arrived at as under:

Opening Balance		695,150,697	636,615,073
Add : Addition during the year		69,905,352	58,535,624
		765,056,049	695,150,697
Less: Adjustment made during the year		-	-
<b>Balance as at 30 June 2016</b>		<b>765,056,049</b>	<b>695,150,697</b>

**3.02 Accumulated Depreciation: Tk. 245,170,848**

The figures have been arrived at as under:

Opening Balance		220,464,237	193,205,882
Add : Addition during the year		24,706,610	27,258,355
		245,170,848	220,464,237
Less: Adjustment made during the year		-	-
<b>Balance as at 30 June 2016</b>		<b>245,170,848</b>	<b>220,464,237</b>

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

**3.00(a) Consolidated Property, Plant and Equipment: Tk. 574,522,293****Fu-Wang Foods Ltd.**

At Cost/Revaluation	765,056,049
Less : Accumulated Depreciation	245,170,848
<b>Sub total</b>	<b>519,885,202</b>

**Fu-Wang Beverage Industry Ltd.**

At Cost/Revaluation	99,487,479
Less : Accumulated Depreciation	44,850,387
<b>Sub total</b>	<b>54,637,092</b>
<b>Total</b>	<b>574,522,294</b>

NOTES	TAKA 30 JUNE 2016	TAKA 30 JUNE 2015
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**4.00 Capital Work-in-Progress: Tk. 38,668,261**

The figures have been arrived at as under:

Opening Balance	37,593,160	36,573,149
Add : Addition during the year	10,638,724	12,558,614
	<b>48,231,884</b>	<b>49,131,763</b>
Less: Adjustment made during the year	9,563,623	11,538,603
<b>Balance as at 30 June 2016</b>	<b>38,668,261</b>	<b>37,593,160</b>

**5.00 Investment : Tk. 50,000,000**

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

**5.00(a) Consolidated Investment : Tk.Nil**

Investment In Fu-wang Beverage Industry Ltd.	50,000,000
Adjust with:	
Share Capital of Fu-Wang Beverage Industry Ltd.(99%)	(9,900,000)
Deposit Against Share of Fu-wang Beverage Industry Ltd.	(40,100,000)
<b>Total</b>	<b>-</b>

**6.00 Inventories :Tk. 189,444,994**

The figures have been arrived at as under:

Stock of Raw Materials	6.01	127,254,749	117,655,923
Stock of Finished Foods		13,904,572	13,067,538
Stock of Packing Materials		48,285,673	45,315,468
		<b>189,444,994</b>	<b>176,038,929</b>

NOTES	TAKA 30 JUNE 2016	TAKA 30 JUNE 2015
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**6.01 Stock of Raw Materials: Tk.127,254,749**

SI No.	Name of the Item	Unit	Opening		Purchase	
			Qty.	Tk.	Qty.	Tk.
1	Flour	MT.	906	30,356,709	8,595	218,040,000
2	Dalda	MT.	362	30,408,000	702	45,596,100
3	Sugar	MT.	326	14,348,400	1,422	59,724,900
4	Sala Oil	MT.	221	24,089,000	592	46,176,000
5	Milk Powder	MT.	30	12,611,741	112	20,449,155
6	Others	MT.	68	4,500,848	51	7,852,400
7	Eggs	Pcs.	214,350	1,341,224	2,275,902	12,517,461
<b>Total</b>			<b>1,913</b>	<b>117,655,923</b>	<b>11,474</b>	<b>410,356,016</b>

SI No.	Available for Consumption		Consumed		Closing	
	Qty.	Tk.	Qty.	Tk.	Qty.	Tk.
1	9,501	248,396,709	8,578	215,334,235	923	33,062,474
2	1,064	76,004,100	766	49,780,100	298	26,224,000
3	1,748	74,073,300	1,427	49,990,769	321	24,082,531
4	813	70,265,000	584	44,303,800	229	25,961,200
5	142	33,060,896	110	26,131,189	32	6,929,707
6	119	12,353,248	75	2,904,254	44	9,448,994
7	2,490,252	13,858,685	2,252,430	12,312,842	237,822	1,545,843
	<b>13,387</b>	<b>528,011,939</b>	<b>11,540</b>	<b>400,757,190</b>	<b>1,847</b>	<b>127,254,749</b>

**6.00(a) Consolidated Inventories :Tk. 218,981,529**

The figures have been arrived at as under:

Stock of Raw Materials	139,222,281
Stock of Finished Foods	22,447,838
Stock of Packing Materials	57,311,410
	<b>218,981,529</b>

**7.00 Trade and Other Receivables: Tk. 289,124,512**

The figures have been arrived at as under:

<b>SI No.</b>	<b>Particulars</b>	<b>30 June 2016</b>	<b>30 June 2015</b>
1	Nable Print & Pack	1,327,838	1,222,908
2	Al-Maraz Trading & Co	1,165,438	1,327,891
3	Prottashi Trasport	565,439	332,891
4	Foysal Stores	4,225,677	3,712,782
5	Mr. Taju Uddin Ahmed	4,263,987	5,082,123
6	R.K Enterprise	1,062,763	891,813
7	Shamim Enterprise	5,015,384	4,259,822
8	Tihi Enterprise	1,986,693	2,432,523
9	Taisho Enterprise	624,449	985,723
10	Biswajit Enterprise	6,725,194	5,477,022
11	Kazi Enterprise	476,225	432,772
12	Tania Traders-2	3,049,715	2,409,837
13	Mahtab Flexible Printing	301,674	234,232
14	F&H Trading Car	3,281,846	2,353,234
15	Kamal Brother	-	34,245
16	Mr. Shamir Baral	10,826,586	10,329,472
17	Mr. Qazi Sahriar	4,523,649	3,938,271
18	Md. Firoz Ali	3,972,557	3,445,553
19	Nahid Mia	2,836,874	2,345,432
20	Mr. Fouid Islam	5,502,654	4,353,423
21	T. Traders	2,478,551	2,345,432
22	Kabir Enterprise-1	3,171,548	3,245,324
23	Noorjahan Traders	4,061,584	2,345,322
24	M. S. Enterprise (Savar)	589,623	345,232
25	Millon Enterprise	628,345	63,524
26	Hakmot Ali	734,584	984,375
27	Pinko Traders	2,893,649	2,527,623
28	Monika Enterprise	153,985	77,684
29	A.R Enterprise	2,280,525	1,298,744
30	M.N.Mollik	1,394,762	985,792
31	Mirza Alam	921,364	624,389
32	Mr. M. Iqbal Hossain	714,491	874,598
33	Mr. Subur Mia	5,318,466	4,589,734
34	Arnab Rizwan Rashid	492,603	521,874
35	Ohab Mia	193,649	114,485
36	Mr. Almal Uddin	4,210,743	3,427,764
37	Mr. Hamidul Islam	393,461	212,323
38	Al-Haj Md. Quashem	1,283,572	113,380
39	Kabir Telecom	394,624	778,186

<b>SI No.</b>	<b>Particulars</b>	<b>30 June 2016</b>	<b>30 June 2015</b>
40	Rejency Travel Ltd	733,832	412,431
41	Ali Sultan Sons	986,349	498,728
42	Titas Hardware	83,926	17,612
43	Abdul Latif Enterprise	7,252,964	6,198,276
44	Jalil Traders	208,764	129,876
45	Riaz Store	1,619,463	1,362,876
46	Amit Traders	399,847	237,641
47	Sunny Traders	403,735	361,613
48	Japan Polly Traders	875,483	87,628
49	Islam Snakes	6,023,755	5,566,123
50	Mr. Asharaf Uddin	7,347,362	6,983,212
51	Hannan Ent.	7,739,856	9,213,134
52	Mr. Abdul Quiyum	2,085,684	712,332
53	Dada & Co	495,772	321,894
54	Mr. Akil & Ifteker	1,302,347	1,048,762
55	Harun Ahmed	798,722	1,623,189
56	Shemul kabir	783,497	523,187
57	Al-Amin Traders	7,098,475	4,519,873
58	Biplob Confectionery	508,275	832,632
59	Rashedul Traders	295,756	387,132
60	Hamid & Brothers	747,095	717,812
61	Dada & Co	4,143,896	4,913,987
62	S.A.S Enterprise	7,023,765	6,231,891
63	Moon Traders	592,752	174,639
64	Didar & Brothers-2	629,265	823,187
65	G. Corporation-1	823,663	734,817
66	Tumpa Saha Enterprise	987,825	723,193
67	Mr. Syed Fazlul Haque	927,549	723,163
68	Alam Store	3,018,275	1,387,864
69	Shohidul Islam	787,528	1,287,644
70	Mr. Afanoor Al Manum	983,275	237,489
71	Talha Enterprise	1,193,242	786,832
72	Halima Enterprise	892,245	766,478
73	Rajib Shaha	782,659	738,768
74	Akhonda Ent.	892,754	998,332
75	R.N Enterprise	8,953,756	8,472,132
76	Mr. Sarif Khan	1,204,763	932,173
77	Mr. Amulandu Battacharja	1,582,643	876,237
78	Bonalata Trade	727,295	463,817
79	B. S. Marketing	676,643	923,649
80	R/S Corporation	4,084,656	3,649,873

SI No.	Particulars	30 June 2016	30 June 2015
81	Mahmud Store	1,341,323	623,323
82	Madumoti Traders	-	33,876
83	Nizam Ent	65,453	74,687
84	Moon Marketing	817,643	112,743
85	Palas bala	905,133	512,398
86	Green Leaf Car	20,346	39,841
87	Saheb Ali & Broth.- 01	174,688	376,123
88	Shaju Ent. -01.	96,254	318,721
89	Hasnat Bahia	1,924,746	1,698,233
90	Shakil Enterprise	104,834	67,432
91	Mothaleb Kazi	2,085,475	1,674,483
92	Aftabunnara Print & Pack	2,692,385	2,003,462
93	G. Corporation-2	2,088,575	1,389,187
94	Mr. Ismail Hasan	873,252	1,078,464
95	M.R Enterprise	3,183,656	3,238,972
96	M. M. Enterprise	2,027,346	1,823,622
97	Haji Mohammad Shadullah	3,391,265	3,871,813
98	Kuddus Mia	108,234	48,722
99	Karim Enterprise	50,532	37,827
100	Tumpa Traders	4,017,345	3,329,851
101	Abu Hasan & Co	2,282,345	3,325,127
102	Union Distribution	998,363	786,123
103	Abdus Samad Talukder	6,142,314	5,823,183
104	Zia-ul-Haque	755,248	624,338
105	Amjad Traders	1,454,342	768,932
106	Mata Transport	2,172,354	2,746,882
107	Billal Ent	40,253	63,528
108	Maliha Ent	-	2,248
109	N.Alam Ent	1,893,645	2,126,912
110	Pabel Ent	201,753	127,454
111	Rbs International	2,501,745	2,146,738
112	Tasdid Ent	1,529,463	2,004,664
113	Tiesta Enterprise	635,323	723,566
114	Dh Enterprise	1,172,658	1,247,645
115	Joy Enterprise	1,395	4,635
116	Rina traders	826,452	652,645
117	S. M. Alam Ent	119,274	287,465
118	A.H Ent	826,252	635,196
119	Musha Store	224,631	77,692
120	S.I Enterprise	754,238	786,483
121	Arup Ent	816,533	786,873

<b>SI No.</b>	<b>Particulars</b>	<b>30 June 2016</b>	<b>30 June 2015</b>
122	Fahim Enterprise	883,262	729,322
123	Munni Confectionery	352,486	448,972
124	Rifat Enterprise	1,103,474	927,645
125	S.R Enterprise	82,492	87,364
126	Shah Traders	98,237	37,858
127	Shiblu General Store	823,645	44,983
128	Anowar Ent	72,354	56,393
129	Hasan Conf	873,656	698,724
130	J.K Traders	932,642	728,797
131	Maa Traders	645,284	823,478
132	Milon Traders	634,134	346,589
133	S.B Enterprise	1,762,542	846,723
134	Jahid Enterprise	6,879,788	4,436,522
135	Jobeda Traders	4,851,449	3,471,585
136	Anik Teaders	5,591,874	3,865,870
137	Nuha Enterprise	192,364	256,347
138	Safa Enterprise	2,693,462	2,258,897
139	Shekh jalal Ent	4,827,642	3,147,245
140	Mostofa Store	331,397	425,281
141	H.K Traders	3,017,465	2,113,246
142	Bipul Traders	8,164,264	622,749
143	Rajen Sen	916,487	726,243
144	M.M Traders	871,251	625,284
145	Manik Islam	6,619,358	4,030,297
146	Tania Enterprise	622,113	218,634
147	Harun Enterprise	65,382	47,236
148	Nahar Traders	916,484	73,234
149	M/S Harun Satter	238,279	436,923
		<b>289,124,512</b>	<b>239,314,432</b>

Aging of above receivable is us under:

Below Six Month	258,897,412	215,646,235
Over Six Month	30,227,100	23,668,197
	<b>289,124,512</b>	<b>239,314,432</b>

NOTES	TAKA 30 JUNE 2016	TAKA 30 JUNE 2015
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**7.00(a) Consolidated Trade and Other Receivables: Tk. 410,060,753**

The break up of the above amount is as under :

Trade and Other Receivables	410,060,753
<b><u>410,060,753</u></b>	

**8.00 Advances, Deposits and Prepayments (considered good) : Tk. 387,066,057**

The break up of the above amount is as under :

	TAKA 30 JUNE 2016		TAKA 30 JUNE 2015
	Below Six Month	Over Six Month	
Advances (8.01)	76,691,890	306,812,582	334,862,114
Deposits (8.02)	-	3,561,585	3,722,085
	<b><u>76,691,890</u></b>	<b><u>310,374,167</u></b>	<b><u>338,584,199</u></b>

**8.01 Advances : Tk. 383,504,472**

The break up of the above amount is as under :

Advance Rent for Chittagong Branch Office		411,500	465,500
Current Account VAT		10,956,631	10,658,799
Advance Income Tax	8.01.1	213,544,435	176,327,080
Advance to Mymensingh Br. Office		124,997	291,665
Advance for VAT Appealate Tribunal		10,222,777	10,222,777
Adance against Salary		3,597,853	3,871,269
Adance against Bristy Biscuite		1,956,598	1,956,598
Adance against Purchase		12,914,147	13,298,796
Advance to Fu-wang Beverage Industry Ltd.		129,775,534	117,769,630
		<b><u>383,504,472</u></b>	<b><u>334,862,114</u></b>

**8.01.1 Advance Income Tax : Tk. 213,544,435**

The break up of the above amount is as under :

Balance as at 01 July 2015	176,327,080	161,091,683
Add : Addition during the year	37,217,355	15,235,397
	<b><u>213,544,435</u></b>	<b><u>176,327,080</u></b>
Less : Adjustment made during the year	-	-
<b>Balance as at 30 June 2016</b>	<b><u>213,544,435</u></b>	<b><u>176,327,080</u></b>

	TAKA 30 JUNE 2016	TAKA 30 JUNE 2015
<b>8.02 Deposits: Tk. 3,561,585</b>		
The break up of the above amount is as under :		
Titas Gas T & D Co. Ltd. (Gas connection)	1,160,114	1,160,114
Rangpur Branch Office	107,000	107,000
Sylhet Branch	13,000	13,000
Margin Against Bank Gurantee –Titas Gas	638,608	638,608
VAT deposit against appeal	1,005,884	1,005,884
Chittagong Br. Grameen Phone	23,999	23,999
Jessore Branch Grameen Phone	2,000	2,000
Rangpur Branch Grameen Phone	2,000	2,000
Bogra Branch	-	29,000
Jessore Branch	35,500	7,000
Deposit against Rent (Ctg. Factory)	84,980	84,980
Deposit against Rent (Kustia. Factory)	28,000	28,000
T & T Phone (Factory)	8,000	8,000
Bangladesh Sugar and Food Industry Corporation	75,000	75,000
Bangladesh Beverage Co.	5,000	5,000
Cocacola Bottle	1,400	1,400
Deposit against Rent (Ctg. Branch Office)	-	160,000
Deposit against Bhrammanbaria Branch	43,500	43,500
Grameen Mobile Phone	12,600	12,600
Citycell Mobile	15,000	15,000
Deposit to CDBL	300,000	300,000
	<b>3,561,585</b>	<b>3,722,085</b>

**8.00(a) Consolidated Advances, Deposits and Prepayments (considered good) : Tk. 292,511,306**

The break up of the above amount is as under :

Advances	414,304,703
Deposits	7,982,137
	<b>422,286,840</b>
Adjust with Subsidiary Company	(129,775,534)
	<b>292,511,306</b>

**9.00 Cash and Cash Equivalents: Tk. 8,014,797**

The break up of the above amount is as under :

Cash in Hand	9.01	508,788	4,551,926
Cash at Banks	9.02	7,506,009	18,505,379
Cheque in Hand		-	3,958,499
		<b>8,014,797</b>	<b>27,015,804</b>

TAKA 30 JUNE 2016	TAKA 30 JUNE 2015
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**9.01 Cash in Hand : Tk. 508,788**

The break up of the above amount is as under :

At Head Office	285,788	4,326,926
At Factory	50,000	50,000
At Chittagong Branch Office	20,000	20,000
At Bogra Branch Office	20,000	20,000
At Sylhet Branch Office	20,000	20,000
At Jessore Branch Office	20,000	20,000
At Rangpur Branch Office	10,000	10,000
At Mymensingh Branch Office	20,000	20,000
At Kustia Branch Office	20,000	20,000
At Sayestagonj Branch Office	20,000	20,000
At Barisal Branch Office	20,000	22,000
At Feni Branch Office	3,000	3,000
	<b>508,788</b>	<b>4,551,926</b>

**9.02 Cash at Banks : Tk. 7,506,009**

The break up of the above amount is as under :

Pubali Bank Ltd., Local Office Dhaka STD-1144	22,503	23,649
Pubali Bank Ltd., Gulshan Br. Dhaka STD-286	-	-
Standard Bank Ltd., Gulshan Br., CD-34003721	3,923,057	13,176,633
Standard Bank Ltd., CD-33003806	308,106	3,807,899
Pubali Bank Ltd. Gulshan Br., CD-17903	3,252,343	1,497,198
	<b>7,506,009</b>	<b>18,505,379</b>

**9.00(a) Consolidated Cash and Cash Equivalents: Tk. 12,613,780**

The break up of the above amount is as under :

Cash in Hand	748,798
Cash at Banks	11,864,982
	<b>12,613,780</b>

**10.00 Share Capital: Tk. 832,751,960**

**10.01 Authorized Capital : Tk. 1,000,000,000**

100,000,000 ordinary shares @ of Tk. 10/= each	<b>1,000,000,000</b>	<b>1,000,000,000</b>
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TAKA 30 JUNE 2016	TAKA 30 JUNE 2015
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**10.02 Issued, Subscribed & Fully Paid-up Capital: Tk. 832,751,960**

83,275,196 ordinary shares @ of Tk. 10/= each issued for cash	<b>832,751,960</b>	<b>724,132,140</b>
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The break up of the above amount is as under :

16,000,000	Ordinary of Tk. 10 each fully paid- up	160,000,000	160,000,000
4,240,000	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	42,400,000	42,400,000
4,048,000	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	40,480,000	40,480,000
20,240,000	Ordinary of Tk. 10 each fully paid- up issued as right shares	202,400,000	202,400,000
8,905,600	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	89,056,000	89,056,000
6,412,032	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	64,120,320	64,120,320
5,984,563	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	59,845,630	59,845,630
6,583,019	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	65,830,190	65,830,190
10,861,982	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	108,619,820	-
<b>83,275,196</b>		<b>832,751,960</b>	<b>724,132,140</b>

**10.03 Composition of the Shareholders:**

SL.	Particulars	30.06.2016			30.06.2015		
		No. of Shares	Value of Shares	%	No. of Shares	Value of Shares	%
1	Directors/Sponsors	3,965,100	39,651,000	4.76%	3,651,380	36,513,800	5.04%
2	Institutions	14,348,316	143,483,160	17.23%	11,857,410	118,574,100	16.37%
3	General Public	64,961,780	649,617,800	78.01%	56,904,424	569,044,240	78.58%
<b>Total</b>		<b>83,275,196</b>	<b>832,751,960</b>	<b>100%</b>	<b>72,413,214</b>	<b>724,132,140</b>	<b>100%</b>

**11.00 Tax Holiday Reserve: Tk. 18,245,470**

This is as Per Last Account.

<b>18,245,470</b>	<b>18,245,470</b>
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The break up of the above amount is as under :

For 1997-1998	337,628	337,628
For 1998-1999	1,046,244	1,046,244
For 1999-2000	1,879,820	1,879,820
For 2000-2001	1,961,030	1,961,030
For 2001-2002	11,899,538	11,899,538
For 2002-2003	1,121,210	1,121,210
	<b>18,245,470</b>	<b>18,245,470</b>

	TAKA 30 JUNE 2016	TAKA 30 JUNE 2015
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**12.00 Retained Earnings: Tk. 132,387,244**

The break up of the above amount is as under :

Opening Balance	150,950,715	102,625,070
Add: Profit after tax for the year	86,159,782	110,054,185
Depreciation on Revaluation	3,896,567	4,101,650
Profit available for Appropriation	<b>241,007,064</b>	<b>216,780,905</b>
<b>Less: Appropriations</b>		
Utilized for Bonus Shares	(108,619,820)	(65,830,190)
<b>Balance as at 30 June 2016</b>	<b>132,387,244</b>	<b>150,950,715</b>

**12.00(a) Consolidated Retained Earnings: Tk. 166,855,342**

The break up of the above amount is as under :

Opening Balance	174,289,446	
Gain on Acquisition of Subsidiary	12.00(b)	9,719,921
<b>Adjusted Opening Balance</b>		<b>184,009,367</b>
Add: Profit after tax for the Year/Period		87,569,228
Depreciation on Revaluation		3,896,567
Profit available for Appropriation		<b>275,475,162</b>
<b>Less: Appropriations</b>		
Utilized for Bonus Shares		(108,619,820)
<b>Balance as at 30 June 2016</b>		<b>166,855,342</b>

**12.00(b) Gain on Acquisition of Subsidiary : Tk. 9,719,921**

The break up of the above amount is as under :

Net Assets of Subsidiary at the Time of Investment	19,818,102	
Less: Non-Controlling Interest	198,181	
	<b>19,619,921</b>	
Purchase Consideration	9,900,000	
	<b>9,719,921</b>	

TAKA 30 JUNE 2016	TAKA 30 JUNE 2015
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**13.00 Short Term Bank Loans and Others : Tk. 100,344,571**

The break up of the above amount is as under :

Dhaka Bank Ltd., OD-264	82,122,269	53,908,414
Dhaka Bank Ltd., LTR	18,222,302	5,970,374
	<b><u>100,344,571</u></b>	<b><u>59,878,788</u></b>

Overdraft with Dhaka Bank Ltd. is secured by hypothecation of inventories and faces interest at 13.00% per annum.

The Company has an Overdraft limit of Tk. 8.00 crores with Dhaka Bank Limited. against which credit facilities balance on 30-06-2016 was Tk. 82,122,269.

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.

**14.00 Trade and Other Payables : Tk. 36,860,247**

The break up of the above amount is as under :

	TAKA 30 JUNE 2016		TAKA
	Below Six Month	Over Six Month	30 JUNE 2015
Trade Creditors	10,176,976	2,834,756	13,915,689
Security Deposit against Sale and Others	-	11,721,527	17,793,148
Workers' Profit Participation Fund (WPPF) and Welfare Fund (14.01)	5,743,985	6,383,003	10,810,656
	<b><u>15,920,961</u></b>	<b><u>20,939,286</u></b>	<b><u>42,519,493</u></b>

**14.01 Workers' Profit Participation Fund (WPPF) and Welfare Fund: Tk. 12,126,988**

The break up of the above amount is as under :

Opening Balance	10,810,656	7,871,986
Add : Addition during the year	5,743,985	7,336,946
	<b><u>16,554,641</u></b>	<b><u>15,208,932</u></b>
Less: Payment during the year	(4,427,653)	(4,398,276)
<b>Balance as at 30 June 2016</b>	<b><u>12,126,988</u></b>	<b><u>10,810,656</u></b>

NOTES	TAKA 30 JUNE 2016	TAKA 30 JUNE 2015
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**14.00(a) Consolidated Trade and Other Payables : Tk. 40,114,904**

The break up of the above amount is as under :

Trade Creditors	15,230,889
Sundry Creditors with Holding Company	129,775,534
Security Deposit against Sale and Others	12,757,027
Workers' Profit Participation Fund (WPPF) and Welfare Fund	12,126,988
	169,890,438
Adjust with Subsidiary Company	(129,775,534)
	<b>40,114,904</b>

**15.00 Liabilities for Expenses: Tk. 7,926,648**

The break up of the above amount is as under :

Salary & Allowances (H/O)	1,408,955	1,586,489
Salary & Allowances (Fac.)	1,274,277	1,232,537
Audit Fees	110,000	110,000
Power & Fuel	4,977,541	2,815,011
Other Expenses	155,875	100,851
	<b>7,926,648</b>	<b>5,844,888</b>

**15.00(a) Consolidated Liabilities for Expenses: Tk. 9,982,890**

The break up of the above amount is as under :

Salary & Allowances (H/O)	1,408,955
Salary & Allowances (Fac.)	1,274,277
Audit Fees	202,000
Power & Fuel	6,941,783
Other Expenses	155,875
	<b>9,982,890</b>

**16.00 Provision for Income Tax : Tk. 241,470,667**

The break up of the above amount is as under :

Opening Balance	217,208,421	182,297,424
Add : Addition during the year	24,262,246	34,910,997
	<b>241,470,667</b>	<b>217,208,421</b>
Less: Adjustment made during the year	-	-
<b>Balance as at 30 June 2016</b>	<b>241,470,667</b>	<b>217,208,421</b>

NOTES	TAKA 30 JUNE 2016	TAKA 30 JUNE 2015
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**17.00 Net Asset Value (NAV) Per Share: 12.92**

The break up of the above amount is as under :

Total Assets	1,482,203,822	1,343,232,984
Total Outside Liabilities	(406,329,775)	(357,976,401)
<b>Net Assets</b>	<b>1,075,874,047</b>	<b>985,256,583</b>
Number of Ordinary Share	83,275,196	83,275,196
<b>Net Asset Value (NAV) Per Share (Adjusted)</b>	<b>12.92</b>	<b>11.83</b>

**18.00 Turnover (net of VAT etc.) : Tk. 767,109,392**

Local Sales	791,080,073	847,767,865
Less : VAT, SD etc.	(23,970,681)	(27,916,015)
<b>Total Turnover</b>	<b>767,109,392</b>	<b>819,851,850</b>

The break up of the above amount is as under :

Vatable items	Gross Sales	VAT& SD	Net Sales 2016	Net Sales 2015
Vanilla Pie	10,437,733	1,361,443	9,076,290	17,383,942
Normal Toast	3,183,710	415,266	2,768,443	3,110,027
Eco. Dia Salt Biscuit	6,664,986	869,346	5,795,640	5,781,409
Lamon Cake	12,102	1,579	10,524	166,121
Energy Plus Biscuit	1,620,098	211,317	1,408,781	1,313,267
Nutirious Biscuit (Big)	4,398,468	573,713	3,824,755	5,373,194
Fu-Wang Biscuit (Big)	-	-	-	1,072,890
Fu-Wang Toast (Family)	-	-	-	28,059
High Quality Toast	3,184,226	415,334	2,768,892	3,611,125
Nutirious Biscuit (Small)	-	-	-	1,594,788
Fu-Wang Pocket Wafer	1,396,058	182,094	1,213,963	1,077,756
Orange Biscuit	2,174,742	283,662	1,891,080	-
Full Time Orange Wafer	-	-	-	975,285
Fu-Wang Milk Merry Biscuit	9,323,455	1,216,103	8,107,352	3,292,298
Fu-Wang Dia-Salt Biscuit	11,779,892	1,536,508	10,243,384	14,315,046
Fu-Wang Butter Toast	-	-	-	36,660
Fu-Wang Butter Bun	11,660,773	1,520,970	10,139,803	20,135,053
Fu-Wang Spyci Toast	6,877,192	897,025	5,980,167	6,510,748
Fu-Wang Garlic Toast	-	-	-	347,090
Horlicks Biscuits	7,790,972	1,016,214	6,774,758	7,279,762
Salted Biscuit	-	-	-	5,363
Namkin Biscuits	5,921,303	772,344	5,148,959	4,983,355
Dry Cake - 420	2,667,522	347,938	2,319,584	2,597,351

Vatable items	Gross Sales	VAT& SD	Net Sales 2016	Net Sales 2015
Dry Cake - 200	1,895,450	247,233	1,648,217	1,687,494
Miu Miu Toast	3,031,705	395,440	2,636,265	3,211,378
Custard Bun	6,157,808	803,192	5,354,616	5,354,843
Lascha Shemai	1,354,108	176,623	1,177,485	2,670,872
Tiffin Cake	8,804	1,148	7,656	770,385
Energy Compound	-	-	-	4,328,864
Pet Resin	-	-	-	2,598,415
Peanut Dry	-	-	-	136,160
Cookies Biscuit	2,147,177	280,067	1,867,110	2,859,732
Pineapple Biscuits	2,503,188	326,503	2,176,686	1,786,860
Fu - Wang Biscuit	10,416,162	1,358,630	9,057,532	3,256,596
Sandwich Toast	2,655,225	346,334	2,308,891	1,388,214
Choco Toast	3,659,658	477,347	3,182,311	2,045,101
Custrad Cake	-	-	-	55,584
Fruit Cake	2,287,950	298,428	1,989,522	2,558,774
Fu - Wang Chanachur	2,315,404	302,009	2,013,395	2,426,373
Chocolate Bun	-	-	-	1,673,401
Any Time Slice Cake	10,155,070	1,324,574	8,830,496	5,668,242
Dairy Milk Chocolate	1,210,489	157,890	1,052,599	340,348
Choco Pie	1,854,879	241,941	1,612,938	315,560
Fu - Wang Toast	3,540,173	461,762	3,078,411	-
Non Stop Crispy Toast	3,932,131	512,887	3,419,244	-
Banana Cream Biscuits	1,891,817	246,759	1,645,058	-
Lemonia Biscuits	172,994	22,564	150,430	-
Swiss Cheese Cake	2,899,346	378,176	2,521,170	-
American Cheese Cake	3,086,501	402,587	2,683,914	-
Jerry Cake	2,682,525	349,895	2,332,630	-
Chanachur -150gm	985,471	128,540	856,931	-
Chanachur -50gm	245,138	31,974	213,163	-
Play Glucose	577,768	75,361	502,407	-
Mini Bread (Pcs.)	644,711	84,093	560,618	-
Family Bread	484,190	63,155	421,035	-
Sweet Bread	494,473	64,497	429,977	-
Econo. Sweet Bread	595,077	77,619	517,459	-
Medium Bread	1,130,812	147,497	983,315	-
Milky Bread -700gm	187,304	24,431	162,873	-
Fu-Wang Premium Bread	449,587	58,642	390,946	-
Fu-Wang Milky Bread	282,849	36,893	245,956	-
Fu-Wang Mega Bread	308,000	40,174	267,826	-
Fu-Wang Delicious Bread	915,206	119,375	795,832	-
Fu-Wang Special Bread	737,502	96,196	641,306	-

<b>Vatable items</b>	<b>Gross Sales</b>	<b>VAT&amp; SD</b>	<b>Net Sales 2016</b>	<b>Net Sales 2015</b>
Mega Sandwich Bread	478,459	62,408	416,051	-
Daily Bread	828,426	108,056	720,370	-
Milky Bread -360gm	465,553	60,724	404,829	-
Platinum Sandwich Bread	288,566	37,639	250,927	-
Printing	11,491,782	1,498,928	9,992,854	8,577,096
18 + & Rock	1,385,379	421,637	963,742	10,767,733
<b>Sub-Total</b>	<b>181,928,047</b>	<b>23,970,681</b>	<b>157,957,367</b>	<b>165,468,615</b>
<b>Non Vatable items</b>				
Mini Bread (Pcs.)	28,194,264	-	28,194,264	35,378,602
Family Bread	37,146,000	-	37,146,000	51,690,844
Sweet Bread	32,762,643	-	32,762,643	29,942,154
Econo. Sweet Bread	30,712,167	-	30,712,167	29,490,952
Milky Bread-700gm	5,340,022	-	5,340,022	-
Milky Bread-360gm	19,275,629	-	19,275,629	-
Fu-Wang Premium Bread	23,143,637	-	23,143,637	34,664,414
Fu-Wang Milky Bread	36,908,786	-	36,908,786	5,104,367
Fu-Wang Mega Bread	20,655,316	-	20,655,316	25,188,516
Fu-Wang Delicious Bread	90,626,186	-	90,626,186	103,874,670
Fu-Wang Special Bread	66,305,018	-	66,305,018	72,330,845
Medium Bread	84,934,459	-	84,934,459	89,666,026
Mega Sandwich Bread	42,789,286	-	42,789,286	57,645,818
Sandwich Bread	367,698	-	367,698	14,212,459
Daily Bread	65,789,224	-	65,789,224	72,167,177
Amar Bread	-	-	-	5,648
Gold Sandwich Bread	2,127,132	-	2,127,132	16,228,731
Platinum Sandwich Bread	22,074,558	-	22,074,558	16,792,012
<b>Sub-Total</b>	<b>609,152,026</b>	<b>-</b>	<b>609,152,026</b>	<b>654,383,236</b>
<b>Grand Total</b>	<b>791,080,073</b>	<b>23,970,681</b>	<b>767,109,392</b>	<b>819,851,850</b>

**18.00(a) Consolidated Turnover (net of VAT etc.) : Tk.833,781,907**

The break up of the above amount is as under :

The break up of the above amount is as under :

Fu-Wang Foods Limited	767,109,392
Fu-Wang Beverage Industry Limited	66,672,515
	<b>833,781,907</b>

	NOTES	TAKA 30 JUNE 2016	TAKA 30 JUNE 2015
<b>19.00 Cost of Goods Sold: Tk. 563,649,060</b>			
The break up of the above amount is as under :			
<b>Raw Materials Consumed</b>	19.01	<b>400,757,190</b>	<b>418,578,199</b>
Direct Wages and Salary		50,924,786	56,478,682
<b>Prime Cost</b>		<b>451,681,976</b>	<b>475,056,881</b>
Factory Overhead	19.02	112,804,118	104,303,112
<b>Total Manufactured Cost</b>		<b>564,486,094</b>	<b>579,359,993</b>
Opening Finished Goods		13,067,538	13,399,858
<b>Cost Of Goods Available for Sales</b>		<b>577,553,632</b>	<b>592,759,851</b>
Closing Finished Goods		(13,904,572)	(13,067,538)
<b>Cost Of Goods Sold</b>		<b>563,649,060</b>	<b>579,692,313</b>
<b>19.01 Raw Materials Consumed: Tk. 400,757,190</b>			
The break up of the above amount is as under :			
Opening Balance		117,655,923	95,068,248
Add: Raw Materials Purchased During the Year		410,356,016	441,165,874
<b>Raw Materials Available for Use</b>		<b>528,011,939</b>	<b>536,234,122</b>
Less : Balance as at June 30, 2016		(127,254,749)	(117,655,923)
<b>Raw Materials Consumed</b>		<b>400,757,190</b>	<b>418,578,199</b>
<b>19.02 Factory Overheads : Tk. 112,804,118</b>			
The break up of the above amount is as under :			
Factory Maintenance		2,957,875	3,205,631
Festival Bonus to Factory Staff		4,018,746	3,929,332
Medical Expenses		93,856	112,854
Packing Materials Consumed	19.02.1	40,662,116	47,972,453
Repairing & Maintenance		698,237	765,424
Power & Fuel		27,163,179	15,593,881
Repairs & Maintenance of Machinery & Equipment		2,863,564	2,963,961
Uniform		60,000	49,000
Factory Rent		14,400,000	8,600,000
Conveyance		383,577	390,368
Fuel for Transport		587,763	677,040
Carriage Inward		285,668	143,370
Fooding Expenses		249,276	233,197
Insurance Premium		297,846	265,457
Depreciation		18,082,415	19,401,144
		<b>112,804,118</b>	<b>104,303,112</b>

NOTES	TAKA 30 JUNE 2016	TAKA 30 JUNE 2015
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**19.02.1 Packing Materials : Tk. 40,662,116**

The break up of the above amount is as under :

Opening Balance	45,315,468	37,746,024
Add :Purchase during the year	43,632,321	55,541,897
	<b>88,947,789</b>	<b>93,287,921</b>
Less : Balance as at 30 June 2016	(48,285,673)	(45,315,468)
<b>Packaging Materials Consumed</b>	<b>40,662,116</b>	<b>47,972,453</b>

**19.00(a) Consolidated Cost of Goods Sold: Tk. 616,081,112**

The break up of the above amount is as under :

Fu-Wang Foods Limited	563,649,060
Fu-Wang Beverage Industry Limited	52,432,052
	<b>616,081,112</b>

**20.00 Administrative Expenses: Tk. 44,069,573**

The break up of the above amount is as under :

Director Remuneration	2,832,000	2,832,000
Salary & Allowances	15,184,385	14,519,911
Bonus	2,104,836	2,025,430
Conveyance	1,191,734	1,166,563
Printing & Stationary	631,139	845,431
Repairing & Maintenance (Car)	1,398,465	1,086,529
Fuel for Car	973,463	923,521
Office Maintenance	823,743	843,364
Office Rent	4,242,296	4,026,544
Postage & Telegram	201,153	212,765
Overtime Expenses	243,197	296,457
Fooding Expenses	503,186	596,732
Electricity, Wasa & Gas	2,198,618	2,128,865
Travelling & Conveyance	853,052	825,367
Maintenance of Vehicle	645,442	685,365
Telephone, Telex & Fax	727,411	831,060
Audit Fee	110,000	110,000
Labour Charge	237,325	276,641
Insurance Premium (Car)	457,738	689,344
Registration & Renewals	559,930	525,465
Donation & Subscription	116,400	73,000
AGM Expenses	527,400	643,143
Fees & Professional Expenses	682,465	756,424
Depreciation	6,624,195	7,857,212
	<b>44,069,573</b>	<b>44,777,133</b>

NOTES	TAKA 30 JUNE 2016	TAKA 30 JUNE 2015
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**20.00(a) Consolidated Administrative Expenses: Tk. 52,443,915**

The break up of the above amount is as under :

Fu-Wang Foods Limited	44,069,573
Fu-Wang Beverage Industry Limited	8,374,342
	<b>52,443,915</b>

**21.00 Selling and Distribution Expenses : Tk. 25,025,817**

The break up of the above amount is as under :

Advertisements	687,763	732,750
Carriage Outward	15,934,732	15,126,754
Incentives on Sale	5,212,006	5,854,334
Business Promotion & Development Expenses	3,191,316	3,764,771
	<b>25,025,817</b>	<b>25,478,609</b>

**21.00(a) Consolidated Selling and Distribution Expenses : Tk.28,701,656**

The break up of the above amount is as under :

Fu-Wang Foods Limited	25,025,817
Fu-Wang Beverage Industry Limited	3,675,839
	<b>28,701,656</b>

**22.00 Financial Expenses : Tk. 13,741,247**

The break up of the above amount is as under :

Bank Interest	13,428,614	15,558,433
Bank Charges and Commission	312,633	269,503
	<b>13,741,247</b>	<b>15,827,936</b>

NOTES	TAKA 30 JUNE 2016	TAKA 30 JUNE 2015
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**23.00 Current Tax : Tk. 24,262,246**

The break up of the above amount is as under :

Profit as Per Accounts	114,879,710	146,738,914
Add: Depreciation as per accounts	24,706,610	27,258,355
	<b>139,586,320</b>	<b>173,997,269</b>
Less: Depreciation as per 3rd Schedule	42,537,336	34,353,281
	<b>97,048,984</b>	<b>139,643,988</b>
 <b>Income Tax</b>	 <b>24,262,246</b>	 <b>34,910,997</b>

**Deferred Tax Liabilities : Tk. 36,963,287**

Deferred Tax Liabilities on Profit:

Balance as Per Last Account	13,996,910	12,223,179
Add: Addition Durring the Year	4,457,682	1,773,731
<b>Total as on 30 June 2016</b>	<b>18,454,592</b>	<b>13,996,910</b>
Deferred Tax on Revaluation on Revalued Assets	18,508,695	19,482,837
	<b>36,963,287</b>	<b>33,479,747</b>

**23.00(a) Consolidated Current Tax : Tk. 25,028,845**

The break up of the above amount is as under :

Fu-Wang Foods Limited	24,262,246
Fu-Wang Beverage Industry Limited	766,599
	<b>25,028,845</b>

**24.00 Earnings per Share (EPS): Tk. 1.03**

The break up of the above amount is as under :

Earnings Attributable to the Ordinary Shareholders	86,159,782	110,054,185
Weighted Average Number of Ordinary Shares Outstanding During the Year	83,275,196	72,413,214
<b>Earnings Per Share (EPS)- Basic</b>	<b>1.03</b>	<b>1.52</b>
 Earnings Per Share (EPS)- Adjusted		
Earnings Attributable to the Ordinary Shareholders	86,159,782	110,054,185
Number of Ordinary Shares Used to Compute EPS	83,275,196	83,275,196
<b>Earnings Per Share (EPS)- Adjusted</b>	<b>1.03</b>	<b>1.32</b>

**25.00 Non-Controlling Interest: Tk. 448,163**

The break up of the above amount is as under :

Opening Balance (1% of Subsidiary Net Assets)	433,926
Profit for the period ended 30 June 2016	14,237
	<b>448,163</b>

## **26.00 Contingent Liability:**

There was a demand of Tk. 10,473,921 by the Custom & VAT Authority for payment of VAT in excess of the amount paid by the company during the financial year 1998-1999 and 1999-2000. The demand was made by the Deputy Commissioner, Customs Excise & VAT, Gazipur Division through his Memo No.-4/mushak/74/food/97/1400 dated 25-04-2001. The company preferred appeal on 08.12.2001 against demand..

The Appellate Authority reduced the demand to Tk. 7,838,832. The company, on 19-04-2003 filed second appeal before the Learned Appellate Tribunal. The Learned Appellate Tribunal confirmed the demand through order dated 23-12-2004. The company thereafter filed a Writ Petition 2058 of 2005 before the High Court Division of Hon'ble Supreme Court of Bangladesh. The Hon'ble High Court through its order dated 03-04-2005 stayed the operation of the Tribunal Order till disposal of the writ. This liability of Tk. 7,838,832 is thus contingent upon disposal of the Writ petition and further appeals, if any at all arises. Therefore, Tk. 7,838,832 is the contingent liability pertaining to the period upto 30-06-2016.

## **27.00 Event after the Balance Sheet Date:**

- 27.01 The Board of Directors in its meeting held on 25 October 2016 has approved the Financial Statement for the year ended 30 June 2016 and recommended 10% stock dividend for the shareholders which is subject to approval by the shareholders at the forthcoming Annual General Meeting (AGM) and authorise the financial statements for issue.
- 27.02 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.



**Arif Ahmed Chowdhury**  
Managing Director



**Biplob Chakraborty**  
Director



**Md. Abdul Halim Thakur**  
Company Secretary



**MABS & J Partners**  
Chartered Accountants

Dated : Dhaka, 25 October 2016

**SCHEDULE OF PROPERTY, PLANT & EQUIPMENT**  
For the year Ended 30 June 2016

**Annexure - A**

Particulars	Cost		Rate	Balance as at 01.07.2015	Depreciation	Balance as at 30.06.2016	Written down value as at 30.06.2016
	Balance as at 01.07.2015	Addition during the year			Charged during the year		
Land & Land Development	7,570,300	2,528,752	10,099,052	-	-	-	10,099,052
Factory Building Construction	78,224,809	27,278,167	105,502,976	2.50%	13,666,839	1,913,253	89,922,884
Plant and Machinery	353,377,133	36,965,920	390,343,053	5%	117,488,255	11,368,950	261,485,848
Gas Line	22,719,967	-	22,719,967	10%	7,687,567	1,503,240	9,190,807
Buildings & Other Constructions	30,135,340	-	30,135,340	5%	16,386,478	687,443	17,073,921
Furniture and Fixture	3,293,296	848,200	4,141,496	10%	1,767,010	158,299	1,925,309
Motor Vehicles	37,741,287	689,963	38,431,250	10%	12,615,889	1,721,024	14,336,913
Electrical Equipment	44,843,479	-	44,843,479	10%	19,705,330	2,513,815	22,219,145
Telephone & PABX Installation	411,310	1,594,350	2,005,660	10%	317,643	112,535	430,178
Office Equipment	2,170,357	-	2,170,357	20%	1,936,136	46,844	1,982,980
Cookeries & Cutlaries	102,316	-	102,316	20%	99,607	542	100,149
Bicycle & Rickshaw Van	163,685	-	163,685	20%	158,983	941	159,924
Deep Tube-well & Pump	1,141,315	-	1,141,315	10%	715,142	42,617	757,759
Generator	12,541,103	-	12,541,103	10%	5,135,707	740,540	5,876,247
<b>Sub Total</b>	<b>594,435,697</b>	<b>69,905,352</b>	<b>664,341,049</b>		<b>197,680,585</b>	<b>20,810,043</b>	<b>218,490,628</b>
							<b>445,850,421</b>

**Revaluation**

Buildings & Other Constructions	100,715,000	-	100,715,000	5%	22,783,653	3,896,567	26,680,220	74,034,780
<b>Sub Total</b>	<b>100,715,000</b>	<b>-</b>	<b>100,715,000</b>		<b>22,783,653</b>	<b>3,896,567</b>	<b>26,680,220</b>	<b>74,034,780</b>
<b>Grand Total 2016</b>	<b>695,150,697</b>	<b>69,905,352</b>	<b>765,056,049</b>		<b>220,464,237</b>	<b>24,706,610</b>	<b>245,170,848</b>	<b>519,885,201</b>
<b>Grand Total 2015</b>	<b>636,615,073</b>	<b>58,535,624</b>	<b>695,150,697</b>		<b>193,205,882</b>	<b>27,258,355</b>	<b>220,464,237</b>	<b>474,686,460</b>

**Allocation of Depreciation :**  
Production  
Administration

	Cost	Revaluation	Total
Production	18,082,415	-	18,082,415
Administration	2,727,628	3,896,567	6,624,195
<b>Grand Total</b>	<b>20,810,043</b>	<b>3,896,567</b>	<b>24,706,610</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

PARTICULARS	NOTES	TAKA 30 JUNE 2016
<b>ASSETS</b>		
<b>Non-Current Assets</b>		<b>613,190,555</b>
Property, Plant and Equipment (Net of Depreciation)	3.00(a)	574,522,294
Capital Work-in-Progress	4.00	38,668,261
<b>Current Assets</b>		
Inventories	6.00(a)	218,981,529
Trade and Other Receivables	7.00(a)	410,060,753
Advances, Deposits and Prepayments	8.00(a)	292,511,306
Cash and Cash Equivalents	9.00(a)	12,613,780
<b>Total Assets</b>		<b>1,547,357,922</b>
<b>EQUITY &amp; LIABILITIES:</b>		
<b>Shareholders' Equity</b>		<b>1,073,827,021</b>
Share Capital	10.02	832,751,960
Tax Holiday Reserve	11.00	18,245,470
Revaluation Reserve		55,526,086
Retained Earnings	12.00(a)	166,855,342
Non-Controlling Interest	25.00	448,163
<b>Non-Current Liabilities</b>		<b>56,690,929</b>
Deferred Tax Liabilities		36,963,287
Loan from IDLC		19,727,642
<b>Current Liabilities</b>		<b>416,839,972</b>
Short Term Bank Loans and Others	13.00	100,344,571
Trade and Other Payables	14.00(a)	40,114,904
Liabilities for Expenses	15.00(a)	9,982,890
Provision for Income Tax	16.00(a)	266,397,607
<b>Total Equity and Liabilities</b>		<b>1,547,357,922</b>
<b>Net Asset Value (NAV) Per Share</b>		<b>13.34</b>

The annexed notes form an integral part of this financial statements.



**Arif Ahmed Chowdhury**  
Managing Director

BIPLOB  
**Biplob Chakraborty**  
Director



**Md. Abdul Halim Thakur**  
Company Secretary

## AUDITORS' REPORT TO THE SHAREHOLDERS :

Signed in terms of our separate report of even date.  
 SMC Tower (7th Floor), 33, Banani C/A,  
 Road No. 17, Dhaka-1213  
 Dated: Dhaka, 25 October 2016



**MABS & J Partners**  
Chartered Accountants

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME**  
**As at 30 June 2016**

PARTICULARS	NOTES	TAKA 30 JUNE 2016
Turnover (Net of VAT)	18.00(a)	833,781,907
Cost of Goods Sold	19.00(a)	(616,081,112)
<b>Gross profit</b>		<b>217,700,795</b>
<b>Operating Expense</b>		<b>(81,145,571)</b>
Administrative Expenses	20.00(a)	(52,443,915)
Selling and Distribution Expenses	21.00(a)	(28,701,656)
<b>Operating Profit before Financial Expenses</b>		<b>136,555,224</b>
Financial Expenses	22.00	(13,741,247)
<b>Profit From Operation</b>		<b>122,813,977</b>
Provision for WPPF and Welfare Fund		(5,743,985)
<b>Net Profit Before Tax</b>		<b>117,069,992</b>
<b>Income Tax Expenses</b>		<b>(29,486,527)</b>
Current Tax	23.00(a)	(25,028,845)
Deferred Tax		(4,457,682)
<b>Profit After Tax</b>		<b>87,583,465</b>
<b>Profit Attributable to :</b>		
Parent Shareholders		87,569,228
Non-Controlling Interest		14,237
		<b>87,583,465</b>
<b>Earnings Per Share (EPS)</b>		<b>1.05</b>



**Arif Ahmed Chowdhury**  
Managing Director

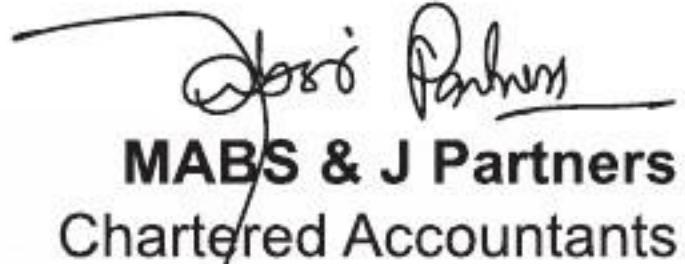
BIPLOB  
**Bilop Chakraborty**  
Director



**Md. Abdul Halim Thakur**  
Company Secretary

**AUDITORS' REPORT TO THE SHAREHOLDERS :**

Signed in terms of our separate report of even date.  
 SMC Tower (7th Floor), 33, Banani C/A,  
 Road No. 17, Dhaka-1213  
 Dated: Dhaka, 25 October 2016



**MABS & J Partners**  
Chartered Accountants

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2016

PARTICULARS	NOTES	TAKA 30 JUNE 2016
<b>Cash Flows from Operating Activities:</b>		
Collections from Turnover and Others		762,610,014
Payment for Cost and Expenses		(666,073,873)
Financial Expenses Paid		(13,741,247)
Income Tax Paid and Deducted at Source		(41,428,985)
<b>A. Net Cash Used in Operating Activities</b>		<b>41,365,909</b>
<b>Cash Flows from Investing Activities:</b>		
Acquisition of Property, Plant and Equipment		(62,341,729)
Capital Working Progress		(10,638,724)
Advance to Subsidiary		(12,005,904)
<b>B. Net Cash Used in Investing Activities</b>		<b>(84,986,357)</b>
<b>Cash Flows from Financing Activities:</b>		
Loan Received		27,668,614
<b>C. Net Cash Provided from Financing Activities</b>		<b>27,668,614</b>
<b>D. Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>		(15,951,834)
<b>E. Cash and Cash Equivalents at the Begaining of the Year</b>		28,565,614
<b>F. Cash and Cash Equivalents at the End of the Year</b>		<b>12,613,780</b>
<b>Net Operating Cash Flow Per Share</b>		<b>0.50</b>

The annexed notes form an integral part of this financial statements.



**Arif Ahmed Chowdhury**  
Managing Director



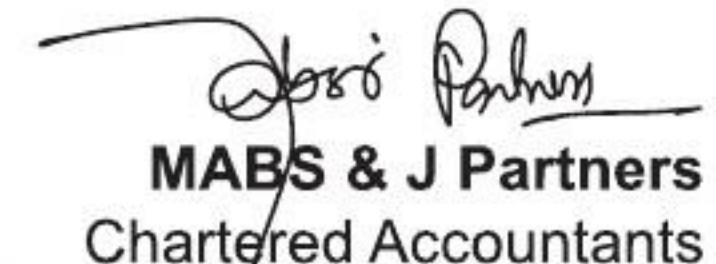
**Biplob Chakraborty**  
Director



**Md. Abdul Halim Thakur**  
Company Secretary

### AUDITORS' REPORT TO THE SHAREHOLDERS :

Signed in terms of our separate report of even date.  
 SMC Tower (7th Floor), 33, Banani C/A,  
 Road No. 17, Dhaka-1213  
 Dated: Dhaka, 25 October 2016



**MABS & J Partners**  
Chartered Accountants

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the Year Ended 30 June 2016

Particulars	Share Capital	Tax Holiday Reserve	Revaluation Reserve	Retained Earnings	Non-Controlling Interest	Total
<b>Opening Balance</b>	<b>724,132,140</b>	<b>18,245,470</b>	<b>58,448,511</b>	<b>174,289,446</b>	<b>433,926</b>	<b>975,549,493</b>
Gain on Acquisition of Subsidiary (Note-12.00b)	-	-	-	9,719,921	-	9,719,921
<b>Adjusted Opening Balance</b>	<b>724,132,140</b>	<b>18,245,470</b>	<b>58,448,511</b>	<b>184,009,367</b>	<b>433,926</b>	<b>985,269,414</b>
Bonus Share	108,619,820	-	-	(108,619,820)	-	-
Depreciation on Revaluation	-	-	(3,896,567)	3,896,567	-	-
Adjustment for Deferred Tax (Last Year)	-	-	19,482,837	-	-	19,482,837
Adjustment for Deferred Tax (Current Year)	-	-	(18,508,695)	-	-	(18,508,695)
Net Profit for Year/Period	-	-	-	87,569,228	14,237	87,583,465
<b>Balance as at 30 June 2016</b>	<b>832,751,960</b>	<b>18,245,470</b>	<b>55,526,086</b>	<b>166,855,342</b>	<b>448,163</b>	<b>1,073,827,021</b>

The annexed notes form an integral part of this financial statements.

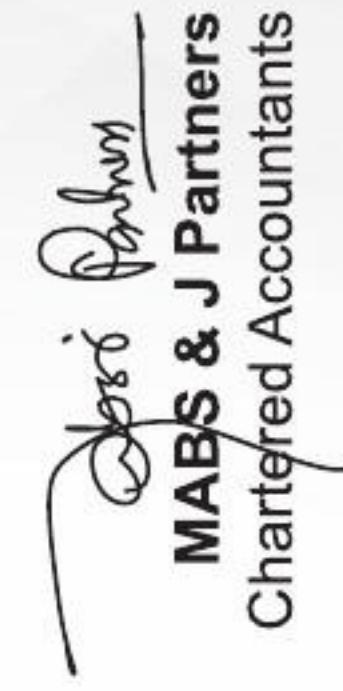


**Arif Ahmed Chowdhury**  
Managing Director



**Md. Abdul Halim Thakur**  
Company Secretary

**AUDITORS' REPORT TO THE SHAREHOLDERS :**  
Signed in terms of our separate report of even date.  
SMC Tower (7th Floor), 33, Banani C/A,  
Road No. 17, Dhaka-1213  
Dated: Dhaka, 25 October 2016



**Biplob Chakraborty**  
Director

# **Information Relating To The Subsidiary Accounts**

**FU-WANG BEVERAGE INDUSTRY LTD.****Report of the Board of Directors****For the year ended June 30, 2016****Dear Shareholders**

In compliance of section 184 of the Companies Act 1994 and BIAS codes, on behalf of the Board of Directors, I have the pleasure to submit this report along with Audited Financial Statements containing Statement of financial Position, Statement of Comprehensive Income, Statement of Change in Equity and Statement of Cash Flows for the year period from January 01, 2016 to June 30, 2016 at this 11th 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 period January 01, 2016 to June 30, 2016, the company earned a net profit after tax of Tk. 14.24 lac as against Tk. 9.45 lac for the last year which is a increase of 50.69%.

**Financial Position**

The operating financial results for the period end 30 June 2016, are as follows:

<b>Particulars</b>	<b>June 30, 2016 (Taka)</b>	<b>June 30, 2015 (Taka)</b>
Turnover (Net)	66,672,515	68,113,754
Gross Profit	14,240,463	13,251,408
Net Profit Before Tax	2,190,282	1,453,254
Net Profit After Tax	1,423,683	944,615
Net Assets Value Per Share	448.16	433.92
Earning Per Share	14.24	9.45

**Shareholding**

The shareholding position of the company is as follows:

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

**Board of Directors :**

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

**Appointment of Auditors :**

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

**Acknowledgement**

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

On behalf of the Board



**Arif Ahmed Chowdhury**  
Chairman

## Auditors' Report to the Shareholders of FU-WANG BEVERAGE INDUSTRY LTD.

We have audited the accompanying financial statements of **FU-WANG BEVERAGE INDUSTRY LIMITED**, which comprise the financial position as at 30 June 2016, and the statement of comprehensive Income, statement of cash flows and statement of changes in equity for the period from 01 January 2016 to 30 June 2016, and a summary of significant accounting policies and other explanatory information.

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

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

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

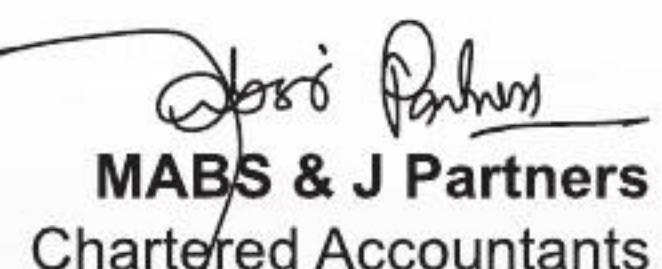
### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of FU-WANG BEVERAGE INDUSTRY LIMITED Company as at 30 June 2016, and its financial performance and its cash flows for the period then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs).

### **We also report that :**

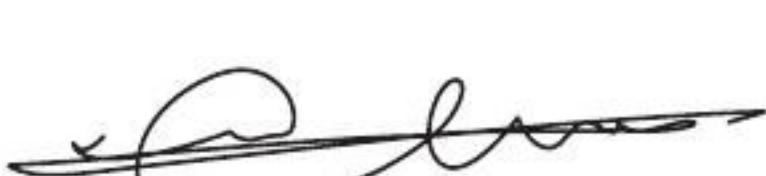
- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c) The Company's Financial Position and Profit or Loss & Other Comprehensive Income dealt with by the report are in agreement with the books of accounts;

Dated : Dhaka, 29 September 2016

  
**MABS & J Partners**  
Chartered Accountants

**FU-WANG BEVERAGE INDUSTRY LTD.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30TH JUNE 2016**

PARTICULARS	NOTES	30.06.2016	31.12.2015
<b>ASSETS :</b>			
<b>Non-Current Assets</b>		<b>54,637,092</b>	<b>55,509,806</b>
Property, Plant and Equipment at Cost	3.00	99,487,479	97,487,479
Less: Accumulated Depreciation		44,850,387	41,977,673
<b>Current Assets, Loan and Advances</b>		<b>190,292,542</b>	<b>159,808,874</b>
Inventories	4.01	29,536,535	28,541,053
Account Receivables		120,936,241	99,574,428
Advance, Deposit and Prepayments	4.02	35,220,783	30,143,583
Cash and Cash Equivalents	4.03	4,598,983	1,549,810
Total Tk.		<b>244,929,634</b>	<b>215,318,680</b>
<b>EQUITY &amp; LIABILITIES:</b>			
Shareholders' Equity	2.00	<b>84,916,261</b>	<b>83,492,578</b>
Issued, Subscribed and Paid up Capital		10,000,000	10,000,000
Retained Earnings		34,816,261	33,392,578
Deposit Against Shares by Holding Company		40,100,000	40,100,000
<b>Current Liabilities</b>	5.00	<b>160,013,373</b>	<b>131,826,102</b>
Total Tk.		<b>244,929,634</b>	<b>215,318,680</b>

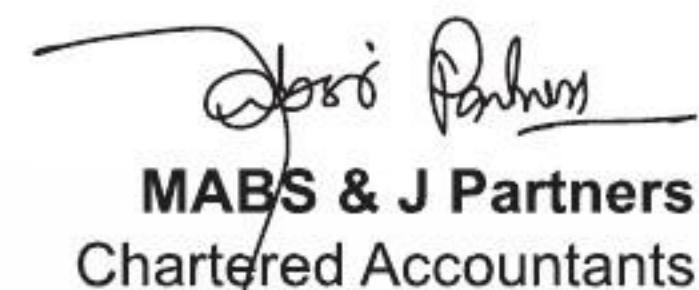


**Arif Ahmed Chowdhury**  
Managing Director

Dated: Dhaka, 29 September, 2016



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



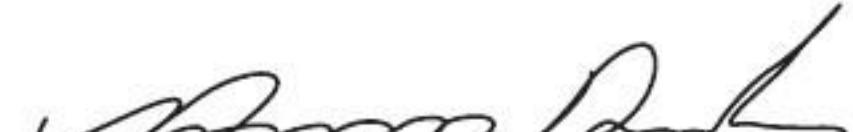
**MABS & J Partners**  
Chartered Accountants

**FU-WANG BEVERAGE INDUSTRY LTD.**  
**STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME**  
**FOR THE PERIOD FROM 01 JANUARY 2016 TO 30 JUNE 2016**

PARTICULARS	NOTES	01.01.2016 to 30.06.2016	01.01.2015 to 30.06.2015
Sales (Net of VAT etc.)	6.00	66,672,515	68,113,754
Cost of Goods Sold	7.00	(52,432,052)	(54,862,346)
<b>Gross Profit</b>		<b>14,240,463</b>	<b>13,251,408</b>
<b>Operating Expenses</b>			
Administrative and Selling Expenses	8.00	(12,050,181)	(11,798,154)
<b>Net Profit Before Tax</b>		<b>2,190,282</b>	<b>1,453,254</b>
Provision for Income Tax (35%)		(766,599)	(508,639)
<b>Net Profit After Tax</b>		<b>1,423,683</b>	<b>944,615</b>
Balance as per Last Account		33,392,578	30,696,216
<b>BALANCE TRANSFERRED TO FINANCIAL POSITION</b>		<b>34,816,261</b>	<b>31,640,831</b>



**Arif Ahmed Chowdhury**  
Managing Director



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

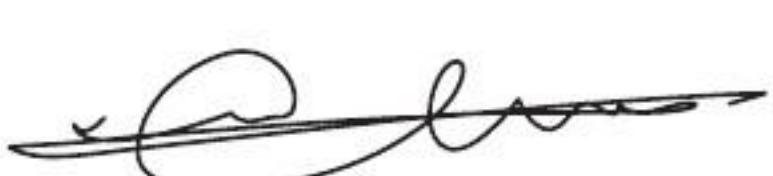
Dated: Dhaka, 29 September, 2016



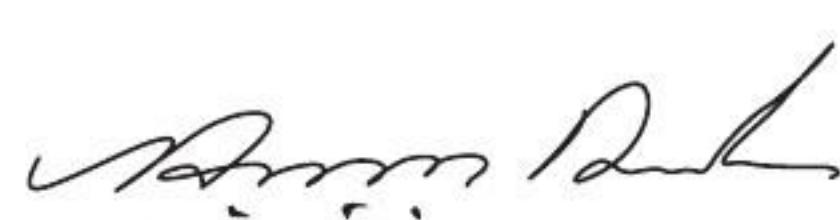
**MABS & J Partners**  
Chartered Accountants

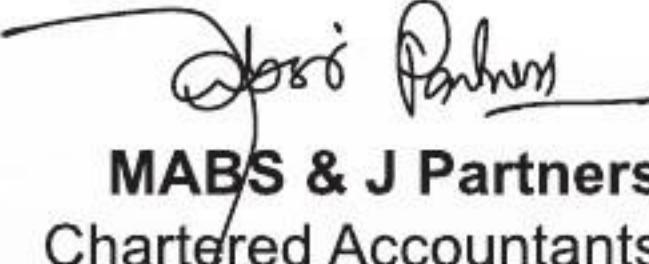
**FU-WANG BEVERAGE INDUSTRY LTD.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD FROM 01 JANUARY 2016 TO 30 JUNE 2016**

PARTICULARS	NOTES	01.01.2016 to 30.06.2016	01.01.2015 to 30.06.2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Collections from Turnover & Others		45,310,702	56,958,912
Payment for Cost & Expenses		(36,049,899)	(46,890,610)
Income Tax Paid & Deducted at Source		(4,211,630)	(6,460,945)
		<b>5,049,173</b>	<b>3,607,357</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Tangible Fixed Asset Acquired		(2,000,000)	(2,486,903)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Share Capital		-	-
Other Short Term Loan Paid		-	-
Long Term Loan		-	-
		-	-
<b>Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>Tk.</b>	<b>3,049,173</b>	<b>1,120,454</b>
Cash and Cash Equivalents at Opening		1,549,810	429,356
Cash and Cash Equivalents at Closing		4,598,983	1,549,810
<b>Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>Tk.</b>	<b>3,049,173</b>	<b>1,120,454</b>

  
**Arif Ahmed Chowdhury**  
 Managing Director

Dated: Dhaka, 29 September, 2016

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

  
**MABS & J Partners**  
 Chartered Accountants

**FU-WANG BEVERAGE INDUSTRY LTD.****STATEMENT OF CHANGES IN EQUITY****For the period from 01 January 2016 to 30 June 2016**

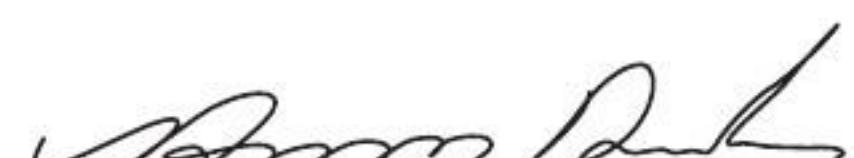
<b>Particulars</b>	<b>Share Capital</b>	<b>Retained Earnings</b>	<b>Total</b>
At 01 January 2016	10,000,000	33,392,578	43,392,578
Net Profit for the period	-	1,423,683	1,423,683
<b>At 30 June 2016</b>	<b>10,000,000</b>	<b>34,816,261</b>	<b>44,816,261</b>

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

Signed in terms of our separate annexed report.

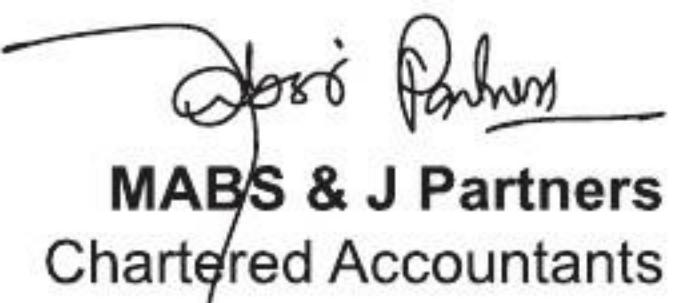


**Arif Ahmed Chowdhury**  
Managing Director



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

Dated: Dhaka, 29 September, 2016



**MABS & J Partners**  
Chartered Accountants

## FU-WANG BEVERAGE INDUSTRY LTD.

### SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT

For the period from 01 January 2016 to 30 June 2016

Annexure - A

Particulars	Cost			Depreciation			Written down value as at 30.06.2016
	Balance as at 01.01.2016	Addition during the year	Total as at 30.06.2016	Rate	Balance as at 01.01.2016	Charged during the year	
Land & Land Development	11,105,300	-	11,105,300	-	-	-	-
Factory Building & Construction	22,253,455	-	22,253,455	2.5%	4,621,831	220,395	4,842,226
Plant & Machinery	34,637,405	-	34,637,405	20%	16,406,824	1,823,058	18,229,882
Gas Line	958,000	-	958,000	10%	614,934	17,153	632,087
Office Building & Construction	382,768	-	382,768	2.5%	90,307	3,656	93,963
Furniture & Fixture	79,786	-	79,786	10%	32,505	2,364	34,869
Electric Equipment	5,344,631	-	5,344,631	10%	2,548,750	139,794	2,688,544
Electric Generator	20,561,467	2,000,000	22,561,467	20%	16,299,221	626,225	16,925,446
Deep Tubewell & Water Pump	2,164,667	-	2,164,667	10%	1,363,302	40,068	1,403,370
<b>Total</b>	<b>97,487,479</b>	<b>2,000,000</b>	<b>99,487,479</b>		<b>41,977,673</b>	<b>2,872,714</b>	<b>44,850,387</b>
							<b>54,637,092</b>

**Allocation of Depreciation :**

Charge to Production	2,240,469
Charge to Administration	632,245
	<b>2,872,714</b>



## FU-WANG FOODS LIMITED

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

### PROXY FORM

I / We \_\_\_\_\_  
of \_\_\_\_\_  
being the member of FU-WANG FOODS LIMITED hereby appoint  
Mr/Mrs \_\_\_\_\_  
of \_\_\_\_\_  
as my/our proxy to attend and vote for me/us on behalf at the 20<sup>th</sup> Annual General Meeting of the Company to be held on **21<sup>st</sup> December 2016** at RAOWA COMPLEX, Hall-3 (Eagle ), VIP Road, Mohakhali, Dhaka at **11:00 a.m.** and any adjournment thereof.

As witness my hand this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Revenue Stamp  
Tk. 20.00

(Signature of Proxy)

(Signature of Shareholder)

Register Folio:

Register Folio:

BO ID :

BO ID :

**Note :**

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



## FU-WANG FOODS LIMITED

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

### ATTENDANCE SLIP

I hereby record my attendance at the 20<sup>th</sup> Annual General Meeting of the Company being held on **21<sup>st</sup> December 2016** at RAOWA COMPLEX, Hall-3 (Eagle), VIP Road, Mohakhali, Dhaka at **11:00 a.m.**

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

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

BO ID: \_\_\_\_\_ BO ID: \_\_\_\_\_

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

- N.B.** (i) Shareholder attending the meeting in person or by proxy is requested to complete the attendance slip and hand it over at the entrance of the meeting venue. The respected Shareholders are requested to note that entry of non-member is restricted.
- (ii) No gift, cash or kind will be given for attending the meeting according to the circular of BSEC.