Un-audited

Financial Statement

of

Hwa Well Textiles (BD) Limited

For the period from 1st July to 30 September 2018

AMARSTOCK

Hwa Well Textiles (BD) Limited

Statement of Financial Position (Un-audited)
as at 30 September 2018

	Notes	Amount in Taka	
		30 Sept. 2018	30 June 2018
Assets			
Non-current assets		**867,422,733**	**885,136,870**
Property, plant and equipment (cost less accumulated depreciation)	5	830,756,246	848,413,053
Capital work-in-progress	6	36,532,717	36,532,717
Intangible assets (cost less accumulated amortization)	7	133,770	191,100
Current assets		**1,061,410,789**	**1,062,843,970**
Inventories	8	187,524,939	123,697,261
Trade receivables	9	320,348,316	345,007,875
Advance, deposits and prepayments	10	84,612,365	76,513,361
Investments	11	93,391,467	89,969,709
Other receivable	12	7,074,490	4,945,211
Cash and cash equivalents	13	368,459,212	422,710,553
Total assets		**1,928,833,522**	**1,947,980,840**
Shareholders equity & liabilities			
Equity attributable to the shareholders		**1,664,813,953**	**1,624,723,022**
Ordinary share capital	14	560,000,000	560,000,000
Tax holiday reserve	15	58,907,629	58,907,629
Revaluation surplus	16	339,309,672	341,898,180
Retained earnings	17	706,596,652	663,917,213
Non current liabilities		**70,008,364**	**70,431,905**
Deferred tax liability	18	70,008,364	70,431,905
Current liabilities		**194,011,205**	**252,825,913**
Account payables	19	109,946,479	178,783,279
Workers Profit Participation Fund (WPPF)	20	10,372,438	8,000,929
Other payables	21	17,653,113	17,765,318
Refund warrant liabilities against IPO subscription	22	5,853,500	5,853,500
Dividend payable	23	8,846,644	8,846,644
Provision for income tax	24	41,339,031	33,576,243
Total liabilities		**264,019,569**	**323,257,818**
Total equity and liabilities		**1,928,833,522**	**1,947,980,840**
Net Asset Value Per Share (NAVPS)	33	**29.73**	**29.01**

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

Hwa Well Textiles (BD) Limited

Statement of Profit or Loss and Other Comprehensive Income (Un-audited)
for the three month period ended 30 September 2018

	Notes	Amount in Taka	
		1 July 2018 to 30 September 2018	1 July 2017 to 30 September 2017
Revenue	25	366,576,954	334,912,622
Cost of goods sold	26	(315,073,970)	(288,001,802)
Gross profit		**51,502,984**	**46,910,820**
Distribution expenses	27	(6,250,406)	(5,585,622)
Administrative expenses	28	(8,475,674)	(7,913,122)
Profit from operation		**36,776,904**	**33,412,076**
Foreign exchange gain/(loss)	29	4,092,434	5,097,076
Others income	30	9,912,332	4,038,966
Financial expenses	31	(979,983)	(584,754)
Profit before income tax and WPPF		**49,801,687**	**41,963,364**
Workers' Profit Participation Fund		(2,371,509)	(1,998,255)
Profit before tax		**47,430,178**	**39,965,109**
Income tax	32	(7,796,042)	(6,511,587)
Profit after tax		**39,634,136**	**33,453,522**
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit and loss:			
Deferred tax income/(expenses) on revaluation	Annx-D	456,795	(507,551)
		456,795	**(507,551)**
Total comprehensive income		**40,090,931**	**32,945,971**
Earnings Per Share (EPS)	34	**0.71**	**0.60**

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

Hwa Well Textiles (BD) Limited

Statement of Changes in Equity (Un-audited)
for the three month period ended 30 September 2018

Amount in Taka

Particulars	Share Capital	Tax Holiday Reserve	Revaluation Surplus	Retained Earnings	Total
Balance at 01 July 2018	560,000,000	58,907,629	341,898,180	663,917,213	1,624,723,022
Profit for the year	-	-	-	39,634,136	39,634,136
Depreciation on revalued property, plant and equipment transferred to retained earnings	-	-	(3,045,303)	3,045,303	-
Deferred tax income/(expense) on revaluation during the year	-	-	456,795	-	456,795
Closing balance as on 30 September 2018	**560,000,000**	**58,907,629**	**339,309,672**	**706,596,652**	**1,664,813,953**

Hwa Well Textiles (BD) Limited

Statement of Changes in Equity (Un-audited)
for the three month period ended 30 September 2017

Amount in Taka

Particulars	Share Capital	Tax Holiday Reserve	Revaluation Surplus	Retained Earnings	Total
Balance at 01 July 2017	560,000,000	58,907,629	353,402,657	607,137,055	1,579,447,341
Profit for the period	-	-	-	33,453,522	33,453,522
Depreciation on revalued property, plant and equipment transferred to retained earnings	-	-	(3,383,670)	3,383,670	-
Deferred tax income/(expense) on revaluation during the year	-	-	507,551	-	507,551
Closing balance as on 30 September 2017	**560,000,000**	**58,907,629**	**350,526,538**	**643,974,247**	**1,613,408,414**

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

Hwa Well Textiles (BD) Limited

Statement of Cash Flows (Un-audited)
for the three month period ended 30 September 2018

	Notes	Amount in Taka	
		30 September 2018	30 September 2017
Cash flow from operating activities:			
Cash received from customers & other income	37	395,374,522	327,342,050
Cash paid to suppliers, employees & others	38	(447,556,731)	(244,100,662)
Cash generated from operations		**(52,182,209)**	**83,241,388**
Financial expenses		(979,983)	(584,754)
Income tax paid		(5,131,201)	(4,030,883)
Net cash provided by operating activities: (A)	**36**	**(58,293,393)**	**78,625,751**
Cash flow from investing activities:			
Acquisition of property, plant & equipment		(120,200)	(12,572,279)
Investment		(3,421,758)	(22,130,289)
Income from Investment		4,061,634	348,794
Net cash used in investing activities : (B)		**519,676**	**(34,353,774)**
Cash Flow from Financing Activities:			
Dividend Paid		-	(9,563)
Net cash used in Financing activities: (C)		**-**	**(9,563)**
Net increase/decrease in Cash & Cash Equivalents:(A+B+C)		**(57,773,717)**	**44,262,414**
Add: Cash & Cash Equivalents at the beginning of the year		422,710,553	430,237,473
Add: Unrealized foreign exchange gain/(loss) in cash & cash equivalents during the year		3,522,376	774,199
Cash & Cash Equivalents at the end of the year including foreign exchange gain/(loss)		**368,459,212**	**475,274,086**
Net Operating Cash inflow/ (outflow) Per Share (NOCFPS)	**35**	**(1.04)**	**1.40**

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

Hwa well Textiles (BD) Limited
Notes to the Financial Statements
For the period ended 30 September 2018

1. Reporting entity

1.1 The Company

Hwa Well Textiles (BD) Limited (hereinafter referred to as "the Company") was incorporated on 08 May 2002 vide Registration No. C-45767 (2240) of 2002 as a private limited company in Bangladesh under the Companies Act 1994. The Company was converted into a Public Limited Company on 30 December 2011. The registered office and principal place of business of the company is located at Alamin Icon Center, Flat-A-7, Level-7, House-57/4, Pragati Sarani, Kuril Bishwa Road, Dhaka-1212, Dhaka.

The company is now carrying out it's manufacturing activities in one factory located at Vill: Kashorgor, P.O: Seed Store Bazar, Habirbari Union No. 10 in P.S: Bhaluka of Mymensingh District.

1.2 Nature of business

Hwa Well Textiles (BD) Limited involves in production of knitted, dyed and finished textile fabrics and selling them in only international market.

2. Basis of preparation of financial statements

2.1 Statement on compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) based on International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) the Companies Act, 1994, Securities and Exchange Rules, 1987 and other relevant laws applicable in Bangladesh.

2.2 Other regulatory compliances

The Company is also required to comply with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations in Bangladesh:

- The Income Tax Ordinance 1984
- The Income Tax Rules 1984
- The Value Added Tax Act 1991
- The Value Added Tax Rules 1991
- The Customs Act 1969
- The Stamp Act 1899
- The Bangladesh Securities and Exchange Commission Act 1993
- The Bangladesh Securities and Exchange Commission Rules 1987
- DSE/CSE Rules
- Listing Regulations, 2015
- Bangladesh Labour Act, 2006(as amended to 2013).

2.3 Authorization for issue

The financial statements were authorized for issue by the Board of Directors in its meeting held on 14 November 2018 for publication.

2.4 Basis of measurement

The financial statements have been prepared on historical cost basis except for certain assets such as land and land developments and buildings which are stated at revalued amount (fair market value) as explained in the accompanying notes (Note- 3.1).

2.5 Accrual basis of accounting

Hwa Well Textiles (BD) Limited prepares its financial statements, except for cash flow information, using the accrual basis of accounting. Since the accrual basis of accounting is used, the company recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the IAS or IFRS conceptual Framework.

2.6 Presentations of financial statements

The presentation of these financial statements is in accordance with the guidelines provided by IAS 1: Presentation of Financial Statements. The financial statements comprise of:

(a) Statement of Financial Position as at 30 September 2018;
(b) Statement of Profit or Loss and Other Comprehensive Income for the period ended 30 September 2018;
(c) Statement of Changes in Equity for the period ended 30 September 2018;
(d) Statement of Cash Flow for the period ended 30 September 2018;
(e) Notes, comprising summary of significant accounting policies and other explanatory information.

2.7 Functional and presentation currency

Functional and presentation currency items included in these financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). These financial statements are presented in Bangladesh Taka ("BDT") which is also the functional currency of the company. The amounts in these financial statements have been rounded off to the nearest BDT except otherwise indicated.

2.8 Use of estimates and judgments

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosure, during and at the date of the financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by **IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors**.

2.9 Materiality, aggregation and off setting

Each material item as considered by management significant has been displayed separately in the financial statements. No amount has been set off unless the Company has legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards. The values of assets or liabilities as shown in the statement of financial position are not off-set by way of deduction from another liability or asset unless there exist a legal right therefore. No such incident existed during the period.

2.10 Going concern assumption

The financial statements are prepared on the basis of going concern assumption as per **IAS 01: Presentation of Financial Statements.** As per management assessment there is no material uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

2.11 Reporting period

The reporting period of the company covers 3 (Three) months from 01 July 2018 to 30 September 2018.

2.12 Comparative information

Comparative information has been disclosed in respect of 2018 in accordance with **IAS 01: Presentation of Financial Statements** for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current periods of financial statements. Prior period figure has been rearranged wherever considered necessary to ensure comparability with the current period.

3. Significant accounting policies

3.1 Property, plant and equipment

Recognition and measurement

An item shall be recognized as property, plant and equipment's if, and only it is probable that future economic benefits associated with the item will flow to the entry, and the cost of the item can be measured reliably.

Items of property, plant and equipment are measured at cost less accumulated depreciation as per **IAS 16: Property, Plant and Equipment.**

The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner. The cost also includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term debt availed for the construction/ implementation of the Property, Plant and Equipment, if the recognition criteria are met.

The cost of self-constructed assets includes the cost of material and direct labor and other costs directly attributable to bringing the assets to a working condition inclusive of inward freight, duties and non-refundable taxes for their intended use.

Subsequent costs

The subsequent expenditure is only capitalized as part of assets when the useful life or economic benefit or both of that asset is increased provided that it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of day to day servicing of property, plant and equipment are recognized in the Statement of Profit or loss and Other Comprehensive Income as 'Repair and Maintenance' when it is incurred.

Depreciation on Non-current assets

Depreciation is provided to amortize the cost of the assets after commissioning, over the period of their expected useful lives, in accordance with the provision of **IAS 16 Property, Plant and Equipment.** Depreciation is charged on additions made during the period from the month in which those assets are put into ready for use. Depreciation is charged on all the fixed assets except land and land development on reducing balance method at the following rates.

Particular of Assets	Rate of Depreciation
Corporate office/apartment	5%
Building and other civil construction	10%
Plant & Machinery	20%
Furniture and Fixtures	20%
Office Equipment	20%
Electrical Equipment & Installation	20%
Office Decoration	20%
Generator, power station & deep tube well	15%
Gas Line Installation	10%
Water Installation	10%
Motor Vehicles	20%
Parts & Tools	25%
Cookery Cutleries	25%

Depreciation methods, useful lives and residual values are reviewed after each reporting period. No estimate in respect of Property, Plant and equipment was revised during the period.

Revaluation of property, plant and equipment

As per **IAS 16: Property, Plant and Equipment** paragraph 34,"the frequency of revaluations depends upon the changes in fair values of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. Some items of property, plant and equipment experience significant and volatile changes in fair value, thus necessitating annual revaluation. Such frequent revaluations are unnecessary for items of property, plant and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item only every three or five years".

To comply with the above paragraph The Company made its first valuation of Land and Building and other civil construction on 30 June 2011 and secondly on 30 June 2016 by an independent valuer to reflect fair value (prevailing market price) thereof following "Current Cost Method".

Details of revaluation of property, plant and equipment:

Amount in Taka

Particulars of the assets	Name of the Valuer	Qualification of the Valuer	Date of Revaluation	Carrying amount of Assets	Value of Assets after revaluation	Revaluation Surplus
Land and Land Development	ACNABIN	Chartered Accountants	June 30, 2016	224,302,535	287,305,000	63,002,465
Building and Other Civil Constructions	ACNABIN	Chartered Accountants	June 30, 2016	140,781,663	194,216,602	53,434,939
			Total:	**392,965,768**	**481,521,602**	**116,437,404**

The increase in the carrying amount of revalued assets is recognized in the separate component of equity as Revaluation Surplus. However, the increase is recognized in the statement of Profit or Loss and Other Comprehensive Income for the year ended June 30, 2016 to the extent that, it reverses a revaluation decreased of the same assets previously recognized in the Statement of Comprehensive Other Income.

Other Non-Current Assets were kept outside the scope of the revaluation works. These are expected to be realizable at written down value (WDV) as mentioned in the Statement of Financial Position of the company.

Impairment

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated to determine the extent of the impairment loss, if any. Impairment loss is recorded on judgmental basis, for which provision may differ in the future years based on the actual experience.

Disposal of property, plant and equipment

An item of Property, Plant and Equipment is removed from the statement of financial position when it is dispose of or when no future economic benefits are expected from its use or disposal. The gain or loss on the disposal of an item of Property, Plant and Equipment is included in the statement of profit or loss of the period in which the de-recognition occurs.

Capital work in progress

Property, plant and equipment under construction/acquisition have been accounted for as capital work-in-progress until construction/acquisition is completed and measured at cost. Hwa Well Textiles (BD) Limited has expenses which are capitalized under capital work in progress as disclosed in accompanying note 6.

Impairment

We perform the impairment test for capital working progress but no internal or external indication of impairment is identified. Accordingly no impairment is made for the period end September 2018.

3.2 Intangible assets and research and development expenditures

Intangible assets are stated at cost less provisions for amortization and impairments, if any. License, patents, know-how and marketing rights acquired are amortized over their estimated useful lives, using the straight-line basis, from the time they are available for use. The cost of acquiring and developing computer software for internal use and internet sites for external use are capitalized as intangible assets

where the software or site supports a significant business system and the expenditure leads to the creation of a durable asset.

In compliance with the requirements of **IAS 38: Intangible assets,** research, development and experimental costs are usually absorbed as revenue charges as and when incurred. However, the research and development expenditures that is definite to yield benefit to the Company and is material in the Company's and/ local context, are capitalized as per IAS 38: Intangible Assets.

Hwa Well Textiles (BD) Limited currently using one software that is solely being used for administrative and operational purposes.

3.3 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds as per IAS 23: Borrowing Costs.

3.4 Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements has pricing latitude and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

(i) Sale of goods

Revenue from the sale of goods is recognised as per IFRS 15: Revenue An entity shall account for a contract with a customer that is within the scope of this Standard only when all of the following criteria are met:

a) the parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;
b) the entity can identify each party's rights regarding the goods or services to be transferred;
c) the entity can identify the payment terms for the goods or services to be transferred;
d) the contract has commercial substance (ie the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and
e) it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due. The amount of consideration to which the entity will be entitled may be less than the price stated in the contract if the consideration is variable because the entity may offer the customer a price concession.

(ii) Interest income

Interest on bank deposits have been accounted for on accrual basis.

(iii) Dividends

Revenue is recognised when the company's right to receive the payment is established, which is generally when shareholders approve the dividend.

3.5 Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instruments as per IAS 32: Financial Instruments Presentation.

Financial assets and financial liabilities are initially measured at fair value as per IAS 39: Financial Instruments Recognition and Measurement. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.5.1 Financial assets

The company classifies non-derivative financial assets as per para 45 of IAS 39 into four categories.

i. financial assets at fair value through profit or loss (FVTPL),
ii. held-to-maturity investments,
iii. loans and receivables or
iv. available-for-sale financial assets.

The company derecognises a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the company is recognised as a separate financial asset or liability.

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

i. Financial assets at fair value through profit or loss (held for trading)

A financial asset is classified as fair value through profit or loss if it is classified as Held-for-Trading or designated as such on initial recognition. A financial asset is designated as fair value through profit or loss if the company manages such investments and make purchase and sale decisions based on their fair value in accordance with company's documented risk management or investment strategy. Financial assets at fair value through profit or loss are measured at fair value and changes there in, which takes into account any dividend income, are recognised in the profit or loss. Hwa Well Textiles (BD) Limited have some investment in securities which is recognized as financial assets which are held for trading as disclosed in accompanying note 11.1.

ii. Held-to-maturity financial assets

If the company has positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity financial assets. Subsequent to initial recognition, Held-to-

maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses. As at the date of statement of financial position the company had no held to maturity financial assets.

iii. Loans and receivables

Loans and receivables are financial assets with fixed and determinable payments that are not quoted in the active market.

Subsequent to initial recognition, Loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. This is the most relevant category of financial asset to the company and includes trade and other receivables. Trade receivables with no stated interest rate are recognised at the original invoice amount when the impact of discounting is not material.

iv. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as Available-for-sale or are not classified in any of the above categories of financial assets.

Subsequent to initial recognition, they are measured at fair value and changes there in, other than impairment losses and foreign currency differences on Available-for-sale debt instruments, are recognised in Other Comprehensive Income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

As at the date of statement of financial position the company had no investment in marketable securities which is designated financial assets Available-for-sale.

3.5.2 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'. Company's financial liabilities mainly include Trade and other payables, Loans and borrowings.

i. Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at Fair value through profit or loss. Financial liabilities are classified as Held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as Held for trading unless they are designated as effective hedging instruments. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IAS 39 are satisfied.

Financial liabilities at fair value through profit or loss (FVTPL) are subsequently measured at fair value with gains or losses arising on re-measurement are recognised in Profit or loss. The company has not designated any financial liabilities as at Fair value through profit or loss.

ii. Other financial liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method (EIR). Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any

discount or premium on acquisition and fees or costs that are an integral part of the EIR. Other financial liabilities include Loans and borrowings, Trade and other payables.

3.5.3 Equity instruments

An equity instrument is any contract that gives rise to a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognized at the proceeds received, net of direct issue costs.

3.6 Impairment

(a) Financial assets

A financial asset, not classified as Fair value through profit or loss (Held for Trading), is assessed at each reporting date to determine whether there is an objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets, and the loss event(s) had an impact on the estimated future cash flows of that assets that can be estimated reliably. No impairment review of Financial Assets of Hwa Well Textile (BD) Limited as there is no Financial Assets other than Financial Assets classified as Fair Value through Profit or Loss (Held for Trading).

(b) Non-financial assets

The carrying amounts of the company's non-financial assets, other than Inventories and Deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of impairment loss (if any). Where it is not possible to determine the recoverable amount of an individual asset, the company estimates the recoverable amount of the Cash Generating Unit (CGU) to which the asset belongs. An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.7 Inventories

Inventories consisting of raw materials, work in progress, finished goods are valued at lower of cost and net realisable value as per IAS 2: Inventory. Cost of inventories include expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Cost of inventories is determined by using the weighted average cost formula. Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying amount of inventories to the lower of cost and net realisable value. Net realisable

value is based on estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.8 Cash and cash equivalents

Cash and cash equivalents consists of cash on hand and with banks on current accounts, deposit accounts and short-term investments (FDR- maturity less than 3 months) which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

3.9 Earnings Per Share (EPS)

Earnings Per Share (EPS) are calculated in accordance with the International Accounting Standard IAS 33: Earnings Per Share.

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary equity holders of the entity by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share

For the purpose of calculating Diluted earnings per shares, an entity adjusts profit or loss attributable to each ordinary equity holders of the entity, and weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares. Diluted EPS is only calculated where the company has commitment to issue ordinary share in future at reporting date. No such commitment is hold by company at reporting date.

3.10 Foreign currency transactions

Foreign currency transactions are recorded, on initial recognition in the functional currency at the spot exchange rate ruling at the transaction date.

At the end of each reporting period in compliance with the provision of IAS 21: The Effects of Changes in Foreign Exchange Rates.

a) Foreign currency monetary items are translated using the closing rate.
b) Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction.
c) Non-monetary items that are measured at fair value in a foreign currency is translated using the exchange rate at the date when the fair value is determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rate different from those at which they were translated on initial recognition during the period or in previous financial statements is recognized in Profit or loss in the period in which they arise.

Amount in SND Account and any other foreign currency balance have been translated into taka at the reporting date at the exchange rate prevailing on that date and gain/(loss) have been accounted for as other income/(loss) in statement of Profit or loss and Other Comprehensive income.

3.11 Employee benefits

The company maintains defined contribution plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective trust deeds and rules. The plan is funded and recognised/approved under Income Tax Ordinance 1984.

(a) Defined contribution plan (Provident fund)

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contribution to defined contribution plans are recognised as an Employee benefit expense in profit or loss in the period during which related services are rendered by employees. Advance contributions are recognised as an asset to the extent that a cash refund or a reduction in future payment is available.

Hwa Well Textiles (BD) Limited has a separate recognised provident fund scheme. All permanent employees of Hwa Well Textiles (BD) Limited contribute 8.0% of their basic salary to the provident fund and the company makes matching contributions.

The company recognises contribution to defined contribution plan as an expense when an employee has rendered related services in exchange for such contribution. The legal and constructive obligation is limited to the amount Hwa Well Textiles (BD) Limited agrees to contribute to the fund.

(b) Workers' Profit Participation Fund (WPPF)

The Company provides 5% of its profit before Tax after charging contribution to WPPF in accordance with Bangladesh Labour Act, 2006 (as amended to 2013).

(c) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

3.12 Accruals, provisions and contingencies

(a) Accruals

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees. Accruals are reported as part of Trade and other payables.

(b) Provisions

A provision is recognised in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting date. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. During the reporting period the company has made sufficient provisions where applicable.

(c) Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. At the reporting date the company does not have any contingent asset.

3.13 Operating segments

No geographical segment reporting is applicable for the Company as required by IFRS 08: Operating Segments, as the Company operates in a single geographical area and has a single business line of product i.e. manufacturing and selling of Textile fabrics.

3.14 Statement of cash flows

The Statement of Cash Flows has been prepared in accordance with the requirements of IAS 7: Statement of Cash Flows. The cash generating from operating activities has been reported using the Direct Method as prescribed by the Securities and Exchange Rules, 1987 and as the benchmark treatment of IAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

3.15 Related party disclosures

As per International Accounting Standards IAS 24: Related Party Disclosures, parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in Note 39.

3.16 Income tax

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity in accordance with IAS 12: Income Tax.

(a) Current tax

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. The tax rate used for the reporting period was 15% as a publicly traded company as per SRO-193 Law/IT/2015.

(b) Deferred tax

Deferred tax is recognised as income or an expense amount within the tax charge, and included in the net profit or loss for the period. Deferred tax relating to items dealt with as Other Comprehensive income (such as a revaluation) is recognised as tax relating to Other Comprehensive income within the statement of Profit or loss and Other Comprehensive income.

Taxable Temporary difference

A deferred tax liability is recognised for all taxable differences, except to the extent that the deferred tax liability arises from the initial recognition of goodwill; or the initial recognition of an asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Revaluations to fair value – Property, Plant and Equipment

The revaluation does not affect taxable profits in the period of revaluation and consequently, the tax base of the asset is not adjusted. Hence a temporary difference arises. This is provided for in full based

on the difference between carrying amount and tax base. An upward revaluation is therefore give rise to a deferred tax liability.

Deductible temporary difference

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

3.17 Events after the Reporting period

Events after the reporting period that provide additional information about the company's position at the statement of financial position date are reflected in the financial statements as per International Accounting Standards IAS 10: Events after the Reporting Period.

All material events occurring after the balance sheet date have been considered and where necessary, adjusted for or disclosed.

3.18 Risk exposure

Interest rate risk

Interest rate risk is the risk that Company faces due to unfavorable movements in the interest rates. Changes in the government's monetary policy, along with increased demand for loans/investments tend to increase the interest rates. Such rises in interest rates mostly affect companies having floating rate loans or companies investing in debt securities.

Management perception

The Company maintains low debt/equity ratio; and accordingly, adverse impact of interest rate fluctuation is insignificant.

Exchange rate risk

Exchange rate risk occurs due to changes in exchange rates. As the Company imports materials and equipments from abroad and also earns revenue in foreign currency, unfavorable volatility or currency fluctuation may affect the profitability of the Company. If exchange rate increases against local currency, opportunity arises for generating more profit.

Management perception

As the Company is a 100% export oriented industry so if the exchange rate is increased against local currency opportunity is created for getting more revenue against sale in foreign currency. On the other hand if exchange rate goes down, the management of the company changes the price of their services to cope with the change in exchange rate in order to mitigate the effect of unfavorable volatility in exchange rate on the company's earnings.

Industry risks

Industry risk refers to the risk of increased competition from foreign and domestic sources leading to lower prices, revenues, profit margin, and market share which could have an adverse impact on the business, financial condition and results of operation.

Management perception

Management is optimistic about growth opportunity in Textile sector in Bangladesh. The company continuously carries out Research and Development (R&D) to keep update with the customer's choices and latest fashions.

Market risks

Market risk refers to the risk of adverse market conditions affecting the sales and profitability of the company. Mostly, the risk arises from falling demand for the product or service which would harm the performance of the company. On the other hand, strong marketing and brand management would help the company increase their customer base.

Management perception

Management is fully aware of the market risk, and act accordingly. Market in Bangladesh for Textile industry producing and selling different types of knitted, dyed and finished fabrics abroad is growing at an exponential rate. Moreover, the company has a strong marketing and brand management to increase the international customer base and customer loyalty.

Operational risks

Non-availabilities of materials/equipment/services may affect the smooth operational activities of The Company. On the other hand, the equipment may face operational and mechanical failures due to natural disasters, terrorist attacks, unforeseen events, lack of supervision and negligence, leading to severe accidents and losses.

Management perception

The company perceives that allocation of its resources properly can reduce this risk factor to great extent. The Company hedges such risks in costs and prices and also takes preventive measures therefore.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price.

Management perception

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

4. Compliance with financial reporting standards as applicable in Bangladesh:

The Company as per Para-12 of Securities & Exchange Rule-1987, with the following International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) in preparing the financial statements.

Sl. No.	IAS No.	IAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied
2	2	Inventories	Complied
3	7	Statement of Cash Flows	Complied
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Reporting Period	Complied
6	11	Construction Contracts	Not Applicable
7	12	Income Taxes	Complied
8	16	Property, Plant & Equipment	Complied
9	17	Leases	Complied
10	19	Employee Benefits	Complied
11	20	Accounting for Government Grants and Disclosure of Government Assistance	Not Applicable
12	21	The Effects of Changes in Foreign Exchange Rates	Complied
13	23	Borrowing Cost	Complied
14	24	Related Party Disclosures	Complied
15	26	Accounting and Reporting by Retirement Benefit Plans	Not Applicable
16	27	Separate Financial Statements	Not Applicable
17	28	Investments in Associates and joint ventures	Not Applicable
18	29	Financial Reporting in Hyperinflationary Economics	Not Applicable
19	31	Interest in Joint Ventures	Not Applicable
20	32	Financial Instruments: Presentation	Complied
21	33	Earnings per Share	Complied
22	34	Interim Financial Reporting	Complied
23	36	Impairment of Assets	Complied
24	37	Provisions, Contingent Liabilities and Contingent Assets	Complied
25	38	Intangible Assets	Complied
26	39	Financial Instruments: Recognition and measurement	Complied
27	40	Investment Property	Not Applicable
28	41	Agriculture	Not Applicable

Sl. No.	IFRS No.	IFRS Title	Compliance Status
1	1	First-time adoption of International Financial Reporting Standards	Not Applicable
2	2	Share-based Payment	Not Applicable
3	3	Business Combinations	Not Applicable
4	4	Insurance Contracts	Not Applicable
5	5	Non-current Assets Held for Sale and Discontinued Operations	Complied
6	6	Exploration for and Evaluation of Mineral Resources	Not Applicable
7	7	Financial Instruments: Disclosures	Complied
8	9	Financial Instruments	Complied
9	8	Operating Segments	Complied
10	10	Consolidated Financial Statements	Not Applicable
11	11	Joint Arrangements	Not Applicable
12	12	Disclosure of Interests in other Entities	Complied
13	13	Fair Value Measurement	Complied
14	15	Revenue from Contracts with Customers	Complied

		Amount in Taka	
		30 September 2018	**30 June 2018**
5.	**Property, Plant and Equipment**		
	Opening Balance (at cost/revaluation)	1,361,170,740	1,177,008,029
	Add: Addition during the period	120,200	184,162,711
		1,361,290,940	**1,361,170,740**
	Less: Accumulated depreciation	**530,534,694**	**512,757,687**
	Opening balance	512,757,687	448,679,302
	Add: Depreciation charged during the period	17,777,007	64,078,385
	Written down value	**830,756,246**	**848,413,053**
	Details has been shown in the **Annexure-A**		
6.	**Capital work-in-progress**		
	Opening Balance	36,532,717	**36,062,317**
	Add: Addition during the period	-	470,400
		36,532,717	36,532,717
	Less: Transfer to Non-Current Assets	-	-
		36,532,717	**36,532,717**

Work in Capital represents the cost of 4310 sft floor space (2 flats) purchased for office space located at Block A, Umme Kulsum Road, 2nd avenue of Bashundhora R/A which is not handed over yet to the company.

7.	**Intangible Assets**		
	Opening balance (at cost)	630,000	630,000
	Add: Addition during the period	-	-
		630,000	**630,000**
	Less: Accumulated Amortization	**496,230**	**438,900**
	Opening Balance	438,900	200,025
	Add: Amortization charged during the period	57,330	150,900
	Less: Disposal/ Adjustment during the period	-	87,975
	Written down value	**133,770**	**191,100**
	Details has been shown in the **Annexure-A**		
8.	**Inventories**		
	Raw Materials-Yarn	119,763,624	50,938,421
	Raw Materials -Dyes, Chemicals & Salt	25,320,688	4,429,428
	Stock of Work-in-Process	3,475,778	2,582,125
	Stock of Finished Goods	5,438,849	2,589,836
	Stock in Transit Note-8.1	33,526,000	63,157,451
	Details has been shown in **Annexure-B**	**187,524,939**	**123,697,261**
8.1	**Stock in Transit**		
	Yarn	11,741,902	53,352,297
	Dyes and Chemicals	21,784,098	9,805,154
		33,526,000	**63,157,451**

	Amount in Taka	
	30 September 2018	**30 June 2018**

9. Trade Receivables

Opening Balance	351,750,710	450,208,422
Add: Sales during the Period	366,576,954	1,257,696,915
Less: Proceeds received during the period	(390,468,435)	(1,356,154,627)
Closing Balance **(Annexure C)**	**327,859,229**	**351,750,710**
Add/Less: Unrealized Foreign Exchange Gain/Loss	-	768,078
Add/Less: Provision for bad and doubtful debts	(7,510,913)	(7,510,913)
	320,348,316	**345,007,875**

Trade Receivable is secured and considered as good and recoverable within one year. Classification schedule as required by Schedule XI of Companies Act 1994 is as follows:

Particulars	**Taka**	**Taka**
i) Accounts Receivable is considered as good in respect of which the company is fully secured	312,837,403	337,496,962
ii) Accounts Receivable considered good in respect of which the company holds no security other than the debtor personal security.	-	-
iii) Accounts Receivable considered doubtful or bad	7,510,913	7,510,913
iv) Accounts Receivable due by any director or other officer of the company	-	-
v) Accounts Receivable due by Common management	-	-
vi) The maximum amount of receivable due by any director or other officer of the company	-	-
Total	**320,348,316**	**345,007,875**

10. Advances, Deposits & Prepayments

1) The balance against Advance Salaries and Wages are paid to the employees and workers of the company. No amount is paid to the Managing Director, Chairman and other Directors of the company.

Advances		**75,138,478**	**67,037,744**
Salary & Wages		9,154,386	8,356,019
Advance Income Tax	Note- 10.1	33,022,681	27,891,480
Suppliers and Service Providers	Note- 10.2	4,352,863	1,252,087
Advance against L/C for Import of Machinery		40,492	-
Nassa Design & Developments		15,306,400	15,306,400
Margin Deposit with Southeast Bank Ltd.		13,261,656	14,231,758
Deposits			
Security Deposit		**8,433,728**	**8,433,728**
Electricity- Mymensingh PBS-2		733,628	733,628
Titas Gas Transmission & Distribution Company Ltd.		7,200,100	7,200,100
Central Depository Bangladesh Ltd.		500,000	500,000
Prepayments			
Prepaid Insurance & Prepaid Expenses		1,040,159	1,041,889
		84,612,365	**76,513,361**

			Amount in Taka	
			30 September 2018	30 June 2018
10.1	**Advance Income Tax**			
	Opening Balance		27,891,480	42,379,328
	Add: Addition during the period	Note-10.1.1	5,131,201	27,665,086
			33,022,681	**70,044,414**
	Less: Adjustment made during the period		-	42,152,934
			33,022,681	**27,891,480**
10.1.1	**Advance Tax Payment during the period**			
	TDS from Export		3,516,438	9,939,443
	TDS from FDR		604,263	2,443,995
	Advance Tax paid through A/C payee cheque		1,000,000	14,805,818
	TDS from other Bank A/C		-	276,670
	TDS from Dividend income		-	83,160
	Vehicle Tax		10,500	116,000
			5,131,201	**27,665,086**
10.2	**Advance against Suppliers and Service Providers**			
	Steel Task ltd.		200,000	200,000
	Advance against Expenses		526,000	270,380
	Advance against land		400,000	400,000
	Kaltimax Energy Bangladesh (Pvt.) Ltd.		-	349,384
	Mark Trade international		57,900	-
	S.A Engineering		132,323	32,323
	Delta Spinning Mills Ltd.		2,724,810	
	Hitech Lubricants		64,000	
	Mistry Tech Ltd.		219,000	
	MJL Bangladesh Ltd.		28,830	-
			4,352,863	**1,252,087**
11.	**Investments**			
	Investment in Securities	Note-11.1	21,055,000	17,903,715
	Investment in FDR	Note-11.2	72,336,467	72,065,994
			93,391,467	**89,969,709**

11.1 Investment in securities

Company Name	Quantity	Average Cost	Total Cost	Market Rate	Market Value
Western Marine Shipyard Ltd.	300,000	33.61	10,083,030	26.60	7,980,000
Shepherd Industries Ltd.	150,000	30.73	4,609,185	34.90	5,235,000
Queen South Textile Mills Ltd.	200,000	46.14	9,227,620	39.20	7,840,000
			23,919,835		**21,055,000**

The above investments in marketable securities are designated as Held for Trading (HFT) by the management. The shares of Shepherd Industries Ltd., and Western Marin Shipyard Ltd. and Queen South Textile Mills Ltd. are listed in Dhaka Stock exchange (DSE) and Chittagong Stock exchange (CSE). The whole investment in shares of both the companies are in DSE only.

MARSTOCK

			Amount in Taka	
			30 September 2018	30 June 2018
11.2	**Investment in FDR**			
	FDR with Southeast Bank Ltd. Ac. No. 7107544/245-12435		5,278,600	5,008,127
	FDR with Southeast Bank Ltd. No. 245000-12518		1,606,107	1,606,107
	FDR with Southeast Bank Ltd. No. 245000-12858		1,270,000	1,270,000
	FDR with Southeast Bank Ltd. No. 245000-12859		490,000	490,000
	FDR with Southeast Bank Ltd. No. 245000-41189		30,000,000	30,000,000
	FDR with Southeast Bank Ltd. No. 245000-41190		33,691,760	33,691,760
			72,336,467	**72,065,994**
12.	**Other Receivable**			
	Interest receivable on Investments		7,074,490	4,945,211
			7,074,490	**4,945,211**
13.	**Cash & Cash Equivalents**			
	Cash in hand		934,908	6,673,702
	Cash at Bank	Note-13.1	367,524,304	416,036,851
			368,459,212	**422,710,553**
13.1	**Cash at Bank**			
	A/C-11100005690, SEBL, New Eskaton Br.		33	284,215
	A/C-13100000767, SEBL, New Eskaton Br.		8,631,516	438,595
	A/C-15200000090, SEBL, New Eskaton Br.		21,714	21,745
	A/C-15400000084, SEBL, New Eskaton Br.		29,097,378	88,811,938
	A/C-73300000221, SEBL, New Eskaton Br.		1,418,139	1,872,964
	A/C-13100000797, SEBL, New Eskaton Br.		2,488,433	2,488,433
	A/C-13100000785, SEBL, New Eskaton Br.		2,246,667	2,246,667
	A/C-13100000768, SEBL, New Eskaton Br.		1,885,629	1,885,629
	A/C-131000000760, SEBL, New Eskaton Br.		3,103,810	3,103,810
	A/C-11100006659, SEBL, New Eskaton Br.		2,091	2,091
	A/C-13100000771, SEBL, New Eskaton Br.		2,058,193	2,058,193
	A/C-11100006493, SEBL, New Eskaton Br.		-	-
	A/C-13100000724, SEBL, New Eskaton Br.		36,733,810	36,742,724
	A/C-15100000188, SEBL, New Eskaton Br.		125,000	125,000
	A/C-16200000002, SEBL, New Eskaton Br.		269,103	269,103
	A/C-16300000002, SEBL, New Eskaton Br.		90,502	90,502
	A/C-4019-02586, AB Bank Ltd., Gulshan Branch		1,851	1,851
	A/C-33130358, Sonali Bank Ltd., Local Office		5,663	5,663
	A/C U040, Alpha Capital Management Limited		19,311,260	20,722,125
			107,490,792	**161,171,248**
	FDR with South East Bank Ltd.		253,797,282	248,759,883
	FDR with Meghna Bank Ltd.		6,236,230	6,105,720
		Annexure-F	**260,033,512**	**254,865,603**
			367,524,304	**416,036,851**
14.	**Share Capital**			
	Authorized Share Capital			
	100,000,000 Ordinary Shares of Tk. 10 each		1,000,000,000	1,000,000,000
			1,000,000,000	**1,000,000,000**

	Amount in Taka	
	30 September 2018	**30 June 2018**
Issued, Subscribed and Paid- up Capital		
56,000,000 Ordinary Shares of Tk. 10 each fully paid	560,000,000	560,000,000
	560,000,000	**560,000,000**

Name of Shareholders	Holding %	Number of Shares	Value in Taka	Value in Taka
Mr. Su, Chin Jung	23.13%	12,950,000	129,500,000	129,500,000
Mr. Obaidur Rahman Jaigirdar	12.47%	6,981,800	69,818,000	69,818,000
Mr. Wu, Shen Chung	6.38%	3,570,000	35,700,000	35,700,000
Mr. Ivan Jaigirdar	5.36%	3,000,000	30,000,000	30,000,000
Mr. Su, Wei-Han	3.50%	1,962,700	19,627,000	19,627,000
Institutions	8.28%	4,638,809	46,388,090	47,992,000
General Public	40.89%	22,896,691	228,966,910	227,363,000
	100.00%	**56,000,000**	**560,000,000**	**560,000,000**

15.	**Tax Holiday Reserve**	**58,907,629**	**58,907,629**

This represents provision made out of profit of Tax Holiday period in accordance with section 45 (2B) and section 46A (2) of Income Tax Ordinance 1984. The Company enjoyed Tax holiday period from October 01, 2004 to September 30, 2009.

16. Revaluation Surplus

Opening Balance	341,898,180	353,402,657
Add/(Less): Depreciation transferred to Retained Earnings	(3,045,303)	(13,534,679)
Add/(Less): Deferred tax Income/(Expenses) on revaluation during the period	456,795	2,030,202
	339,309,672	**341,898,180**

17. Retained Earnings

Opening Balance	663,917,213	607,137,055
Add: Transfer from Profit or Loss and Other Comprehensive Income during the period	39,634,136	127,245,479
Add: Depreciation on revalued Property, Plant and Equipment	3,045,303	13,534,679
Less: Dividend for the year	-	(84,000,000)
	706,596,652	**663,917,213**

18. Deferred Tax Liability

Opening Balance	70,431,905	69,551,330
Add/(Less): Deferred Tax Expenses/(Income) on cost	33,254	2,910,777
Add/(Less): Deferred Tax Expenses/(Income) on revaluation	(456,795)	(2,030,202)
The details have been shown in **Annexure-D**	**70,008,364**	**70,431,905**

19. Account Payables

Accounts payable	**Annexure-E**	110,299,848	179,674,717
Less: Unrealised Foreign Exchange Gain	Note-29.2	353,369	891,438
		109,946,479	**178,783,279**

			Amount in Taka	
			30 September 2018	30 June 2018
20.	**Workers Profit Participation Fund**			
	Opening Balance		8,000,929	7,351,272
	Add: Addition during the period		2,371,509	8,000,929
			10,372,438	15,352,201
	Less: Payment during the period			7,351,272
			10,372,438	**8,000,929**
21.	**Other Payables**			
	Goods and service providers	Note-21.1	5,123,462	5,458,908
	Accrued Expenses	Note-21.2	12,529,651	12,306,410
			17,653,113	**17,765,318**
21.1	**Schedule of Goods and services Providers**			
	Mostafa Brothers		1,608,900	1,406,900
	Good Luck Stationery		6,909	2,750
	Globe Multi Trade		5,000	5,000
	MM Engineering Works		115,014	145,344
	Eastern Clearing & Forwarding		109,812	277,000
	Top Trade C & F		935,725	554,450
	AMS Enterprise		6,500	6,500
	Arthosuchok.com		-	3,000
	Desh Cargo Services		157,245	114,460
	Micro Tools & Machineries		117,749	43,963
	Sharebazarnew.com		-	3,000
	FF Trading Corporation		1,197,862	1,831,112
	Lub Rref (Bangladesh) Ltd.		164,139	109,426
	Insurance premium		332	332
	Amit Enterprise		17,830	4,620
	Anan Trading Co.		12,175	27,175
	Automation Engineering & Control		4,787	149,971
	Crown Traders		200	200
	Delcot Limited		17,181	18,589
	Eastern Trading & Company		4,123	17,565
	Mark Trade international		-	151,550
	The National carrier		170,440	545,000
	Shefa Enterprise		200	200
	Butterfly Marketing Ltd.		-	15,556
	Better Cotton Initiate		-	19,165
	Siam Label Solution Ltd.		46,550	-
	Kaltimax Energy Bangladesh (Pvt.) Ltd.		371,616	-
	Shamsul Alamin Real Estate Ltd.		47,093	-
	Shornali Enterprise		6,080	6,080
			5,123,462	**5,458,908**
21.2	**Accrued Expenses**			
	Salaries, Wages & Overtime		5,928,030	6,444,638
	Audit, Professional fees & Others		393,006	320,500
	Utility bill & Telephone Bill		4,149,152	3,653,347
	VAT & TDS payable		1,615,957	1,444,119
	Contribution to Employees Provident Fund		443,506	443,806
			12,529,651	**12,306,410**

	Amount in Taka	
	30 September 2018	**30 June 2018**

22. Refund warrant liabilities against IPO subscription

SND A/C No. 13100000724	5,698,500	5,698,500
USD A/C No.15100000188	125,000	125,000
GBP A/C No.16200000002	10,000	10,000
EURO A/C No. 16300000002	20,000	20,000
	5,853,500	**5,853,500**

23. Dividend Payable

Opening Balance	8,846,644	6,828,379
Add: Declared Cash Dividend for the year 2016-2017 (560,000,000 @ 15%)	-	84,000,000
	8,846,644	90,828,379
Cash Dividend paid during the period	-	(70,476,397)
AIT against cash Dividend paid during the period	-	(11,505,338)
	8,846,644	**8,846,644**

24. Provision for Income Tax

Opening Balance	33,576,243	45,866,856
Add: Provision made during the period (Current Tax)	7,762,788	29,862,321
	41,339,031	**75,729,177**
Less: Adjustment made during the period	-	42,152,934
	41,339,031	**33,576,243**

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			Amount in Taka	
			1 July 2018 to 30 September 2018	1 July 2017 to 30 September 2017
25.	**Revenue**			
	Sales		366,576,954	334,912,622
			366,576,954	**334,912,622**
26.	**Cost of Goods Sold**			
	Opening Inventory, Raw Materials		55,367,849	13,971,570
	Purchased during the year		353,106,591	283,502,123
	Packing Materials Consumption		637,000	786,480
	Closing Inventory, Raw Materials		(145,084,312)	(51,502,123)
	Raw Materials Used		**264,027,128**	**246,758,050**
	Manufacturing Overhead	Note-26.1	54,789,508	53,949,457
	Total Manufacturing Cost		**318,816,636**	**300,707,507**
	Opening Work in process		2,582,125	2,012,465
	Closing Work-in-Process		(3,475,778)	(6,882,553)
	Cost of Goods Manufactured		**317,922,984**	**295,837,419**
	Opening Finished Goods		2,589,836	2,247,821
	Closing Finished Goods		(5,438,849)	(10,083,438)
	Total Cost of Goods sold		**315,073,970**	**288,001,802**
26.1	**Manufacturing Overhead**			
	Wages & Salary		16,727,018	16,854,029
	Festival Bonus		1,909,510	1,684,390
	Overtime		652,300	767,800
	Utility Bill		12,398,366	13,508,430
	Repair & Maintenance		2,518,635	2,999,851
	Daily Labor Charges		173,220	122,760
	Conveyance		50,885	60,485
	Medical Expenses		12,383	4,739
	Printing, Stationery & Others		149,145	121,236
	Mobile & Internet		29,850	30,500
	Vehicle Running Expenses		471,044	319,849
	Spare Parts & Tools		113,684	939,452
	Insurance Premium		919,454	361,408
	Fuel & Lubricant		449,601	265,524
	Fooding Expenses		850,943	1,142,882
	General Expenses		118,321	80,295
	Depreciation		16,677,574	14,206,452
	Amortization		57,330	32,248
	Contribution to Employees Provident Fund		510,245	447,127
			54,789,508	**53,949,457**
27.	**Distribution Expenses**			
	Carriage Outward		2,237,453	2,528,000
	Telephone & Mobile Bill		22,450	24,625
	Product Promotion Expenses		3,304,000	2,343,807
	L/C Advising, Amendment etc.		321,155	176,740
	Sample Expenses		365,348	512,450
			6,250,406	**5,585,622**

28.	**Administrative Expenses**	**1,515,582**	**3,547,186**
	Salaries & Allowances	3,547,186	3,135,275
	Managing Director's Remuneration	450,000	450,000
	Director's Remuneration	375,000	-
	Festival Bonus	540,190	480,910
	Printing & Stationery	62,917	39,840
	Fooding Expenses	176,386	225,148
	Electricity Bill & Gas bill	96,823	42,048
	Local Conveyance	138,264	291,579
	Overseas Travelling	477,617	503,973
	Office Rent	-	345,000
	Entertainment	213,837	223,037
	Office Maintenance	96,863	287,189
	Medical & Welfare	-	62,750
	Repair & Maintenance	30,000	127,900
	Fuel for Vehicle	162,151	181,847
	Telephone, Mobile & Internet Bill	88,725	65,101
	Postage, Courier & Paper, Periodicals	16,497	32,175
	Fees and Renewals	282,091	422,370
	Legal & Professional Fees	191,435	24,000
	Audit Fees	57,500	-
	Miscellaneous Expenses	197,192	714,963
	Board Meeting Fees	17,250	60,000
	Depreciation	1,099,434	63,479
	Publication Expenses	3,000	-
	Employees Provident Fund	155,316	134,538
		8,475,674	**7,913,122**

29.	**Foreign Exchange Gain/(Loss)**			
	Realized Foreign Exchange Gain/(Loss)	Note-29.1	216,689	3,016,409
	Unrealised Foreign Exchange Gain/(Loss)	Note-29.2	3,875,745	2,080,667
			4,092,434	**5,097,076**

29.1 Realized Foreign Exchange Gain/(Loss)

Particulars	Gain/(Loss) in Taka	Gain/(Loss) in Taka
Accounts Receivable	416,590	3,245,728
Accounts Payable	(199,901)	(229,319)
	216,689	**3,016,409**

29.2 Unrealised Foreign Exchange Gain/(Loss)

Particulars	Monetary Asset in FC as per Bank Statement	BDT as on 30/09/18 at Closing Rate 82.4547	BDT as per Books of Accounts	Gain/(Loss) in Taka	Gain/(Loss) in Taka
South East Bank Ltd. Eskaton Br FC A/C. No. 5290	$ 263.34	21,714	21,001	713	274
South East Bank Ltd. Eskaton Br, FC A/C. No. 5484	$ 352,889.26	29,097,378	25,571,557	3,525,821	758,932
South East Bank Ltd. Eskaton Br, A/C. No. - 15100000188	$ 1,614.70	125,000	125,000	-	-
South East Bank Ltd. Eskaton Br, A/C. No. 16200000002(GBP)	£ 2,468.48	269,103	265,541	(3,562)	11,375
South East Bank Ltd. Eskaton Br, A/C. No. 16300000002 (Euro)	€ 947.19	90,502	89,906	(596)	3,618
Sub-total				**3,522,376**	**774,199**
Accounts Payable				353,369	(613,623)
Trade Receivable				-	1,920,091
Total				**3,875,745**	**2,080,667**

30. Other Income

Interest on Short Term Deposits		7,735,981	5,274,426
Bank Interest		435,931	946,179
Gain/(Loss) on Investment in securities		1,740,420	(2,181,638)
		9,912,332	**4,038,966**

31. Financial expenses

Bank Charges		22,003	62,904
Bank Charges & Commission (export proceeds)		581,588	512,705
Discrepency charge on export documents		376,167	-
VAT on accounts Maintenance Fees		225	9,145
		979,983	**584,754**

32. Income Tax expenses

Current Tax	Note-32.1	7,762,788	7,134,165
Deferred Tax	**Annexure-D**	33,254	(622,578)
		7,796,042	**6,511,587**

32.1 Current Tax:

a) Provision for Income Tax on Business Income

Net Profit before tax	47,430,178	39,965,109
Add: Accounting Depreciation & Amortization	17,834,337	14,269,932
Add: Inadmissible expenses:		
Entertainment Expense	213,837	223,037
Less: Tax Depreciation & Amortization	(14,504,648)	(11,742,559)
Less: Other Income	(9,912,332)	(4,038,967)
Less: Unrealized Foreign exchange Gain/ Loss	(3,875,745)	(2,080,667)
Assessed business income	**37,185,627**	**36,595,885**
Less: Entertainment Expense	213,837	223,037
Business income for the year	**36,971,790**	**36,372,848**
Income Tax Rate	15%	15%
Income Tax on Business Income	**5,545,768**	**5,455,927**

b) Provision for Income Tax on Other Income

Head of Income	Income	Tax rate	Taka	Taka
Income from FDR and Other SND accounts	8,171,912	25%	2,042,978	1,555,151
Realized Gain/(Loss) on Investment in securities	1,740,420	10%	174,042	123,087
Total	**9,912,332**		**2,217,020**	**1,678,238**
Total Current Tax for the year (a+b)			**7,762,788**	**7,134,165**

33.00 Net Asset Value Per Share (NAVPS)

Net Assets	1,664,813,953	1,613,408,414
Number of Ordinary Shares (Par Value of Tk. 10)	56,000,000	56,000,000
Net Asset Value Per Share (NAVPS)	**29.73**	**28.81**

34.00 Basic Earnings Per Share

Earnings attributable to Ordinary Shares :	39,634,136	33,453,522
Number of Ordinary Shares (Par Value of Tk. 10)	56,000,000	56,000,000
Basic Earnings Per Share	**0.71**	**0.60**

35.00 Net operating cash inflow/(outflow) per share

Net cash from operating activities	(58,293,393)	78,625,751
Number of Ordinary Shares (Par Value of Tk. 10)	560,000,000	560,000,000
Net operating cash inflow/(outflow) per share	**(1.04)**	**1.40**

36.00 Reconciliation of net profit with cash flows from operating activities

Profit before tax	47,430,178	39,965,109
Adjustment for :		
Depreiation & Amortization	17,834,337	14,302,180
Unrealize foreign Exchange Gain/Loss	(3,522,376)	(774,199)
Unrealize Gain/Loss on Market Securities	-	3,412,509
Investment Income considered as investing activities	(4,061,634)	(348,794)
Change in Working Capital		
(Increase)/Decrease in Inventory	(63,827,678)	(90,843,320)
(Increase)/Decrease in Accounts Receivables	24,659,559	(17,908,174)
(Increase)/Decrease advance, deposits & Prepayments except Advance Income Tax	(2,967,803)	(5,469,911)
(Increase)/Decrease in Other Receivables	(2,129,279)	(1,930,899)
Increase/(decrease) in accounts payable	(68,836,800)	137,460,565
Increase/(decrease) in other payable	(112,205)	2,793,312
Increase/(decrease) in WPPF	2,371,509	1,998,255
Cash generated from operations	**(53,162,191)**	**82,656,635**
Income tax paid	(5,131,201)	(4,030,883)
Net cash provided by operating activities:	**(58,293,392)**	**78,625,752**

37.00 Collection from Turnover & Other Income

Revenue	366,576,954	334,912,622
Other Income	5,850,698	7,102,682
Opening accounts receivables	345,007,875	442,237,338
Closing accounts receivables	(320,348,316)	(460,145,512)
Opening other receivable	4,945,211	3,741,962
Closing other receivable	(7,074,490)	(5,672,861)
Foreign Exchange Gain/Loss	416,590	5,165,819
	395,374,522	**327,342,050**

38.00 Cash Payment to Suppliers, employees & Others

Cost of goods sold	(315,073,970)	(288,001,802)
Distribution expenses	(6,250,406)	(7,913,122)
Administrative expenses	(8,475,674)	(5,585,622)
(Increase)/Decrease in Inventory	(63,827,678)	(90,843,320)
(Increase)/Decrease advance, deposits & Prepayments except Advance Income Tax	(2,967,803)	(5,469,911)
Increase/(decrease) in accounts payable	(68,836,800)	137,460,565
Foreign Exchange Gain/Loss	153,468	(842,942)
Increase/(decrease) in other payable	(112,205)	2,793,312
	(465,391,068)	**(258,402,842)**
Adjustment for Non-cash Item		
Depreciation	17,777,007	14,269,932
Amortization	57,330	32,248
	(447,556,731)	**(244,100,662)**

39 Related Party Disclosure

As per Companies Act 1994 para-ll, Schedule-xi(4) the profit and loss account will give, by way of a note, detailed information showing separately the following payments provided or made during the period to the directors, including managing director, the managing agents or manager, if any, by the company, subsidiaries of the company and any other person:-

Transaction with Key Management Personnel of the entity :

Sl.	Particulars	Amount in Taka	Amount in Taka
(a)	Managerial remuneration paid/payable during the period to the Directors, including Managing Director or Managers.	5,037,366	4,271,334
(b)	Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	-	-
(c)	Other allowances and commission including guarantee, commission etc.	-	-
(d)	Pensions etc.	-	-
	(i) Pensions	-	-
	(ii) Gratuities	-	-
	(ii) Payments from a provident fund, in excess of own subscription and interest thereon.	665,561	581,665
	(iv) Compensation for loss of office	-	-
	(v) Consideration in connection with retirement from office	-	-
(e)	Share Based Payments	-	-

As per IAS-24:

An entity shall disclose key management personnel compensation in total and for each of the following benefits:

(a) Short-term employee benefits		
(b) Post- employee benefits	665,561	581,665
(c) Other long term benefits	-	-
(d) Termination benefits and	-	-
(e) Share - based payment	-	-
	665,561	**581,665**

40 General

40.1 Capital Expenditure Commitment

There is no capital expenditures contracted or provided as on 30 September 2018.

40.2 Claims Not Acknowledged

There is no claim against the company and not acknowledged as debt as on 30 September 2018.

40.3 Credit Facilities not Availed

There is credit facilities available to the company but not availed of as on 30 September 2018 under any contract, other than trade credit available in the ordinary course of business.

40.4 Commission, Brokerage or Discount Against Sales

No commission, brokerage or discount was incurred or paid by the company against sales during the period from 01, July 2018 to 30 September 2018.

40.5 Directors Responsibility of the Financial Statements

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements.

40.6 Disclose as per requirement of schedule XI, part II para 8 of the Companies Act 1994

Value of raw materials, packing material and capital goods

Particulars	Opening Balance of Raw Materials (Taka)	Raw Materials Purchase (Taka)	Total Raw Materials available (Taka)	Consumption (Taka)	% of Consumption
Raw Material	55,367,849	353,106,591	408,474,440	264,027,128	65%
Packing Material	-	637,000	637,000	637,000	100%
Spare Parts	-	113,684	113,684	113,684	100%

During the period from 1st July to 30 September 2018, total value of import in respect of raw yarn, dyes & chemicals, spare parts and machineries stands at equivalent Tk. 291,605,733 on CIF basis. The details have given below:

Particulars	Amount in Tk.	Amount in Tk.
Raw Yarn	243,806,776	237,791,417
Dyes & Chemicals	47,798,958	26,690,181
Spare Parts & Tools	-	-
Machineries	-	12,139,507
	291,605,733	**276,621,104**

Payment in foreign currency:

Particulars	Foreign Currency (USD)
Yarn	$ 2,665,596
Dyes & Chemicals	$ 468,364
Tools & Equipments	$ -
	$ 3,133,960

Value of Export

Particulars	Amount in USD
Export	$ 4,429,933

40.7 Capacity Details

Details of capacity has been given below:

Particular	License Capacity (Kg)
Annual Production (kg)	14,682,000

40.8 Employee Details

There were 366 employees as at September 30, 2018 and minimum wages and salary of Taka 5,300 per month.

40.9 Rounding Off

Amount appearing in these financial statements have been rounded off to the nearest Taka and wherever considered necessary.

40.10 Rearrangement/Reclassified/Re-statement of Last period Figures

To facilitate comparison, certain relevant balances pertaining to the previous year have been rearranged, reclassified or re-stated whenever considered necessary to confirm to the current period presentation.

40.11 All shares have been fully called up and paid up.

40.12 External Auditors are paid to fulfill the statutory requirements.

40.13 No foreign exchange remitted to the relevant shareholders during the period under audit.

40.14 No amount of money was spent by the company for re-compensating any members of the board for special service rendered.

40.15 There was no bank guarantee issued by the company on behalf of the Directors.

40.16 **Authorization issue of the Financial Statements**
The financial statements have been authorized for issue by the Board of Directors on 14 November 2018.

40.17 During the period Sales and other income increased comparative corresponding with previous period as well as Net Profit after Tax also increased therefore EPS also increased Tk 0.11 per Share.

During the period Net operating Cash Flows stands negative per share Tk. (1.04) comparative corresponding with last period positive of Tk. 1.40 where payment to suppliers, employees and other increased in current period by tk. 20.35 Crore corresponding with last period.

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Annexure-A

Hwa Well Textiles (BD) Limited

Schedule of Property, Plant & Equipment
for the period ended 30 September 2018

(i) Property, Plant and Equipment (Cost less Accumulated Depreciation)

Amount in Taka

Sl.	Particualrs	Opening Balance as on July 01, 2018	Addition during the period	Disposals	Closing Balance as on 30 September, 2018	Rate	Opening Balance as on July 01, 2018	Charged during the period	Adjustment	Closing Balance as on 30 September, 2018	Written Down Value as on 30 September 2018
1	Land & Land Developments	46,630,699	-	-	46,630,699		-	-	-	-	46,630,699
2	Land for Apartment at Alamin Icon Centre	7,883,265	-		7,883,265		-	-		-	7,883,265
3	Apartment (Corporate Office) -Icon Centre	69,970,274	-	-	69,970,274	5%	536,759	867,919		1,404,678	68,565,596
4	Building & Other Civil Constructions	212,969,701	-	-	212,969,701	10%	111,134,808	2,545,872	-	113,680,681	99,289,020
5	Corporate Office Decoration	1,658,780	-	-	1,658,780	20%	26,359	81,621		107,981	1,550,799
6	Plant and Machinery	458,256,021	-	-	458,256,021	20%	267,006,705	9,562,466	-	276,569,170	181,686,851
7	Furniture and Fixture	3,530,382	-	-	3,530,382	20%	1,665,178	93,260	-	1,758,438	1,771,944
8	Office Equipment	3,425,221	42,800	-	3,468,021	20%	2,323,474	56,494	-	2,379,969	1,088,052
9	Electrical Equipment and Installation	6,235,980	77,400	-	6,313,380	20%	4,827,227	70,438	-	4,897,665	1,415,715
10	Gas Line Installation	1,040,993	-	-	1,040,993	10%	802,847	5,954	-	808,800	232,193
11	Cookeries and Cutleries	43,991	-	-	43,991	25%	41,769	139	-	41,907	2,084
12	Generator, Power Station, Deep Tube well	33,296,649	-		33,296,649	15%	9,951,126	875,457	-	10,826,583	22,470,066
13	Motor Vehicle	22,783,462	-		22,783,462	20%	11,667,720	555,787	-	12,223,508	10,559,954
14	Water installation	312,298	-	-	312,298	10%	240,854	1,786	-	242,640	69,658
15	Parts and Tools	6,955,881	-	-	6,955,881	25%	6,723,706	14,511	-	6,738,217	217,664
	Sub Total (As at 30 September, 2018)	**874,993,597**	**120,200**	**-**	**875,113,797**		**416,948,531**	**14,731,704**	**-**	**431,680,237**	**443,433,560**
	Sub Total (As at 30 June, 2018)	690,830,886	184,162,711	-	874,993,597		366,404,824	50,543,706	-	**416,948,531**	458,045,066

(ii) Incremental Value of Revalued Property, Plant and Equipment

Sl	Particulars	Surplus on Revalued Amount				Depreciation					Written Down Value as on 30 September 2018
		Opening Balance as on July 01, 2018	Addition during the period	Disposals	Closing Balance as on 30 September, 2018	Rate	Opening Balance as on July 01, 2018	Charged during the period	Adjustment	Closing Balance as on 30 September, 2018	
1	Land & Land Developments	268,555,871	-	-	268,555,871		-	-		-	268,555,871
2	Building & Other Civil Constructions	217,621,272	-	-	217,621,272	10%	95,809,157	3,045,303		98,854,460	118,766,812
	Sub Total (As at 30 September, 2018)	**486,177,143**	**-**	**-**	**486,177,143**		**95,809,157**	**3,045,303**	**-**	**98,854,460**	**387,322,683**
	Sub Total (As at 30 June, 2018)	486,177,143	-	-	486,177,143		82,274,478	13,534,679	-	95,809,157	390,367,986
	Grand Total (As at 30 September, 2018)	**1,361,170,740**	**120,200**	**-**	**1,361,290,940**		**512,757,688**	**17,777,007**	**-**	**530,534,697**	**830,756,243**
	Grand Total (As at 30 June, 2018)	1,176,464,116	22,908,380	22,364,467	1,177,008,029		400,289,450	62,517,846	14,127,994	448,679,302	728,328,727

Depreciation Allocation:	**30-Sep-18**	**30-Jun-18**
Factory Overhead	16,677,574	63,196,159
Administrative Expenses	1,099,434	882,226
	17,777,007	**64,078,385**

(iii) Schedule of Intangible Assets

Sl	Particulars	Cost Value				Amortization					Written Down Value as on 30 September 2018
		Opening Balance as on July 01, 2018	Addition during the period	Disposals	Closing Balance as on 30 September, 2018	Rate	Opening Balance as on July 01, 2018	Charged during the period	Adjustment	Closing Balance as on 30 September, 2018	
1	Attendance, Leave Management & Payroll Software	142,025	-		142,025	30%	142,025	-	-	142,025	-
2	Inventory Software	400,000	-	-	400,000	30%	208,900	57,330	-	266,230	**133,770**
	Sub Total (As at 30 September, 2018)	**542,025**	**-**	**-**	**542,025**		**350,925**	**57,330**	**-**	**408,255**	**133,770**
	Sub Total (As at 30 June, 2018)	**630,000**	**-**	**87,975**	**542,025**		**200,025**	**150,900**	**-**	**350,925**	**191,100**

Hwa Well Textiles (BD) Limited

Summary of Inventory

As on 30 September, 2018

Annexure-B

Particulars	Quantity in Kg	Value in Taka
Yarns		
Import Yarns	903,384	131,505,525
Dyes & Chemicals		
Dyes & Chemicals- In house	140,410	43,071,352
Global Salt	531,000	4,033,434
Work in Process		
Yarns in Kniting Section	22,718	3,475,778
Inventory Position of Finished Goods		
Finished Goods in Warehouse	34,207	5,438,849
Total Closing Inventory	**1,631,718**	**187,524,938**

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Annexure-C

Hwa Well Textiles (BD) Limited.

Summary of Trade Receivables

As on 30 September 2018

Sl	Name of Party	Taka
1	Abtubunnesa Garments Ltd.	2,340,348
2	Afiya Knitwear Ltd.	978,221
3	Ahsan Composite Ltd.	11,162,975
4	AKH Knitting & Dyeing Ltd.	917,698
5	A.K.H Stitch Art Ltd.	19,733,512
6	AKR Fashions Ltd.	1,994,918
7	Anjuman Garments Pvt Ltd.	25,801,051
8	Apparels Industryes Ltd.	632,975
9	APT International Ltd.	983,980
10	Asahi Knit Apparels Ltd.	641,890
11	Aswad Composite Mills Ltd.	13,491,932
12	CFS Garments (Pvt) Ltd.	989,086
13	Color and Stitches Ltd.	2,444,785
14	Cute Dress Industry Ltd.	927,214
15	Dhaka Far East Ltd	10,791,230
16	Dips Apparels Ltd.	8,710,145
17	Ethical Garments Ltd.	2,786,765
18	Eurotex Knitwear Ltd.	4,178,048
19	Farnoor Garments	633,881
20	Fashion Point Ltd.	3,470,494
21	Futtalh Apparels Ltd.	2,433,354
22	GDM Wears Ltd.	523,733
23	Jams Apparels Ltd.	11,099,465
24	Joynal Knit Composite Ltd.	2,144,631
25	K A Design Wear Ltd.	660,610
26	KA Fashion Ltd.	10,248,674
27	Kazi Atteies Ltd	816,813
28	Kazi Composite Ltd.	7,852,821
29	KDS Fashion Ltd.	9,865,558
30	Keen Apparels Ltd.	1,834,542
31	Kenpark Bangladesh Pvt Ltd.	19,460,806
32	Knitivo Fashion Ltd.	9,055,620
33	Knit World Ltd	6,914,259
34	Latest Garments Ltd.	703,267
35	Majumder Garments Ltd.	1,733,116

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Sl	Name of Party	Taka
36	Mallick Fabrics Ltd.	4,216,957
37	Millennium Dresses Ltd.	5,569,178
38	Mitali Fashion Ltd.	8,181,118
39	Moonlux Apparels Ltd.	27,236,559
40	Next Composite Ltd.	1,739,240
41	Penta Forth Apparels Ltd.	7,918,306
42	Rafi Texmode Ltd.	3,054,733
43	Rio Fashion Ltd.	9,674,530
44	Roi Fashion Wear Ltd.	774,747
45	SGM Knit & Print Ltd.	8,878,908
46	Smile Apparels Ltd.	8,103,245
47	SM Knitwear Ltd.	579,747
48	Snowtex Outwears Ltd.	1,889,629
49	Taj Knitting Industries Ltd.	10,848,508
50	TNZ Apparels Ltd.	9,527,563
51	Tokio Mode Ltd.	2,224,485
52	Top Star Fashion Ltd.	517,415
53	Trust Knitwear Industries Ltd.	618,556
54	TRZ Garments Industries Ltd.	4,599,576
55	Uni Gears Ltd.	1,051,162
56	Unity Fabric Industries Ltd.	317,760
57	Visual Knitwears Ltd.	5,043,509
58	West Knit Wear Ltd.	6,335,381
		327,859,229

Annexure-D

Hwa Well Textiles (BD) Ltd.
Calculation of Deferred Tax
for the period ended 30 September 2018

	Particulars	Amount in Taka	
		30-Sep-2018	30-Jun-2018
A	**Deferred Tax (income)/expenses recognized in profit and loss:**		
	Cost:		
	Carrying amount except land		
	Property Plant and Equipment	388,919,596	403,531,102
	Unrealized Foreign Exchange Gain/(Loss)	3,875,745	3,369,661
	Intangible Assets	133,770	191,100
		392,929,111	**407,091,863**
	Tax base:		
	Property Plant and Equipment	313,443,618	327,815,813
	Intangible assets	85,750	98,000
		313,529,368	**327,913,813**
	Taxable/(Deductable) temporary difference	**79,399,743**	**79,178,050**
	Income tax rate	15% & 10%	15%
	Deferred tax liability at the end of the period	**11,909,961**	**11,876,707.50**
	Closing Deferred Tax Liabilities/(Assets)	11,909,961	11,876,708
	Opening Deferred Tax Liabilities/(Assets)	11,876,708	8,965,930
	Deferred Tax (income)/expenses recognized in profit and loss	**33,254**	**2,910,777**
B	**Deferred Tax (income)/expenses recognized in other comprehensive income and revaluation surplus:**		
	Carrying amount:		
	Land and Land development	268,555,871	268,555,871
	Building	118,766,812	121,812,115
		387,322,683	**390,367,986**
	Tax base:		
	Land and Land development		-
	Building		-
		-	-
	Taxable/(Deductable) temporary difference	**387,322,683**	**390,367,986**
	Income tax rate	15%	15%
	Deferred tax liability at the end of the period	**58,098,402**	**58,555,198**
	Closing Deferred Tax Liabilities/(Assets)	58,098,402	58,555,198
	Opening Deferred Tax Liabilities/(Assets)	58,555,198	60,585,400
	Deferred Tax (income)/expenses recognized in other comprehensive income and revaluation surplus:	**(456,795)**	**(2,030,202)**
C	**Total deferred tax liability at the end of the period as shown in the statement of financial position (A+B)**	**70,008,364**	**70,431,905**

Hwa Well Textiles (BD) Limited.

Statement of Accounts Payable

For the Period Ended 30 September 2018

Annexure-E

Party Name	Total Payable (Taka)
Zhejiang Hengyi Petro Chem.	21,852,800
Arif Knitspin Limited.	17,055,589
Xiamen Xianglu Chem. Fiber	6,065,175
Jintex Corporation Ltd.	13,704,557
Delta Spinning Mills Limited	2,724,966
Litchi International Holding Ltd.	4,342,123
MPI Polymer Industries SDN	2,971,347
Sannika Industries Pvt. Ltd.	6,378,238
Everlight Chemical Ind Ltd.	5,947,464
Global Tex Associates	7,536,880
N.R.G Hometex Ltd.	2,892,427
HP Camical	368,500
Makson Spining Mills Ltd.	5,594,500
Prime Textiles Spinning Mills Ltd.	9,707,294
Jamuna Denims Ltd.	2,203,509
Chemi Source	901,500
Bangla Cham	1,479
Freedom tradelink	51,500
	110,299,848

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Hwa Well Textiles (BD) Limited

Details of Cash at Bank (FDR)

for the year ended 30 September 2018

Annexure-F

Particulars	Amount in Taka	
	30.Sep.18	30.Jun.18
FDR with South East Bank Ltd.		
FDR with SE No. 7360151/243-16389	6,327,070	6,201,490
FDR with SE No. 7360152/243-16390	6,306,047	6,180,884
FDR with SE No. 7360158/243-16394	6,309,562	6,184,329
FDR with SE No. 7360159/243-16395	6,309,562	6,184,329
FDR with SE No. 7360166/243-16399	6,334,021	6,208,302
FDR with SE No. 7360167/243-16400	6,334,021	6,208,302
FDR with SE No. 7360168/243-16401	6,334,021	6,208,302
FDR with SE No. 7360169/243-16402	6,334,021	6,208,302
FDR with SE No. 7360170/243-16403	6,334,021	6,208,302
FDR with SE No. 7360171/243-16404	6,334,021	6,208,302
FDR with SE No. 7360172/243-16405	6,334,021	6,208,302
FDR with SE No. 7360173/243-16406	6,334,021	6,208,302
FDR with SE No. 7360174/243-16407	6,334,021	6,208,302
FDR with SE No. 7360175/243-16408	6,334,021	6,208,302
FDR with SE No. 7360185/243-16418	6,327,008	6,201,429
FDR with SE No. 7360186/243-16419	6,327,008	6,201,429
FDR with SE No. 7360187/243-16420	6,327,008	6,201,429
FDR with SE No. 7360188/243-16421	6,327,008	6,201,429
FDR with SE No. 7360196/243-16428	6,327,008	6,201,429
FDR with SE No. 7360197/243-16429	6,327,008	6,201,429
FDR with SE No. 7360198/243-16430	6,341,055	6,215,197
FDR with SE No. 7360199/243-16431	6,341,055	6,215,197
FDR with SE No. 7360283/243-16490	6,212,830	6,089,517
FDR with SE No. 7360284/243-16491	6,212,830	6,089,517
FDR with SE No. 7360285/243-16492	6,212,830	6,089,517
FDR with SE No. 7360286/243-16493	6,212,830	6,089,517
FDR with SE No. 7360287/243-16494	6,212,830	6,089,517
FDR with SE No. 7360288/243-16495	6,212,830	6,089,517
FDR with SE No. 7360289/243-16496	6,212,830	6,089,517
FDR with SE No. 7360290/243-16497	6,212,830	6,089,517
FDR with SE No. 7360291/243-16498	6,212,830	6,089,517
FDR with SE No. 7360292/243-16499	6,212,830	6,089,517
FDR with SE No. 7360307/243-16513	6,205,952	6,082,776
FDR with SE No. 7360308/243-16514	6,205,952	6,082,776
FDR with SE No. 7360309/243-16515	6,205,952	6,082,776
FDR with SE No. 7360310/243-16516	6,205,952	6,082,776
FDR with SE No. 7360311/243-16517	6,205,952	6,082,776
FDR with SE No. 7360450/243-16641	6,089,397	5,968,534
FDR with SE No. 7360451/243-16642	6,089,397	5,968,534
FDR with SE No. 7360452/243-16643	6,089,397	5,968,534
FDR with SE No. 24300016912	1,265,673	1,240,551
FDR with SE No. 24300016913	1,868,752	1,831,661
	253,797,282	**248,759,884**
FDR with Meghna Bank Ltd.		
FDR with ME No. 0007326/1127	6,236,230	6,105,720
Total	**260,033,512**	**254,865,604**