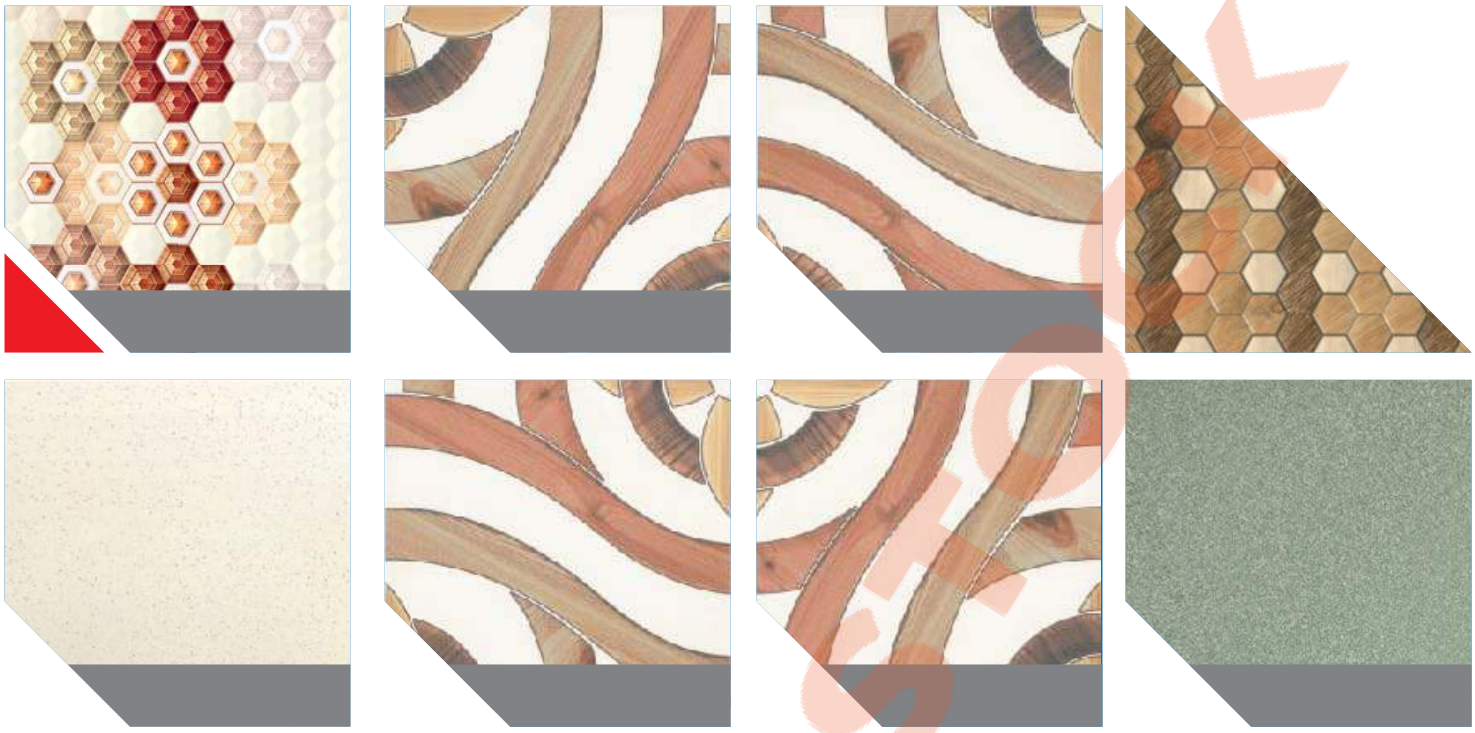


Annual Report

2016-2017

富王 FU-WANG

FU-WANG CERAMIC INDUSTRY LTD.

Corporate profile

Chairman	:	Mr. Javed Opgenhaffen
Managing Director	:	Mr. Lee Pak Tang
Independent Directors	:	Mr. Sadad Rahman
		Mr. Mohammad Shirajul Islam
		Mrs. Nilufar Anjum
		Mr. Md. Abu Zafer
		Mr. Sayeed Rezaraj Ahmmad

Legal Advisors : Meah Mohd. Kausar Alam Samir
Advocate, Supreme court of Bangladesh
The Legal Edge

Mr. Biplab Barua
Barister at-Law
Ashraf Uddin & Associates

Banks : Southeast Bank Limited
Principal Branch
Motijheel, Dhaka-1000

Company Secretary	:	Mr. Mohammad Golam Sabur
Registered Office	:	204/B (4th Floor), Bir Uttam Mir Shawkat Road, Tejgaon-Gulshan Link Road, Dhaka-1208
Factory	:	Hotapara, Gazipur
Auditors	:	MABS & J Partners Chartered Accountants SMC Tower (7th Floor), 33 Banani C/A Road # 17, Dhaka-1213



Honourable Shareholder is addressing in the 21st AGM

General Information

History of the Company

Date of Incorporation	:	31 May1995
Listed in Dhaka Stock Exchange Ltd.	:	May 1998
Listed in Chittagong Stock Exchange Ltd.	:	May 1998
Commercial Production	:	October 1996
ISO Certification	:	ISO-9002 Certified on 04 Nov 1998
Business Lines	:	Manufacturing & Marketing of Ceramic & Homogeneous Floor & Wall Tiles
Authorized Capital	:	Tk. 5 Billion
Paid-up Capital	:	Tk. 1,126,190,860
Number of Employees	:	418

Financial and Operational Highlights for Five Years

(Taka in Million)

	2016-17	2015-16	2014-15	2013-14	2012-13
Turnover (Net)	472.605	836.889	676.314	692.791	739.114
Gross Profit	186.423	242.684	162.372	164.208	182.235
Net Profit/(Loss) before Tax	96.838	161.908	42.915	53.696	80.661
Net Profit/(Loss) after Tax	72.629	132.240	34.368	41.088	55.014
Shareholders Equity	1,354.673	1,282.044	1,149.804	1,115.436	1,074.348
Earning per share after Tax (Taka)	0.64	1.29	0.37	0.49	0.72
Cash/Bonus Dividend	B l0%	B l0%	B l0%	B l0%	B l0%

Financial Results and Proposed Appropriation:

	2016-2017	2015-2016
Net Profit for the year before Tax & WPP	101,680,750	170,004,277
Add : Retained earnings up to last year	147,638,343	49,511,257
	249,319,093	219,515,534
Less : Contribution to WPP Fund	4,841,940	8,095,442
Profit available for appropriation Taka	**244,477,153**	**211,420,092**

Proposed Appropriation:

	2016-2017	2015-2016
Provision for Income Tax	24,209,702	29,668,662
Stock Dividend	102,380,980	34,113,087
Retained Earnings	117,886,470	147,638,343
	244,477,152	**211,420,092**

Dividend:

As mentioned in the earlier paragraph, the Company has posted a net profit before tax amounting to Taka 97,795,247 (ninety seven million seven hundred ninety five thousand two hundred forty seven) excluding capital loss on sale of car Taka 956,438 (nine hundred fifty six thousand four hundred thirty eight) in the year ended 30 June 2017 which has decreased around 11% compared to immediate preceding year's net profit before tax amounting to Taka 110,383,126 (one hundred ten million three hundred eighty three thousand one hundred twenty six).

Considering the above factors, the Board has opted recommending @10% stock dividend [one (1) bonus share for every ten (10) shares held] for the Y2016-2017 to all the shareholders to be distributed out of accumulated Retained Earnings subject to approval of the shareholders at the 22nd Annual General Meeting.

লভ্যাংশ:

আমাদের আগের অনুচ্ছেদে উল্লেখ করা হয়েছে যে, ৩০ জুন ২০১৭ সমাপ্ত অর্থ বছরে গাড়ি বিক্রয় বাবদ ৯৫৬,৪৩৮ (নয়শ ছাপ্পান্ন হাজার চারশ আটত্রিশ টাকা) ব্যতীত কর পরিশোধের পূর্বে কোম্পানির কর পূর্ববর্তী নীট মুনাফা দাঁড়িয়েছে ৯৭,৭৯৫,২৪৭ (সাতানব্বই মিলিয়ন সাতশ পচানব্বই হাজার দুইশ সাতচল্লিশ টাকা) যা পূর্ববর্তী বছরের কর পূর্ববর্তী নীট মুনাফা ১১০,৩৮৩,১২৬ (একশ দশ মিলিয়ন তিনশ তিরাশি হাজার একশ ছাব্বিশ টাকা) এর তুলনায় প্রায় ১১% কম।

উপরোল্লিখিত বিষয়গুলো বিবেচনা করে পরিচালনা পরিষদ ২০১৬-১৭ অর্থবছরের পুঞ্জিভূত আয় থেকে ১০% স্টক লভ্যাংশ (প্রতি ১০ শেয়ারের জন্য ১টি বোনাস) আগামী ২২তম বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারদের অনুমোদন সাপেক্ষে সকল শেয়ারহোল্ডারদের মধ্যে বিতরণের সুপারিশ করেন।

RETIRE, ELECT AND RATIFFICATION OF THE APPOINTMENT OF DIRECTORS:

As per article 126 of the Articles of Association Mr. Md. Abu Zafer, Mr. Mohammad Shirajul Islam and Mrs. Nilufar Anjum all Independent Directors, will be retiring from the Board at the 22nd Annual General Meeting and being eligible offered themselves for re-election subject to approval of the shareholders at the 22nd Annual General Meeting.

অবসর গ্রহণ, মনোনয়ন ও নতুন পরিচালকবৃন্দের নিয়োগ অনুমোদন:

কোম্পানির সংঘ বিধির ১২৬ ধারা অনুযায়ী সর্বজনাব মো: আবু জাফর, মোহাম্মদ সিরাজুল ইসলাম এবং নিলুফার আনজুম স্বতন্ত্র পরিচালক পদ থেকে অত্র ২২তম বার্ষিক সাধারণ সভায় অবসর গ্রহণ করবেন এবং যোগ্য বিধায় প্রত্যেকেই পুনর্নির্বাচনের জন্য ইচ্ছা প্রকাশ করেছেন, যা ২২তম বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারদের অনুমোদনের প্রয়োজন।



Honourable Shareholders are attending in the 21st AGM

AUDITORS:

The existing Auditors MABS & J Partners, Chartered Accountants, SMC Tower (7th Floor), 33 Banani C/A, Road # 17, Dhaka-1213 will be retiring at this Annual General Meeting and being eligible offered themselves for reappointment for the next term subject to approval of the shareholders at the 22nd Annual General Meeting.

নিরীক্ষক নিয়োগ:

কোম্পানির বর্তমান নিরীক্ষক এমএবিএস এন্ড জে পার্টনারস্, চার্টার্ড একাউন্ট্যান্টস, এসএমসি টাওয়ার (৭ম তলা), বনানী বা/এ, সড়ক # ১৭, ঢাকা-১২১৩ অত্র বার্ষিক সাধারণ সভায় অবসর গ্রহণ করবেন এবং যোগ্য বিধায় পরবর্তী বছরের জন্য পুনর্নিয়োগের প্রস্তাব করেছেন, যা ২২তম বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারদের অনুমোদনের প্রয়োজন।

OTHERS:

(a) Implementation of ETP

In compliance with DoE, the Company has implemented ETP (Effluent Treatment Plant) in the factory through H.M. Enviro Care which became operational effecting March

অন্যান্য:

ক) ইটিপি বাস্তবায়ণ

পরিবেশ অধিদপ্তরের নীতিমালা অনুযায়ী বিগত ২৯ মার্চ ২০১১ সাল হতে এইচ.এম. ইনভাইরো কেয়ারের মাধ্যমে কোম্পানি ফ্যাক্টরীতে ইটিপি ব্যবস্থা চালু করেছে। সে অনুযায়ী ২১ অক্টোবর

29, 2011. Accordingly DOE has provided Environmental Clearance Certificate for a period up to October 21, 2013. Against our application for renewal, DOE has renewed Environmental Clearance Certificate for the period up to 21 October 2018.

(b) Credit Rating of the Company

The Company has engaged Credit Rating Agency of Bangladesh Limited for rating the Company. Accordingly CRAB has awarded Long Term rating of BBB2 which will remain valid up to December 2017.

CORPORATE GOVERNANCE COMPLIANCE REPORT:

A statement in pursuance to clause 1.5 report of compliance, audit committee report as per clause 3.5, certificate from professional accountant as per clause 7(i) and as status of compliance as per clause 7(ii) of the BSEC Notification # SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 are depicted/disclosed in the Annexure - 1,2,3,4 respectively.

APPRECIATION:

I would like to thank all our valued shareholders, patrons, well-wishers and all employees for their continued support and sincere efforts towards the growth of the Company.

On behalf of the Board

Sd/-

Dated, Dhaka
25 October 2017

Javed Opgenhaffen
Chairman

২০১৩ পর্যন্ত পরিবেশ অধিদপ্তর পরিবেশগত ছাড়পত্র প্রদান করেছেন। আমাদের আবেদনের পরিপ্রেক্ষিতে পরিবেশ অধিদপ্তর আগামী ২১ অক্টোবর ২০১৮ পর্যন্ত উক্ত ছাড়পত্র নবায়ন করেছেন।

খ) প্রতিষ্ঠানের ক্রেডিট রেটিং

কোম্পানির ক্রেডিট রেটিং-এর জন্য 'ক্রেডিট রেটিং এজেন্সী অব বাংলাদেশ লিমিটেড' কে সম্পৃক্ত করা হয়। সে অনুযায়ী ক্রেব কর্তৃক ডিসেম্বর ২০১৭ পর্যন্ত মেয়াদের জন্য কোম্পানিকে দীর্ঘ মেয়াদী বিবিবি২ রেটিং এ ভূষিত করা হয়েছে।

কর্পোরেট গভর্নেন্স কমপ্লায়েন্স রিপোর্ট:

বিএসইসি'র প্রজ্ঞাপন #SEC/CMRRCD/2006-158/134/ Admin/44 তারিখ ০৭ আগস্ট ২০১২-এর নিরিখে একটি বিবরণ ১.৫ ধারা অনুসারে, প্রতিপালন প্রতিবেদন, অডিট কমিটির প্রতিবেদন ৩.৫ ধারা অনুসারে, ধারা ৭(১) অনুসারে প্রফেশনাল একাউনটেন্ট কর্তৃক সার্টিফিকেট এবং কর্পোরেট গভর্নেন্স প্রতিপালন ৭(২) এর অবস্থা যথাক্রমে সংযুক্তি- ১,২,৩,৪ এর মধ্যে বর্ণনা/প্রকাশ করা হলো।

কৃতজ্ঞতা:

পরিচালক পর্ষদের পক্ষ থেকে সম্মানিত শেয়ারহোল্ডারবৃন্দ ও সকল শুভানুধ্যায়ী এবং কর্মচারীবৃন্দকে তাদের অব্যাহত সমর্থন ও কোম্পানির উন্নয়নে সহায়তা দানের জন্য আন্তরিক ধন্যবাদ।

পরিচালক পর্ষদের পক্ষে

স্বা:/-

তারিখ: ঢাকা,
২৫ অক্টোবর ২০১৭

জাভেদ অপগেনহেপেন
চেয়ারম্যান

Annexure - 2

AUDIT COMMITTEE REPORT
For the Year 2016-2017

The Audit Committee on behalf of the Board strives to ensure effective implementation of the processes set out in the business plans and policies. Its aim is to ensure that high standards of corporate reporting, control and compliance are achieved through which business effectiveness enhances in these areas and reduces the risks of the business.

Composition of Audit Committee:

Mr. Sadad Rahman, Independent Director	- Chairman
Mr. Md. Abu Zafer, Independent Director	- Member
Mr. Sayeed Rezaraj Ahmmad, Independent Director	- Member

The Company Secretary of the Company is the Secretary of the Audit Committee.

Major responsibility of the Audit Committee:

- To review the quarterly, half yearly and Annual Financial Statements of the Company and determined whether they are complete and consistent with accounting standards set by the regulatory authority;
- To recommend the statutory annual audited financial statements to the Board of Directors for approval;
- To review the efficiency and effectiveness of internal audit function;
- To review the existing risk management procedures for ensuring an effective internal check and control system;
- To review the performance of the external auditors and make recommendations to the Board regarding their appointment and fees;
- To review the findings of the internal and external auditors;
- To review the work of the internal Audit Department and made suggestions for improvement.

Activities during the year:

- The financial statements of the year ended 30 June 2017 were reviewed by the committee and subsequently recommended to the Board for consideration and approval;
- The committee reviewed the internal audit report findings and made suggestions for improvement;
- The Committee reviewed the financial reporting process, the system of internal control, management of financial and operational risks and suggestions made to improve operational system and procedures and their implementation.

On behalf of the Audit Committee

Sadad Rahman
Chairman of the Audit Committee
Date: 03 October 2017

Date: 15 October 2017

Board of Directors
Fu-Wang Ceramic Industry Limited
204/B (4th Floor) Bir Uttam Mir Shawkat Road
Tejgaon-Gulshan Link Road
Dhaka-1208

Subject: **Financial Statements for the year ended 30 June 2017.**

Dear Sirs,

We the undersigned certified that:

1. We have reviewed the financial statements of the Company for the year ended 30 June 2017 and that to the best of our knowledge and belief:
   a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal and violation of the Company's code of conduct.

Managing Director

Chief Financial Officer (CFO)

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2017/049

BAPLC

Date of issue : 14th February 2017

Renewed Certificate

This is to certify that

FU-WANG CERAMIC INDUSTRY LIMITED

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

This certificate remains current until 31st December 2017.

Bangladesh Association of Publicly Listed Companies ★ BAPLC

Secretary-General
(Acting)

ATIK KHALED CHOWDHURY
Chartered Accountants

Hasan Court (1st Floor)
23/1 Motijheel C/A
Dhaka-1000, Bangladesh
Tel: 9553407, 9564972
Fax: +88-02-7124940
e-mail : atik.khaled@gmail.com
website : www.atikkhaled.com

Certificate on Compliance of Conditions of Corporate Governance Guidelines to the Shareholders of

FU-WANG CERAMIC INDUSTRY LIMITED

We have examined the compliance of conditions of corporate governance guidelines of the Bangladesh Securities and Exchange Commission (BSEC) by **Fu-Wang Ceramic Industry Limited** for the year ended on 30 June 2017 as Stipulated in clause 7(i) of the BSEC notification no SEC/CMRRECD/2006-158/134/Admin/44 dated 07 August 2012.

The compliance of conditions of corporate governance guidelines as stated in the aforesaid notification and reporting of the status of compliance is the responsibility of the management of Fu-Wang Ceramic Industry Limited. Our examination for the purpose of issuing this certification was Limited to the checking of procedure and implementation thereof, adopted by Fu-Wang Ceramic Industry Limited for ensuring the compliance of conditions of corporate governance and correct reporting of compliance status on the attached statement on the basis of evidence gathered and representation received.

To the best of our information and according to the explanations given to us, we certify that, as reported on the attached status of compliance statement, Fu-Wang Ceramic Industry Limited has complied with condition of corporate governance stipulated in the above mentioned BSEC notification dated 07 August 2012.

Atik Khaled Chowdhury

Dated: Dhaka
22 October 2017

Atik Khaled Chowdhury
Chartered Accountants

Auditors' Report to the Shareholders of Fu-Wang Ceramic Industry Limited

We have audited the accompanying financial statements of **Fu-Wang Ceramic Industry Limited,** which comprise the Statement of Financial Position as at 30 June 2017 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity for the year then ended 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), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations. The responsibilities includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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, we consider 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, (or give a true and fair view of) the financial position of Fu-Wang Ceramic Industry Limited as at 30 June 2017 and (of) its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs), comply with the Companies Act 1994 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 purposes 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 and Statement of Profit or Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of account; and

d) the expenditure incurred and payments made were for the purposes of the Company's business.

MABS & J Partners
Chartered Accountants

Dated: Dhaka, 25 October 2017

FU-WANG CERAMIC INDUSTRY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

Particulars	Notes	Amount in Taka	
		30/Jun/17	30/Jun/16
ASSETS			
Non-current Assets		**972,716,564**	**855,346,100**
Property,Plant & Equipment	**3.00**	865,486,976	836,084,383
Investment in Property	**4.00**	14,016,828	14,016,828
Capital Work in Progress for Machinery	**5.00**	93,212,760	5,244,889
Current Assets		**930,358,603**	**717,973,645**
Inventories	**6.00**	645,653,045	487,372,462
Trade and other Receivables	**7.00**	124,857,872	87,876,934
Advance, Deposits and Prepayments	**8.00**	140,629,305	129,626,009
Cash and Cash Equivalents	**9.00**	19,218,381	13,098,240
TOTAL ASSETS		**1,903,075,167**	**1,573,319,745**
Shareholders' Equity		**1,354,673,830**	**1,282,044,722**
Share Capital	**10.00**	1,126,190,860	1,023,809,880
Share Premium	**11.00**	110,596,499	110,596,499
Retained Earnings	**13.00**	117,886,471	147,638,343
Non-current Liabilities		**120,296,133**	**68,063,405**
Long Term Loan Net off Current Maturity	**14.00**	69,381,799	24,486,446
Deferred Tax		50,914,334	43,576,959
Current Liabilities		**428,105,205**	**223,211,618**
Short Term Bank Loans and Others	**15.00**	304,142,726	120,233,754
Current Portion of Long Term Loan	**14.00**	61,603,016	35,900,084
Trade and Other Payables	**16.00**	30,498,925	31,328,086
Liabilities for Expenses	**17.00**	14,988,210	13,157,991
Provision for Income Tax	**18.00**	16,872,327	22,591,703
Total Equity and Liabilities		**1,903,075,167**	**1,573,319,745**
Net Asset Value (NAV) per Share- Adjusted	**19.00**	**12.03**	**11.38**

The accompanying notes from 01 to 29 and 'Annexure-A' form an integral part of the this financial statements.

Javed Opgenhaffen	**Sadad Rahman**	**Mohammad Golam Sabur**
Chairman	Independent Director	Company Secretary

Signed in term of our separate report annexed.

MABS & J Partners
Chartered Accountants

Dated: Dhaka, 25 October 2017

FU-WANG CERAMIC INDUSTRY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

Particulars	Notes	Amount in Taka	
		2016-2017	2015-2016
Turnover (Net of SD &VAT)	20.00	472,605,400	836,889,015
Cost of Goods Sold	21.00	(286,182,155)	(594,204,332)
Gross Profit		**186,423,245**	**242,684,683**
Operating Expenses		**61,043,068**	**103,457,766**
Administrative Expenses	22.00	34,859,479	40,940,077
Selling and Distribution Expenses	23.00	26,183,589	62,517,689
Operating Income before Financial Expenses		**125,380,177**	**139,226,917**
Financial Expenses	24.00	(23,098,871)	(20,770,595)
Provision for Gratuity		(3,000,000)	(2,400,000)
Operating Income		**99,281,306**	**116,056,322**
Non Operating Income	25.00	2,399,444	53,947,955
Net Profit before Tax and WPPF		**101,680,750**	**170,004,277**
Contribution to WPPF and Welfare Fund		(4,841,940)	(8,095,442)
Net Profit before Tax		**96,838,810**	**161,908,835**
Tax Expenses	26.00	(24,209,702)	(29,668,662)
Net Profit after Tax		**72,629,108**	**132,240,173**
Earning Per Share (EPS)- Adjusted	27.00	**0.64**	**1.17**

The accompanying notes from 01 to 29 and 'Annexure-A' form an integral part of the this financial statements.

Javed Opgenhaffen	**Sadad Rahman**	**Mohammad Golam Sabur**
Chairman	Independent Director	Company Secretary

Signed in term of our separate report annexed.

MABS & J Partners
Chartered Accountants

Dated: Dhaka, 25 October 2017

FU-WANG CERAMIC INDUSTRY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

Particulars	Amount in Taka	
	2016-2017	2015-2016
A. Cash Flows From Operating Activities		
Collections from Turnover and others	438,980,344	846,593,082
Payment for Cost and Expenses	(479,259,057)	(706,120,272)
Financial Expenses	(23,098,871)	(20,770,595)
Income Tax Paid and Deducted at Source	(23,323,532)	(27,260,927)
Net Cash Flows from Operating Activities	**(86,701,116)**	**92,441,288**
B. Cash Flows From Investing Activities		
Acquision of Property, Plant and Equipment	(68,473,240)	(27,020,342)
Capital Working Progress	(93,212,760)	(6,412,162)
Disposed of Fixed Asset	-	69,094,961
Net Cash Flows from Investing Activities	**(161,686,000)**	**35,662,457**
C. Cash Flows From Financing Activities		
Short Term Loan/LATR Received	183,908,972	(89,977,988)
Long Term Loan (Current Portion) Received	25,702,932	(9,036,536)
Long Term Loan Received/(Paid)	44,895,353	(25,943,561)
Net Cash Flows from Financing Activities	**254,507,257**	**(124,958,085)**
D. Net Inflows of Cash and Cash Equivalents	6,120,141	3,145,660
Add: Cash and Cash Equivalents at Opening	13,098,240	9,952,580
E. Cash and Cash Equivalents at Closing	**19,218,381**	**13,098,240**
Net Operating Cash Flows Per Share- Adjusted	**(0.77)**	**0.82**

The accompanying notes from 01 to 29 and 'Annexure-A' form an integral part of the this financial statements.

Javed Opgenhaffen	**Sadad Rahman**	**Mohammad Golam Sabur**
Chairman	Independent Director	Company Secretary

Signed in term of our separate report annexed.

MABS & J Partners
Chartered Accountants

Dated: Dhaka, 25 October 2017

FU-WANG CERAMIC INDUSTRY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

Amount in Taka

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Total
Balance as at 01 July 2016	1,023,809,880	110,596,499	-	147,638,343	1,282,044,722
Bonus Share	102,380,980	-	-	(102,380,980)	-
Net Profit for the year	-	-	-	72,629,108	72,629,108
Balance as at 30 June 2017	**1,126,190,860**	**110,596,499**	**-**	**117,886,471**	**1,354,673,830**

FOR THE YEAR ENDED 30 JUNE 2016

Amount in Taka

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Total
Balance as at 01 July 2015	930,736,260	110,596,499	58,960,533	49,511,257	1,149,804,549
Bonus Share	93,073,620	-	(58,960,533)	(34,113,087)	-
Net Profit for the year	-	-	-	132,240,173	132,240,173
Balance as at 30 June 2016	**1,023,809,880**	**110,596,499**	**-**	**147,638,343**	**1,282,044,722**

The accompanying notes from 01 to 29 and 'Annexure-A' form an integral part of the this financial statements.

Javed Opgenhaffen	**Sadad Rahman**	**Mohammad Golam Sabur**
Chairman	Independent Director	Company Secretary

Signed in term of our separate report annexed.

Dated: Dhaka, 25 October 2017

MABS & J Partners
Chartered Accountants

FU-WANG CERAMIC INDUSTRY LIMITED

Notes to the Financial Statements
As at and for the Year Ended 30 June 2017

1.0 Corporate Information and Nature of Business Activities:

1.1 Corporate Information

The Company was incorporated on 31 May 1995 as a private company limited by shares and by a resolution passed on 28 February 1998 it was converted into a Public Limited Company. The company is now a public limited company with foreign and local shareholders. The company is engaged in manufacturing and marketing of various types and sizes of Floor Tiles and Glazed wall Tiles in its factory facilities at Hotapara, Gazipur. The industry has utilized its 33% yearly production capacity of 40 million Sft. (Homogenous and Glazed). Production capacity has been calculated at 100% efficiency based on 3 shifts of 8 hours in a day.

The principal place of business is the registered office at 204/B (4th Floor), Bir Uttam Mir Shawkat Road, Tejgaon-Gulshan Link Road, Dhaka-1208, Bangladesh and the factories are located at Bokran Monipur, Hotapara, Gazipur.

1.2 Nature of Business Activities

The company owns and operates two industrial units for manufacturing of various types and sizes of ceramic floor tiles and glazed wall tiles and sales thereof.

1.3 Number of Employees

On the payroll of the company, there were 78 officers 340 staff and workers /technicians apart from many casual/contract technicians/workers.

		Amount in Taka
418	Staff/Officers/Employees drew yearly salary and allowances of Tk. 36,000 or more	50,512,853
Nil	Staff/Officers/Technicians and many other casual workers drew yearly salary/wages and allowances less than Tk. 36,000	Nil
418		50,512,853

2.0 Significant Accounting Policies and Basis of Preparation of Financial Statements:

2.1 Statement of Compliance

The financial statements have been prepared and disclosures of information 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
1	IAS/BAS - 1	2.4
2	IAS/BAS - 2	2.10
3	IAS/BAS - 7	2.12 and 2.13
4	IAS/BAS -10	2.23
5	IAS/BAS -12	2.16
6	IAS/BAS -16	2.8
7	IAS/BAS -18	2.18
8	IAS/BAS -19	2.26
9	IAS/BAS - 21	2.19
10	IAS/BAS - 23	2.20
11	IAS/BAS- 24	2.21
12	IAS/BAS -33	2.24
13	IAS/BAS -36	2.25
14	IAS/BAS -37	26

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 2016 to 30 June 2017.

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 2017;
ii) Statement of Profit or Loss and Comprehensive Income for the year ended 30 June 2017;
iii) Statement of Cash Flows for the year ended 30 June 2017;
iv) Statement of Changes in Equity for the year ended 30 June 2017 and
v) Accounting Policies and Explanatory Notes for the year ended 30 June 2017.

2.5 Accounting Estimates

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

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

2.6 Risk and Uncertainty for Use of Estimates

The preparation of financial statements in conformity with Bangladesh Accounting Standards requires Management to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities, and disclosure requirements for contingent assets and liabilities during and the date of the financial statements. These financial statements contained information about the assumptions it made about the future and other major sources of estimation uncertainty at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amount of assets, liabilities, income and expenses within the next financial year. In accordance with the guidelines as prescribed by 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, the amounts involved are accounted for and disclosed retrospectively in accordance with the requirement of BAS-8.

2.8 Recognition of Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at their cost 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 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 replacements, renewals and betterments are capitalized.

The annual depreciation rates applicable to the principal categories are:

Category of fixed assets	Rate of Depreciation
Factory building and other construction	2.50%
Plant and machinery	5%
Office equipment	10%
Furniture and fixtures	10%
Motor vehicles	10%
Other assets	10% to 25%

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 of raw materials, stock in transit, finished goods, packing materials and stores & spares. They are stated at the lower of cost or net realizable value in accordance with BAS-2 *"Inventories"* after making due allowance for any obsolete or slow moving items. The cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price for the inventories less all estimated cost of completion and cost necessary to make the sale.

2.11 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 profit and loss account.

2.12 Statement of Cash Flows

Statement of Cash Flows is prepared principally in accordance with BAS-7, *"Cash Flows Statement"* and the cash flows from 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 Direct Method."

2.13 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 have 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.

2.14 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.

2.15 Tax Holiday Reserve

Both the industrial units of the company, viz, Unit No-1 enjoyed tax holiday from October 1996 to September 2001 while Unit No- 2 has been enjoyed tax holiday for five years effective from October 2000 and the tax holiday reserve has been provided as per provision of the Income Tax Ordinance, 1984.

2.16 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% has been applied for while making provision for income tax.

2.17 Trade Creditors and other Liabilities

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

2.18 Revenue Recognition

The revenue during the year represents revenue arising from the sale of various types and sizes of Tiles items which are recognized when deliveries are made, against the

sales order received from the respective customers 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, Supplementary Duty etc.

Commission

Commission/bonus 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.

2.19 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".*

2.20 Borrowing Costs

In compliance with the requirements of BAS 23 *"Borrowing Costs"* borrowing costs are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs are recognized as expenses in the period in which they incurred and capitalized the same that incurred before commencement of commercial operation.

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 2016-2017.

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

This is not considered as "Liability" in accordance with the provisions of the IAS 10 (original version) *"Contingencies and Events Occurring after the Balance Sheet Date".* IAS 10 as adopted by ICAB as BAS 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 Profit or Loss and Other Comprehensive Income and the computation of EPS is stated in Note -27

i. Basic Earnings

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

ii. Basic Earnings per Share

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

iii. Diluted Earnings per Share

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

2.25 Assets of the Company

As all assets of the company shown in the financial statement that are within the scope of BAS-36 are in physical existence and valued no 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, gratuity and group insurance for its permanent employees. Provident fund is administrated 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 Balance Sheet Date

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-29).

2.28 Acknowledgement of Claims

There was no claim against the company acknowledged as debt as on 30 June 2017.

2.29 Credit Facility not Availed of

There were no general credit facilities other than those are stated in "Note-14 and 15" were available to the company under any contract to be availed of at the Statement of Financial Position date.

2.30 Board Meeting and Board Members

There were 6 members in the Board of Directors of the company and 21 board meetings were held in the year under review.

2.31 Miscellaneous Expenses

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

2.32 Paid to directors

During the year the company paid Tk. 5,600,000 to managing director and deputy managing director as his remuneration, car facility, medical assistance and bonus.

2.33 Related Party Disclosures

As per BAS-24 *"Related Party Disclosures"* parties are considered to be related if one of the parties have the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

2.34 Audit Fee

As per decision taken in the 21th Annual General Meeting of the company held on 21th December 2016 the auditor's remuneration of Tk. 250,000 has been provided for in the accounts 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 statement are presented in Bangladeshi Taka which in the company's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.

ii) The expenses, 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.

		Amount in Taka	
		30/Jun/17	30/Jun/16
3.00 Property, Plant and Equipment: Tk. 865,486,976			
The break up of the above amount is as under:			
Cost	3.01	1,381,794,712	1,311,532,583
Accumulated Depreciation	3.02	(516,307,736)	(475,448,200)
Written down value		**865,486,976**	**836,084,383**
3.01 Cost: Tk. 1,381,794,712			
The break up of the above amount is as under:			
Balance as on 01 July		1,311,532,583	1,284,512,241
Addition during the year		73,718,129	27,020,342
		1,385,250,712	**1,311,532,583**
Adjustment made during the year		(3,456,000)	-
Transferred to property in investment		-	-
Balance as on 30 June		**1,381,794,712**	**1,311,532,583**
3.02 Accumulated Depreciation: Tk. 516,307,736			
The break up of the above amount is as under:			
Balance as on 01 July		475,448,200	432,282,691
Addition during the year		41,859,098	43,165,509
		517,307,298	**475,448,200**
Adjustment made during the year		(999,562)	-
Balance as on 30 June		**516,307,736**	**475,448,200**
4.00 Investment in Property: Tk. 14,016,828			
The break up of the above amount is as under:			
Balance as on 01 July		14,016,828	31,586,080
Less: Adjustment made during the year		-	(17,569,252)
Balance as on 30 June		**14,016,828**	**14,016,828**

Details in schedule of property, plant and equipment have been shown in "Annexure-A"

5.00 Capital Work in Progress for Machinery: Tk. 93,212,760			
The break up of the above amount is as under:			
Balance as on 01 July		5,244,889	17,029,896
Addition during the year		93,212,760	6,412,162
		98,457,649	**23,442,058**
Adjustment made during the year		(5,244,889)	(18,197,169)
Balance as on 30 June		**93,212,760**	**5,244,889**
6.00 Inventories: Tk. 645,653,045			
The break up of the above amount is as under:			
Stock of Raw Materials	6.01	366,370,128	299,732,381
Finished Tiles	6.02	79,814,610	52,430,332
Packing Materials	6.03	9,616,204	10,373,022
Stores and Spares		96,659,874	70,879,596
Raw Materials in Transit		93,192,229	53,957,131
		645,653,045	**487,372,462**

		Amount in Taka	
		30/Jun/17	30/Jun/16

6.01 Stock of Raw Materials: Tk. 366,370,128

The break up of the above amount is as under:

A. Local Raw Material

	Qty Ton		
White Clay	5,424.84	8,881,053	9,300,394
Red Clay	2,387.65	1,826,549	1,164,109
Sand	1,774.52	1,808,438	267,609
S. Silicate	119.80	3,665,899	108,659
Lime Stone	3,099.62	11,487,333	5,992,763
Sub -Total (A)	**12,806.43**	**27,669,272**	**16,833,533**

B. Imported Raw Material

	Qty Ton		
Kaolin	0.55	18,060	888,031
Zirconium Silicate	2.87	626,355	1,399,720
Adhesive/CMC	4.57	4,836,229	3,145,733
STPP/Diluting Agent	29.78	231,816	7,164,987
Engobe and Glazes	865.69	96,531,512	57,181,338
Frit	112.27	9,019,890	10,374,364
Luster Glazze	3.45	2,494,665	872,056
Printing Glaze/Prepared	217.14	27,980,866	31,496,421
MgO Calcined	4.45	628,481	555,373
Pigment	131.21	78,871,578	87,335,377
Composed Glaze	120.73	6,843,928	3,954,729
Soda Feldsper	762.61	6,251,811	16,074,964
Potash Feldsper	390.35	3,124,149	3,097,663
Clay Non Plastic	2,449.42	19,318,634	18,343,428
Clay Plastic	928.77	8,020,378	12,274,819
Ball Clay	248.19	21,227,111	6,649,609
Aluminium Ball Stone	350.01	52,570,393	21,985,236
Emulsion	0.11	105,000	105,000
Sub-Total (B)	**6,622.15**	**338,700,856**	**282,898,848**
Total (A+B)	**19,428.58**	**366,370,128**	**299,732,381**

		Amount in Taka	
		30/Jun/17	30/Jun/16

6.02 Finished Tiles: Tk. 79,814,610

The break up of the above amount is as under:

	Qty SFT		
Ceramic Floor Tiles	6,972.35	185,813	185,813
Ceramic Special Floor Tiles	3,514.65	99,675	99,675
Ceramic Luxury Floor Tiles	4,781.00	143,143	143,143
Ceramic Wall Tiles	421.68	11,238	11,238
Ceramic Special Wall Tiles	66.77	1,894	1,894
Ceramic dis & Lux Wall Tiles	641.40	19,402	19,402
Ceramic Luxury Wall Tiles	6,968.00	208,622	208,622
Glazed Floor Special Tiles	-	-	30,736
Glazed Wall Tiles	752.76	26,183	3,340,538
Glazed Wall Special Tiles	448,040.27	12,660,034	944,284
Glazed Wall Tiles	2,563.00	68,304	68,304
Floor Tiles Plain Color	1,165.00	33,039	33,039
Floor Tiles Design & Luxury	4,152.00	130,633	130,633
Wall Lux Roto Tiles	2,115.77	34,804	34,804
Ceramic Floor Tiles	772.25	14,016	14,016
Ceramic Special Floor Tiles	5,006.00	106,928	106,928
Ceramic Luxury Floor Tiles	999.00	15,974	15,974
Ceramic Luxury Floor Tiles	3,713.46	61,086	61,086
Ceramic Wall Tiles	1,196.88	21,723	21,723
Ceramic Special Wall Tiles	71.78	1,221	1,221
Ceramic dis & Lux Wall Tiles	415.34	8,872	8,872
Ceramic Luxury Wall Tiles	199.00	3,385	3,385
Ceramic Luxury Wall Tiles	14,282.35	417,114	-
Glazed Floor Tiles	-	-	24,616
Glazed Wall digital luxury Tiles	820.11	34,105	-
Glazed Wall Special Tiles	202.00	3,025	3,025
Glazed Wall Tiles	-	-	8,935,799
Floor Tiles Plain Color	-	-	3,218,495
Glazed Floor Luxury Tiles	557,318.02	16,393,220	-
Glazed Luxury Wall Tiles	16,288.05	579,782	5,767,568
Glazed Wall Luxury	-	-	345,635
Glazed Digital Wall Tiles	16,440.79	590,267	3,775,438
Glazed Digital Special Wall Tiles	25,337.20	1,034,628	8,157,281
Homogeneous Tiles	45,865.06	1,939,811	9,420,999
Homogeneous Tiles	660,190.14	27,155,008	2,060,592
Homogeneous Tiles	381,745.55	17,481,506	3,567,084
Homogeneous Tiles	548.25	31,922	557,583
Homogeneous Tiles(Porcelain)	6,272.44	236,952	1,110,884
Homogeneous Tiles(Porcelain)	1,350.65	61,280	-
Total	**2,221,189**	**79,814,610**	**52,430,332**

		Amount in Taka	
		30/Jun/17	30/Jun/16

6.03 Packing Materials: Tk. 9,616,204

The break up of the above amount is as under:

Carton	Qty PCs		
A 20x30	79,310	980,473	1,473,918
B 20x30	20,206	239,856	289,283
A 25x33	74	1,036	1,036
B 25x33	2,789	36,954	36,954
A 31x31	88,287	1,002,844	807,879
B 31x31	2,222	23,158	79,224
A 31x44	74,924	1,720,158	1,720,166
B 31x44	29,865	597,360	596,362
A 25x40	27,395	274,596	274,596
B 25x40	6,669	80,028	80,028
A 26x30.5	28,912	325,197	161,175
B 26x30.5	5,819	59,644	33,477
A 30.5x30.5	39,280	360,468	705,768
B 30.5x30.5	13,051	137,160	160,857
A 40.5x40.5	33,086	716,206	1,137,348
B 40.5x40.5	3,800	81,129	39,560
A 60.5x60.5	8,580	327,018	137,680
B 60.5x60.5	1,996	75,289	288,030
Gum Tape	6,328,861	2,577,631	2,349,681
Total	**6,795,126**	**9,616,204**	**10,373,022**

7.00 Trade and Other Receivables: Tk. 124,857,872

The break up of the above amount is as under:

Dhaka City Dealers		49,052,209	35,689,789
Sylhet Division Dealers		8,639,293	3,569,881
Chittagong City Dealers		8,634,698	4,658,987
Other Division's Dealer		47,819,295	35,359,892
Other Receivables	7.01	10,712,377	8,598,385
		124,857,872	**87,876,934**

7.01 Other Receivables: Tk. 10,712,377

The break up of the above amount is as under:

Rent receivable from Hua-Thai Ceramic Industry Ltd.		11,969,285	9,757,585
Less: Rent and utility bills payable for sales office to Hua Thai		(2,884,198)	(1,159,200)
		9,085,087	8,598,385
Interest Receivables on FDR		127,290	-
Ming Yang Travels Ltd.		1,500,000	-
		10,712,377	**8,598,385**

8.00 Advances, Deposits and Prepayments (Considered Good): Tk. 140,629,305

The break up of the above amount is as under:

Advances	8.01	119,071,030	118,224,304
Pre-paid BSTI License Fee Sales Center and Land Rent		7,647,200	2,174,711
Deposits	8.02	13,911,075	9,226,994
		140,629,305	**129,626,009**

		Amount in Taka	
		30/Jun/17	30/Jun/16
8.01 Advances: Tk. 119,071,030			
The break up of the above amount is as under:			
VAT Current Account and Supplementary Duty		1,198,995	1,365,622
Advance Income Tax	8.01.1	111,181,380	110,449,551
Advance for Appeal Fee		288,719	288,719
Advance against Purchasing		4,121,302	3,839,778
Advance Paid to Provident Fund A/C		390,867	390,867
Advance for Tribunal (10%)		1,889,767	1,889,767
		119,071,030	**118,224,304**

8.01.1 Advance Income Tax: Tk. 111,181,380

The break up of the above amount is as under:

Balance as on 01 July	110,449,551	85,236,279
Addition during the year	23,323,532	27,260,927
	133,773,083	**112,497,206**
Adjustment made during the year	(22,591,703)	(2,047,655)
Balance as on 30 June	**111,181,380**	**110,449,551**

8.02 Deposits: Tk. 13,911,075

The break up of the above amount is as under:

International Trade Fair	-	20,000
T & T Board for Telephone	127,000	127,000
Eacm Business International for 4 Gas Cylinders	20,000	20,000
Titas gas T & D (gas connection-factory)	8,317,476	6,618,525
DESA for 1 Meter of 200 KVA Substation	300,000	300,000
B. I. S. F	-	10,000
Grameen Phone	-	6,000
Nitrogen Gas Cylinder	50,000	50,000
China (BD.) Great Wall Ltd.	-	15,000
Prime Finance and Investment Securities	10,000	10,000
VAT Deposit against Appeal	1,934,719	1,934,719
Linde Bangladesh Limited	44,000	24,000
Gazipur Palli Bidyut Samity	3,107,880	-
Institution of Diploma Engineers, Bangladesh (IDEB)	-	40,000
Institution of Engineers Bangladesh (IEB)	-	51,750
	13,911,075	**9,226,994**

9.00 Cash and Cash Equivalents: Tk. 19,218,381

The break up of the above amount is as under:

Cash in Hand	9.01	127,229	146,039
Cash at Bank	9.02	19,091,152	12,952,201
		19,218,381	**13,098,240**

9.01 Cash in Hand: Tk. 127,229

The break up of the above amount is as under:

At Head Office	27,229	46,039
At Factory	100,000	100,000
	127,229	**146,039**

		Amount in Taka	
		30/Jun/17	30/Jun/16

9.02 Cash at Bank: Tk. 19,091,152

The break up of the above amount is as under:

Pubali Bank Ltd., Gulshan Br., Dhaka (CA-17877)		183,316	3,485,122
Pubali Bank Ltd. Local Office, Dhaka (STD-974)		500,964	443,205
Shahjalal Islami Bank Ltd. – Gulshan, Dhaka (CD-477)		1,895	3,045
Standard Bank Ltd. (STD-286)		744,062	639,502
Southeast Bank Ltd., Principal Branch, Dhaka (CD-8058)		145,721	441,181
Southeast Bank Ltd.,Principal Branch, Dhaka (STD-2127)		14,389	15,152
Premier Bank Ltd., Gulshan, Dhaka (CD-15652)		4,425	-
NCC Bank Ltd., Gulshan, Dhaka (CD-21006)		4,070	-
Dutch Bangla Bank Ltd. Badda, Dhaka (CD-14685)		9,425	-
Modhumati Bank Ltd. Gulshan, Dhaka (CD-421)		435	-
Short Term Fixed Deposit	9.02.1	17,482,450	7,924,994
		19,091,152	**12,952,201**

9.02.1 Short Term Fixed Deposit: Tk. 17,482,450

The break up of the above amount is as under:

Balance as on 01 July	7,924,994	7,352,171
Addition During the Year	11,187,114	-
Interest Earned During the Year (Net)	720,154	572,823
Encashment During the Year	(2,349,812)	-
Balance as on 30 June	**17,482,450**	**7,924,994**

Notes on Discontinuation of Bank Accounts:

***UCBL (CD-4082)**: There was virtually no transactions in this account for several years up to year ended 30 June 2007. So, the then auditors charged the balance amounting to Taka 10,000 as bank charges in the year ended 30 June 2008 and shown nil balance in the year ended 30 June 2008 and discontinued the account from accounting year ended 30 June 2009. The account was operated by the sole signature of the then Chairman of the Company.

****SCB (CD-01-623611-01)**: There was virtually no transactions from the year ended 30 June 2009 excepting showing a balance amounting to Taka 25,666. In the year ended 30 June 2010 the Company transferred Taka 25,000 to Company's another banking account and the then auditors charged Taka 666 as bank charges and accordingly there was nil balance reflected in the audited accounts for the year ended 30 June 2010.

From the audited accounts for the year ended 30 June 2011, then the auditors discontinued the accounts reflected in the audited accounts. SCB letter dated 11 July 2010 signed by Mr. K. Rais Ahmed, Associated Director of SCB informed the Company that as there was no transaction by long time, so the account status had been converted into "DORMANT" and no transaction will be allowed as long as the account remains the "DORMANT" status. The account was also operated by the sole signature of the then Chairman of the Company.

		Amount in Taka	
		30/Jun/17	30/Jun/16

10.00 Share Capital: Tk. 1,126,190,860

10.01 Authorized Capital: Tk. 5,000,000,000

The break up of the above amount is as under:

500,000,000 ordinary shares @ of Tk. 10/= each

10.02 Issued, Subscribed and Fully Paid-Up Capital: Tk. 1,126,190,860

112,619,086 ordinary shares @ of Tk. 10 each issued for cash		**1,126,190,860**	**1,023,809,880**
The break up of the above amount is as under:			
25,000,000	Ordinary of Tk. 10 each fully paid- up	250,000,000	250,000,000
8,000,000	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	80,000,000	80,000,000
3,300,000	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	33,000,000	33,000,000
16,500,000	Ordinary of Tk. 10 each fully paid- up issued as right shares	165,000,000	165,000,000
10,770,540	Ordinary of Tk.10 each against loan conversion as private placement	107,705,400	107,705,400
6,357,054	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	63,570,540	63,570,540
6,992,759	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	69,927,590	69,927,590
7,692,035	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	76,920,350	76,920,350
8,461,238	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	84,612,380	84,612,380
9,307,362	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	93,073,620	93,073,620
10,238,098	Ordinary of Tk. 10 each fully paid- up issued as bonus shares	102,380,980	-
112,619,086		**1,126,190,860**	**1,023,809,880**

The percentage of shareholding by different categories of shareholders are as follows :

No. of Holders		Holdings	Total Holding %	
30/Jun/17	30/Jun/16		30/Jun/17	30/Jun/16
3,569	4,170	Less than 500 shares	0.50%	0.66%
5,283	5,058	500 to 5,000 shares	8.65%	8.42%
850	709	5,001 to 10,000 shares	5.85%	5.16%
397	442	10,001 to 20,000 shares	5.27%	6.35%
145	137	20,001 to 30,000 shares	3.25%	3.33%
79	66	30,001 to 40,000 shares	2.44%	2.29%
55	57	40,001 to 50,000 shares	2.30%	2.61%
85	79	50,001 to 100,000 shares	5.36%	5.49%
77	76	100,001 to 1,000,000 shares	18.05%	17.18%
11	12	Over 1,000,000 shares	48.33%	48.51%
Total			**100.00%**	**100.00%**

10.04 Composition of the Shareholders:

Sl No.	Particulars	30/Jun/17			30/Jun/16		
		No. of Shares	Value of Shares	%	No. of Shares	Value of Shares	%
1	Directors/ Sponsors	5,998,364	59,983,640	5.33%	23,505,655	235,056,550	22.96%
2	Institutions	43,150,192	431,501,920	38.32%	26,762,545	267,625,450	26.14%
3	Foreigners	884,796	8,847,960	0.79%	849,016	8,490,160	0.83%
4	General Public	62,585,734	625,857,340	55.57%	51,263,772	512,637,720	50.07%
Total		**112,619,086**	**1,126,190,860**	**100%**	**102,380,988**	**1,023,809,880**	**100%**

	Amount in Taka	
	30/Jun/17	30/Jun/16

11.00 Share Premium: Tk. 110,596,499

The break up of the above amount is as under:

Balance as on 01 July	110,596,499	110,596,499
Balance as on 30 June	**110,596,499**	**110,596,499**

In 2011, total amount of Tk. 110,596,499 was received as share premium in respect of right shares issued to shareholders and private placement. The cost of issue was set off against share premium.

12.00 Tax Holiday Reserve: Tk. Nil

The break up of the above amount is as under:

Balance as on 01 July	-	58,960,533
Utilized for Bonus Share	-	(58,960,533)
Balance as on 30 June	**-**	**-**

Unit Wise Break-up of Tax Holiday Reserve:

UNIT-1 (Expired September 2001)	-	59,962,114
UNIT-2 (Expired October 2005)	-	46,998,419
	-	**106,960,533**
Utilized for Bonus Share	-	(106,960,533)
	-	**-**

13.00 Retained Earnings: Tk. 117,886,470

The break up of the above amount is as under:

Balance as on 01 July	147,638,343	49,511,257
Add: Profit after Tax for the Year	72,629,108	132,240,173
Profit Available for Appropriation	**220,267,451**	**181,751,430**
Less: Appropriations		
Utilized for Bonus Share	(102,380,980)	(34,113,087)
Balance as on 30 June (carried-forward)	**117,886,471**	**147,638,343**

14.00 Long Term Loan Net off Current Maturity: Tk. 69,381,799

The break up of the above amount is as under:

Balance as on 01 July	60,386,530	95,366,627
Addition During the Year	116,221,000	-
Bank interest	8,108,162	9,979,555
	184,715,692	**105,346,182**
Repayment Made During the Year	(53,730,877)	(44,959,652)
	130,984,815	**60,386,530**
Current Portion of Long Term Loan	(61,603,016)	(35,900,084)
Balance as on 30 June	**69,381,799**	**24,486,446**

Current portion of the term loan @ Tk. 51.33 lac each month favoring the Bank & Financial Institution. The rate of interest @ 10.50% & 13%.

		Amount in Taka	
		30/Jun/17	30/Jun/16

15.00 Short Term Bank Loans and others: Tk. 304,142,726

The break up of the above amount is as under:

Southeast Bank Ltd. (OD #73300001693)		215,289,546	65,538,696
Southeast Bank Ltd. (STL)		38,112,890	-
Southeast Bank Ltd. (LATR)		50,740,290	54,695,058
		304,142,726	**120,233,754**

Cash credits with Southeast Bank Ltd. is secured by hypothecation of inventories and first charge on Company's fixed assets and interest at 10.50% per annum.

16.00 Trade and other Payables: Tk. 30,498,925

The break up of the above amount is as under:

Trade Creditors		921,404	1,675,182
Security Deposit against Sale and Others		7,550,950	7,850,950
Workers' Profit Participation and Welfare Fund	16.01	20,850,207	20,625,590
Advance Received from Sun Power Ceramic Ind. Ltd*		1,176,364	1,176,364
		30,498,925	**31,328,086**

*In the year 2006-2007 Audited Financial Statements presented an amount of Tk. 5,250,000 which was shown under the head of Creditors (Note No.-27) as liability to Sun Power Ceramic Industry Ltd. (SPCIL). Actually it was the balance of Sundry Creditors. Although transaction with SPCIL in the year 2007-2008, but an amount of Tk. 1,176,364 taken from an unsigned statement for the period ended February 2008 of previous management though there was no record in the Company's books of accounts. But inadvertently recorded Tk. 6,426,364 against SPCIL as due from said company by adding the previous error amount of Tk. 5,250,000.

Therefore from the year 2008-2009, the then auditors amended this amount in the Financial Statements reflecting Tk. 1,176,364 that referred in this paragraph.

16.01 Workers' Profit Participation and Welfare Fund: Tk. 20,850,207

The break up of the above amount is as under:

Balance as on 01 July	20,625,590	15,352,674
Addition During the Year	4,841,940	8,095,442
	25,467,530	**23,448,116**
Adjustment During the Year	(4,617,323)	(2,822,526)
Balance as on 30 June	**20,850,207**	**20,625,590**

		Amount in Taka	
		30/Jun/17	30/Jun/16
17.00	**Liabilities for Expenses: Tk. 14,988,210**		
	The break up of the above amount is as under:		
	Salary and Allowances (Factory)	-	3,847
	Electricity/Gas	7,863,056	7,413,503
	Telephone and Fax (head office and sales)	3,589	4,996
	Audit Fee	250,000	250,000
	Provision for Gratuity 17.01	6,727,493	5,213,970
	Tax and VAT Payable on Rent and Others	144,072	271,675
		14,988,210	**13,157,991**
17.01	**Provision for Gratuity: Tk. 6,727,493**		
	The break up of the above amount is as under:		
	Balance as on 01 July	5,213,970	3,538,556
	Addition During the Year	3,000,000	2,400,000
		8,213,970	**5,938,556**
	Paid During the Year	(1,486,477)	(724,586)
	Balance as on 30 June	**6,727,493**	**5,213,970**
18.00	**Provision for Income Tax : Tk. 16,872,327**		
	The break up of the above amount is as under:		
	Balance as on 01 July	22,591,703	2,047,655
	Addition During the Year 26.00	16,872,327	22,591,703
		39,464,030	**24,639,358**
	Adjustment During the Year	(22,591,703)	(2,047,655)
	Balance as on 30 June	**16,872,327**	**22,591,703**
19.00	**Net Asset Value (NAV) Per Share:**		
	The break up of the above amount is as under:		
	Total Assets	1,903,075,167	1,573,319,745
	Total Outside Liabilities	(548,401,338)	(291,275,023)
	Net Assets	**1,354,673,830**	**1,282,044,722**
	Number of ordinary Share	112,619,086	112,619,086
	Net Asset Value (NAV) Per Share	**12.03**	**11.38**

			Amount in Taka	
			2016-2017	2015-2016
20.00	**Turnover (Net of SD and VAT etc.): Tk. 472,605,400**			
	The break up of the above amount is as under:			
	Local Sales		472,605,400	835,340,015
	Export Sales		-	1,549,000
	Total Turnover		**472,605,400**	**836,889,015**
	Total SD and VAT on Local Sales Tk. 152,468,229			
21.00	**Cost of Goods Sold: Tk. 286,182,155**			
	The break up of the above amount is as under:			
	Opening Stock of Raw Materials		299,732,381	239,217,477
	Raw Material Purchased During the Year		182,464,074	421,689,010
	Raw Materials Available for Use		**482,196,455**	**660,906,487**
	Closing Stock of Raw Materials		(366,370,128)	(299,732,381)
	Raw Materials Consumed		**115,826,327**	**361,174,106**
	Direct Expenses	21.01	124,071,887	148,377,727
	Prime Cost		**239,898,214**	**509,551,833**
	Factory Overheads	21.02	73,914,086	85,911,612
	Total Manufactured Cost		**313,812,300**	**595,463,445**
	Opening Finished Goods		52,430,332	53,228,872
	Cost of Goods Available for Sales		**366,242,632**	**648,692,317**
	Closing Finished Goods		(79,814,610)	(52,430,332)
	Sample		(245,867)	(2,057,653)
	Cost of Goods Sold		**286,182,155**	**594,204,332**
21.01	**Direct Expenses: Tk. 124,071,887**			
	The break up of the above amount is as under:			
	Wages		39,981,996	46,117,286
	Electricity and Gas		74,784,093	73,167,093
	Spare Parts	21.01.1	9,305,798	29,093,348
			124,071,887	**148,377,727**
21.01.1	**Spare Parts: Tk. 9,305,798**			
	The break up of the above amount is as under:			
	Balance as on 01 July		70,879,596	78,769,845
	Purchase During the Year		35,086,076	21,203,099
			105,965,672	**99,972,944**
	Balance as on 30 June		(96,659,874)	(70,879,596)
	Consumption During the Year		**9,305,798**	**29,093,348**

		Amount in Taka	
		2016-2017	2015-2016
21.02	**Factory Overheads: Tk. 73,914,086**		
	The break up of the above amount is as under:		
	Factory repair and maintenance	1,829,123	2,962,658
	Bonus to staff and workers	3,070,268	3,225,486
	Medical expenses	122,794	175,087
	Maternity benefits	69,888	143,508
	Packing materials 21.02.1	19,477,211	24,332,949
	Oil and lubricants	3,941,039	6,987,648
	Uniform	327,520	515,110
	Conveyance	251,501	288,685
	Printing and stationary	350,974	429,023
	Telephone, telex and fax	204,000	245,885
	Fooding expenses	1,278,341	1,635,168
	Labor charge	805,777	1,044,901
	Carriage inward	954,878	1,432,568
	Insurance premium (fire)	1,265,000	825,000
	Other direct expenses	83,145	89,597
	Group insurance	386,064	741,710
	Depreciation	39,496,563	40,836,629
		73,914,086	**85,911,612**

21.02.1	**Packing Materials: Tk. 19,477,211**		
	The break up of the above amount is as under:		
	Balance as on 01 July	10,373,022	6,073,984
	Purchase During the Year	18,720,393	28,631,987
		29,093,415	**34,705,971**
	Balance as on 30 June	(9,616,204)	(10,373,022)
	Packaging Materials Used	**19,477,211**	**24,332,949**

	Amount in Taka	
	2016-2017	2015-2016
22.00 Administrative Expenses: Tk. 34,859,479		
The break up of the above amount is as under:		
MD Remuneration and Others	5,600,000	4,800,000
Salary and Allowances	10,530,857	12,025,726
Bonus to Staff	2,515,489	3,100,817
Conveyance	839,964	1,308,524
Printing and Stationery	851,129	1,365,473
Postage and Telegram	96,931	334,308
Telephone, Telex and Fax	204,254	301,555
Office Rent	3,335,580	3,034,560
Electricity, Gas and WASA	428,084	439,097
Audit Fee	250,000	250,000
Meeting Fees	621,000	534,750
Maintenance of Vehicles	498,352	1,035,689
Rent, Rates and Taxes	1,223,651	944,186
Legal and Other Professional Fees	2,822,054	2,573,493
Fooding Expenses	97,167	231,287
Books and Periodicals	24,412	55,310
Travelling Expenses	753,978	1,730,365
Insurance Premium	228,482	282,234
Fuel for Transport	443,270	753,776
Maintenance of Office	359,285	892,166
AGM Expenses	340,946	1,174,953
EGM Expenses	282,049	-
Royalty	-	1,224,923
Training and Seminar	28,800	80,217
Group Insurance Premium	121,210	137,788
Depreciation	2,362,535	2,328,880
	34,859,479	**40,940,077**

23.00 Selling and Distribution Expenses: Tk. 26,183,589		
The break up of the above amount is as under:		
Advertisements	178,465	399,458
Carriage Outward	5,409,055	13,315,038
Sample	245,867	2,057,653
Business Promotion and Development Expenses	287,776	767,950
Commission to Dealers	18,039,149	44,255,960
Rent for Sales Center (Hatirpol)	1,661,520	1,159,200
Electricity Expenses of Sales Centre (Hatirpol)	292,828	480,000
Office Maintenance of Sales Centre (Hatirpol)	68,929	82,430
	26,183,589	**62,517,689**

		Amount in Taka	
		2016-2017	2015-2016
24.00	**Financial Expenses: Tk. 23,098,871**		
	The break up of the above amount is as under:		
	Bank Charges and Commission	1,416,879	262,876
	Bank Interest	21,681,992	20,507,719
		23,098,871	**20,770,595**
25.00	**Non Operating Income: Tk. 2,399,444**		
	The break up of the above amount is as under:		
	Rental Income	2,211,700	-
	Interest Income	789,362	1,963,753
	Loss on Sale of Car	(956,438)	-
	Capital Gain on Sale of Land	-	51,525,709
	Scrap Sales	354,820	458,493
		2,399,444	**53,947,955**
26.00	**Tax Expenses: Tk. 24,209,702**		
	The break up of the above amount is as under:		
	Profit Before Tax	**96,838,810**	**161,908,835**
	Accounting Depreciation	41,859,098	43,165,509
	Provision for Gratuity	3,000,000	2,400,000
		44,859,098	**45,565,509**
	Tax Depreciation as per Third Schedule	(72,722,122)	(73,148,758)
	Gratuity Paid	(1,486,477)	(724,586)
		(74,208,599)	**(73,873,344)**
	Taxable Income	**67,489,309**	**133,601,000**
	Current Tax	16,872,327	22,591,703
	Deferred Tax	7,337,375	7,076,959
	Total Tax Expenses	**24,209,702**	**29,668,662**
27.00	**Earnings per Share (EPS)- Adjusted**		
	The break up of the above amount is as under:		
	Earnings attributable to the ordinary shareholders	72,629,108	132,240,173
	Number of ordinary shares used to compute EPS	112,619,086	112,619,086
	Earnings per Share (EPS)- Adjusted	**0.64**	**1.17**

28.0 Contingent liability (as per last year):

A. There was a demand of Tk. 10,931,183 (Taka Ten million nine hundred thirty one thousand one hundred eighty three) only made by the Deputy Commissioner of Customs, Excise and VAT, Gazipur Division, for payment of VAT in excess of the amount paid by the Company during the financial years 1997-1998, 1998-1999 and 1999-2000. The demand was made vide his memo No-4/MUSAK/TILES/1/95/3531 dated 30-09-2001. The company preferred appeal against the aforesaid demand before the learned Commissioner, Appeal. The learned Commissioner, Appeal in his award dated 03-09-2002 quashed Tk. 6,693,314 out of total demand of Tk. 10,931,183 while for the balance demand of Tk. 4,237,869 "remand" was ordered for a decision. Subsequently the company on 10-10-2005 preferred appeal with Appellate Tribunal against the demand of Tk. 4,237,869. Against the verdict of the learned Appellate Tribunal, the Company filed a writ petition before the Hon'ble High Court and the law suit is still pending. The liability is therefore, contingent upon disposal of the suit and further legal courses, if any, at all arises.

B. There is a further demand of Tk. 79,039,872.30 by the Custom Authority for payment of VAT and supplementary duty in excess of the amount paid by the company during the period from 01-10-1998 to 31-07-2001. The management filed civil suit # 53/2002 before the learned 2nd Sub-Judge Court, Dhaka challenging the basis of the demand. The management stated in the plaint that the papers on the basis of which the demand was created did not belong to the company and prayed for a decree to that effect. The suit is yet to be disposed off by the learned Court. This liability is therefore contingent upon "Verdict" of the Court and disposal of appeals, if any, at all arises.

C. There is a further demand of Tk. 129,978,478.00 by the Commissioner of LTU-VAT vide Nothi No. 4/LTU (Mushok) 02/Ceramic/Demand/Division/04/1996 dated July 17, 2007 against Unit - 1 of the Company arising out of audit covering the period from November 1997 through April 2003. The Company filed a writ petition before the Hon'ble High Court challenging the said demand. The Hon'ble High Court was pleased to issue rule nishi and stay order against the said demand and the law suit is still pending. The liability is therefore, contingent upon disposal of the suit and further legal courses, if any, at all arises.

D. There is a further demand of Tk. 33,300,749.17 by the Commissioner of LTU- VAT vide Nothi No. 4/LTU(Mushok)2/Ceramic/Division/05/1993 dated July 17, 2007 against Unit - 2 of the Company arising out of audit covering the period from October 2000 through April 2003. The Company filed a writ petition before the Hon'ble High Court challenging the said demand. The Hon'ble High Court was pleased to issue rule nishi and stay order against the said demand and the law suit is still pending. The liability is therefore, contingent upon disposal of the suit and further legal courses, if any, at all arises.

E. There is a further demand of Tk. 390,365.00 & penalty amount of Tk. 345,000.00 by the Preventive Team vide Nothi No. 4/Mushak/8(111) Fuwang/Aniom/Bichar/2008/1414 dated August 31, 2008 against Unit-2. The Preventive Team claimed stock difference between physical & register. The Company filled Appellate Tribunal against such claimed.

F. There is a further demand of Tk. 861,438.00 & penalty amount of Tk. 600,000.00 by the Preventive Team vide Nothi No. 4/Mushak/8(110) Fuwang/Aniom/Bichar/2008/1466 dated September 10, 2008 against Unit-1. The Preventive Team claimed stock difference between physical & register. The Company filled Appellate Tribunal against such claimed.

G. There is a further demand of Tk. 77,007,568.00 by the Directorate of VAT Audit Intelligence & Investigation (DIT) vide Nothi No. 4/Mushak/8(118) Fuwang/Aniom/Bichar/2008/271 dated February 15, 2009 against Unit-1 of the Company arising out of audit covering the period from May 2003 to November 2007. The Company filed a writ petition before the Hon'ble High Court challenging the said demand. The Hon'ble High Court was pleased to issue rule nishi and stay order against the said demand and the law suit is still pending. The liability is therefore, contingent upon disposal of the suit and further legal courses, if any, at all arises. Further development that NBR filed appeal being C.P. No. 1258/2009 against stay order which was dismissed on December 02, 2012. Now stay will continue.

H. There is a further demand of Tk. 58,199,865.00 by the Directorate of VAT Audit Intelligence & Investigation (DIT) vide Nothi No. 4/Mushak/8(119) Fuwang/Aniom/Bichar/2008/291 dated February 16, 2009 against Unit-2 of the Company arising out of audit covering the period from May 2003 to November 2007. The Company filed a writ petition before the Hon'ble High Court challenging the said demand. The Hon'ble High Court was pleased to issue rule nishi and stay order against the said demand and the law suit is still pending. The liability is therefore, contingent upon disposal of the suit and further legal courses, if any, at all arises.

29.0 Events after the Balance Sheet Date

The Board of Directors in its meeting held on 23 October 2016 has approved the Financial Statement for the year ended 30 June 2016 and decided to recommend stock dividend for the year 2016. The Board of Directors recommended 10% stock dividend to all the Shareholders only subject to necessary approval in the upcoming AGM.

Sd/-	Sd/-	Sd/-
Alexander Lee	**Lee Pak Tang**	**Ahmed Monabbi**
Chairman	Managing Director	Company Secretary

Dated : Dhaka
October 23, 2016

FU-WANG CERAMIC INDUSTRY LIMITED
SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT
AS AT 30 JUNE 2017

Annexure-A

Particulars	Cost				Dep. Rate	Depreciation				Written down value as on 30 June 2017
	Balance as on 01 July 2016	Addition during the year	Adjustment during the year	Total as on 30 June 2017		Balance as on 01 July 2016	Charged during the year	Adjustment during the year	Total as on 30 June 2017	
Freehold Land and Land Development	19,665,312	-	-	19,665,312	-	-	-	-	-	19,665,312
Factory Building and Other Construction	160,214,585	9,821,032	-	170,035,617	2.5%	35,597,937	3,137,628	-	38,735,565	131,300,052
Plant and Machinery	917,262,529	51,148,131	-	968,410,660	5%	335,884,519	29,313,142	-	365,197,661	603,212,999
Gas Generator and Gas Line	65,704,520	5,352,525	-	71,057,045	10%	34,111,349	3,426,943	-	37,538,292	33,518,753
Electrical Installation	873,785	-	-	873,785	10%	767,183	10,660	-	777,843	95,942
Deep Tube Well and Pump	3,396,609	-	-	3,396,609	10%	1,391,596	200,501	-	1,592,097	1,804,512
Sign Board	2,640,301	-	-	2,640,301	20%	1,180,213	292,018	-	1,472,231	1,168,070
Telephone and PABX Installation	1,057,947	-	-	1,057,947	10%	830,677	22,727	-	853,404	204,543
Furniture and Fixture	12,087,826	348,275	-	12,436,101	10%	5,977,151	622,860	-	6,600,011	5,836,090
Motor Vehicle	36,292,725	4,366,466	3,456,000	37,203,191	10%	13,480,380	2,426,784	999,562	14,907,602	22,295,589
Electric Equipment	11,228,608	2,346,000	-	13,574,608	10%	7,894,523	426,609	-	8,321,132	5,253,476
Office Equipment	11,834,240	335,700	-	12,169,940	10%	5,191,739	677,050	-	5,868,789	6,301,151
Soft Furniture and Fixture	227,438	-	-	227,438	25%	226,525	228	-	226,753	685
Factory Building (No. 2)	14,469,813	-	-	14,469,813	2.5%	5,532,495	223,433	-	5,755,928	8,713,885
Labor Shed (Fac)	75,403	-	-	75,403	20%	74,495	182	-	74,677	726
Bicycle	15,220	-	-	15,220	10%	10,260	496	-	10,756	4,464
Crockery and Cutleries	115,683	-	-	115,683	10%	94,818	2,087	-	96,905	18,778
Gas Cylinder	220,000	-	-	220,000	10%	168,273	5,173	-	173,446	46,554
Oxygen Cylinder	46,531	-	-	46,531	2.5%	17,701	721	-	18,422	28,109
Effluent Testament Plant (ETP) Constriction	1,962,268	-	-	1,962,268	10%	866,003	109,627	-	975,630	986,638
Office Building	12,801,686	-	-	12,801,686	2.5%	4,481,463	208,006	-	4,689,469	8,112,217
Electric Substation Construction	2,034,969	-	-	2,034,969	10%	1,640,535	39,443	-	1,679,978	354,991
Sub-Total	**1,274,227,998**	**73,718,129**	**3,456,000**	**1,344,490,127**		**455,419,835**	**41,146,318**	**999,562**	**495,566,591**	**848,923,536**
Raw Material Processing Plant										
Factory Building	9,553,900	-	-	9,553,900	2.5%	3,512,669	151,031	-	3,663,700	5,890,200
Plant and Machinery	27,750,685	-	-	27,750,685	5%	16,515,696	561,749	-	17,077,445	10,673,240
Sub-Total	**37,304,585**	**-**	**-**	**37,304,585**		**20,028,365**	**712,780**	**-**	**20,741,145**	**16,563,440**
Grand Total	**1,311,532,583**	**73,718,129**	**3,456,000**	**1,381,794,712**		**475,448,200**	**41,859,098**	**999,562**	**516,307,736**	**865,486,976**

Depreciation has been charged to:	**Taka**
Production	39,496,563
Administration	2,362,535
	41,859,098