

"If you have any query about this document, you may consult with the Issuer, the Issue Manager and the Underwriter."

PROSPECTUS



HWA WELL TEXTILES (BD) LIMITED

PUBLIC OFFER OF 20,000,000 ORDINARY SHARES OF TK.10.00 EACH AT PAR TOTALING TK. 200,000,000.00

Opening date for subscription: 17/02/2014

Closing date for subscription: 23/02/2014

For Non-Resident Bangladeshi quota, subscription closes on: 04/03/2014

UNDERWRITERS

<p>ALPHA CAPITAL MANAGEMENT LIMITED National Scout Bhaban (5th Floor) 70/1, Inner Circular Road, Dhaka-1000 Phone: +88-02-8316540, 8313973 Fax: +88-02-8351513 Website: www.alphacml.com, Email: alpha.acml@gmail.com</p>
<p>PROGRESSIVE LIFE INSURANCE COMPANY LIMITED National Scout Bhaban (4th,5th,6th,7th & 11th Floor) 70/1 Inner Circular Road, Kakrail, Dhaka-1000 Phone: +88-02-9348530; +88-02- 9350301; +88-02-9341277 Fax: 880-2-8315373 Website: www.progressivelife.com.bd, Email: progress@bdcom.com</p>
<p>SONALI INVESTMENT LIMITED Sara Tower (11th Floor) 11/A, Toyenbee Circular Road Motijheel C/A, Dhaka-1000 Tel: +88-02-9568777 Email: sblmbu@yahoo.com</p>

The Issue shall be placed in "N" Category

Issue date of the Prospectus: 07/01/2014

MANAGERS TO THE ISSUE	
<p>ALPHA CAPITAL MANAGEMENT LIMITED National Scout Bhaban (5th Floor) 70/1, Inner Circular Road, Dhaka-1000 Phone: +88-02-8316540,831393; Fax: +88-02-8351513 Website: www.alphacml.com Email: alpha.acml@gmail.com</p>	<p>CITIZEN SECURITIES & INVESTMENT LIMITED Al-Razi Complex,(Suite- G-802) 8th Floor, 166-167, Saheed Syed Nazrul Islam Sarani, Puran Paltan, Dhaka-1000 Phone: +88-02951 4542 Fax: +88-029570546 Website: www.citizensecurities.com Email: ceo@citizensecurities.com</p>

"CONSENT OF THE SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2006. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER, ISSUE MANAGERS UNDERWRITER AND/OR AUDITOR."



HWA WELL TEXTILES (BD) LIMITED

138, Eastern Nibash, Flat # 402, (4th Floor) Gulshan Avenue,
Gulshan-2, Dhaka-1212, Bangladesh

Tel: 880-2-8881165, 8881244, Fax: 880-2-8881253;

Email: info@hwawelltex.com, Web: www.hwawelltex.com



AVAILABILITY OF PROSPECTUS

Prospectus of the Company may be available at the following addresses:

NAME & ADDRESS	CONTACT PERSON	TEL. NO.
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COMPANY

Hwa Well Textiles (BD) Limited 138, Eastern Nibash, Flat # 402, (4 th Floor), Gulshan Avenue, Gulshan -2, Dhaka-1212, Bangladesh.	Devabrata Saha Company Secretary	+880-2-8881165; +880-2-8881244
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ISSUE MANAGERS

Alpha Capital Management Limited National Scout Bhaban (5th Floor) 70/1, Inner Circular Road, Dhaka-1000.	Noor Ahamed ACA Chief Executive Officer	+88-02-8316540; +88-02-8313973
Citizen Securities & Investment Limited Al-Razi Complex, (Suite- G-802) 8 th Floor, 166-167, Saheed Syed Nazrul Islam Sarani, Puran Paltan, Dhaka-1000.	Tahid Ahmed Chowdhury, ACCA Managing Director and CEO	+88-02951 4542

UNDERWRITERS

Sonali Investment Limited 11/A, Toyenbee Circular Road, Sara Tower (12th Floor), Motijheel C/A, Dhaka-1000.	Waliar Rahman Chief Executive Officer	+88-02-9556940; +88-02-9568777
Alpha Capital Management Limited National Scout Bhaban (5th Floor) 70/1, Inner Circular Road, Dhaka-1000	Noor Ahamed ACA Chief Executive Officer	+88-02-8316540; +88-02-8313973
Progressive Life Insurance Company Limited National Scout Bhaban (4th, 5th, 6th, 7th & 11th Floor) 70/1 Inner Circular Road, Kakrail, Dhaka-1000.	Mohammad Enayet A Khan Sr. Deputy General Manager	+88-02-9348530; +88-02- 9350301; +88-02-9341277

STOCK EXCHANGES

Dhaka Stock Exchange Limited (DSE) 9/F, Motijheel C/A., Dhaka-1000.	DSE Library	+88-02-9564601-7 +88-02-9666944-8
Chittagong Stock Exchange Limited (CSE) CSE Building, 1080, Sk. Mujib Road, Agrabad C/A., Chittagong.	CSE Library	+88-02-714632-3 +88-02-720871-3

Prospectus is also available on the web sites www.hwawelltex.com; www.alphacml.com; www.citizenscurities.com; www.sec.gov.bd; www.dsebd.org; www.csebd.com and at **Public Reference Room of the SEC** for reading and study.

NAME AND ADDRESS OF THE AUDITORS

NAME OF THE AUDITORS	ADDRESS OF THE AUDITORS
S. F. AHMED & CO. Chartered Accountants	House # 51 (2 nd Floor), Road # 09, Block-F, Banani, Dhaka-1213, Bangladesh Tel: (880-2) 9894026, (880-2) 9894346, Fax: (880-2)8825135 E-mail: sfali@connecbd.com , sfaco@dhaka.net



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**Definition and Elaboration of the abbreviated Words and technical terms used in the Prospectus**

ACML	:	Alpha Capital Management Limited
HWTL	:	Hwa Well Textiles (BD) Limited
CSIL	:	Citizen Securities & Investment Limited
Allotment	:	Letter of allotment for shares
BB	:	Bangladesh Bank
BO A/C	:	Beneficial Owner Account or Depository Account
Certificate	:	Share Certificate
Commission	:	Bangladesh Securities and Exchange Commission
Companies Act	:	The Companies Act, 1994 (Act. No. XVIII of 1994)
CSE	:	Chittagong Stock Exchange Limited
DSE	:	Dhaka Stock Exchange Limited
EPZ	:	Export Processing Zone
FC Account	:	Foreign Currency Account
FI	:	Financial Institution
GOB	:	Government of the People's Republic of Bangladesh
IPO	:	Initial Public Offering
Issue	:	Public Issue
Issuer	:	Hwa Well Textiles (BD) Limited
NAV	:	Net Asset Value of the Company
NBR	:	National Board of Revenue
NRB	:	Non Resident Bangladeshi
Offering Price	:	Price of the securities of Hwa Well Textiles (BD) Limited being offered
Registered Office	:	Head Office of the Company
RJSC	:	Registrar of Joint Stock Companies & Firms
SC	:	Share Certificate
BSEC	:	Bangladesh Securities and Exchange Commission
Securities	:	Shares of Hwa Well Textiles (BD) Limited
Share Market	:	Market of the Securities
Sponsors	:	The sponsor shareholders of Hwa Well Textiles (BD) Limited
SND Account	:	Special Notice Deposit Account
Stockholders	:	Shareholders
Subscription	:	Application money
The Company	:	Hwa Well Textiles (BD) Limited



SECTION-I: STATUTORY DISCLOSURES AND CONDITIONS

DISCLOSURE IN RESPECT OF ISSUANCE OF SECURITY IN DEMAT FORM

“As per provision of the Depository Act, 1999 and regulation made there under, shares of the company will be issued in dematerialized form only and for this purpose Hwa Well Textiles (BD) Limited has signed an agreement with the Central Depository Bangladesh Limited (CDBL). Therefore, all transfer/transmission, splitting or conversion will take place in the CDBL system and any further issuance of shares (including rights/bonus) will also be issued in dematerialized form only.”

CONDITIONS UNDER 2CC OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969

PART-A

1. The company shall go for Initial Public Offer (IPO) for 20,000,000 Ordinary Shares of Tk. 10.00 each at an issue price of Tk. 10.00 per share at par worth Tk. 200,000,000.00/- (Taka twenty crore only) following the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2006, the Depository Act, 1999 and regulations made there under.
2. The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in 4 (Four) national daily newspapers (two in Bangla and two in English), within **05 (Five) working days** of issuance of the consent letter. The issuer shall post the full prospectus, vetted by the Bangladesh Securities and Exchange Commission, in the issuer's website and shall also put on the websites of the Commission, stock exchanges, and the issue managers, within **5 (Five) working days** from the date of issuance of this letter and shall remain posted till the closure of the subscription list. The issuer shall submit to Bangladesh SEC, the stock exchanges and the issue managers a diskette containing the text of the vetted prospectus in “MS -Word” format.
3. Sufficient copies of prospectus shall be made available by the issuer so that any person requesting a copy may receive one. A notice shall be placed on the front of the application form distributed in connection with the offering, informing that interested persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the issuer and the issue managers. The subscription application shall indicate in bold type that no sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until **25 (Twenty five) days** after the prospectus has been published.
4. The company shall submit **40 (Forty)** copies of the printed prospectus to the Bangladesh Securities and Exchange Commission for official record within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.
5. The issuer company and the issue managers shall ensure transmission of the prospectus, abridged version of the prospectus and relevant application forms for NRBs through email, simultaneously with publication of the abridged version of the prospectus, to the Bangladesh Embassies and Missions abroad and shall also ensure sending of the printed copies of abridged version of the prospectus and application forms to the said Embassies and Missions within 05 (Five) working days of the publication date by Express Mail Service (EMS) of the postal department. A compliance report shall be submitted in this respect to the Bangladesh SEC jointly by the issuer and the Issue Managers within 02 (Two) working days from the date of said dispatch of the prospectus and the forms.



6. The paper clipping of the published abridged version of the prospectus, as mentioned at **condition no. 2 above**, shall be submitted to the Commission within 24 hours of the publication thereof.
7. The company shall maintain separate bank account(s) for collecting proceeds of the Initial Public Offering and shall also open Foreign Currency (FC) account(s) to deposit the application money of the Non Resident Bangladeshis (NRBs) for IPO purpose, and shall incorporate full particulars of said FC account(s) in the prospectus. The company shall open the above-mentioned accounts for IPO purpose; and close these accounts after refund of over-subscription money. Non-Resident Bangladeshi (NRB) means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from the concerned Bangladesh Embassy to the effect that no visa is required for traveling to Bangladesh.
8. The issuer company shall apply to all the stock exchanges in Bangladesh for listing within **7 (Seven) working days** from the date of issuance of this letter and shall simultaneously submit the vetted prospectus with all exhibits, as submitted to Bangladesh SEC, to the stock exchanges.
9. The following declaration shall be made by the company in the prospectus, namely: -

“Declaration about Listing of Shares with the stock exchange (s):

None of the stock exchange(s), if for any reason, grants listing within **75 (Seventy Five) days** from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within **15 (Fifteen) days** from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said **75 (Seventy Five) days**, as the case may be.

In case of non-refund of the subscription money within the aforesaid **15 (Fifteen) days**, the Directors of the company, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of **2% (Two Percent) per month** above the bank rate, to the subscribers concerned.

The issue managers, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within **07 (Seven) days** of expiry of the aforesaid **15 (Fifteen) days** time period allowed for refund of the subscription money.”

10. The subscription list shall be opened and the sale of securities commenced after **25 (Twenty Five) days** of the publication of the abridged version of the prospectus and shall remain open for **5 (Five) consecutive banking days**.
11. A non-resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking “Account Payee only”. The NRB applicants shall send applications to the issuer company within the closing date of the subscription so as to reach the same to the company by the closing date plus **09 (Nine) days**. Applications received by the company after the above time period will not be considered for allotment purpose.



12. The company shall apply the spot buying rate (TT clean) in US Dollar, UK Pound Sterling and Euro of Sonali Bank Ltd, which shall be mentioned in the Prospectus, as prevailed on the date of opening of the subscription for the purpose of application of the NRBs and other non-Bangladeshi persons, where applicable.
13. The company and the issue managers shall ensure prompt collection/clearance of the foreign remittances of NRBs and other non-Bangladeshi(s), if applicable, for allotment of shares.
14. Upon completion of the period of subscription for securities, the issuer and the issue managers shall jointly provide the Commission and the stock exchanges with the preliminary status of the subscription within **5 (Five) working days**, in respect of the following matters, namely: -
 - a. Total number of securities for which subscription has been received;
 - b. Amount received from the subscription; and
 - c. Amount of commission paid to the bankers to the issue.
15. The issuer and the issue managers shall jointly provide the Commission and the stock exchanges with the list of valid and invalid applicants (i.e. final status of subscription) in electronic form in **02 (Two) CDs** and final status of subscription to the Commission within **03 (Three) weeks** after the closure of the subscription along with bank statement (original), branch-wise subscription statement. The list of valid and invalid applicants shall be finalized after examination with the CDBL in respect of BO accounts and particulars thereof.
16. The IPO shall stand cancelled and the application money shall be refunded immediately (but not later than **05 (Five) weeks** from the date of the subscription closure), if any of the following events occur:
 - (a) Upon closing of the subscription list it is found that the total number of valid applications (in case of under subscription including the number of the underwriter) is less than the minimum requirement as specified in the listing regulations of the stock exchange(s) concerned; or
 - (b) At least 50% of the IPO is not subscribed.
17. **20% of total public offering shall be reserved for ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী, 10% of total public offering shall be reserved for non-resident Bangladeshi (NRB) and 10% for mutual funds and collective investment schemes registered with the Commission, and the remaining 60% shall be open for subscription by the general public. In case of under-subscription under any of the 20% and 10% categories mentioned above, the unsubscribed portion shall be added to the general public category and, if after such addition, there is over subscription in the general public category, the issuer and the managers to the issue shall jointly conduct an open lottery of all the applicants added together.**
18. All the applicants shall first be treated as applied for one minimum market lot of **500 shares worth Taka 5,000/- (Taka Five thousand only)**. If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. In case of over-subscription under any of the categories mentioned hereinabove, the issuer and the issue managers shall jointly conduct an open lottery of all the applications received under each category separately in presence of representatives from the issuer, the stock exchanges and the applicants, if there be any.



19. An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case, an applicant submits more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.
20. The applicant shall provide with the same bank account number in the application form as it is in the BO account of the application.
21. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money too.
22. Lottery (if applicable) shall be held within **4 (Four) weeks** from closure of the subscription date.
23. The company shall issue share allotment letters to all successful applicants within **05 (Five) weeks** from the date of the subscription closing. Within the same time, refund to the unsuccessful applicants shall be made in the currency in which the value of securities was paid for by the applicants without any interest, through direct deposit to the applicant's bank account as far as possible/ Account Payee Cheque/ refund warrants with bank account number, bank's name and branch as indicated in the securities application forms payable at Dhaka/ Chittagong/ Khulna/ Rajshahi/ Barisal/ Sylhet/ Bogra, as the case may be subject to condition No. 19 and 21 above.

Refund money of the unsuccessful applicants shall be credited directly to their respective bank accounts, who have chosen the option in the IPO application forms, as maintained with the bankers to the issue or any other banks mentioned in the application.

A compliance report in this regard shall be submitted to the Commission within **07 (Seven) weeks** from the date of closure of subscription.
24. The company shall furnish the List of Allotees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within **24 (Twenty Four) hours** of allotment.
25. In the event of under-subscription of the public offering, the unsubscribed portion of securities shall be taken up by the underwriter(s) (subject to Para -16 above). The issuer must notify the underwriters to take up the underwritten shares within **10 (Ten) days** of the closing of subscription on full payment of the share money within **15 (Fifteen) days** of the issuer's notice. The underwriter shall not share any underwriting fee with the issue managers, other underwriters, issuer or the sponsor group.
26. All issued shares of the issuer at the time of according this consent shall be subject to a **lock-in period of 03 (Three) years** from the date of issuance of prospectus or commercial operation, whichever comes later.

Provided that the persons (other than Directors and those who hold 5% or more shares in the company), who have subscribed to the shares of the company within immediately preceding two years of according consent shall be subject to a **lock-in period of 01 (One) year** from the date of issuance of prospectus or commercial operation, whichever comes later.



27. In respect of shares of Sponsors/Directors/Promoters (if in paper format) shall be handed over to security custodian bank registered with SEC and shall remain till completion of lock in and the name and branch of the bank shall be furnished to the Commission jointly by the issuer and Issue Managers, along with a confirmation thereof from the custodian bank, within one week of listing of the shares with the stock exchange(s). Or they (shares of Sponsors/ Directors/ Promoters) can be demated and will remain in lock-in under CDBL system and issuer will submit a dematerialization confirmation report generated by CDBL and attested by Managing Director of the company along with lock-in confirmation with SEC within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters the issuer will ensure their lock-in of those shares and submit a statement to this effect to Bangladesh SEC.
28. The company shall apply to the stock exchanges for listing within **07 (Seven) working days** of issuance of this letter and shall simultaneously submit to the Commission attested copies of the application filed with the stock exchanges.
29. The Company shall not declare any benefit/dividend other than cash based on the financial statements for the year ended on June 30, 2013 before listing of its capital with stock exchange(s).

PART-B

1. The issuer and the issue managers shall ensure that the abridged version of the prospectus and the full prospectus is published correctly and in strict conformity with the conditions of this letter without any error/omission, as vetted by the Bangladesh Securities and Exchange Commission.
2. The issue managers shall carefully examine and compare the published abridged version of the prospectus on the date of publication with the copy vetted by Bangladesh SEC. If any discrepancy/inconsistency is found, both the issuer and the issue managers shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to Bangladesh SEC and the stock exchange(s) concerned, correcting the discrepancy/inconsistency as required under 'Due Diligence Certificates' provided with Bangladesh SEC.
3. Both the issuer company and the issue managers shall, immediately after publication of the prospectus and its abridged version, jointly inform the Commission in writing that the published prospectus and its abridged version are verbatim copies of the same as vetted by the Commission.
4. The fund collected through Public Offering shall not be utilized prior to listing with stock exchanges and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.
5. The company shall furnish report to the Commission and to the stock exchanges on utilization of Public Offering proceeds within **15 (Fifteen) days** of the closing of **each month** until such fund is



fully utilized, as mentioned in the schedule contained in the prospectus, and in the event of any irregularity or inconsistency, the Commission may employ or engage any person, at issuer's cost, to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.

6. All transactions, excluding petty cash expenses, shall be effected through the company's bank account(s).
7. Proceeds of the Public Offering shall not be used for any purpose other than those specified in the prospectus. Any deviation in this respect must have prior approval of the shareholders in the shareholders Meeting under intimation to Bangladesh SEC and stock exchanges.
8. Directors on the Company's Board will be in accordance with applicable laws, rules and regulations.
9. The financial statements should be prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) as required by the Securities and Exchange Rules, 1987.
- 10. A compliance report on Corporate Governance Guideline as per the provision of Bangladesh SEC notification no. SEC/CMRRCD/2006-158/129/ADMIN/44 Dated 7 August 2012 shall be submitted to the commission before 07 (seven) working days of the IPO subscription opening.**

PART-C

1. All the above conditions imposed under section 2CC of the Securities and Exchange Ordinance, 1969 shall be incorporated in the prospectus immediately after the page of the table of contents, with a reference in the table of contents, prior to its publication.
2. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

PART-D

1. As per provision of the Depository Act, 1999 & regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (Including rights/bonus) will be made in dematerialized form only.

An applicant (including NRB) shall not be able to apply for allotment of shares without Beneficial Owners (BO) account.

2. The company and the issue managers shall ensure due compliance of all the above conditions and the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2006.



GENERAL INFORMATION

The form and contents of the prospectus were developed under the guidelines of the Securities and Exchange Commission (Public Issue) Rules.

Alpha Capital Management Limited and Citizen Securities & Investment Limited, the Issue Managers have prepared this Prospectus from information supplied by **Hwa Well Textiles (BD) Limited** (the Issuer) and also several discussions with Chairman, Managing Director and related executives of the Company. The Directors of Hwa Well Textiles (BD) Limited, Alpha Capital Management Limited and Citizen Securities & Investment Limited collectively and individually, having made all reasonable inquiries, confirm that to the best of their knowledge and belief, the information contained herein is true and correct in all material respect and that there are no other material facts, the omission of which, would make any statement herein misleading.

No person is authorized to give any information or to make any representation not contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorized by the Company or Alpha Capital Management Limited.

The Issue as contemplated in this document is made in Bangladesh and is subject to the exclusive jurisdiction of the courts of Bangladesh. Forwarding this Prospectus to any person resident outside Bangladesh in no way implies that the Issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of that country.

A copy of this Prospectus may be obtained from the Head Office of **Hwa Well Textiles (BD) Limited**, Alpha Capital Limited, Citizen Securities & Investment Limited the underwriters and the Stock Exchanges where the securities will be traded.



SECTION-II: DECLERATIONS AND DUE DILIGENCE CERTIFICATES

DECLARATION ABOUT THE RESPONSIBILITY OF THE DIRECTORS, INCLUDING CEO OF THE COMPANY “HWA WELL TEXTILES (BD) LIMITED” IN RESPECT OF THE PROSPECTUS

This prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity and accuracy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquires that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents the omission of which make any information or statements there in misleading for which the Commission may take any civil, criminal or administrative action against any or all of us as it may deem fit.

We also confirm that full and fair disclosure has been made in this prospectus to enable the investors to make a well informed decision for investment.

Sd/- Mr. Obeid Jaigirdar Chairman	Sd/- Su, Chin Jung Managing Director & Director	Sd/- Wu, Shen-Chung Director
Sd/- Ivan Jaigirdar Director	Sd/- Su, Wei-Han Director	

CONSENT OF DIRECTOR(S) TO SERVE AS DIRECTOR(S)

We hereby agree that we have been serving as Director(s) of Hwa Well Textiles (BD) Limited and continue to act as a Director(s) of the Company:

Sd/- Mr. Obeid Jaigirdar Chairman	Sd/- Su, Chin Jung Managing Director & Director	Sd/- Wu Shen-Chung Director
Sd/- Ivan Jaigirdar Director	Sd/- Su, Wei-Han Director	



DECLARATION ABOUT FILING OF PROSPECTUS WITH THE REGISTRAR OF JOINT STOCK COMPANIES AND FIRMS

A dated and signed copy of this Prospectus will be filed for registration with the Registrar of Joint Stock Companies and Firms, Bangladesh, as required by Section 138 (1) of the Companies Act, 1994 on or before the date of publication of the prospectus.

DECLARATION BY THE ISSUER ABOUT THE APPROVAL FROM SEC FOR ANY MATERIAL CHANGES REGARDING PROSPECTUS OF HWA WELL TEXTILES (BD) LIMITED

In case of any material changes in any agreement, contract, instrument, facts and figures, operational circumstances and statement made in the Prospectus subsequent to the preparation of the Prospectus and prior to its publication shall be incorporated in the Prospectus and the said Prospectus should be published with the approval of the Commission.

For Issuer

Sd/-

Su, Chin Jung

Managing Director and CEO

DECLARATION BY THE ISSUE MANAGER ABOUT THE APPROVAL FROM BANGLADESH SECURITIES AND EXCHANGE COMMISSION (BSEC) FOR ANY MATERIAL CHANGES REGARDING PROSPECTUS OF HWA WELL TEXTILES (BD) LIMITED

In case of any material changes in any agreement, contract, instrument, facts and figures, operational circumstances and statement made in the Prospectus subsequent to the preparation of the Prospectus and prior to its publication shall be incorporated in the Prospectus and the said Prospectus should be published with the approval of the Commission.

For Managers to the Issue

Sd/-

Noor Ahamed ACA

CEO & Managing Director

Alpha Capital Management Limited

Sd/-

Tahid Ahmed Chowdhury ACCA

Managing Director & CEO

Citizen Securities & Investment Ltd.



DUE DILIGENCE CERTIFICATE OF MANAGERS TO THE ISSUE

Subject: Public Offer of 20,000,000 Ordinary Shares of Tk.10.00 each at par totaling Tk. 200,000,000.00 of Hwa Well Textiles (BD) Limited

We, the under-noted Manager to the Issue to the above mentioned forthcoming Issue, state as follows:

1. We, while finalizing the draft Prospectus pertaining to the said Issue, have examined various documents and other materials as relevant for adequate disclosures to the investors; and
2. On the basis of such examination and discussions with the issuer Company, its directors and officers and other agencies, independent verification of the statements concerning objects of the Issue and the contents of the documents and other materials furnished by the issuer Company

WE CONFIRM THAT:

- a. The draft Prospectus forwarded to the Commission is in conformity with the documents, materials and papers relevant to the Issue;
- b. All the legal requirements connected with the said Issue have been duly complied with; and
- c. The disclosures made in the draft Prospectus are true, fair and adequate to enable the investors to make a well-informed decision for investment in the proposed Issue.

For Managers to the Issue

Sd/-
Noor Ahamed ACA
CEO & Managing Director
Alpha Capital Management Limited

Sd/-
Tahid Ahmed Chowdhury ACCA
Managing Director & CEO
Citizen Securities & Investment Ltd.



DUE DILIGENCE CERTIFICATE OF THE UNDERWRITERS

**Subject: Public Offer of 20,000,000 Ordinary Shares of Tk.10.00 each at par totaling
Tk.200,000,000.00 of Hwa Well Textiles (BD) Limited**

We, the under-noted Underwriter(s) to the above mentioned forthcoming Issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned Issue on a firm commitment basis, have examined the draft Prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination, and the discussion with the Issuer Company; its directors and other officers, and other agencies; independent verification of the statements concerning objects of the Issue and the contents of the documents and other materials furnished by the Issuer Company

WE CONFIRM THAT:

- a. All information as are relevant to our underwriting decision has been received by us and the draft Prospectus forwarded to the Commission has been approved by us;
- b. We shall subscribe and take up the under-subscribed Securities against the above-mentioned Public Issue within 15 (fifteen) days of calling up thereof by the Issuer; and
- c. This underwriting commitment is unequivocal and irrevocable

For Underwriter(s)

Sd/-

Managing Directors/CEO

Sonali Investment Limited

Alpha Capital Management Limited

Progressive Life Insurance Company Limited



SECTION-III: RISK FACTORS AND MANAGEMENT PERCEPTION REGARDING THE RISKS

a. Interest Rate Risks:

Interest rate is concerned with borrowed funds of short term & long-term maturity. Interest rate risk is the risk that company faces due to unfavorable movements in the interest rate. Volatility in money market & increasing demand for loans/investment funds raise the rate of interest. A change in the government's policy also tends to increase the interest rate. High rate of interest enhances the cost of fund of a company. Such rises in the interest rates however mostly affect companies having floating rate loans.

Management perception about the risk:

Since the company has not borrowed funds at flexible interest rate, hence the company is not exposed to the interest rate risk. However, the company has been repaying borrowed funds on a continuous basis. Currently, the company is only servicing working capital loan with a very comfortable terms and conditions, which is very small amount relative to the company's financial strength. Additionally, the management of the Company emphasizes on equity base financing to reduce the dependency on borrowing, suggesting the management perception for interest rate risk to have a minimal impact on the company's profitability and viability. The company has a very small amount of FDR, therefore, fluctuation in interest rate will not have any substantial impact on company's income.

b. Exchange Related Risks:

Movement in the exchange rate adversely may expose the company to risks of foreign currency loss.

Management perception:

As the company is in 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 the exchange rate goes down, the management of the company changes the prices of their services to cope with the change in exchange rate to mitigate the effect of unfavorable volatility in exchange rate on the company's earnings. HWTL settles all its foreign transaction through US dollars in case of both export and import. While the foreign currency fluctuates, the loss or gain on foreign currency fluctuation for export automatically sets off against the loss or gain on currency fluctuation for import.

c. Industry Risks:

Industry risk refers to the risk of increased competition from foreign and domestic sources including higher energy costs, lower prices of finished goods due to low foreign demand, profit margins, market share, increasing prices of raw materials etc. which could have an adverse impact on the business, financial condition and cost of operations.

Management perception:

Despite the effects of global recession in 2009, whereas most of the companies in this sector suffered huge losses and had to shut down their operation, HWTL achieved profit. This is the evidence of efficiency of the management and entrepreneurs. HWTL has been performing with profit overcoming all economic, political and regulatory changes. Moreover, with the growing demand of Bangladeshi RMG and the increasing popularity of "Made in Bangladesh" branding, the Textile Sector is expected to have the more government support. The low product cost of Bangladeshi textile industries is also an



advantage which will encourage the foreign buyers to move out from other countries and place order in Bangladesh. However, due to some recent issues i.e. accidents, fire, building collapses and labor unrest readymade garments/textile industries faced worldwide criticism which adversely affected the readymade garments/textile sector of Bangladesh. Bangladesh Government, BGMEA and BTMA are working together to overcome the current situation and have taken necessary steps to maintain all the compliances related to employee health and safety.

d. Market and Technology-related Risks:

Market risks refer to the risk of the 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 to increase their customer base.

Technology always plays a vital role for any business for ensuring better product quality, for providing better services to the customers and for minimizing costs. Textile is a technology based industry and continuous technological improvement is an integral part of this business. Obsolete technology or machineries will make it difficult for any spinning company to sustain in such a competitive industry.

Management perception:

Strong brand loyalty of the company's products to its customers has enabled the company to capture significant market share in the sector. And the company is continuously penetrating into the market and upgrading the quality of the products to minimize the market risks.

HWTL is always aware of technological advancement in the industry and adopt very timely to keep the operational efficiency at the highest achievable level. The management frequently visit the other foreign factories with similar line of business and technological fair in abroad for up-gradation of technological and/or software. With the IPO proceeds the company has a plan to establish new unit of production facility with latest technology.

e. Potential or existing government regulations:

The Company operates under companies act, taxation policy adopted by NBR, Securities and Exchange Commission (SEC)'s rule and rules adopted by other regulatory organizations. Any abrupt changes of the policies formed by those bodies will impact the business of the Company adversely. Unless adverse policies are taken, which may materially affect the industry as a whole; the business of the Company will not be affected.

Management perception:

Government emphasizes on the growth of textile industry to boost up the export of RMG industry. Yet the promoters and the sponsors have to endeavor to convince the policy makers for adopting favorable terms & conditions, which will eventually help the yarn manufacturers of Bangladesh to compete with the firms in low cost locations in the global arena.

f. Potential changes in global or national policies:

The performance of the company may be affected by the political and economic instability both in Bangladesh and worldwide. Any instance of political turmoil and disturbance in the country may adversely affect the growth and general condition of the economy.



Management perception:

The Company can prosper in a situation of political stability and a congenial business environment. Political turmoil and disturbance may abrupt the growth of the economy and so also for this sector. This is why WTO and Asian Development Bank emphasize development of textile sector in chalking out their respective policies. The Company is always aware of all types of turmoil and even though if the smooth supply of raw material is hampered or faces any kind of disruptions it will enhance the production capacity in future to keep the production smooth and to fulfill customers demand.

g. History of non-operation, if any:

There is no history of non-operation till now since of its inception of commercial operations. The Company has an independent body that is operated by its Memorandum & Articles of Association and other applicable laws Implemented by the Government. Besides, the Company's financial strength is satisfactory. It has very experienced Directors and Management team to make the Company more efficient and stronger. So, the chance of becoming non-operative for the Company is very low.

h. Operational risk:

Shortage of power supply, labor unrest, unavailability or price increase of raw material, natural calamities like flood, cyclone, earth quack, fire etc. may disrupt the production of the Company and can adversely impact the profitability of the Company.

Management perception about the risk:

The compensation as well the benefit package will restrain the employees to leave their assignment and go for any employee movement for higher benefit packages. The project of the Company is situated at a high land where less amount of flood is recorded. The factory building has strong RCC foundation, RCC floor, prefabricated steel structure to withstand wind, storm, rain etc. along with good drainage facility. The risks from these factors are also covered through Insurance. The company is also facilitated to keep a rational reserve for any future price escalation of the raw materials.

i. Environmental Risk:

Environmental risk may be defined as “an actual or potential threat of adverse effects on living organisms and environment by effluents, emissions, wastes, resource depletion, etc., arising out of an organization's activities”. Water pollution due to discharge of untreated industrial effluent into water bodies is an alarming environmental crisis of Bangladesh. The Environmental Conservation Act 1995 (ECA) provides that all relevant industrial units will install Effluent Treatment Plant (ETP) to treat their waste water to achieve certain standard before releasing it into receiving environment. DOE is mandated to enforce this provision of law. Not considering environmental impacts arising from operations can result in negative publicity for both the organization and its international buyer. Therefore, organization is exposed to the likelihood of the export contracts being cancelled.

Management Perception:

HWTL is always very cautious about its reputation in the local government agencies and in the foreign buyers. Hence regularly examine the environmental issues and concerns associated with potential business activities. The company has installed Effluent Treatment Plant (ETP) very earlier of its operation.

**SECTION-IV: ISSUE SIZE AND PURPOSE OF THE PUBLIC OFFERING**

The capital structure of Hwa Well Textiles (BD) Limited before and after IPO will be as under:

A. Financial structure prior to Initial Public Offering (IPO):

Issued & Fully paid-up capital as per audited accounts as on 30/06/2011	Tk.150,000,000/-
Issued & Fully paid-up capital as per audited accounts as on 30/06/2012	Tk. 350,000,000/-
Issued & Fully Paid Up capital as per return of Allotment dated 31/07/2013	Tk. 360,000,000/-
Total capital structure as on 31/07/2013	Tk. 360,000,000/-

** The company has raised the paid-up capital from Tk. 1,000,000 to 150,000,000 as per the consent of The Bangladesh Securities and Exchange Commission dated on 13 December, 2011. The company further raised the paid-up capital with the consent of Bangladesh Securities and Exchange Commission from Tk. 150,000,000 to Tk. 350,000,000 on 28 December 2011 and Tk. 350,000,000 to Tk.360,000,000 on 31 July, 2013.

B. Financial structure after Initial Public Offering (IPO):

Particulars	At Face Value(In Taka)
I. Initial Public Offer (NRB)	2,00,00,000/-
II. Initial Public Offer (Mutual Fund)	2,00,00,000/-
III. Initial Public Offer (Affected Small Investors)	4,00,00,000/-
III. Initial Public Offer (General Public)	12,00,00,000/-
Total collection from IPO (B)	20,00,00,000/-

Total Paid-up Capital after Initial Public Offering (IPO) (A+B)	56,00,00,000/-
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**USE OF PROCEEDS****Purpose of Public Issue:**

Particulars	Amount in Taka
Purchase of new machineries:	
Dyeing	29,600,000
Knitting	18,560,000
Finishing	89,600,000
Gas Generator	20,640,000
Replacement of existing Machinery	11,600,000
Construction of new factory Building	22,500,000
Purchase of Land & Land Development	7,500,000
Expenses against Initial Public offering	15,000,000
Total	215,000,000

Break Down of IPO Expenses:**1. Purchase of new machineries:**

Particulars	Machine Qty Increase	Amount in Taka	Amount from IPO Proceed
Purchase of new machinery:			
Dyeing	500Kg x 2 set @ \$ 1,00,000.00 x 80 BDT	16,000,000	29,600,000
	1200Kg x 1 set @ \$ 1,70,000.00 x 80 BDT	13,600,000	
Knitting	Knitting Machine 8 set @ \$29,000.00 x 80 BDT	18,560,000	18,560,000
Finishing	Shearing Machine 1 set @ \$1,00,000.00 x 80 BDT	8,000,000	89,600,000
	Combing Machine 1 set @ \$80,000.00 x 80 BDT	6,400,000	
	Peaching Machine 1 set @ \$1,00,000.00 x 80 BDT	8,000,000	
	Setting Machine 2 set @ \$4,20,000.00 x 80 BDT	67,200,000	
Gas Generator	1 set Gas Generator @ \$ 2,58,000.00 x 80 BDT	20,640,000	20,640,000
		Total	<u>158,400,000</u>

**2. Replacement of existing Machinery:**

Particulars	Machine Qty Increase	Amount in Taka	Amount from IPO Proceed
Replacement of Old Machinery			
	Knitting Machine 5 set @ \$29,000.00 x 80 BDT	11,600,000	11,600,000
	Total	11,600,000	11,600,000

3. Summary of Civil construction work for 20000 SFT

Sl. No.	Description	Length/m	Width/m	Thickness	kg	Quantity	Total kg	UoM	Rate	Amount in Taka	Total Amount in Taka
1	Layout Out Charge	100	100	1	10,000	1	10,000	SFT	2	20,000	20,000
2	Earth Cutting Base	6	6	8	288	36	10,368		10	103,680	189,994
	Base Sand Filling 6"	6	6	0.66	24	36	855		10	8,554	
	Sand Filling Base	6	6	6	216	36	7,776		10	77,760	
	Sub Total				-		18,999	CFT			
3	Floor Sand Filling	100	100	6	60,000	1	60,000	CFT	18	1,080,000	1,080,000
					-						
4	Base Soling	6	6	1	36	36	1,296		30	38,880	338,880
	Floor Soling	100	100	1	10,000	1	10,000		30	300,000	
	Sub Total				-		11,296	SFT			
					-						
5	Base Shattring	6	6	1	36	36	1,296		25	32,400	360,000
	Column Shattring	7	6	1	42	36	1,512		25	37,800	
	Grade Beame Shattring	1,200	3.5	1	4,200	1	4,200		25	105,000	
	Nelton Shattring	1,200	1.16	1	1,392	1	1,392		25	34,800	
	Mazzanine Shattring	100	100	1	10,000	1	10,000		15	150,000	
	Sub Total				-		18,400	SFT			



Sl. No.	Description	Length/mm	Width/mm	Thickness	kg	Quantity	Total kg	UoM	Rate	Amount in Taka	Total Amount in Taka
6	Base Casting	6	6	1.50	54	36	1,944		275	534,600	4,379,650
	Short Column	6	1.5	1.50	14	36	486		275	133,650	
	Grade Beam	100	1.	1.25	125	6	750		275	206,250	
	Grade Beam	100	1.	1.25	125	6	750		275	206,250	
	Floor R C C Casting	100	100	0.66	6,600	1	6,600		275	1,815,000	
	Roof Salab	100	100	0.50	5,000	1	5,000		275	1,375,000	
	Linton Casting	1,200	0.66	0.50	396	1	396		275	108,900	
	Sub Total						15,926	CFT			
7	Site Wall 5"	100	23	1.00	2,300	2	4,600		90	414,000	828,000
	Site Wall 5"	100	23	1.00	2,300	2	4,600		90	414,000	
		Sub Total						9,200	SFT		
8	Plafter Wall	100	23	1.00	2,300	4	9,200		25	230,000	960,000
	Plafter Wall	100	23	1.00	2,300	4	9,200		25	230,000	
	Net cement Finishing	100	100	1.00	10,000	1	10,000		25	250,000	
	Net cement Finishing	100	100	1.00	10,000	1	10,000		25	250,000	
		Sub Total						38,400	SFT		
9	M/s Rod Base 16mm	20	6	11.00	2	99	36	3,577	80	286,160	2,172,478
	Column Rod 16mm	20	8	8.00	1	48	36	1,734	80	138,720	
	Grad Beam 16mm	16	1,200	8.00	1	4,625	1	4,625	80	370,009	
	Floor Rod 10 mm	10	40,000	1.00	1	7,528	1	7,528	80	602,228	
	Ring 10mm	10	7,000	1.00	1	1,317	1	1,317	80	105,390	
	Ring 10mm	10	50	1.00	66	621	1	621	80	49,680	
	Linton 10 Rod	10	1,200	1.00	1	226	1	226	80	18,066	
	Salab Rod	10	40,000	1.00	1	7,528	1	7,528	80	602,225	
	Sub Total							KGS	27,156		

Sl. No.	Description	Length/mm	Width/mm	Thickness	kg	Quantity	Total kg	UoM	Rate	Amount in Taka	Total Amount in Taka
10	Grill	6.00	4.500			20	29	SFT	580	130	75,400
11	Thai	6.00	4.500			20	29	SFT	580	350	203,000
12	Paint	100.00	100.000			10,000	2	SFT	20,000	20	400,000
13	Labour Cost	100.00	100.000			10,000	2	SFT	20,000	65	1,306,980
14	Door	12.00	15.000			180	2	SFT	360	500	180,000
15	Stait	4.00	17.000			68	1	SFT	68	2,200	149,600
Grand Total											12,643,982



Details of Steel Works

Sl no.	Description	Length	Width	Thikness	Total Kg/Pcs/SFT	Quantity	Total Kg/Pcs/SFT	Uo M	Rate	Total Amount	
1	Anchor Bolt	-	-	-	4.00	36	144.00	Pcs	300	43,200.00	Ground Floor
2	Base Plate	0.500	0.400	0.025	39.25	36	1,413.00		130	183,690.00	
	Column	4.573	0.200	0.010	71.80	72	5,169.32		130	672,011.50	
	Column	4.573	0.400	0.006	86.16	36	3,101.59		130	403,206.90	
	Main Beame	30.487	0.170	0.008	325.48	12	3,905.75		130	507,747.57	
	Main Beame	30.487	0.350	0.005	418.82	6	2,512.89		130	326,675.83	
	Main Beame	30.487	0.170	0.008	325.48	12	3,905.75		130	507,747.57	
	Main Beame	30.487	0.350	0.005	418.82	6	2,512.89		130	326,675.83	
	Sub Beame	30.487	0.125	0.007	209.41	30	6,282.23		130	816,689.57	
	Sub Beame	30.487	0.225	0.005	269.24	15	4,038.57		130	525,014.72	
	Clite Main	0.200	0.150	0.010	2.36	64	150.72		130	19,593.60	
	Clite Main	0.200	0.150	0.010	2.36	48	113.04		130	14,695.20	
Clite Main	0.200	0.150	0.010	2.36	8	18.84		130	2,449.20		
Sub Beame Clite	0.150	0.100	0.010	1.18	150	176.63		130	22,961.25		
							33,301.22	Kgs		4,329,158.73	
3	Nut Bolt 16mm				120	10	1,200		30	36,000.00	
	Sub Beame 16mm				150	4	600		30	18,000.00	
							1,800	Pcs		54,000.00	
4	Dacking Sheet 0.80mm				105	105	11,025	SFT	110	1,212,750.00	
5	Screw 50mm				4,000	1	4,000	Pcs	5	20,000.00	

6	Column	3.658	0.150	0.007	30.15	24	723.63		125	90,453.20	Steel materials 1st floor
	Column	3.658	0.350	0.005	50.25	12	603.02		125	75,377.66	
	Column	4.1	0.150	0.007	33.79	8	270.35		125	33,794.25	
	Column	4.1	0.300	0.005	48.28	4	193.11		125	24,138.75	
	Column	5.1	0.150	0.007	42.04	8	336.29		125	42,036.75	
	Column	5.1	0.300	0.005	60.05	4	240.21		125	30,026.25	
	Column	5.1	0.150	0.007	42.04	8	336.29		125	42,036.75	
	Column	5.1	0.300	0.005	60.05	4	240.21		125	30,026.25	
	Rafter	31.	0.150	0.007	255.52	12	3,066.21		125	383,276.25	
	Rafter	31	0.300	0.005	365.03	6	2,190.15		125	273,768.75	
	Purline	31.	0.300	0.002	116.81	28	3,270.62		125	408,828.00	
Purline	30.48	0.300	0.002	114.85	3	344.55		125	43,068.24		
Clite Purline	0.15	0.125	0.005	0.74	154	113.33		125	14,166.80		
							11,927.98	Kgs		1,490,997.89	
7	Purline Nut Bolt 12mm				168.00	4	672.00	Pcs	12	8,064.00	
8	Roof Sheet 0.47mm	15.50	31		5,170.18	2	10,340.36		75	775,527.00	Sheet materials for roof and site ,capping etc.
9	Site Sheet 0.47mm	1.220	31		406.94	2	813.89		75	61,041.48	
10	Gavel Sheet 0.47mm	15.50	1.700		283.53	2	567.05		75	42,528.90	
11	Ridge Cap 0.47mm	32.00	0.500		172.16	1	172.16		75	12,912.00	
12	Gavel Trim 0.47mm	32.00	0.450		154.94	2	309.89		75	23,241.60	
13	Bottom Trim	32.00	0.250		86.08	2	172.16		75	12,912.00	



14	Bottom Trim	32.00	0.250		86.08	2	172.16		75	12,912.00	
15	Conner Trim	1.220	0.450		5.91	4	23.63		75	1,772.17	
							12,571.30	SFT		942,847.15	
16	Screw 50mm				5,000	1	5,000.00	Pcs	7	35,000.00	
17	Paint Red oxide/ enamel				10,000	2	20,000.00	SFT	12	240,000.00	Ground and 1st floor
18	Transportatio n Cost	100	100		10,000	2	20,000.00	L/S	4	80,000.00	Ground and 1st floor
19	Labour Cost	100	100		10,000	2	20,000.00	SFT	70	1,400,000.00	Ground and 1st floor
							Total Steel Work Cost			9,856,018	

Summary of the estimated construction works

Total Cost of steel work	9,856,018
Total Civil cost	12,643,982
Total estimated cost of the construction works	22,500,000
Total SFT	20,000
Total cost per square feet	1,125

Out of total expenses of Tk. 21.50 crore the company will collect Tk. 20 crore from initial public offering and Tk. 1.5 crore will be paid from its own source.



Implementation Schedule:

Particulars	Time schedule for starting of proposed work
Purchase of Land and development	After one month of receiving IPO fund
Replacement of Old Machineries	After two months of receiving IPO fund
Purchase of Machineries	After two months of receiving IPO fund
Construction of new Building	After four months of receiving IPO fund
Machinery Installation/Erection	After one year of receiving IPO fund

Sd/-

Abu Tauhid Mostafa Kamal
Chief Financial Officer

Sd/-

Su, Chin Jung
Managing Director

Terms of Contract

As per rule 8B4(C) of Securities and Exchange Commission (Public Issue) Rules, 2006 there is no contract covering any of the activities of the issuer Company for which the proceeds of sale of securities from IPO is to be used.

Sd/-

Abu Tauhid Mostafa Kamal
Chief Financial Officer

Sd/-

Su, Chin Jung
Managing Director



SECTION-V: DESCRIPTION OF BUSINESS

INFORMATION ABOUT THE COMPANY:

Hwa Well Textiles (BD) Limited 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 and subsequently converted into a public limited company on 30 December, 2011. The registered office and principal place of business of the company is located at 138, Eastern Nibash, Flat # 402 (4th Floor), Gulshan Avenue, Gulshan-2, Dhaka-1212, Bangladesh. The company is now carrying out its manufacturing activities in one factory located at Vill: Kashorgor, P.O: Seed Store Bazar, Habirbari Union No:-10, P.S: Bhaluka, Mymensingh.

Important Date:

Date of Incorporation	08 May, 2002
Date of Commercial Operation	1 July, 2004
Date of Conversion from Private to Public Limited Company	Converted from Private Limited Company to Public Limited Company on December 30, 2011

Nature of Business:

Hwa Well Textiles (BD) Limited runs the business of 100% Export oriented knitting dyeing and finishing of Textile Goods and Items.

1. Principal Products and Services:

Principal Products and Markets			
Sl	Products Name	Marketing Strategy	Market
1	100 % Polyester fleece	Export	Europe, USA
2	Cotton	Export	Europe, USA
3	Mixed	Export	Europe, USA

2. Relative Contribution of the Product or Services Contributing More than 10% of Total revenue:

Contribution to Total Revenue		
Sl	Product or Services	Contribution in Percentage
1	100% polyester fleece	80%
2	Cotton CVC	15%
3	Others	5%

3. Associates, Subsidiary/ Related Holding Company:

Hwa Well Textiles (BD) Limited has no associate/subsidiary/related holding company.

4. Distribution of Products/Services:

Hwa Well Textiles (BD) Limited manufactures Textile Goods & Items. On receiving the orders, HWTL produces the goods as per the customer's requirement. Mostofa & Brothers Enterprises is the delivery partner of HWTL and engaged in delivering goods. Since the products are exported to foreign markets, it is delivered to the destinations suitable to the shipping liners.



5. Competitive Condition of the Business:

The Company operates in a highly competitive business. The major competitors of the Company are as follows:

01. Nassa Taipei Textile Mills Ltd.
02. How Are You Textile Mills Ltd.
03. Ring Shine Textiles Ltd.
04. Jong Shine Textile Mills Ltd.

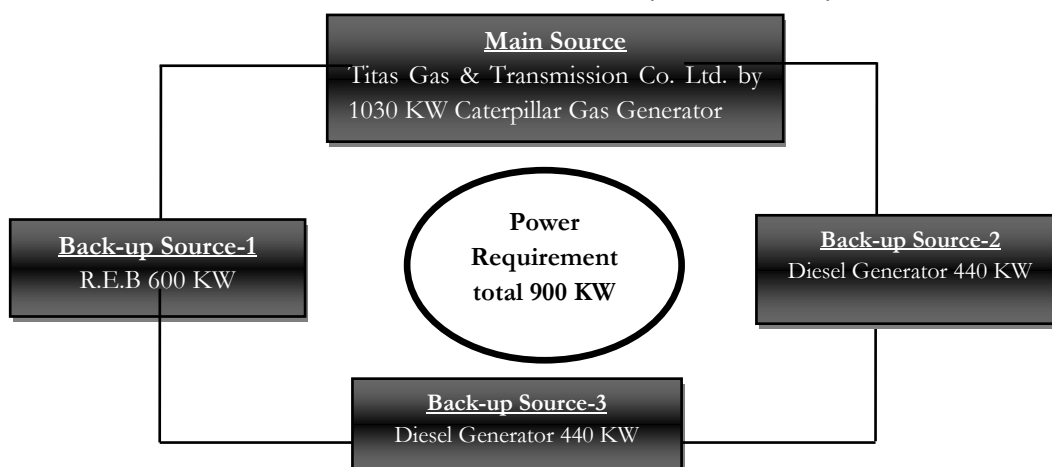
6. Sources and Availability of Raw Materials and the Names of the Principal Suppliers:

Basic raw materials used for production process are yarn and accessories, which are imported from overseas markets, mainly China, Thailand, Taiwan and local sources. For the better quality assurance the company mostly looks for foreign sources. But for steady production sometimes the company has to procure from local sources as well. Suppliers are evaluated periodically on supply reliability, quality and prices with new suppliers being added after they meet the required quality and reliability benchmarks through supplier appraisals and track record. The names of main suppliers are mentioned below:

SI	Name of Suppliers	Address of Suppliers
1	Felicity Technology Corp.	RM 804, SINO Centre, 582-592 Nathan RD., KIN, Hong Kong.
2	Jiangsu Shenghong Science And Techonology Co. Ltd.	Shengze Town, Wujiang City, Jiangsu Province, China
3	Beaver Tech Company Ltd.	10F., No. 5-1, Ln. 110, Sec. 2, Wenhua 2nd Rd., Linkou Dist., New Taipei City 244, Taiwan.
4	Xiamen Xianglu Chemical Fiber Co., Ltd.	Lukeng, Haicang Investment Zone, Xiamen 361026, P.R China
5	Jong Stit Co., Ltd.	470 Bangkuntien-Chaitalay Rd., Samaedum, Bangkuntien, Bangkok 10150 Thailand
6	United Raw Materials PTE Ltd.	33, UBI Avenue 3, # 50-32 Vertex, Singapore-408868

7. Sources of and requirement for power, gas & water:

Energy Source: The Company requires 900 KW total power requirement where the main source is a 1030 KW Caterpillar Gas Generator ran by gas supply from Titas Gas & Transmission Company Limited. But also maintains 3 other sources for uninterrupted smooth operation.



Water: Water supply is ensured from own deep tube well.



GAS: The electricity producing generators and boiler run on natural gas. HWTL has the connection of Titas Gas Distribution Company limited with the capacity of 10 PSIG and monthly load of GAS is 817,190 cubic meter.

Name of the customer(s) who purchase 10% or more of the Company product/service:

SL	Name of Customers	Address
1	M/S. AKH Stitch Art Ltd.	Plot –1, Holdings –1 (1 st & 2 nd Floor), Beribadh, Mohammadpur, Dhaka-1207, Bangladesh
2	M/S. Golden Refit Garments Ltd.	589, Chirirchala, Baghair Bazar, Bhabanipur, Gazipur

8. Contract with Principal Suppliers/Customers:

There is no contract with principal suppliers or customers other than the normal course of business.

9. Material Patents, Trademark, Licenses or Royalty Agreements:

The Company does not have any Patents, Trademark, Licenses or Royalty Agreements.

10. Employees' position as on 30.06.2013

Particulars	Head Office	Factory Officers, Staffs and Workers	Total Employee
No. of Employees	69	480	549

11. Production and Service Capacity and Current Utilization : (as per Audited Accounts 2013)

Details of capacity has been given below:

Particular	License Capacity	Installed Capacity	Actual Production for the year 2012-2013	%
Annual Production (kg)	9,522,000	9,522,000	5,471,443	57.46



SECTION-VI: DESCRIPTION OF PROPERTY

The Company's registered office is situated at 138, Eastern Nibash, Flat # 402 (4th Floor), Gulshan Avenue, Gulshan-2, Dhaka-1212 in Bangladesh. The Company has set up its plants at its own land and established its corporate headquarter in rented premises as under:

(a)	(b)	(c)	(d)
Location/Address	Ownership Status	Mortgage/Lien and name of the Mortgagor	If Lease, Expiration Date and Name of Lessor
Bhaluka	Owned	N/A	N/A
Corporate Office Space	Rented	N/A	N/A

The Company possesses the following fixed assets at written down value as at 30.06.2013

Sl. No.	Assets	Written Down Value as at 30 June 2013
1	Land and Land Developments	220,693,385
2	Building and Other Civil Constructions	189,772,038
3	Plant and machinery	68,581,397
4	Furniture & Fixture	549,585
5	Office Equipment	700,474
6	Electric Equipment & Installation	836,317
7	Gas Line Installation	403,303
8	Crockery & Cutleries	4,732
9	Generator, Power Station, Deep Tubewell	13,243,026
10	Motor Vehicle	2,148,761
11	Water installation	120,991
12	Parts & Tools	978,383
Total		498,032,392

- A. The entire above mentioned asset are located at the Company's factory premises at village-Kashorgor, PO: Seed-Store Bazar, Habirbari Union no.-10, PS-Bhaluka, District-Mymensingh.
- B. All the assets of the Company are in its own name.
- C. All the assets are in good condition and brand new except for some of the machineries which are imported as reconditioned machineries. Second-hand/ reconditioned machineries are certified by SGS.
- D. Company's land is given as mortgage to Southeast Bank, New Eskaton branch against short term loan.
- E. The Company owns 711.5 decimals of land located as under:

Location	Area in Decimal	Status
Bhaluka, Mymensingh	711.5	Factory
Total	711.5	

**SECTION-VII: PLAN OF OPERATION AND DISCUSSION OF FINANCIAL CONDITION****1. Internal and External Sources of Cash:***(As per Audited Accounts in BDT)*

Internal Sources of Cash:	30.06.2013	30.06.2012	30.06.2011
Share Capital	350,000,000	350,000,000	150,000,000
Tax Holiday Reserve	58,907,629	58,907,629	58,907,629
Retained Earnings	259,683,480	104,093,735	243,678,271
Sub Total	668,591,109	513,001,364	452,585,900
External Sources of Cash:			
Short term loan	-	3,642,309	100,129,011

2. Material Commitment for Capital Expenditure:

The Company has not entered into any material Commitment for Capital expenditure for expansion of the project.

3. Causes of Material Changes from period to period:

The company's net profit, EPS and other business indicators are increasing due to management effort and strategic action to face competition in the industry. The following table shows the year to year economic performance of the company and which is increasing due to the company's long term vision, experienced top tier management, favorable economic and government rules and regulations and the commendable repayment culture.

<i>(As Per Audited Accounts in BDT)</i>			
Particulars	30-Jun-13	30-Jun-12	30-Jun-11
Revenue	1,795,238,748	1,477,645,132	1,531,827,691
Cost of Goods Sold	1,548,297,852	1,360,590,575	1,318,169,571
Gross Profit	246,940,896	117,054,557	213,658,120
Foreign Exchange Gain/(Loss) upon realization	1,160,115	102,781,589	-
Unrealized Foreign Exchange Gain/(Loss)	11,322,349	3,504,232	-
Administrative and Other Expenses	41,067,241	36,426,981	36,613,991
Selling and Distribution Expenses	49,175,805	37,903,064	36,075,739
Operating Profit	169,180,314	149,010,333	140,968,390
Other Income	8,464,613	2,325,338	-
Profit before Interest and Tax	177,644,927	151,335,671	140,968,390
Financial Expenses	4,367,187	17,033,849	28,919,726
Provision for Doubtful Debts	9,409,401		
Provision for Workers' Profit Participation Fund (WPPF)	7,803,254	-	-
Profit before Income Tax	156,065,085	134,301,822	112,048,664
Income Tax Expenses	28,047,923	20,226,834	16,807,299
Tax Holiday Reserve	-	-	-
Profit after tax for the period	128,017,162	114,074,988	95,241,365
Add: Other Comprehensive Income			
Revaluation Surplus of Non-Current Assets	-	-	369,739,739
Total Comprehensive Income	128,017,162	114,074,988	464,981,104

The Management of the Company is always attempting to maximize production with cost efficiency as a result profit is also showing greater in size.

**4. Seasonal aspect**

There is no seasonal aspect in this business.

5. Any known trends, events, or uncertainties etc.

There are no known trends in customer preferences that affect Company's operations. Decreased demand of the ready-made garments product in the local and international market, increased production cost, scarcity of raw materials, scarcity of gas, technological change, increased competition, government policy change towards the industry, political unrest, hartal, flood and other natural calamities are the known events that may affect the business operations of the Company.

6. Any changes in the Assets of the Company Used to Pay-off Liabilities

No asset of the company has been used for pay of the liabilities.

7. Any loan taken or given by the company either from or to its holding / parent or subsidiary company

There is no any subsidiary or parent company. So question of loan taken or given is not arising.

8. Any future contractual liabilities within one year

The company does not have any plan in near future to contact any new liabilities.

9. Estimated amount for future capital expenditure

The company has no plan in the near future for any capital expenditure other than those stated in the use of proceeds from IPO fund.

10. VAT, Income Tax, Customs Duty or other Tax Liability:

a. **VAT:** As per certificate given by Assistant Revenue Officer, Gazipur Circle-1 of Customs, Excise and VAT, dated 03/02/13, the Company has no VAT liability up to date since the company enjoys zero-rated VAT facilities.

b. Income Tax:

The company regularly submits its income tax return and pays income tax where applicable as per the Income Tax Ordinance 1984. The following table shows the picture of income tax file of the company:

Financial Year	Assessment Year	Status
2009-10	2010-11	As per certificate given by DCT of Companies circle-134, Zone-07, Dhaka, dated 08.12.2011 the company's income tax case has been settled up to Assessment year 2010-2011
2010-11	2011-12	As per certificate given by DCT of Companies circle-134, Zone-7, Dhaka, dated 13.06.2013 the assessment of the said company has been completed upto the assessment year 2011-12 and the taxes are paid in full.
2011-12	2012-13	As per certificate given by DCT of Companies circle-134, Zone-7, Dhaka, dated 01.08.2013 the assessment of the said company has been completed upto the assessment year 2012-13 i.e upto 30 th June, 2012.

Custom duty: Customs duty not applicable for the company.

**11. Operating Lease agreements during the last 5 years:**

The company has no operating lease obligation with anyone. However the corporate head office of the Company is established in a rented space under the following condition:

Address	Area (sft)	Rent per sft	Period	Monthly rent
138, Eastern Nibash, Flat # 402, (4 th floor), Gulshan Avenue, Gulshan – 2, Dhaka-1212.	2650 SFT	Tk.37.74	For two years	Tk.100,000.00

12. Financial Lease/ Loan commitment during the last 5 years:

The company has no financial lease obligation with anyone.

13. Personnel Related Scheme:

The Company considers its human resources as the most valuable assets and the profitability of company largely depends on the efficient & effective productivity of human resources. So the company provides various benefit packages for the employees to motivate employees for its continued profitability and prosperity.

Festival bonus and performance bonus:

The company provides 2 festival bonuses to the employees and also provides performance bonus according to the performance of the employees.

**14. Break Down of Expenses for Issuing shares:**

Particulars	Rate	Amount in Tk.
Manager to the Issue Fees	1% of Issue Value, Maximum Tk. 20.00 Lac:	2,000,000
	Alpha Capital Management Ltd.	10,00,000
	Citizen Securities& Investment Ltd.	10,00,000
VAT on Issue Fees	15% of Fees	300,000
Regulatory Expenses:		
Listing Related Expenses:		
Service Charge for DSE	Fixed	5,000
Annual Fee for DSE & CSE	Fixed	150,000
Listing Fees for Stock Exchanges (DSE & CSE)	@ 0.25% on up to Taka 10 crore of paid-up capital & 0.15% on the balance amount (Max Tk. 20.00 lac) each	1,700,000
SEC Fees		
Application Fee	Fixed	10,000
Consent Fee	@ 0.15% on the public offering amount	300,000
IPO Commission:		
Underwriting Commission	1% on the underwritten amount	1,000,000
Bankers to the issue Commission	@ 0.1% on collected amount (Assuming 6 times oversubscribed)	1,200,000
CDBL Fees and Expenses:		
Security Deposit of Eligible Securities	Fixed	400,000
Documentation Fee	As actual	2,500
Annual Fee	As actual	100,000
Issue Fee	0.00025 on the public offer	50,000
Connection Fee	As actual	6,000
Printing & Post Issue Expenses:		
Printing, Publication and Others:		
Publication of Abridge Version of Prospectus	Estimated	1,000,000
Printing of Prospectus	Estimated	500,000
Printing of Application Forms	Estimated	200,000
Post Issue Expenses:		
Data Collection, Data Entry, Data Processing and other related job Printing of Allotment Letters and Refund Warrant	Estimated	1,800,000
Distribution of Allotment Letter and Refund Warrant (including courier) Publication of Notice	Estimated	1,000,000
Consultancy Fee		2,000,000
Fee for Conduction of Lottery		700,000
Miscellaneous	Estimated	576,500
Total		15,000,000

**15. Details of the Revaluation of Company's Assets & Summary thereof:**

Hwa Well Textiles (BD) Limited made revaluation of its land & land developments and Building & Other Civil Construction as on 30.06.2011 by ACNABIN, Chartered Accountants to arrive at a fair market value for the purpose of accounting with effect from 30.06.2011. The summary of revaluation report is as under:

Itemization Showing Comparison: (Value 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 & Land Development	ACNABIN	Chartered Accountants	30-Jun-11	9,696,594	215,250,000	205,553,406
Building and Other Civil Constructions	ACNABIN	Chartered Accountants	30-Jun-11	70,100,133	234,286,466	164,186,333
Total					449,536,466	369,739,739

Particulars of the valuer and summary of report are as follows:

Name & Address	: ACNABIN, Chartered Accountants BDBL Bhaban (13 th Floor), 12 Kawran Bazar C/A, Dhaka-1215
Qualification	: Chartered Accountants
Others major works done by the valuer	: <ol style="list-style-type: none"> 1. Janata Bank Limited (Head Office), Valuation of Financial Assets (Tangible & Intangible Assets), Calculation of Net Worth and Restructuring of Financial Statements 2. EBL Securities Limited, Valuation of Assets and Liabilities 3. Shahjalal Islami Bank Limited, Valuation and Inventory 4. Ascent Group, Revaluation of Land, Building and Transportations Of ASCENT GROUP as on 30 June 2008 5. Gonoshasthaya Grameen Textile Mills Ltd., Share valuation of Gonoshasthaya Grameen Textile Mills Ltd. 6. Novartis (Bangladesh) Ltd., Share Valuation 7. The Metal (Pvt.) Limited, Share Valuation 8. Rahimafrooz Group, Valuation of Perfect Electric Lamp Company Ltd. 9. Prime Bank Foundation, Valuation of Investment in the Project by American Hospital Consortium LLC 10. BRAC, Valuation of the BRAC salt industry for sell out proposition 11. American Super specialty Hospital Limited, Valuation of Assets and Investment of AHC/ASHL
Reasons for Revaluation	: The purpose of this revaluation is to determine an estimated fair market value of the assets and liabilities of Hwa Well Textiles (BD) Limited It is our understanding that the result of our revaluation will be used for the purpose of raising fund from capital market after obtaining necessary permission of Securities & Exchange Commission.

**16. Transaction between Holding Company and the subsidiary:**

As the company has no Associate/subsidiary/holding Company. So, no transaction has taken place between subsidiary and holding Company.

A SPECIAL REPORT FROM AUDITOR'S ABOUT ALLOTMENT OF SHARES TO PROMOTERS OR SPONSOR SHAREHOLDERS FOR CONSIDERATION IN CASH/OTHER THAN IN CASH

We certify, after due verification, that the paid-up capital of Hwa Well Textiles (BD) Limited as of 31st July, 2013 was Taka 360,000,000 divided into 36,000,000 ordinary shares of Taka 10 each, made up as follows:

Date of Allotment	No. of Shares issued on the following basis			Total number of shares	Total paid-up capital amount in Tk
	Cash	Other than Cash	Bonus		
08 May, 2002	100,000	-	-	100,000	1,000,000
21 November, 2002	7,301,000	-	-	7,301,000	73,010,000
	-	7,599,000	-	7,599,000	75,990,000
29 December, 2011	-	-	20,000,000	20,000,000	200,000,000
31 July, 2013	1,000,000	-	-	1,000,000	10,000,000
Total	8,401,000	7,599,000	20,000,000	36,000,000	360,000,000

This is also to certify that Hwa Well Textiles (BD) Limited has allotted Bonus shares as mentioned above for consideration other than cash to shareholders including the sponsor-shareholder as on 29 December, 2011 by capitalization of retained earnings.

Dated: Dhaka
Date: 22 August, 2013

Sd/-
S. F. Ahmed & Co.
Chartered Accountants

Declaration Regarding Non-Suppression of Material Information:

This is to declare that to the best of our knowledge and belief no information, facts, circumstance, that are material have not been suppressed that can change the terms and conditions under which the offer has been made to the public.

Sd/-

Su, Chin Jung
Managing Director and CEO

**SECTION-VIII: INFORMATION ABOUT DIRECTORS AND OFFICERS****DESCRIPTION OF DIRECTORS**

SL	Name	Age (Yrs)	Position	Qualification	Date of becoming first Director	Date of expiration of current term
1.	Obeid Jaigirdar	77	Chairman	B. A.	12-Jan-2004	12 th AGM 2015
2.	Su, Chin Jung	53	Managing Director	B. Sc, Taipei Technology University, Taiwan	8-May-2002	11 th AGM 2014
3.	Ivan Jaigirdar	51	Director	M.Sc.	15-Mar-2012	10 th AGM 2013
4.	Su, Wei-Han	22	Director	Studying Law at Fraser University	10-Feb-2010	11 th AGM 2014
5.	Wu, Shen-Chung	72	Director	High School, Taiwan	10-Feb-2010	10 th AGM 2013

List of Directors/Sponsors or shareholders who hold 5% or more shares of the company:

SL	Name of the Shareholders	Position	No. of Shares	Percentage (%)
1	Mr. Obeid Jaigirdar	Chairman	6,981,800	19.39%
2	Mr. Su, Chin Jung	Managing Director	12,950,000	35.97%
3	Mr. Ivan Jaigirdar	Director	3,000,000	8.33%
4	Mr. Su, Wei-Han	Director	1,922,700	5.34%
5	Mr. Wu, Shen-Chung	Director	3,500,000	9.72%
6	Mr. Kawser Ahmed	Shareholder	4,690,900	13.03%
7	Mr. Parviz Kazi	Shareholder	1,954,600	5.43%

Post IPO Shareholding by the Sponsors/Directors

SL	Name	Position	No. of Shares	Percentage (%)
1	Mr. Obeid Jaigirdar	Chairman	6,981,800	12.47%
2	Mr. Su, Chin Jung	Managing Director	12,950,000	23.13%
3	Mr. Ivan Jaigirdar	Director	3,000,000	5.36%
4	Mr. Su, Wei-Han	Director	1,922,700	3.43%
5	Mr. Wu, Shen-Chung	Director	3,500,000	6.25%
Total			35,000,000	50.63%

NB: Post IPO capital structure of the Sponsors/Directors complies with the requirements as imposed by the Bangladesh Securities and Exchange Commission vide Notification No. SEC/CMRRCD/ 2009-193/119/Admin/34, dated November 22, 2011

**DIRECTORS INVOLVEMENT IN OTHER ORGANIZATIONS**

None of the Directors are involved in other organizations.

FAMILY RELATIONSHIP AMONG THE DIRECTORS AND TOP FIVE OFFICERS

Name	Position in the Company	Relationship
Mr. Su, Chin Jung	Managing Director	Father of the Director Su, Wei Han
Mr. Su, Wei-Han	Director	Son of the Managing Director Su, Chin Jung
Mr. Obeid Jaigirdar	Chairman	Father of the Director Mr. Ivan Jaigirdar
Mr. Ivan Jaigirdar	Director	Son of the Chairman Mr. Obeid Jaigirdar
Mr. Wu, Shen Chung	Director	No family relationship with any Directors

SHORT BIO DATA OF DIRECTORS

Mr. Obeid Jaigirdar, the Chairman of Hwa Well Textiles (BD) Limited, was born in a reputed Muslim family in Sylhet. Mr. Jaigirdar accomplished his BA in pre-liberation period. He has been engaged in business of Textile sector for more than 35 years. Foresights and entrepreneurial acumen made him one of the most successful business personalities in the country. He has also made himself a character to follow inside his own organization by his pleasant and flexible manner. Mr. Jaigirdar has visited many a country for business purpose.

Mr. Su, Chin Jung, is the Managing Director of the company. He has been in Bangladesh for about 10 years for business purpose. Being a Taiwanese national, he achieved his graduation from Taipei Technology University. **Mr. Su's** Innovative business idea and ability to promptly response to the contemporary changes in the customers fashion and tastes are keys to the success of Hwa Well Textiles (BD) Limited. At his 53's, Mr. Su is still energetic and dynamic. He always hunts for better quality in his products and deeper relations with the customers. He is an expert in the textile industry.

Mr. Ivan Jaigirdar, is the eldest son of Mr. Obeid Jaigirdar the Chairman of the Company. Mr. Ivan accomplished his post-graduation from a renowned overseas university. He joined Hwa Well Textiles (BD) Limited as a director very recently but he has been with the business for quite a long period. Presently 51 years of age, he has gathered vast business knowledge. He has visited different countries.

Mr. Su, Wei-Han, is the son of Mr. Su, Chin Jung the Managing Director of the Company. Mr. Su Wei-Han accomplished his high school graduation from British Columbia School System, Canada. Mr. Su, Wei-Han is now doing his graduation is Simon Fraser University in the Department of Law.

Mr. Wu, Shen-Chung, about 72 years of age, is also from Taiwan. Mr. Chung is a high school graduate. He has been with Hwa Well Textiles (BD) Limited since 2010 as a Director.

**CIB Report:**

Neither the Company nor any of its directors and shareholders who holds 5% or more shares in the paid up capital of the issuer is loan defaulter as per the CIB report of the Bangladesh Bank.

TOP FIVE EXECUTIVES

SL	Name of the Officers	Age (Yrs)	Designation	Educational Qualification	Date of Joining the Company	Last 5 years' experience (years)
1	Devabrata Saha	37	Company Secretary	CA(CC), MBA	1.1.2009	HWTL-4.5 years Dragon Group-0.5 years
2	Abu Tauhid Mostafa Kamal	35	CFO	CA (C.C)	01.04.2007	HWTL-5 years
3	Md. Iqbal Hossain	60	AGM	M. A.	01.06.2005	HWTL-5 years
4	Md. Ismail Hossain	37	Head of Marketing	MBA	16.08.2004	HWTL-5 years
5	Mr. Chiu Hung Tu	48	Quality Controller (Dyeing)	Diploma	16.02.2006	HWTL-5 years

SECTION-IX: INVOLVEMENT OF DIRECTORS AND OFFICERS IN CERTAIN LEGAL PROCEEDINGS

No Directors or Officer of the company was involved in any of the following types of legal proceedings in the past ten years:

- a. Any bankruptcy petition filed by or against any company of which any Officer or Director of the Issuer Company filling the prospectus was a Director, Officer or Partner at the time of the bankruptcy;
- b. Any conviction of Director, officer in criminal proceedings or any criminal proceedings pending against him.
- c. Any order, judgment or decree of any Court of competent jurisdiction against any Director, Officer permanently or temporarily enjoying, barring, suspending or otherwise limiting the involvement of any Director or Officer in any type of business, securities or Banking activities;
- d. Any order of the Securities and Exchange Commission or other regulatory authority or foreign financial regulatory authority suspending or otherwise limiting the involvement of any Director or Officer in any type of business of securities or Banking activities.

**SECTION-X: CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

The auditor has certified that following related party transactions was made in accordance with BAS-24 in their audit report (Note 29) which is as follows:

Transaction with Key Management Personnel of the entity:

Sl. No.	Particulars	Amount in Taka
(a)	Managerial Remuneration paid or payable during the year to the Directors, including Managing Director's or managers.	1,152,000
(b)	Any other perquisite or benefits in cash or in kind stating approximate money value where applicable.	Nil
(c)	Other allowances and commission including guarantee, commission etc.	Nil
(d)	Pensions etc.	Nil
	(i) Pensions	Nil
	(ii) Gratuities	Nil
	(iii) Payments from provident funds, in excess of own subscription and interest thereon.	Nil
(e)	Share Based payments	Nil

Except the above the Company neither entered into any transaction nor proposed any transaction during the last 02 (two) years between the issuer and any of the following persons:

- a. Any Director or Executive Officer of the Issuer
- b. Any Director or Officer
- c. Any person owning 5% or more of the outstanding share capital of the Issuer
- d. Any member of the immediate family (including spouse, parents, brothers, sisters, children, and in laws) of any of the above persons
- e. Any transaction or arrangement entered into by the issuer or its subsidiary for a person who is currently a Director or in any way connected with a Director of either the Issuer Company or any of its subsidiaries/holding company or associate concerns, or who was a Director or connected in any way with a Director at any time during the last three years prior to the issuance of the prospectus, except disclosure under caption '**related party transaction**' in Note-29 of Audited Financial Statements, transaction between related companies within last five years, '**transaction with the directors and subscribers to the memorandum**' and "**Executive Compensation**" part of this prospectus.
- f. **Loan Given/Taken:**
No such loan was taken or given from or to Directors or any person connected with the Directors of Hwa Well Textiles (BD) Limited.
- g. **Directors' Facilities:**
Facilities whether pecuniary or non-pecuniary enjoyed by the Directors will remain unchanged during the publication period of the Prospectus. Interest and facility is already disclosed in Executive Compensation of the Prospectus.



SECTION-XI: EXECUTIVE COMPENSATION

Remuneration paid to top five salaried officers during last accounting period from July 01, 2012 to June 30, 2013:

SL	Name of officers	Designation	Remuneration 2011-2112 Amount in Taka	Remuneration 2012-2013 Amount in Taka
01	Ms. Chao Sen Huan	Production Manager	-	1,560,000
02	Mr. Thanachai Khochakun	Manager Knitting	840,000	1,193,419
03	Mr. Chiu Hung Tu	Quality Controller (Dyeing)	780,000	967,250
04	Ms. Zhang Yingzhi	Quality Controller (Finishing)	840,000	923,871
05	Mr. Surasi Wasutharat	Finishing In-Charge	602,258	915,678

a. Aggregate amount of remuneration paid to as Directors & Officers as a group during last accounting period:

SL	Particulars	Financial Year 2011-2012 Amount in Taka	Financial Year 2012-2013 Amount in Taka	Remarks
01.	Directors	10,95,000.00	1,152,000.00	Remuneration
02.	Executives & Officers	27,892,677.00	31,426,029.00	Salary, Festival & Incentive Bonus

b. Remuneration paid to any Director who was not an officer:

The company did not pay any remuneration to any Director who was not an officer of the company during the last accounting year.

c. Contract for payment of future compensation:

The company has no contract with any Director / Officer for providing the payment of future compensation.

d. Pay Increase Intention:

Annual review of the salary and benefits of the employees will be made depending on the growth of the company's operation and performance evaluation of the employees. However company adjusts approximately 15% with the salary every year or inflation adjustment rate.



SECTION-XII: TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM

a) Benefits From the Company during last five years:

The Directors and subscribers to the memorandum have not received any benefits except remuneration and board meeting fees (in note 29.00 of the audited accounts) amount received by the directors, directly or indirectly during the last five years. Remuneration paid to MD during last five years is as follows:

Particulars	For the year ended				
	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009
MD's remuneration	Tk. 1,152,000	Tk. 1,095,000	Tk. 1,080,000	Tk. 1,080,000	Tk. 1,080,000

b) Directors and Subscribers' Assets to the Company:

The Company has not received any assets, services of other consideration from its directors and subscribers to the memorandum except-

- i. Fund against allotment of shares;
 - ii. Transaction mentioned under caption 'loan given/taken' in the prospectus;
 - iii. Services from one director name Su, Chin Jung.
- c) No assets were acquired or are to be acquired from the directors and subscribers to the memorandum except for the following assets which were acquired by following arm's length transaction method (2nd hand capital machineries) on November 29, 2002 in exchange of 75,990 no of shares allotted to them:

SL	Name	No. of shares allotted	Value per share*	Amount in Taka
1	Yang Yao Chieh	14,155	1,000	14,155,000
2	Su, Chin Jung	13,410	1,000	13,410,000
3	Chen Yu Jian	13,410	1,000	13,410,000
4	Su, Ching Yuan	13,410	1,000	13,410,000
5	Ajay Bahl	6,705	1,000	6,705,000
6	Fang Shin Chang	1,490	1,000	1,490,000
7	Wang Chuan	13,410	1,000	13,410,000
	Total	75,990 Shares		75,990,000

* Face value of share during acquisition was Tk. 1000/share

SECTION-XIII: OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES

The Company did not grant any stock option to any Officer, Director and all other officers of the Company or to any other person involved with the Company.

**SECTION-XIV: NET TANGIBLE ASSET PER SHARE**

Particulars:	30-June-2013
A. Non-Current Assets	498,032,392
Property, Plant and Equipment (cost less accumulated depreciation)	498,032,392
B. Current Assets	771,443,566
Inventories	238,996,678
Accounts Receivable	485,005,344
Advances, Deposits and Prepayments	31,765,410
Fixed Deposit Receipts	4,436,500
Other Receivable	373,722
Cash and Cash Equivalents	10,865,912
C. Total Assets (A+B)	1,269,475,958
D. Non-Current Liability	
Deferred Tax Liability	57,747,194
E. Current Liabilities	204,593,319
Bank Overdraft	-
Accounts Payable	139,496,918
Workers' Profit Participation Fund (WPPF)	7,803,254
Other Payables	26,176,086
Provision for Income Tax	31,117,061
F. Total Liabilities (D+F)	262,340,513
G. Net Assets (C-F)	1,007,135,445
H. Number of Shares	35,000,000
I. Net Tangible Asset Value per Shares (G/H)	28.78

N B: the company has increased its paid up capital from 350,000,000 to Tk. 360,000,000 by issuing 1,000,000 ordinary shares of Tk. 10/- each totalling Tk. 10,000,000 with the consent of Bangladesh Securities and Exchange Commission vide letter No. SEC/CI/CPLC (Pvt)-360/2011/2411, dated July 17, 2013.

**SECTION-XV: OWNERSHIP OF THE COMPANY'S SECURITIES****Share Holding Position as on 31/07/2013 (As Per Form-XV, Return of Allotment Certified By RJSC)**

SL	Name of the Shareholders	Position	Address	Number of Shares	Percentage (%)
1	Mr. Obeid Jaigirdar	Chairman	House # 34/F, Road# 7, Banani, Dhaka-1212, Bangladesh.	6,981,800	19.39%
2	Mr. Su, Chin Jung	Managing Director & Director	No.200, Sel-2, Nankan Rd, Tao Yuan, Taiwan ROC	12,950,000	35.97%
3	Mr. Ivan Jaigirdar	Director	House # 34/F, Road# 7, Banani, Dhaka-1212, Bangladesh.	3,000,000	8.33%
4	Mr. Su. Wei-Han	Director	74-5950 Oakdala Road, Burnaby BC VSH 4R5, Canada.	1,922,700	5.34%
5	Mr. Wu, Shen-Chung	Director	No.-70, Chon Kun Rd, Du Lu County, Yuin Lin City, Taiwan.	3,500,000	9.72%
6	Mr. Kawser Ahmed	Shareholder	7/2, Monipuri Para, Tejgaon, Dhaka	4,690,900	13.03%
7	Mr. Parviz Kazi	Shareholder	House # 3/413, Road # 36, Gulshan, Dhaka	1,954,600	5.43%
8	Shahadat Hossain	Shareholder	Flat-C-5, Noor plaza (5th Floor), 111-112, Chittagong, N/A	10,000	0.03%
9	A.K.M Ashraf Hossain	Shareholder	79/2, East Rampura, Khilgaon, Dhaka	90,000	0.25%
10	Monir Hossain	Shareholder	FAVP, UCBL (Head Office), Bulus Center, Plot-CWS-(A)-1 Road -34, Gulshan Avenue, Dhaka- 1212	40,000	0.11%
11	Shahida Alam	Shareholder	Bibiwat Apartment (2nd Fl.), H-2B, R-05, Gulshan-01, Dhaka-1212.,N/A	50,000	0.14%
12	Shakhar Kumar Roy	Shareholder	Segunbagicha, 333/1, 2nd Floor, Dhaka, N/A	200,000	0.56%
13	Md. Ershadul Haque Choudhury	Shareholder	21, Tejkunipara, Tejgaon, Dhaka-1215, N/A	10,000	0.03%
14	Abu Tauhid Mostafa Kamal	Shareholder	138, Eastern Nibash, Flat # 402, Gulshan Avenue, Gulshan-2, Dhaka-1212, N/A	600,000	1.67%
Total				36,000,000	100.00%

Securities of the Company owned by the Directors, top ten salaried officers and all other officer as group:

Name of the Directors and employees who owned securities of the company:

SL	Name of the Executive	Position	Shareholding	Amount in Tk.	%
01.	Mr. Su, Chin Jung	Managing Director & Director	12,950,000	129,500,000	35.97%
02	Abu Tauhid Mostafa Kamal	Chief Financial Officer & Share Holder	600,000	6,000,000	1.67%

Securities Owned by Top Ten Salaried Officers:

Mr. Su, Chin Jung, Managing Director and Director holds 12,950,000 numbers of shares and Mr. Abu Tauhid Mostafa Kamal, Chief Financial Officer holds 600,000 shares of the Company's paid up capital apart from them no other top ten salaried employees holds any shares of the company.

**SECTION-XVI: DETERMINATION OF OFFERING PRICE**

Particulars		Amount in Taka
Method-1a	Net Asset Value (NAV) per share (Considering Revaluation Surplus)	28.25
Method-1b	Net Asset Value (NAV) per share (Without Considering Revaluation)	18.85
Method-2	Calculation of Historical Earnings based value per share considering weighted average of no. of shares outstanding	35.29

Method-1 (a): Equity based value (NAV) per share (Considering Revaluation Surplus)		
Sl. No.	Particulars	Amount in Taka
	Re Stated Share Capital (Re Stated)	360,000,000
	Tax Holiday Reserve	58,907,629
	Revaluation Surplus	338,544,336
	Retained Earnings as on 30 June, 2013	259,683,480
A	Total Shareholders' Equity as on 30 June, 2013	1,017,135,445
B	Total Number of Shares (Re Stated)	36,000,000
C	Equity Based Value per Share (A / B)	28.25

Method-1(b): Equity based value (NAV) per share (Without Considering Revaluation Surplus)		
Sl. No.	Particulars	Amount in Taka
A	Share Capital (Re Stated)	360,000,000
	Tax Holiday Reserve	58,907,629
	Retained Earnings as on 30 June, 2013	259,683,480
	Total Shareholders' Equity as on 30 June, 2013	678,591,109
B	Total Number of Shares (Re Stated)	36,000,000
C	Equity Based Value per Share	18.85

Method-2: Calculation of Historical Earnings based value per share considering weighted average of no. of shares outstanding				
Year	No. of Shares	Net Profit After Tax	Weight of no. of Shares	Weighted Average of Net Profit After Tax (Taka)
30-Jun-09	15,000,000	18,536,107	0.111111111	2,059,567
30-Jun-10	15,000,000	35,961,748	0.111111111	3,995,750
30-Jun-11	35,000,000	95,241,365	0.259259259	24,692,206
30-Jun-12	35,000,000	111,176,452	0.259259259	28,823,525
30-Jun-13	35,000,000	128,017,162	0.259259259	33,189,635
Total	135,000,000	278,741,943	1	92,760,682
Number of Shares Outstanding (Before IPO)				36,000,000
EPS based on Weighted Average of No. of Shares Outstanding (Re Stated)				2.58
Latest Market P/E Ratio (As per DSE Review May, June and July of 2013)				13.70
Earnings Based Value per Share				35.29

Sector P/E Ratio (Textile Sector):	P/E Ratio	Market P/E Ratio:	P/E Ratio
May	15.13	May	12.06
June	15.68	June	14.6
July	15.88	July	14.43
Average	15.56	Average	13.70
Lower of Sector P/E and Market P/E			13.70

**SECTION-XVII: MARKET FOR SECURITIES BEING OFFERED****Market for the Securities Being Offered**

The issuer shall apply to all the stock exchanges in Bangladesh with 7 (Seven) working days from the date of consent accorded by the Commission to issue prospectus

The issuer will apply at:

Dhaka Stock Exchange Limited 9/F, Motijheel C/A, Dhaka 1000	and	Chittagong Stock Exchange Limited CSE Building, 1080, Sheikh Mujib Road, Chittagong 4100
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Declaration about listing of shares with Stock Exchange(s)

None of the stock exchange(s), if for any reason, grants listing within seventy five (75) days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said seventy five (75) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen (15) days, the company's directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (Two Percent) per month above the bank rate, to the subscribers concerned.

The Issue Manager, in addition to the Issuer Company, shall ensure due compliance of the above mentioned conditions and submit compliance report, thereon, to the Commission within seven (7) days of expiry of the aforesaid fifteen (15) days' time period allowed for refund of the subscription money.

SECTION-XVIII: DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED**Description of Securities outstanding or being offered**

Dividend, Voting, Preemption Rights

The share capital of the company is divided into ordinary shares and is eligible to receive dividend in terms of the relevant provisions of the Companies Act, 1994 and the Articles of Association of the company. All Shareholders shall have the usual voting right in person or by proxy or power of attorney in connection with, among others, selection of Directors and Auditors and other usual General Meeting whether ordinary or extraordinary. On a show of hands every shareholder present and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote for every share held by him/her.

In case of any additional issue of shares for raising further capital, the existing shareholders shall be entitled in terms of the guidelines issued by SEC time to time.

Conversion and Liquidation Rights

If the Company at any time issues convertible preferences shares or debentures with the consent of SEC or/and other regulatory authority, such holders of securities shall be entitled to convert such securities into ordinary shares if it is so determined by the Company.

In terms of the provisions of the Companies Act, 1994, Articles of Association of the Company and other relevant rules in force, the shares, if any, of the company are freely transferable. The company



shall not charge any fee for registering transfer of bonds. No transfer shall be made to firms, minors or persons of unsound mind.

Dividend Policy

1. The profit of the company, subject to any special right relating thereto created or authorized to be created by the Memorandum of Association and subject to the provision of the Articles of Association, shall be divisible among the members in proportion to the capital paid up on the shares held by them respectively.
2. The Company in General Meeting may declare dividend to be paid to the members according to their rights and interests in the profits and may fix the time of payment. But no larger dividend shall be declared than is recommended by the Directors, but the Company at its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of net profit of the company shall be conclusive.
3. No dividend shall be payable except out of profits of the company or any other undistributed profits. Dividend shall not carry interest as against the Company.
4. The Directors may, from time to time, pay the members, such interim dividend, as in their judgment, the financial position of the Company may justify.
5. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
6. There is no limitation on payment of dividends to common stockholders.

Other Rights of the Shareholders

In terms of provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering transfer of shares. No transfer shall be made to a minor or person of unsound mind.

The shareholders shall have the right to receive all periodical reports and statements, audited as well as unaudited, published by the company from time to time. The Directors shall present the financial statements as required under the laws and International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted in Bangladesh. Financial Statements will be prepared in accordance with the Bangladesh Accounting Standards (BAS), consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law, BAS and Bangladesh Financial Reporting Standards (BFRS) to the shareholders regarding the financial and operational position of the Company.

In case of any declaration of stock dividend by issue of bonus shares, all shareholders shall be entitled to it, in proportion to their shareholdings, on the date of book closure / record date for the purpose.

The shareholder holding not less than 10% of the issued/fully paid up capital of the company shall have the right to requisition Extra-Ordinary General Meeting of the company as provided under Section 84 of The Companies Act, 1994.

SECTION-XIX: DEBT SECURITIES

The Company has not issued any debt securities and has no future plan as such within six months.

**SECTION-XX: PLAN OF DISTRIBUTION****Underwriting of Shares**

Initial Public Offering (IPO) is for 20,000,000 Ordinary Shares of Tk. 10/- each at par amounting to Taka200, 000,000/- (Taka Two Hundred Million Only). As per BSEC's guideline, 50% of the 20,000,000 ordinary shares i.e. 10,000,000 ordinary shares at an issue price of Taka 10/- each amounting to Taka 100,000,000/- (Taka One Hundred Million Only) has been underwritten by the following institutions:

Name of Underwriters	No. of Shares underwritten	Amount in Taka
Progressive Life Insurance Company Ltd.	5,000,000	50,000,000.00
Sonali Investment Limited	2,500,000	25,000,000.00
Alpha Capital Management Limited	2,500,000	25,000,000.00
Total	10,000,000	100,000,000.00

Principal terms and conditions of underwriting agreement

1. If and to the extent that the shares offered to the public by a Prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within 10 (Ten) days of the closure of subscription call upon the underwriter in writing with a copy of said writing to the Securities and Exchange Commission, to subscribe for the shares not subscribed by the closing date and to pay for in cash in full for such unsubscribed shares within 15(Fifteen) days of the date of said notice and the said amount shall have to be credited into shares subscription account within the said period.
2. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his underwriting commitment under the Agreement, until such time as the Cheque/Bank Draft has been en-cashed and the Company's account has been credited.
3. In any case within 7 (Seven) days after the expiry of the aforesaid 15(Fifteen) days, the Company shall send proof of subscription and payment by the underwriter to the Commission.
4. In the case of failure by the underwriter to pay for the shares under the terms mentioned above, the said Underwriter will not be eligible to underwrite any issue, until such time as he fulfills his underwriting commitment under the Agreement and also other penalties as may be determined by the Commission may be imposed on him.
5. In case of failure by any underwriter to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under the Agreement.
6. In case of failure by the Company to call upon the underwriter for the aforementioned purpose within the stipulated time, the Company and its Directors shall individually and collectively be held responsible for the consequence and/or penalties as determined by the Securities and Exchange Commission under the law may be imposed on them.

**Commission for the underwriters**

The company shall pay to the underwriter an underwriting commission at the rate of 0.20% of 50% of the IPO amount of the issue value of shares underwritten by them out of the Public Issue.

Relationship of Officers or Directors of the Underwriter(s) with the Member of Board of the Company

No Officer or Director of the Underwriter(s) is presently engaged as the Director of the company.

SECTION-XXI: ALLOTMENT, SUBSCRIPTION & MARKET**Lock-in Provision:**

All issued shares of the issuer at the time of according consent to public offering shall be subject to a lock in period of 3 (three) years from the date of issuance of prospectus or commercial operation, whichever comes later.

Provided that the persons, other than directors and those who hold 5% or more, who have subscribed to the shares of the company within immediately preceding 2(two) years of according consent, shall be subject to a lock in period of 1 (one) year from the date of issuance of prospectus or commercial operation, whichever comes later. The following table indicates the pre IPO shareholders position.

SL	Name of the Shareholders	Position	Number of Shares Held	Date of Subscription	Percentage of holding	Lock-in period from Issuance of Prospectus
1	Mr. Obeid Jaigirdar	Chairman	6,981,800	12-01-2004	19.39%	3 Yrs
2	Mr. Su, Chin Jung	Managing Director & Director	12,950,000	21-11-2002	35.97%	3 Yrs
3	Mr. Ivan Jaigirdar	Director	3,000,000	15-03-2012	8.33%	3 Yrs
4	Mr. Su. Wei-Han	Director	1,922,700	10-02-2010	5.34%	3 Yrs
5	Mr. Wu, Shen-Chung	Director	3,500,000	10-02-2010	9.72%	3 Yrs
6	Mr. Kawser Ahmed	Shareholder	4,690,900	10-02-2010	13.03%	3 Yrs
7	Mr. Parviz Kazi	Shareholder	1,954,600	10-02-2010	5.43%	3 Yrs
8	Shahadat Hossain	Shareholder	10,000	31-07-2013	0.03%	1 Yr
9	A.K.M Ashraf Hossain	Shareholder	90,000	31-07-2013	0.25%	1 Yr
10	Monir Hossain	Shareholder	40,000	31-07-2013	0.11%	1 Yr
11	Shahida Alam	Shareholder	50,000	31-07-2013	0.14%	1 Yr
12	Shakhar Kumar Roy	Shareholder	200,000	31-07-2013	0.56%	1 Yr
13	Md. Ershadul Haque Choudhury	Shareholder	10,000	31-07-2013	0.03%	1 Yr
14	Abu Tauhid Mostafa Kamal	CFO & Shareholder	600,000	31-07-2013	1.67%	1 Yr
Total			36,000,000		100.00%	

**Refund of subscription money**

As per BSEC Notification Dated February 9, 2010, the issuer shall refund application money to the unsuccessful applicant of the public offer by any of the following manner based on the option given by the applicant in the application form:

- a. Through banking channel for onward deposit of the refund money into the applicant's bank account as provided in the respective application form for subscription; or
- b. Through issuance of refund warrant in the name and address of the applicant as provided in the respective application form for subscription:

Provided that, in case of deposit into the applicant's bank account, the applicant will bear the applicable service charge, if any, of the applicant's banker, and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected."

Subscription by and refund to non-resident Bangladeshis (NRB)

1. A Non-Resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking "Account Payee only".
2. The value of securities applied for by such person may be paid in Taka or US dollar or UK pound sterling or EURO at the rate of exchange mentioned in the securities application form.
3. Refund against oversubscription shall be made in the currency in which the value of securities was paid for by the applicant through Account Payee bank cheque payable at Dhaka with bank account number, Bank's name and Branch as indicated in the securities application form. If the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms.

Availability of Securities

1. The offer:

Sl. No.	Securities	Number of Shares	Amount in Taka
A	10% of IPO of Ordinary Shares shall be reserved for Non Resident Bangladeshis	20,00,000	2,00,00,000
B	10% of IPO of Ordinary Shares shall be reserved for Mutual funds and Collective Investment schemes registered with the Commission	20,00,000	2,00,00,000
C	20% of IPO of Ordinary Shares are reserved for affected small investors (ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী)	40,00,000	4,00,00,000
D	60% of IPO of Ordinary Shares shall be opened for Subscription by the General Public	1,20,00,000	12,00,00,000
	Total	2,00,00,000	20,00,00,000

2. All as stated in 1 (A), 1(B), 1(C) shall be offered for subscription and subsequent allotment by the Issuer, subject to any restriction, which may be imposed, from time to time, by the Securities and Exchange Commission.



3. In case of over-subscription under any of the categories mentioned in the clause 1(A), 1(B) & (C) the Issue Manger shall conduct an open lottery of all the applications received under each category separately in accordance with the letter of consent issued by the Securities and Exchange Commission.
4. In case of under-subscription under any of the 10% category as mentioned in clause 1(A) and 1(B), the unsubscribed portion shall be added to the general public category, and, if after such addition there is over-subscription in the general public category the issuer and the issue manager shall jointly conduct an open lottery of all the applicants added together.
5. In case of under-subscription of the public offering, the unsubscribed portion of shares shall be taken up by the underwriter(s).
6. The lottery as stated in clause (3) and (4) should be conducted in the presence of the representatives of Issuer, Stock Exchange(s) and the applicants, if there be any.

Allotment

The company reserves the right of accepting any application, either in whole, or in part, successful applicants will be notified by the dispatch on an allotment letter by registered post/courier. Letter of allotment and refund warrants will be issued within 5(five) weeks from the closing of the subscription. After allotment the company will have to transfer the shares to the allottees' Beneficiary Owners (BO) account, which has been mentioned in the application form.

The company shall issue share allotment letter to all successful applicants, within 5(five) weeks, from the date of the subscription closing date. At the same time, the unsuccessful application shall be refunded with the application money within 5 (five) weeks from the closing of the subscription date, by Account Payee Cheque, without interest payable at Dhaka/Chittagong/Khulna/Rajshahi/Barisal/Sylhet as the case may be.

Where allotment is made, in whole or in part in respect of joint application, the allotment letter will be dispatched to the person whose name appears first in the application form notwithstanding that the shares have been allotted to the joint applicants. Where joint applicant is accepted in part, the balance of any amount paid on application will be refunded without interest to the person named first in the application form.

Application for subscription

1. Application for shares may be made for a minimum lot of 500 units of shares to the value of Tk. 5,000 (Taka Five Thousand Only) and should be made on the company's Printed Application Forms. Application Forms and Prospectus may be obtained from the Registered Office of the Company, members of Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, or from the Bankers to the issue. In case, adequate Forms are not available, applicants may use photocopied/ cyclostyled/ handwritten/typed copies of the Forms. Applications must not be for less than 500 units of share. Any application not meeting this criterion will not be considered for allotment purpose.
2. Joint application form for more than two (2) persons will not be accepted. In the case of joint application, each party must sign the application form.
3. Application must be in full name of individuals, or limited companies, or trusts or societies, and not in the name of minors or persons of unsound mind. Applications from of insurance, financial and market intermediary companies must be accompanied by Memorandum and Articles of Association of that company.



4. An applicant cannot submit more than two applications, one in his own name and another jointly with another person. In case an applicant makes more than two applications, all the application will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of application money may be forfeited by the Commission and the balance amount will be refunded to the applicant.
5. The applicant shall provide with the same bank account number in the application form as it is in the BO account of the application.
6. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission may forfeit whole or part of their application too.
7. An IPO applicant shall ensure his/her BO account remains operational till the process of IPO (including securities allotment or refund of IPO application) is completed. If any BO account mentioned in the IPO application is found closed, the allotted security may be forfeited by Bangladesh SEC.
8. Bangladeshi Nationals (including non-resident Bangladeshi Nationals working abroad) and foreign nationals shall be entitled to apply for the share.
9. Payment for subscription by investors other than Non-Resident Bangladeshi may be made to the said branches/offices of the banks mentioned in the application forms in Cash/Cheque/Pay Order/Bank Draft. The Cheque/ Pay Order/ Bank Draft shall be made payable to the bank to which it is sent, be marked " Hwa Well Textiles (BD) Limited", shall bear the crossing "A/C Payee Only" and must be drawn on a bank in the same town of the bank to which application form is deposited.
10. All completed application forms together with remittances for the full amount, payable on application, shall be lodged by investors other than Non-Resident Bangladeshis with any of the branches of the Bankers to the Issue.
11. A Non-Resident Bangladeshi (NRB) shall apply against the Public Offer either directly by enclosing a foreign demand draft, drawn on a bank payable at Dhaka, or through a nominee (including a Bank or a Company) by paying out of foreign currency deposit account maintained in Bangladesh, for the value of securities applied for. The value of securities applied for may be paid in Taka, US Dollars, Great Britain Pounds or Euro Dollars at the spot buying (TT Clean) rate of exchange prevailing the date of opening of subscription. Refund against over subscription of shares shall be made in the currency, in which the value of shares, applied for, was paid by the applicant. Shares application form against the quota for NRB shall be sent by the applicant directly along with a bank draft or cheque to the company at its registered office. Copies of application form and prospectus shall be available with the Bangladesh Embassy/High Commission in USA, UK, Saudi Arabia, UAE, Qatar, Kuwait, Oman, Bahrain, Malaysia, and South Korea and on the website of the BSEC, Issuer Company, Issue Managers, DSE and CSE.
12. The IPO subscription money collected from investors (other than non-resident Bangladeshis) by the Bankers to the Issue will be remitted to the "Hwa Well Textiles (BD) Limited" SND A/C No. 13100000724 of Southeast Bank Limited, Bangladesh for this purpose.
13. The subscription money collected from Non-Resident Bangladeshis in US Dollars or Great Britain Pounds or Euro Dollars shall be deposited to three FC accounts opened by the Company for IPO purpose as follows:

SL	Name of the FC Account	Currency	Account No.	Bank
1	Hwa Well Textiles (BD) Limited	USD	15100000188	Southeast Bank Ltd.
2	Hwa Well Textiles (BD) Limited	GBP	16200000002	Southeast Bank Ltd.



3	Hwa Well Textiles (BD) Limited	Euro	16300000002	Southeast Bank Ltd.
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14. In the case of over-subscription of securities to the NRB applicants, refund shall be made by Hwa Well Textiles (BD) Limited out of the "FC Account for IPO NRB Subscription". Hwa Well Textiles (BD) Limited has already opened the aforesaid FC Accounts & Current Account and shall close these accounts after refund of over-subscription, if any.

APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS AND THE INSTRUCTIONS PRINTED ON THE APPLICATION FORM ARE LIABLE TO BE REJECTED.

Trading and settlement

Trading and settlement regulation of the stock exchanges shall apply in respect of trading and settlement of the shares of the Company.

The issue shall be placed in Category "N" with DSE and CSE.

SECTION-XXII: MATERIAL CONTRACTS AND OTHERS

- a. Underwriting Agreements between the Company and the Underwriters.
- b. Issue Management Agreement between the Company and Alpha Capital Management Limited

The copies of the aforementioned contracts and documents and a copy of Memorandum of Association and Articles of Association of the Company and the Consent Letter from SEC may be inspected, on any working day, during office hours, at the Registered Office of the Company and the Issue Manager.

Manager to the Issue

Alpha Capital Management Limited National Scout Bhaban (5th Floor), 70/1, Inner Circular Road, Dhaka-1000	And	Citizen Securities & Investment Limited Al-Razi Complex, (Suite- G-802) 8 th Floor, 166- 167, Saheed Syed Nazrul Islam Sarani Puran Paltan, Dhaka-1000
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The Issue management fee for the Issue managers is 1% of the Issue size or Tk. 2,000,000 whichever is lower.

Commission to the Bankers to the Issue

Commission at the rate of 0.10% of the amount collected will be paid to the Bankers to the Issue for the services to be rendered by them.



Bankers to the Issue

<p><u>One Bank Limited</u> Principal Branch, Dhaka Motijheel Branch, Dhaka Karwan Bazar Branch, Dhaka Gulshan Branch, Dhaka Mirpur Branch, Dhaka Uttara Branch, Dhaka Dhanmondi Branch, Dhaka Banani Branch, Dhaka Kakrail Branch, Dhaka Progoti Sarani Branch, Dhaka Elephant Road Branch, Dhaka Jatrabari Branch, Dhaka Nawabgonj Branch, Dhaka Bangshal Branch, Dhaka Ganakbari (EPZ) Branch, Dhaka Imamganj Branch, Dhaka Narayanganj Branch, Narayanganj Joypara Branch, Dhaka Khatunganj Branch, Chittagong CDA Avenue Branch, Chittagong Nanupur Bazar Branch, Chittagong Agrabad Branch, Chittagong Cox's Bazar Branch, Cox's Bazar Jubilee Road Branch, Chittagong Khulna Branch, Khulna Ring Road Branch, Dhaka Chowmohani Branch, Noakhali Chandragonj Branch, Lakshmpur Feni Branch, Feni Raipur Branch, Lakshmpur Dagon Bhuiyan Branch, Feni Sylhet Branch, Sylhet Sherpur Branch, Moulvi Bazar Islampur Branch, Sylhet Jessore Branch, Jessore Bogra Branch, Bogra Sirajgonj Branch, Sirajgonj Laksham Branch, Comilla Ramganj Branch, Laximpur Maijdee Court Branch, Comilla Banasree Branch, Dhaka Rajshahi Branch, Rajshahi Shahjadpur Branch, Dhaka Jagannathpur Branch, Dhaka Tongi Branch, Gazipur Comilla Branch, Comilla Basabo Branch, Dhaka Satkhira Branch, Satkhira Madhabdi Branch, Narsingdi Rangamati Branch, Rangamati Sitakunda Branch, Chittagong Moghbar Branch, Dhaka Laldighirpar Branch, Sylhet Rangpur Branch, Rangpur</p> <p><u>Shahjalal Islami Bank Ltd.</u> Dhaka Main Branch, Dhaka Dhanmondi Branch, Dhaka Gulshan Branch, Dhaka Foreign Exchange Branch, Dhaka Kawran Bazar branch, Dhaka Motijheel Branch, Dhaka Bijoyanagar Branch, Dhaka Banani Branch, Dhaka Eskaton Branch, Dhaka Panthapath Branch, Dhaka Agrabad Branch, Chittagong Khatunganj Branch, Chittagong Jubilee Road Branch, Chittagong Sylhet Branch, Sylhet Satmasjid Road Branch, Dhaka Uttara Branch, Dhaka Mirpur Branch, Dhaka Gulshan South Avenue Branch, Dhaka Joydebpur Chowrasta Branch, Gazipur Narayanganj Branch, Narayanganj Chawkbazar Branch, Chittagong Malibagh Chowdhurypara Branch, Dhaka Savar Branch, Dhaka Jessore Branch Dargahgate Branch, Sylhet Wasa Moor Branch, Chittagong Brahmonbaria Branch, Brahmonbaria Kushtia Branch, Kushtia</p>	<p><u>Trust Bank Limited</u> Principal Branch, Dhaka Dilkhusa Corp. Branch, Dhaka Radisson Water Garden Hotel Br. Dhaka Mirpur Branch, Dhaka Karwan Bazar Branch, Dhaka Uttara Corporate Branch, Dhaka Narayanganj Branch, Narayanganj Elephant Road Branch, Dhaka Dhanmondi Branch, Dhaka Narsingdi Branch, Narsingdi Tongi Branch, Gazipur Joydebpur Branch, Gazipur Ashulia Branch, Dhaka Momenshahi Cantonment Branch Savar Cantonment Branch, Dhaka S.S Cantonment Branch, Tangail Halishahar Branch, Chittagong Kadamtali Branch, Chittagong Comilla Cantonment Branch, Comilla Feni Branch, Feni Chowmohani Branch, Noakhali Comilla Branch, Comilla Ashugonj Branch, Brahmanbaria Khulna Branch, Khulna Jalalabad Cantonment Branch, Sylhet Rangpur Cantonment Branch, Rangpur Bogra Cantonment Branch, Bogra Khwaja Yunus Ali Medical College, Sirajgonj Jessore Cantonment Branch, Jessore Shahjalal Uposhohor Branch, Sylhet Rajshahi Branch, Rajshahi Barisal Branch, Barisal Joypara Branch, Dhaka</p> <p><u>City Bank Ltd.</u> B B Avenue Br, Dhaka Principal Office Br, Dhaka Dhanmondi Br, Dhaka Shyamoli Br, Dhaka Imamgonj Br, Dhaka Johnson Road Br, Dhaka Kawran Bazar Br, Dhaka New Market Br, Dhaka VIP Road Br, Dhaka Islampur Br, Dhaka Nawabgonj Br, Dhaka Nawabpur Br, Dhaka Pragati Sarani Br, Dhaka Bangabandhu Road Br, Narayanganj Zinzira Br, Dhaka Tongi Br, Gazipur Agrabad Br, Chittagong Jubilee Raod Br, Chittagong Khatunganj Br, Chittagong Andarkilla Br, Chittagong Cox's Bazar Br, Chittagong Chawkbazar Br, Chittagong Pahartoli Br, Chittagong Comilla Br, Comilla Narshingdi Br, narshingdi Zinda Bazar Br., Sylhet Bandar Bazar Br., Sylhet Amborkahana Br., Sylhet Moulvi Bazar Br., Sylhet Rajshahi Br., Rajshahi Bogra Br., Bogra Rangpur Br., Rangpur Sirajgonj Br., Sirajgonj Khulna Br., Khulna Jessore Br., Jessore Barisal Br., Barisal</p>	<p><u>Southeast Bank Limited</u> Principal Branch, Dhaka Mouchak Branch, Dhaka Feni Branch, Feni Corporate Branch, Dhaka Konabari Branch (Rural), Gazipur Pahartali Branch, Chittagong Imamganj Branch, Dhaka Tongi Branch, Gazipur Bashurhat Branch (Rural), Noakhali Dhanmondi Branch, Dhaka Bashundhara Branch, Dhaka Momin Road Branch, Chittagong Uttara Branch, Dhaka Mohammadpur Branch, Dhaka Rangpur Branch, Rangpur New Elephant Road Branch, Dhaka Madambibir Hat Branch, Chittagong Bogra Branch, Bogra Gulshan Branch, Dhaka Comilla Branch, Comilla Jessore Branch, Jessore Kakrail Branch, Dhaka Munshigonj Branch Barisal Branch, Barisal Banani Branch, Dhaka Chouhatta Branch, Sylhet Dhanial Branch (Rural) Bangshal Branch, Dhaka Laldighirpaar Branch, Sylhet Naogaon Branch, Naogaon New Eskaton Branch, Dhaka Shahjalal Uposahar Branch, Sylhet Bandar Bazar Branch, Sylhet Pragati Sarani Branch, Dhaka Khulna Branch, Khulna Moulvibazar Branch, Moulvibazar Agargaon Branch, Dhaka Pathantula Branch, Sylhet Satkhira SME, Branch Sat Mashjid Road Branch, Dhaka Agrabad Branch, Chittagong Narsingdi SME, Branch Shaymoli Branch, Dhaka Khatunganj Branch, Chittagong Islampur Branch, Dhaka Aganagar Branch, Dhaka Jubilee Road Branch, Chittagong Kotwali Branch, Dhaka Karwan Bazar Branch, Dhaka Halishahar Branch, Chittagong Rajshahi Branch, Rajshahi Madhabdi Branch (Rural), Narahingdi Motijheel Branch, Dhaka Tangail SME, Branch Ashulia Branch (Rural), Dhaka Chowmuhani Branch, Noakhali Chapainawabganj Branch Narayanganj Branch, Narayanganj CDA Avenue Branch, Chittagong Dinajpur Branch, Dinajpur Rokeya Sharani Branch, Dhaka Cox's Bazar Branch, Cox's Bazar Hemayetpur Branch (Rural) Savar Branch, Dhaka Chagalnaiya Branch, Feni Joydebpur Branch, (Rural)</p>	<p><u>National Bank Ltd.</u> Agrabad Branch, Chittagong Anderkilla Branch, Chittagong Asadgate Branch, Dhaka Babubazar Branch, Dhaka Banani Branch, Dhaka Bangshal Road Branch, Dhaka Barisal Branch, Barisal Beani Bazar Branch, Sylhet Batiary Branch, Chittagong Bogra Branch, Bogra CDA Avenue Branch, Chittagong Chaktai Branch, Chittagong Chandpur Natun Bazar Branch, Chandpur Chawk Bazar Branch, Chittagong Chowmuhani Branch, Noakhali Comilla Branch, Comilla Khatunganj Branch, Chittagong Khulna Branch, Khulna Lake Circus Branch, Dhaka Madhupur Branch, Tangail Malibagh Branch, Dhaka Mirarsaraj Branch, Chittagong Mirpur Branch, Dhaka Moakhali Branch, Dhaka Mohammadpur Branch, Dhaka Motijheel Branch, Dhaka Muradpur Branch, Chittagong Mymensingh Branch, Mymensingh Narayanganj Branch, Narayanganj Narsingdi Branch, Narsingdi Netaiganj Branch, Narayanganj Dhanmondi Branch, Dhaka Dilkhusa Branch, Dhaka Elephant Road Branch, Dhaka Feni Branch, Feni Foreign Exchange Branch, Dhaka Gazipur Branch, Gazipur Godagari Branch, Rajshahi Gulshan Branch, Dhaka Rajshahi Branch, Rajshahi Rifles Square Branch, Dhaka S.K. Mojib Road Branch Savar Bazar Branch, Savar, Dhaka Sunamgonj Branch, Sunamgonj Sylhet Branch, Sylhet Tangail Branch, Tangail Tongi Branch, Gazipur Uttara Branch, Dhaka Z.H. Sikder M.C Branch, Dhaka Zindabazar Bazar, Sylhet Halishahar Branch, Chittagong Imamganj Branch, Dhaka Islampur Branch, Dhaka Jatrabari Branch, Dhaka Jessore Branch, Jessore Jubilee Road Branch, Chittagong Kodomtoli Branch, Sylhet Karwan Bazar Branch, Dhaka New Eskaton Branch, Dhaka North Book Hall Branch, Dhaka Pabna Branch, Pabna Pagla Bazar Branch, Narayanganj Patiya Branch, Chittagong Pragati Sarani Branch, Dhaka Moulvibazar Branch, Moulvibazar Pahartali Branch, Chittagong Faridpur Branch, Faridpur Rokeya Sarani Branch, Dhaka</p> <p><u>Investment Corporation of Bangladesh(ICB)</u> Head Office Dhaka Chittagong Branch, Chittagong Rajshahi Branch, Rajshahi Khulna Branch, Khulna Barisal Branch, Barisal Sylhet Branch, Sylhet Bogra Branch, Bogra Local Office, Dhaka</p>
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**SECTION-XXIII: CORPORATE DIRECTORY**

Head Office Address	138, Eastern Nibash, Flat # 402 (4 th Floor), Gulshan Avenue, Gulshan-2, Dhaka-1212, Bangladesh
Factory Address	Village: Kashorgor, PO: Seed Store Bazar, Habirbari Union No-10, Bhaluka, Mymensing
Auditor	S.F. AHMED & CO. Chartered Accountants House # 51 (2 nd Floor), Road # 9, Block # F, Banani, Dhaka-1213, Bangladesh Telephone: (880-2) 9894026, 9894346 Fax: (880-2)8825135 E-mail: sfali@connecbd.com, sfaco@dhaka.net
Legal Advisor	Mr. A. K. M. Golam Faruk
Lead Banker	Southeast Bank Limited, New Eskaton Branch, Chowdhury Centre, 23/KA, Rashed Khan Menon Sarak, 1 st Floor, Ramna, Dhaka-1000
Tax Consultant	Rajbangshi & Co.
Lead Manager to the issue	Alpha Capital Management Limited National Scout Bhaban (5th Floor) 70/1, Inner Circular Road, Dhaka-1000
Co-Issue Manager	Citizen Securities & Investment Limited Al-Razi Complex,(Suite- G-802) 8 th Floor, 166-167, Saheed Syed Nazrul Islam Sarani Puran Paltan, Dhaka-1000
Company Secretary & Compliance Officer	Devabrata Saha

**SECTION-XXIV: AUDITOR'S REPORT AND RELATED CERTIFICATE****INDEPENDENT AUDITOR'S REPORT****To****The Shareholders of Hwa Well Textiles (BD) Limited**

We have audited the accompanying financial statements of Hwa Well Textiles (BD) Limited, which comprise the statement of financial position as at 30 June 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Hwa Well Textiles (BD) Limited as at 30 June 2013 and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with The Companies Act 1994, Securities and Exchange Rules, 1987 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 these books;
- c) the company's statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of account and returns;
- d) the expenditure incurred was for the purposes of the company's business.

Dated, Dhaka;
22 August 2013

Sd/-
S. F. Ahmed & Co.
Chartered Accountants

**Hwa Well Textiles (BD) Limited****Statement of Financial Position**

as at 30 June 2013

	Notes	Amount in Taka	
		30 June 2013	30 June 2012 Restated
Assets			
Non-Current Assets			
Property, Plant and Equipment (cost less accumulated depreciation)	5	498,032,392	494,552,912
Current Assets			
Inventories	6	238,996,678	218,855,408
Accounts Receivable	7	485,005,344	458,328,133
Advances, Deposits and Prepayments	8	31,765,410	48,584,971
Fixed Deposit Receipts	9	4,436,500	14,282,895
Other Receivable	10	373,722	347,753
Cash and Cash Equivalents	11	10,865,912	8,498,092
Total Assets		1,269,475,958	1,243,450,164
Equity and Liabilities			
Equity attributable to the Owner			
Share Capital	12	350,000,000	350,000,000
Tax Holiday Reserve		58,907,629	58,907,629
Revaluation Surplus		338,544,336	353,321,106
Retained Earnings		259,683,480	116,889,548
Non Current Liability			
Deferred Tax	13	57,747,194	56,018,189
Current Liabilities			
Bank Overdraft	14	-	3,642,309
Accounts Payable	15	139,496,918	151,221,745
Workers' Profit Participation Fund (WPPF)		7,803,254	-
Others Payable	16	26,176,086	126,920,769
Provision for Income Tax	17	31,117,061	26,528,869
Total Liabilities		262,340,513	364,331,881
Total Equity and Liabilities		1,269,475,958	1,243,450,164
Net Asset Value Per Share (NAVPS)		28.78	25.12

The accompanying notes form an integral part of this financial statement and are to be read in conjunction therewith.

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Director

Signed in terms of our separate report of even date annexed.

Dated, Dhaka:
22 August 2013

Sd/-
S. F. Ahmed & Co.
Chartered Accountants



Hwa Well Textiles (BD) Limited
Statement of Comprehensive Income
for the year ended 30 June 2013

	Notes	Amount in Taka	
		30 June 2013	30 June 2012 Restated
Revenue	18	1,795,238,748	1,477,645,132
Less: Cost of Goods Sold	19	1,548,297,852	1,360,590,575
Gross Profit		246,940,896	117,054,557
Add: Foreign Exchange Gain/(Loss) upon realization	20	1,160,115	102,781,589
Add: Unrealized Foreign Exchange Gain/(Loss)	21	11,322,349	3,504,232
Less: Administrative and Other Expenses	22	41,067,241	36,426,981
Less: Selling and Distribution Expenses	23	49,175,805	37,903,064
Operating Profit		169,180,314	149,010,333
Add: Other Income	24	8,464,613	2,325,338
Less: Financial Expenses	25	4,367,187	17,033,849
Less: Provision for Doubtful Debts		9,409,401	-
Less: Provision for Workers' Profit Participation Fund		7,803,254	-
Profit before Tax		156,065,085	134,301,822
Less: Income tax Expenses		28,047,923	20,226,834
Current Tax Expenses	17	26,318,918	21,490,989
Deferred Tax Expenses/(Income)	26	1,729,005	(1,264,155)
Profit after tax		128,017,162	114,074,988
Basic Earnings Per Share (EPS) on Net Profit after tax	27	3.66	3.26

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Director

Signed in terms of our separate report of even date annexed.

Dated, Dhaka:
22 August 2013

Sd/-
S. F. Ahmed & Co.
Chartered Accountants



Hwa Well Textiles (BD) Limited
Statement of Changes in Equity
for the year ended 30 June 2013

Particulars	Amount in Taka				
	Share Capital	Tax Holiday Reserve	Revaluation Surplus	Retained Earnings	Total
For 2012-2013:					
Balance at 01 July 2012	350,000,000	58,907,629	353,321,106	116,889,548	879,118,283
Net Profit for the year	-	-	-	128,017,162	128,017,162
Depreciation on revalued Property, Plant & Equipment transferred to retained earnings	-	-	(14,776,770)	14,776,770	-
Balance at 30 June 2013	350,000,000	58,907,629	338,544,336	259,683,480	1,007,135,445

Particulars	Amount in Taka				
	Share Capital	Tax Holiday Reserve	Revaluation Surplus (Restated)	Retained Earnings (Restated)	Total
For 2011-2012:					
Balance at 01 July 2011	150,000,000	58,907,629	369,739,739	243,678,271	822,325,639
Adjustment for deferred tax as restated	-	-	-	(57,282,344)	(57,282,344)
Depreciation on revalued PPE transferred to retained earnings as restated	-	-	(16,418,633)	16,418,633	-
Net Profit for the year	-	-	-	114,074,988	114,074,988
Bonus share issue	200,000,000	-	-	(200,000,000)	-
Balance at 30 June 2012	350,000,000	58,907,629	353,321,106	116,889,548	879,118,283

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Director

Signed in terms of our separate report of even date annexed.

Dated, Dhaka:
22 August 2013

Sd/-
S. F. Ahmed & Co.
Chartered Accountants

**Hwa Well Textiles (BD) Limited**Statement of Cash Flows
for the year ended 30 June 2013

	Amount in Taka	
	30 June 2013	30 June 2012 Restated
Cash Flow from Operating Activities		
Cash received from customers & other income	1,755,933,890	1,670,874,847
Cash payment to suppliers and employees	(1,687,659,713)	(1,510,786,310)
Cash generated from operation	68,274,177	160,088,537
Financial expenses	(4,367,187)	(17,033,849)
Income tax paid	(21,730,726)	(15,474,703)
Total Cash Flow from Operating Activities	42,176,264	127,579,985
Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment	(45,492,359)	(9,150,317)
Investment in FDR	9,846,395	(14,282,895)
Net cash used in investing activities	(35,645,964)	(23,433,212)
Cash Flow from Financing Activities		
Bank overdraft	(3,642,309)	(96,486,702)
Net cash used in financing activities	(3,642,309)	(96,486,702)
Net cash inflow/(outflows) in cash and cash equivalents	2,887,991	7,660,071
Add: Cash & Cash Equivalents at the beginning of the year excluding unrealized foreign exchange gain/(loss)	8,434,620	774,549
Cash & Cash Equivalents at the end of the year excluding unrealized foreign exchange gain/(loss)	11,322,611	8,434,620
Add: Unrealized foreign exchange gain/(loss) in cash & cash equivalents	(456,699)	63,472
Cash & Cash Equivalents at the end of the year including foreign exchange gain/(loss)	10,865,912	8,498,092
Operating cash inflow/(outflow) Per Share	1.21	3.65

Sd/-
ChairmanSd/-
Managing DirectorSd/-
Director*Signed in terms of our separate report of even date annexed.*Dated, Dhaka:
22 August 2013Sd/-
S. F. Ahmed & Co.
Chartered Accountants



Hwa Well Textiles (BD) Limited
Notes to the Financial Statements
For the year ended 30 June 2013

1. Legal Status of 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 138, Eastern Nibash, Flat # 402 (4th Floor), Gulshan Avenue, Gulshan-2, Dhaka-1212, Bangladesh.

The company is now carrying out its 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.

2. Nature of Business Activities

Hwa Well Textiles (BD) Limited runs the business of 100% export oriented knitting, dyeing & finishing of textile goods and items.

3. Risk Exposure

3.1 Interest Rate Risk

Interest rate is concerned with borrowed funds having short term & long-term maturity. Interest rate risk is the risk that the Company faces due to unfavorable movements in the interest rates. Volatility in money market & increased demand for loans /investment funds raise the rate of interest. A change in the government's policy also tends to increase the interest rate. High rate of interest enhances the cost of fund of a company. Such rise in interest rates, however, mostly affect companies having floating rate loans.

Management Perception

Since the Company has not borrowed funds at flexible interest rate, hence the company is not exposed to the interest rate risk. However, the company has been repaying borrowed funds on a continuous basis.

3.2 Exchange Rate Risk

Movement in the exchange rate adversely may expose the company to risks of foreign currency loss.

Management Perception

As the Company is an 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 affect of unfavorable volatility in exchange rate on the company's earnings.

3.3. Industry Risks

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

Management Perception

The Company continuously carries out research and development (R&D) to keep update with the customers' choices and latest fashions.



3.4 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 to increase their customer base.

Management Perception

Strong brand-loyalty of the company's products to its customers has enabled the company to capture significant market share in the sector. The company is also continuously penetrating into the market and upgrading the quality of the products to minimize the market risks.

4. Basis of preparation and significant accounting policies

4.1 Basis of Measurement of Elements of Financial Position

The financial statements have been prepared on the Historical Cost Basis, and, therefore, do not take into consideration the effect of inflation except that arising from revaluation of lands and land developments and buildings, as specified in Note 4.10. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

4.2 Statement on Compliance with Local Laws

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1994, Securities and Exchange Rules, 1987 and other relevant local laws as applicable.

4.3 Statement on Compliance of Bangladesh Accounting Standards

The financial statements have been prepared in accordance with the applicable Bangladesh Accounting Standard (BASs) and Bangladesh Financial Reporting Standard (BFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) based on International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs).

4.4 Going Concern

As per BAS-1, a company is required to make assessment at the end of each year to assess its capability to continue as going concern. Management of the company makes such assessment each year. The company has adequate resources to continue in operation for the foreseeable future and has wide coverage of its liabilities. For this reason, the Directors continue to adopt the going concern assumption while preparing the financial statements.

4.5 Accrual Basis

The financial statements have been prepared, except cash flow information, using the accrual basis of accounting.

4.6 Structure, Contents and Presentation of Financial Statements

Being the general purpose of financial statements, the presentation of these financial statements is in accordance with the guidelines provided by **BAS 1: "Presentation of Financial Statements"**. A complete set of financial statements comprise:

- i) Statement of Financial Position as at 30 June 2013.
- ii) Statement of Comprehensive Income for the year ended 30 June 2013.
- iii) Statement of Changes in Equity as at 30 June 2013.
- iv) A Statement of Cash Flow for the year ended 30 June 2013.
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the Financial Statements for the year ended 30 June 2013.

**4.7 Reporting Period**

The Financial Period of the company under audit covers year from 01 July 2012 to 30 June 2013.

4.8 Inventories

Inventories comprise of Raw Materials, Raw Materials in Transit, Work-in-Progress, Finished Goods and Spare Parts. Inventories are valued at the lower of cost and net realizable value **as per BAS-2**. Initial costs of inventories consist of purchase price, cost of conversion, import duties and other non-refundable taxes and other costs incurred in bringing the inventories to their present location and condition. Subsequent Cost of Inventory is assigned by using weighted average method formula. Net realizable value is based on estimated selling price less estimated cost for completion and selling expenses.

4.9 Revenue

Revenue represents the invoice value of goods supplied to the customers during the period and it recognized in the income statement when the significant risks and rewards of ownership have been transferred to the buyer by when the delivery certificate is raised against confirmed orders to the buyer and acceptance received from buyers bank on that delivery. Revenue shall be measured at the fair value of the consideration received or receivable as per **BAS-18**.

**4.10 Property, Plant and Equipment
Initial Recognition and measurement**

Property, plant and equipment are capitalized at cost of acquisition and subsequently stated at cost or valuation less accumulated depreciation in compliance with the requirements of **BAS-16: Property, Plant and Equipment**. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties, non-refundable taxes and un-allocated expenditures etc. On 30 June 2011, the land and land developments and Building and Other Civil Constructions have been revalued by an independent valuer to reflect fair value (prevailing market price) thereof following "Current Cost Method".

Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of an item if 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 the day-to-day servicing of property, plant and equipment are recognized in the statement of comprehensive income as "Repair & Maintenance" when it is incurred.

Depreciation on Property, Plant and Equipment

Depreciation is provided to amortize the cost or valuation of the assets after commissioning, over the period of their expected useful life, in accordance with the provisions of BAS 16: Property, Plant and Equipment. Full year depreciation is charged in the year of acquisition regardless of the date of purchase. No depreciation is charged in the year of disposal regardless of the date of disposal. Depreciation of an asset begins when it is available for use. Depreciation is charged on all Property, Plant and Equipment except land and land developments on reducing balance method. Rates of depreciation is noted below:

Particular of Assets	Rate of Depreciation
Building and other civil construction	10%
Plant & Machinery	20%
Furniture and Fixture	20%
Office Equipment	20%
Electrical Equipment & Installation	20%
Gas line installation	10%
Generator, power station & deep tube well	15%
Water installation	10%
Motor Vehicles	20%
Parts & tools	25%
Cookery Cutleries	25%



The gain or loss on disposal or retirement of assets is included statement of comprehensive income when the item is disposed off/derecognized.

The fair value of the property, plant and equipment on 30.06.2013 is not materially differing with the carrying amount.

Revaluation of Property, Plant and Equipment

The company made revaluation of its land and land developments and building and other civil constructions on 30 June 2011 to reflect fair value of the property in terms of the prevailing market price of the properties. Details of revaluation are as follows:

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 & Land Development	ACNABIN	Chartered Accountants	30-Jun-11	9,696,594	215,250,000	205,553,406
Building and Other Civil Constructions	ACNABIN	Chartered Accountants	30-Jun-11	70,100,133	234,286,466	164,186,333
Total:				79,796,727	449,536,466	369,739,739

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 Comprehensive Income of 30 June, 2011 to the extent that, it reverses a revaluation decreased of the same assets previously recognized in The Statement of Comprehensive Income.

Other Fixed 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.

4.11 Cash and Cash Equivalent and Statement of Cash Flows

Cash and cash equivalents comprise cash in-hand and in current account that are readily convertible to a known amount of cash, and that are not subject to significant risk of change in value.

The Statement of Cash Flows is prepared using the **Direct Method** as stipulated in Bangladesh Accounting Standards **BAS- 7 "Statement of Cash Flows"**

4.12 Earnings Per Share

The company calculates Earnings Per Share (EPS) in accordance with the requirement of **BAS- 33: "Earning Per Share"**, which has been shown on the face of the Statement of Comprehensive Income and the computation is shown in "Note - 27".

Basic earnings

This represents earnings for the year ended on 30 June 2013 attributable to the ordinary shareholders.

Basic Earnings Per Share

Basic earnings per share has been calculated by dividing the basic earning by the number of ordinary shares outstanding for the year.

**Diluted Earnings Per Share**

Diluted EPS is calculated if there is any commitment for issuance of equity shares in foreseeable future, i.e., potential shares, without inflow of resources to the Company against such issue. This is in compliance with the requirement of **BAS- 33**. As the company has no dilutive potential ordinary shares, so diluted EPS was not calculated.

Restatement of Basic and Diluted Earning

Calculation of Basic and Diluted Earnings for all periods is adjusted for the increase in the number of shares outstanding as a result of capitalization or bonus issues or share split as per **BAS-33: Earnings per Share**.

4.13 Foreign Currency Transactions

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

At the end of each reporting period, in compliance with the provision of **BAS 21: The Effects of Changes in Foreign Exchange Rates**, are determined as under:

- (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.

4.14 Impairment of Assets

All assets, except inventory, arising from construction contracts and financial assets is assessed at the end of each reporting period to determine whether there is any indication that an assets may be impaired. If any such indication exists the company assesses the recoverable amount. If, and only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the assets is reduced to its recoverable amount. The reduction is an impairment loss.

An impairment loss is recognized immediately in profit or loss, unless the asset is carried at revalued amount in accordance with another standard. Any impairment loss of a revalued asset is treated as a revaluation decrease. No such assets have been impaired during the period under audit and for this reason no provision has been made for impairment of assets.

4.15 Borrowing Cost

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of fund and are recognized as an expense in the period in which it incurs.

4.16 Authorization date for issuing Financial Statements

The Financial Statements were authorized by the Board of Director's on 22August, 2013 for issue after completion of review.

4.17 Reporting Currency

The Financial Statements has been prepared and presented in Bangladesh Currency (Taka), which is the company's functional currency.



4.18 Risk and uncertainty for use of estimates (Provisions)

The Preparation of Financial Statements in conformity with Bangladesh Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of revenue and expenses, assets and liabilities and disclosure requirements for contingent assets and liabilities during and the date of the Financial Statements. Due to inherent uncertainty involved in making estimates, actual result reported could differ from those estimates.

In accordance with the guidelines in **BAS – 37: “Provisions, Contingent Liabilities and Contingent Assets”**, provisions are recognized in the following situations –

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

4.19 Accruals & Deferrals

Deferrals and accruals have been made as per the guidance in **BAS- 1:“Presentation of Financial Statements”**. In order to meet their objectives, Financial Statements, except for the Statement of Cash Flows and related information, are prepared on accrual basis of accounting. Under the basis, the effects of transactions and other events are recognized when they occur (and not when cash or its equivalent is received or paid) and they are recorded in the accounting records and reported in the Financial Statements of the years to which they relate.

Others payable are not interest bearing and are stated at their nominal value.

4.20 Advances, Deposits and Prepayments

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

4.21 Financial Instruments

Non-derivative financial instruments comprise accounts and other receivables, cash and cash equivalents, borrowings and other payables and are shown at transaction cost.

Initial recognition

An entity recognizes a financial assets or liabilities in its Statement of Financial Position when, and only when, the entity becomes a party to the contractual provision of the instrument and subsequently recognized at their Amortized Cost.

Accounts Receivable are recognized at cost or net realizable value from the ordinary course of sales in the market whichever is lower. Accounts Receivables from foreign currency transactions are recognized into Bangladeshi Taka using exchange rates prevailing on the closing date of the accounts in accordance with **BAS-21: “The Effects of Changes in Foreign Exchange Rates”**.

4.22 Segment Reporting

As the Company operates in a single industry segment, so no segment reporting is applicable for the Company as per **BAS -14: “Segment Reporting”**.



4.23 Related Party Disclosures

The Company carried out related party transaction only with key management personal. The information as required by **BAS-24: "Related party Disclosure"** has been disclosed separately in notes to the accounts (Note 29).

4.24 Corporate Tax

a. **Current tax** is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period.

b. **Deferred tax**

Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences.

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of:

- (i) deductible temporary differences;
- (ii) the carry forward of unused tax losses; and
- (iii) the carry forward of unused tax credits.

Temporary differences are differences between the carrying amount of an asset or liability in the statement of financial position and its tax base. Temporary differences may be either:

- (i) **Taxable temporary differences**, which are temporary differences that will result in taxable amounts in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled; or
- (ii) **Deductible temporary differences**, which are temporary differences that will result in amounts that are deductible in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled.

4.25 Workers Profit Participation Fund (WPPF)

During 2012-2013, the Company has introduced Worker Profit Participation Fund for its employees in accordance with provisions of Bangladesh Labour Act 2006 (Sec-232(1)).

4.26 Contingent Assets and Liabilities

A contingent asset is disclosed when it is a possible that asset arises from the 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 entity.

A contingent liability is disclosed when it is a possible obligation that arises from the 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 entity.

The company has no contingent assets or liabilities which require disclosure under **BAS-37 "Contingent assets and contingent liabilities"** are not recognized in the financial statements.

A contingent assets is disclosed as per **BAS-37**, where an inflow of or economic benefits is probable. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.



4.27 Events after the Reporting Period

The Company has allotted 10 Lac ordinary shares dated on 31 July, 2013 after obtaining consent from The Bangladesh Securities and Exchange Commission to the other than existing shareholders.

4.28 Comparative Information

Comparative information has been disclosed as required by **BAS-34: “Interim Financial Reporting”** in respect of the previous period for all numerical information in the current financial statements as below:

- Statement of Financial Position as of the end of the preceding financial period.
- Statement of Comprehensive Income for the comparable interim period of preceding financial period.
- Statement of Changes in Equity for the comparable year to date period of preceding financial period.
- Statement of Cash Flows for the comparable year to date period of preceding financial period.

Narrative and descriptive information for comparative information have also been disclosed whenever it is relevant for understanding of the current year’s financial statement.



5. (a) Property, Plant and Equipment (Cost/ Revaluation less Accumulated Depreciation)

Amount in Taka

Sl. No.	Name of Assets	Cost			Rates of Dep. (%)	Depreciation			Written Down Value as at 30 June 2013
		Balance as at 01 July 2012	Additions during the year	Balance as at 30 June 2013		Balance as at 01 July 2012	Charged during the year	Balance as at 30 June 2013	
1	Land and Land Developments	11,696,594	3,443,385	15,139,979		-	-	-	15,139,979
2	Building and Other Civil Constructions	124,961,487	-	124,961,487	10%	61,871,367	6,309,012	68,180,379	56,781,108
3	Plant and Machinery	174,265,453	41,729,224	215,994,677	20%	130,267,931	17,145,349	147,413,280	68,581,397
4	Furniture and Fixture	1,645,447	-	1,645,447	20%	958,466	137,396	1,095,862	549,585
5	Office Equipment	1,739,769	319,750	2,059,519	20%	1,183,927	175,118	1,359,045	700,474
6	Electric Equipment and Installation	4,941,657	-	4,941,657	20%	3,896,261	209,079	4,105,340	836,317
7	Gas Line Installation	1,040,993	-	1,040,993	10%	592,879	44,811	637,690	403,303
8	Crockeries and Cutleries	42,791	-	42,791	25%	36,481	1,578	38,059	4,732
9	Generator, Power Station, Deep Tubewell	23,844,010	-	23,844,010	15%	8,263,979	2,337,005	10,600,984	13,243,026
10	Motor Vehicle	5,903,951	-	5,903,951	20%	3,218,000	537,190	3,755,190	2,148,761
11	Water installation	312,298	-	312,298	10%	177,864	13,443	191,307	120,991
12	Parts and Tools	6,955,881	-	6,955,881	25%	5,651,370	326,128	5,977,498	978,383
	Sub Total (As at 30 June 2013)	357,350,331	45,492,359	402,842,690		216,118,525	27,236,109	243,354,634	159,488,056
	Sub Total (As at 30 June 2012)	348,200,014	9,150,317	357,350,331		193,614,506	22,504,019	216,118,525	141,231,806

(b) Revalued amount of Property, Plant and Equipment

Sl. No.	Name of Assets	Revalued Amount			Dep. Rate (%)	Depreciation			Written Down Value as at 30 June 2013
		Balance as at 01 July 2012	Adjustment during the year	Balance as at 30 June 2013		Balance as at 01 July 2012	Charged during the year	Balance as at 30 June 2013	
1	Land and Land Developments	205,553,406	-	205,553,406		-	-	-	205,553,406
2	Building and Other Civil Constructions	164,186,333	-	164,186,333	10%	16,418,633	14,776,770	31,195,403	132,990,930
	Sub Total (As at 30 June 2013)	369,739,739	-	369,739,739		16,418,633	14,776,770	31,195,403	338,544,336
	Sub Total (As at 30 June 2012)	369,739,739	-	369,739,739		-	16,418,633	16,418,633	353,321,106
	Grand Total (As at 30 June 2013)	727,090,070	45,492,359	772,582,429		232,537,158	42,012,879	274,550,037	498,032,392
	Grand Total (As at 30 June 2012)	717,939,753	9,150,317	727,090,070		193,614,506	38,922,652	232,537,158	494,552,912

	30 June 2013	30 June 2012
Factory Overhead (Note-19.01)	41,698,787	38,609,844
Administrative Overhead (Note-22)	314,092	312,808
	42,012,879	38,922,652



		Amount in Taka	
		30 June 2013	30 June 2012
6 Inventories			
Raw Materials-Yarn		148,576,155	123,686,462
Raw Materials -Dyes and Chemicals		15,549,758	6,832,941
Stock of Work-in-Process		47,698,893	47,934,419
Stock of Finished Goods		21,966,407	26,649,779
Stock in Transit	(Note-6.1)	5,205,465	13,751,807
Details has been shown in Annexure-A		238,996,678	218,855,408
6.1 Stock in Transit			
Yarn		4,351,672	13,650,688
Dyes and Chemicals		105,672	28,830
Yarn-BBLC		748,121	72,289
		5,205,465	13,751,807
7 Accounts Receivable			
Receivables	(Annexure-B)	483,435,728	456,729,910
Add: Unrealized Foreign Exchange Gain (Opening)		1,219,741	-
Add: Unrealized Foreign Exchange Gain	(Note-21)	9,759,276	1,598,223
Less: Provision for Doubtful Debts		(9,409,401)	-
		485,005,344	458,328,133
Aging of the above balance is as follows:			
Above 180 days		9,409,401	8,224,978
Above 120 days less than 180 days		149,987,475	181,304,682
Above 90 days less than 120 days		324,038,852	267,200,251
		483,435,728	456,729,911

Accounts Receivable is secured, considered as good and is falling due within one year. Classification schedule as required by Schedule XI of Companies Act 1994 is as follows:

Sl. No.	Particulars	30 June 2013	30 June 2012
I	Accounts Receivable is considered as good in respect of which the company is fully secured	475,595,943	458,328,133
II	Accounts Receivable considered as good in respect of which the company holds no security other than the debtor personal security	-	-
III	Accounts Receivable considered doubtful or bad	9,409,401	-
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	485,005,344	458,328,133

8 Advances, Deposits & Prepayments

The break-up of above head consists of as follows -

Advances	(Note-8.1)	26,274,310	34,296,757
Deposits	(Note-8.2)	5,491,100	14,288,214
		31,765,410	48,584,971



8.1 Advances		
Salary & Wages	2,309,075	2,242,125
Income Tax (Note- 8.1.1)	17,114,170	12,067,835
Suppliers and Service Providers (Note - 8.1.2)	4,449,332	4,795,910
Advance agst. L/C for import of Machinery	2,101,733	14,950,887
Office Rent	300,000	240,000
	<u>26,274,310</u>	<u>34,296,757</u>
8.1.1 Advance Income Tax		
Opening Balance	12,067,835	9,224,703
Add: Addition during the year	<u>26,777,061</u>	<u>18,318,399</u>
	38,844,896	27,543,102
Less: Adjustment made during the year	<u>21,730,726</u>	<u>15,475,267</u>
Closing Balance	<u>17,114,170</u>	<u>12,067,835</u>
8.1.2 Advance against Suppliers and Service Providers		
Alpha Capital Management Ltd.	500,000	500,000
Dysin International Ltd.	1,935,000	580,000
Globe Multi Trade	348,300	253,300
Sea Line Carriers	97,500	-
KB Traders	1,540,000	-
BRB Cable Industries Ltd.	28,532	-
Ashora Associate	-	360,000
Bangla Trac Limited	-	87,420
Credit Agency of Bangladesh Ltd.	-	6,750
Data care Solutions	-	500,000
Debasish Roy Chowdhury	-	145,000
Nilima Khatun Lily (Advocate)	-	130,000
Oekotex Certificate	-	663,440
Power Max Engineers & Consultants	-	45,000
Rajbangshi & Company	-	445,000
S.M Engineering & Technology	-	230,000
Shamso Miah	-	550,000
Others	-	300,000
	<u>4,449,332</u>	<u>4,795,910</u>
8.2 Deposits		
Security Deposit		
Electricity-DESCO	529,200	529,200
Titas Gas Transmission & Distribution Company Ltd.	4,961,900	5,261,900
Cash L/C payment Margin	-	8,497,114
	<u>5,491,100</u>	<u>14,288,214</u>
9 Fixed Deposit Receipts		
Southeast Bank FDR No. 7107544/245-12435	3,324,000	3,000,000
Southeast Bank FDR No. 0018245/000-12518	1,112,500	1,000,000
Southeast Bank FDR No. 7107958/241-1944	-	10,282,895
	<u>4,436,500</u>	<u>14,282,895</u>

**10 Other Receivable**

Interest on FDR	373,722	347,753
	373,722	347,753

11 Cash & Cash Equivalents

Cash in hand	1,240,574	148,325
Cash at Bank (Note - 11.1)	9,625,338	8,349,767
	10,865,912	8,498,092

11.1 Cash at Bank

South East Bank Ltd. Eskaton Branch Import payment FC A/C. No. 5484	4,382,200	3,575,448
South East Bank Ltd. Eskaton Branch FC A/C. No. 5290	2,796,958	4,686,843
AB Bank Ltd.-Gulshan Branch, CD A/C No. 4019-02586	1,287,160	74,133
South East Bank Ltd. New Eskaton Branch, A/C No. 00187330000221	1,149,452	-
Sonali Bank Ltd. Local Office Motijheel CD A/C. No. 33130358	6,238	7,388
South East Bank Ltd. Eskaton Branch CD A/C. No. 6493	3,275	4,425
Prime Bank Ltd. Elephant Road Brance, A/C No. 11027001	55	55
South East Bank Ltd. Eskaton Branch CD A/C. No. 5690	-	1,475
	9,625,338	8,349,767

12 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

Issued, Subscribed and Paid- up Capital

15,000,000 Ordinary Shares of Tk. 10 each fully paid	150,000,000	150,000,000
20,000,000 Issue as Bonus Share	200,000,000	200,000,000
	350,000,000	350,000,000

Shareholding Position	%	Total No. of Share	Value in Taka
Mr. Obeid Jaigirdar	19.9%	6,981,800	69,818,000
Mr. Su, Chin Jung	37.0%	12,950,000	129,500,000
Mr. Kawser Ahmed	13.4%	4,690,900	46,909,000
Mr. Wu, Shen Chung	10.0%	3,500,000	35,000,000
Mr. Ivan Jaigirdar	8.6%	3,000,000	30,000,000
Mr. Parviz Kazi	5.6%	1,954,600	19,546,000
Mr. Su, Wei-Han	5.5%	1,922,700	19,227,000
	100%	35,000,000	350,000,000



Classification of shareholders by holding

Holding	30 June 2013		30 June 2012	
	No. of Holder	Total Holding (%)	No. of Holder	Total Holding (%)
Less than or equal 1,000,000 Shares	0	0.00%	0	0.00%
1,000,001 to 1,500,000 Shares	0	0.00%	0	0.00%
1,500,001 to 2,000,000 Shares	2	28.57%	2	28.57%
2,000,001 to 3,000,000 Shares	1	14.29%	1	14.29%
3,000,001 to 4,000,000 Shares	1	14.29%	1	14.29%
4,000,001 to 5,000,000 Shares	1	14.29%	1	14.29%
Over 5,000,000 Shares	2	28.57%	2	28.57%
Total:	7	100.00%	7	100.00%

13 Deferred Tax Liability For 2012-2013:

Particulars	Carrying Amount	Tax Base	Taxable/ (Deductible) Temporary Diff.	Tax Rate	Deferred Tax (Assets)/ Liability
Property, Plant & Equipments	482,892,413	124,844,510	358,047,903	15%	53,707,185
Unrealized FE Gain/(Loss)	11,322,349	1,975,328	9,347,021	15%	1,402,053
Interest on FDR	8,464,613	8,090,891	373,722	15%	56,058
Provision for Doubtful Debts	9,409,401	-	9,409,401	15%	1,411,410
Workers' Profit Participation Fund	7,803,254	-	7,803,254	15%	1,170,488
					57,747,194

For 2011-2012:

Particulars	Carrying Amount	Tax Base	Taxable/ (Deductible) Temporary Diff.	Tax Rate	Deferred Tax (Assets)/ Liability
Property, Plant & Equipments	482,856,318	112,905,961	369,950,357	15%	55,492,554
Unrealized Forex Gain/(Loss)	3,504,232	-	3,504,232	15%	525,635
					56,018,189

14 Bank Overdraft

South East Bank Ltd. New Eskaton Branch, A/C No. 00187330000221 (Credit Limit Tk. 100,000,000)

-	3,642,309
<u>-</u>	<u>3,642,309</u>

15 Accounts Payable

Back to Back L/C Liabilities	(Annexure-C)	56,161,333	52,735,263
Cash L/C Liabilities	(Note -15.1)	85,418,829	100,329,019
		<u>141,580,162</u>	<u>153,064,282</u>
Less: Unrealised Foreign Exchange Gain	(Note-21)	2,083,244	1,842,537
		<u>139,496,918</u>	<u>151,221,745</u>



15.1 Cash L/C Liabilities			
Hangzhou Jihua Import Export Co.		3,594,349	3,783,500
Xiamen Xianglu Chem. Fiber		36,221,615	11,091,964
Beaver Tech Company Ltd.		8,962,847	9,003,354
Mighty Winner Ltd.		12,727,011	-
PT Delta Dunia Sandang		10,408,206	-
Tekstil			
Unitited Materials PTE Ltd.		3,493,824	-
Jiangsu Shenghong Co. Ltd.		3,858,140	-
Zhejiang Hengyi Petro		6,152,837	-
Chem.			
Felicity Technogy Corp.		-	17,698,286
First International Ltd.		-	1,275,979
Goang Lih Machinery Industrial Co.		-	14,683,680
King Deer Textiles Ltd		-	17,339,292
Putian City Jian Hong Trading Co.		-	22,621,754
Winwin Corporation Ltd.		-	2,831,210
		85,418,829	100,329,019
16 Others Payable			
Suppliers of goods and services	(Annexure-D)	15,097,569	117,271,204
Accrued expenses	(Note-16.1)	11,078,517	9,649,565
		26,176,086	126,920,769
16.1 Accrued Expenses			
Salaries & wages		7,194,645	5,930,662
Audit & professional fees		537,250	261,250
Utility bill		3,346,622	3,457,653
		11,078,517	9,649,565
17 Provision for Income Tax			
Opening Balance		26,528,869	20,512,583
Add: Provision made during the year		26,318,918	21,490,989
		52,847,787	42,003,572
Less: Adjustment made during the year		21,730,726	15,474,703
Closing Balance		31,117,061	26,528,869
18 Revenue			
Sales		1,795,238,748	1,477,645,132
		1,795,238,748	1,477,645,132



19 Cost of Goods Sold		
Opening stock of raw materials	130,519,403	162,670,600
Add: Purchased during the year	1,352,367,425	1,044,494,472
Raw Material Available	1,482,886,828	1,207,165,072
Less: Closing stock of raw materials	164,125,913	130,519,403
Raw Materials Consumed	1,318,760,915	1,076,645,669
Packing materials consumed	9,286,128	8,122,925
Add: Opening stock of work-in-process	47,934,419	33,036,564
	1,375,981,462	1,117,805,158
Less: Closing stock of work-in-process	47,698,893	47,934,419
Material Consumed	1,328,282,569	1,069,870,739
Add: Factory overhead (Note - 19.1)	215,331,911	192,847,835
Cost of Goods Manufactured	1,543,614,480	1,262,718,574
Add: Opening stock of finished goods	26,649,779	124,521,780
Cost of Goods Available for Sale	1,570,264,259	1,387,240,354
Less: Closing stock of finished goods	21,966,407	26,649,779
Cost of Goods Sold	1,548,297,852	1,360,590,575

19.1 Factory Overhead		
Wages & Salary	56,983,426	49,845,544
Festival Expenses	3,100,184	2,744,497
Overtime	22,085,078	19,955,795
Utility Bill	37,446,879	33,923,151
Carriage Inward	11,959,927	10,714,860
Repair & Maintenance	19,179,845	18,060,118
Daily Labor Charges	4,913,188	4,373,498
Conveyance	1,708,537	1,632,308
Medical Expenses	263,790	248,390
Printing, Stationery & Others	745,711	703,169
Mobile & Internet	319,571	234,197
Vehicle Running Expenses	1,081,356	1,037,471
Insurance Premium Factory	859,112	859,112
Spare Parts & Others	2,254,129	557,728
Fuel & Lubricant	3,995,038	3,214,029
Fooding Expenses	5,647,484	5,072,287
General Expenses	1,089,869	1,061,837
Depreciation	41,698,787	38,609,844
	215,331,911	192,847,835

**20 Foreign Exchange Gain/(Loss) upon realization****For 2012-2013:**

Particulars	Actual realized/settled amount	Realized/settled as per Book	Total
Accounts Receivable	1,747,518,028	1,768,934,194	(21,416,166)
Accounts Payable	1,258,123,276	1,280,699,557	22,576,281
			1,160,115

For 2011-2012:

Particulars	Actual realized/settled amount	Realized/settled as per Book	Total
Accounts Receivable	1,079,717,630	971,018,860	108,698,770
Accounts Payable	820,911,997	814,994,816	(5,917,181)
			102,781,589

21 Unrealised Foreign Exchange Gain/(Loss)

Particulars	Monetary Asset in USD as per Bank Statement	BDT as on 30 June 2013 @ 76.95	BDT as per Books of Accounts	Gain/(Loss) in Taka 2012-2013	Gain/(Loss) in Taka 2011-2012
South East Bank Ltd. Eskaton Branch FC A/C. No. 5290	36,348	2,796,958	2,229,268	567,690	17,295
South East Bank Ltd. Eskaton Branch, FC A/C. No. 5484	56,949	4,382,200	5,470,061	(1,087,861)	46,177
Accounts Payable	1,812,825	139,496,918	141,580,162	2,083,244	1,842,537
Accounts Receivable	6,425,143	494,414,745	484,655,469	9,759,276	1,598,223
				11,322,349	3,504,232

22 Administrative Expenses

Salary & Allowance	19,688,561	17,519,631
Managing Director's Remuneration	1,152,000	1,095,000
Festival Bonus	1,132,321	1,007,851
Overtime	731,254	660,931
Printing & Stationery	1,148,096	738,991
Fooding Expenses	1,831,375	1,750,000
Office Utility Bill	137,405	108,641
Traveling & Conveyance	3,299,854	2,310,822
Office Rent	1,308,000	1,199,000
Entertainment	1,127,736	802,088
Office Maintenance	1,291,439	1,242,127
Medical & Welfare	1,322,968	1,383,858
Repair & Maintenance	1,783,032	1,647,770
Fuel for Vehicle	1,816,909	1,368,573
Telephone , Mobile & Internet Bill	317,865	193,264
Postage, Courier & Paper, Periodicals	59,805	66,218
Fees and Renewals	881,019	817,699
Audit Fees	230,000	365,750
Miscellaneous Expenses	1,493,510	1,835,959
Depreciation	314,092	312,808
	41,067,241	36,426,981



23 Selling and Distribution Expenses			
Salary & Allowance		9,519,855	8,406,795
Festival Bonus		1,085,292	958,400
Carriage Outward		20,501,159	10,497,265
Telephone & Mobile Bill		88,175	85,350
Product Promotion Expenses		8,361,947	9,122,788
L/C Advising, Amendment etc.		632,124	524,941
Advertisement Expenses		9,979	32,625
Fooding Expenses		1,486,224	1,440,000
Sample Expenses		7,491,050	6,834,900
		49,175,805	37,903,064
24 Other Income			
Unrealised Interest on FDR		373,722	347,753
Realised Interest on FDR		8,090,891	1,977,585
		8,464,613	2,325,338
25 Financial Expense			
Bank Charges		405,190	609,966
Bank Charges & Commission (export proceeds)		2,306,485	2,075,317
Bank Interest on Bank Overdraft		1,655,512	4,641,239
Bank Interest on Export Bill Purchase		-	9,707,327
		4,367,187	17,033,849
26 Deferred Tax (Income)/Expenses			
Closing Deferred Tax Liability		57,747,194	56,018,189
Opening Deferred Tax Liability		56,018,189	57,282,344
		1,729,005	(1,264,155)
27 Basic Earnings Per Share (A/B)		3.66	3.26
<u>Earnings attributable to Ordinary Shares:</u>			
Net Profit after tax attributable to ordinary shareholders	A	128,017,162	114,074,988
<u>Number of Ordinary Shares:</u> (Par Value of Tk.10)	B	35,000,000	35,000,000
28 Prior Year Adjustment			
28.1 Revenue			
The foreign exchange gain an amount of Tk.108,698,770 was included in sales for the year 2011-2012. The financial statements of 2011-2012 have been restated to correct this error. The effect of restatement on those financial statements is summarized below. There is no effect in 2012-2013.			
Revenue in 2011- 2012			1,586,343,902
Less: Foreign exchange gain			108,698,770
Restated Revenue in 2011-2012			1,477,645,132

**28.2 Cost of Goods Sold**

The foreign exchange loss an amount of Tk.5, 917,181 was included in purchase price of raw material for the year 2011-2012. The financial statements of 2011-2012 have been restated to correct this error. The effect of restatement on those financial statements is summarized below. There is no effect in 2012-2013.

Cost of Goods Sold in 2011-2012	1,366,507,756
Less: Foreign exchange loss	5,917,181
Restated Cost of Goods Sold in 2011-2012	1,360,590,575

28.3 Income Tax provision

The amount of Tk 6,768,518 as allowable depreciation and allowable sample expenses was charged in Statement of Comprehensive Income of 2011-2012 due to this total income was reduced by this amount as well as income tax provision. The financial statements of 2011-2012 have been restated to correct this error. The effect of restatement on those financial statements is summarized below. There is no effect in 2012-2013.

Allowable depreciation expenses	6,224,787
Allowable sample expenses	543,731
Total income	6,768,518
Increase in Income Tax provision @ 15%	1,015,278
Income tax provision in 2011-2012	20,475,711
Increase in income tax provision for overstated expenses	1,015,278
Restated income tax provision in 2011-2012	21,490,989

28.4 Deferred Tax Liability

	Carrying Amount	Tax Based	Temporary Difference	Tax Rate	Tax Liability
Property, Plant and Equipment in 2011-2012 in 2012	494,552,912	138,481,937	356,070,975	15%	53,410,646
Restated PPE	482,856,318	112,905,961	369,950,357	15%	55,492,554
Unrealized foreign exchange gain	3,504,232	-	3,504,232	15%	525,635
Deferred tax liability as restated in 2011-2012					56,018,188
Increase closing deferred tax liabilities in 2011-2012					2,607,542

**28.5 Deferred Tax Income**

Deferred tax liability for the year 2011-2012 was calculated wrongly by an amount of Tk. 2,607,542 as mentioned in Notes 28.4. The financial statements of 2011-2012 have been restated to correct this error. The effect of restatement on those financial statements is summarized below. There is no effect in 2012-2013.

	30 June 2012	30 June 2012 Restated	Effect on 30 June 2012
Closing Deferred Tax Liability	53,410,646	56,018,188	(2,607,542)
Opening Deferred Tax Liability	58,736,833	57,282,344	1,454,489
	(5,326,187)	(1,264,156)	(4,062,031)

Deferred tax income in 30 June 2012	5,326,187
Less: Decrease in deferred tax income	4,062,031
Restated deferred tax income in 30 June 2012	1,264,156

29 Related Party Disclosure**Transaction with Key Management Personnel of the entity:**

Sl. No.	Particulars	Amount in Taka
(a)	Managerial Remuneration paid or payable during the year to the directors, including managing director's or managers.	1,152,000
(b)	Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	Nil
(c)	Other allowances and commission including guarantee, commission etc.	Nil
(d)	Pensions etc.	Nil
	(i) Pensions	Nil
	(ii) Gratuities	Nil
	(iii) Payments from a provident funds, in excess of own subscription and interest thereon.	Nil
(e)	Share Based payments	Nil

30 General**30.1 Capital Expenditure Commitment**

There were capital expenditures contracted but not incurred or provided as on 30 June 2013.

30.2 Claims not Acknowledged

There is no claim against the Company not acknowledged as debt as on 30 June 2013.

**30.3 Credit Facilities not Availed**

There is no credit facilities available to the Company but not availed of as on 30 June 2013 under any contract, other than trade credit available in the ordinary course of business.

30.4 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 2012 to 30 June 2013.

30.5 Directors Responsibility of the Financial Statements

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

30.6 Disclose as per requirement of schedule XI, part II para 8 of the Companies Act 1994**Value of Raw materials, packing materials and Capital goods**

Particulars	Local Purchase Tk.	Import Tk.	Total Purchase Tk.	Consumption Tk.	% of Consumption
Raw Materials	257,866,442	1,094,500,983	1,352,367,425	1,328,282,569	98%
Packing Materials	9,286,128	-	9,286,128	9,286,128	100%
Spare Parts	2,254,129	-	2,254,129	2,254,129	100%

Value of Export

Particular	Amount in USD	Amount in Taka
Export	22,816,771	1,795,238,748

30.7 Capacity Details

Details of capacity has been given below:

Particular	Licensed Capacity	Installed Capacity	Actual Production 2012-2013
Annual Production (kg)	9,522,000	9,522,000	5,471,443

30.8 Employee Details

i) During the year there were 660 employees employed and 111 employees has resigned from the company. At the end of the year, there were 549 employees in the company.

ii) Minimum wages and salary of Taka 4,500 per month.

30.9 Rounding Off

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



30.10 Rearrangement/Reclassified/Re-statement of Last Year Figures

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

30.11 All shares have been fully called and paid up.

30.12 Auditor's are paid only statutory audit fees.

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

30.14 No amount of money was expended by the company for re-compensating any members of the Board for special service rendered.

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

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Director



Annexure-A

Hwa Well Textiles (BD) Limited

Summary of Closing Inventory

as at 30 June 2013

SI No.	Description	Quantity (Kgs)	Amount in Taka
1	<u>Yarn Balance: Annexure: A-1</u>		
	Import Yarn	762,963	143,545,684
	Local Yarn	16,220	5,030,471
	Total Yarn Stock	779,183	148,576,155
2	<u>Stock Of Dyes & Chemical: Annexure: A-1</u>		
	Dyes Stock:	24,953	7,888,466
	Chemical Stock:	50,850	4,893,957
	Dyes & Chemical at Machine Site	11,875	2,767,335
	Total Dyes & Chem. Stock	87,678	15,549,758
3	<u>Work In Process: Annexure: A-2</u>		
	Yarn In Knitting Section:	29,000	5,376,890
	Fabric In Process:	215,187	42,322,003
	Total Work-In-Process	244,187	47,698,893
4	<u>Stock Of Finished Goods: Annexure: A-3</u>		
	Stock Of Finished Goods In Factory	78,181	21,966,407
	Total Finished Goods	78,181	21,966,407
	Net Value of Closing Inventory	1,189,229	233,791,213



Hwa Well Textiles (BD) Limited
Closing Inventory of Raw Materials
as at 30 June 2013

Sl. No.	Product Name	Quantity (Kgs)	Cost/Kg	Value in Taka
A.	YARN STOCK:			
	IMPORTED:			
1	DTY 150D/144F	167,393.00	160.94	26,940,648
2	DTY 150D/48F	131,131.00	147.73	19,371,327
3	DTY 150D/96F	72,699.00	147.73	10,739,460
4	T/C 30s - 65/35	64,100.50	272.13	17,443,349
5	DTY 100D/144F	53,784.00	163.28	8,781,583
6	FDY 167D/96F	42,611.00	139.95	5,963,409
7	T/R 30s # White	30,692.00	279.90	8,590,691
8	DTY 75D/144F	24,725.00	182.71	4,517,567
9	SPUN 30s	19,793.00	279.90	5,540,061
10	DTY 75D/36F	16,086.00	174.94	2,814,045
11	DTY 300D/96F	16,005.00	172.60	2,762,543
12	S/P ME 30s # 203	15,986.00	279.90	4,474,481
13	DTY 100D/36F	15,708.00	147.72	2,320,464
14	CVC 12s - 80/20	11,750.80	85.52	1,004,987
15	S/P ME 30s # 205	9,966.00	329.66	3,285,392
16	DTY 75D/72F	9,707.00	229.36	2,226,422
17	COTTON 20s	9,675.00	248.80	2,407,140
18	S/P ME 30s # 705	9,214.00	272.13	2,507,360
19	CVC 20s - 60/40	7,879.00	287.67	2,266,591
20	DTY 167D/288F	6,831.00	146.17	998,487
21	S/P ME 30s # 201	6,529.90	306.34	2,000,337
22	DTY 150D/96F #BLACK	4,200.00	129.07	542,073
23	NYLON 70D	3,562.00	454.84	1,620,131
24	T/R 30s # 201	3,549.00	202.15	717,430
25	COTTON 26s	3,348.00	279.90	937,105
26	LYCRA 70D	3,300.00	482.05	1,590,765
27	LYCRA 40D	1,860.00	466.50	867,690
28	COTTON 30s	584.00	268.24	156,651
29	LYCRA 20D	294.00	535.70	157,495
		762,963.20		143,545,684
	LOCAL YARN			
1	CVC 26s - 60/40	9,770.00	314.71	3,074,670
2	COTTON MELANGE 30s 10%	6,450.00	303.22	1,955,801
	Total	16,220.00		5,030,471
	Total	779,183.20	190.68	148,576,155



DYES STOCK:				
DESPERSE DYES:				
1	BLUE-BRN (415)	264.00	365.42	96,472
2	B-FBLN	666.00	450.95	300,333
3	BK-LD	248.00	233.25	57,846
4	B-M2R	28.00	233.25	6,531
5	PINK-SR	110.00	233.25	25,658
6	R-G	203.00	233.25	47,350
7	B-ESDF	9.00	233.22	2,099
8	BK-2RSE	952.00	272.13	259,063
9	BK-B	670.00	272.13	182,324
10	BK-ED	2,390.00	311.00	743,290
11	BK-ECO	1,771.00	349.88	619,629
12	BK-ED-HG	400.00	388.75	155,500
13	BLUE-SGL	746.00	248.80	185,605
14	B-CBR	280.00	241.03	67,487
15	B-R S/P	488.00	311.00	151,768
EVERZOL DYES:				
1	NB-ED	1,233.00	54.09	66,689
2	NB-EXSF	2,446.00	311.00	760,706
3	AUXILIC ACID	84.00	93.30	7,837
4	O-3R	102.00	357.65	36,480
5	O-ED	438.00	248.80	108,974
6	O-ED-2R	442.00	303.22	134,025
7	ORANG-REL	2,086.00	373.98	780,117
8	R-BS	922.00	349.88	322,585
9	RED-2B	12.00	357.67	4,292
10	RED-3BLS	1,965.00	279.90	550,004
11	R-3BS	378.00	248.80	94,046
12	RED-FB	754.00	505.38	381,053
13	RED-ED	634.00	272.12	172,527
14	RED-3BRL	272.00	388.75	105,740
15	R-F2B	532.00	583.13	310,223
16	R-SBL	209.00	272.12	56,874
17	R-MG	36.00	225.47	8,117
18	R-RBLS	435.00	357.65	155,578
19	R-TBLF	138.00	357.65	49,356
20	B-BRF	37.00	279.89	10,356
21	T-BG	510.00	334.33	170,506
22	VIOLET-2RE	13.00	357.62	4,649
23	VIOLET-3B	16.00	357.63	5,722
24	V-S3RL	219.00	466.50	102,164
25	Y-3GE	376.00	435.40	163,710
26	Y-3RS	360.00	279.90	100,764
27	Y-ED2G	277.00	272.13	75,379
28	YELLOW-ED	59.00	443.17	26,147
29	YELLOW-10GN	239.00	272.13	65,038
30	Y-M2R	33.00	485.94	16,036
31	YELLOW-C5G	214.00	311.00	66,554
32	Y-10GN (406)	24.00	311.00	7,464
33	B-60	25.00	326.56	8,164
34	O-61	8.00	311.00	2,488
35	R-NB	25.00	326.56	8,164
36	Enzyme	175.00	279.90	48,983
TOTAL DYES SOTCK		24,953.00		7,888,466



B.	CHEMICAL STOCK:			
1	C-111H	118.00	311.00	36,698
2	C-141H	150.00	54.43	8,164
3	C-BYU	9.00	62.22	560
4	N-MR	25.00	248.80	6,220
5	C-132	1,190.00	248.80	296,072
6	Glober Salt Na ₂ So ₄	15,800.00	15.55	245,690
7	H ₂ o ₂	7,000.00	78.86	552,025
8	T-003	668.00	12.22	8,162
9	T-011	530.00	116.62	61,811
10	T-021	1,126.00	116.63	131,320
11	T-023	561.00	194.37	109,044
12	T-031	216.00	296.23	63,985
13	T-053	1,610.00	272.12	438,121
14	T-056	4,800.00	388.75	1,866,000
15	T-062	228.00	77.75	17,727
16	T-063	1,175.00	72.31	84,961
17	Soda Ash. Na ₂ Co ₃	645.00	233.25	150,446
18	White 112	24.00	46.67	1,120
19	W-202	6,675.00	77.75	518,981
20	W-211	8,300.00	35.77	296,850
	TOTAL CHEMICAL SOTCK	50,850.00		4,893,957

C.	DYES & CHEM. AT SETTING M/C SIDE			
1	P-381	1,750.00	155.50	272,125
2	P-331	240.00	155.50	37,320
3	P-351	2,050.00	214.66	440,044
4	P-311	2,160.00	217.70	470,232
5	P-321	195.00	217.70	42,452
6	P-501	100.00	198.26	19,826
7	Glycerin Oil	160.00	139.95	22,392
8	UV-CUT	90.00	155.50	13,995
9	Quick Dry	120.00	388.75	46,650
10	RUCOSIL 278	5,010.00	279.90	1,402,299
	TOTAL DYES & CHEM. AT SETTING M/C SIDE	11,875.00		2,767,335
	TOTAL DYES & CHEM	87,678.00		15,549,758



Annexure-A/2

Hwa Well Textiles (BD) Limited

Closing Inventory of Work-in-Process
as at 30 June 2013

Sl. No.	Description	Quantity (Kgs)	Cost / Kg	Value in Taka
A.	Yarn in Knitting Section:			
	Yarn in Knitting Machine at Knitting Sec	29,000.00	185.41	5,376,890.00
	Total:	29,000.00		5,376,890.00
B.	Fabric in Process:			
	Fabric in Process:	215,187.20	196.68	42,322,003.00
	Total Fabrics-in-Process	215,187.20		42,322,003.00
	Grand Total:	244,187.20		47,698,893.00

Annexure-A/3

Hwa Well Textiles (BD) Limited

Closing Inventory of Finished Goods
as at 30 June 2013

Sl. No.	Items Description	Quantity Kgs	Cost / Kg	Value in Taka
1	100 % POLYESTER POLAR FLEECE	29,203.29	250.13	7,304,619
2	100% POLYESTER, MESH, POP CORN, SINGLE JERSY FLEECE	3,395.36	331.08	1,124,136
3	100% POLYESTER MICRO FLEECE	33,396.87	268.80	8,977,079
4	100% POLYESTER MICRO (100D/144F) FLEECE	2,190.12	311.43	682,069
5	100% POLYESTER MICRO (75D/144F) FLEECE	3,348.30	318.06	1,064,960
6	100% SPUN POLYESTER MELANGE POLAR FLEECE	271.63	304.80	82,793
7	COTTON, CVC, TERRY FLEECE	5,297.42	422.60	2,238,687
8	COTTON/LYCRA RIB	1,077.74	456.57	492,064
	Total :	78,180.73		21,966,407



Annexure-B

Hwa Well Textiles (BD) Limited
Schedule of Accounts Receivable
as at 30 June 2013

Disclosure as per requirement of Schedule XI, Part - I (A. Horizontal Form) of Companies Act. 1994

Debt considered good in respect of which the company is fully secured :

The Receivables occurred in the ordinary course of business are considered good and secured against confirmed L/C. The details of Accounts Receivable are given below:

Amount in Taka

Name of Party	Balance as at 1st July 2012	Addition during the year	Realized during the year	Balance as at 30 June 2013	Subsequently Realized
4S-Park Style Ltd.	-	1,823,275	1,659,475	163,800	163,800
ABC Garments Ltd.	425,203	-	425,203	-	-
AB Mart Fashion Wear Ltd.	3,297,035	19,063,325	21,813,520	546,840	-
Abtubunnesa Garments Ltd.	-	499,276	499,276	-	-
Adity Knitwear Ltd.	-	954,720	954,720	-	-
Ahsan Composite Ltd.	-	649,594	649,594	-	-
AKH Knitting & Dyeing Ltd.	-	1,775,543	-	1,775,543	1,775,543
AKH Shirts Ltd.	9,210,157	-	9,210,157	-	-
A.K.H Stitch Art Ltd.	32,742,108	202,046,365	204,166,355	30,622,118	16,423,076
Alpha Knit Apparels Ltd.	-	1,754,625	-	1,754,625	-
Alps Apparels Ltd.	-	1,745,681	1,745,681	-	-
Anjuman Garments Pvt Ltd.	-	67,188,802	42,056,241	25,132,561	-
Appollo Fashion Ltd	-	4,238,325	4,238,325	-	-
Armour Garments Ltd.	-	2,409,750	-	2,409,750	2,409,750
Around Star Sweater Ltd.	195,650	-	195,650	-	-
Arva Textiles Ltd.	-	3,174,306	3,174,306	-	-
Ayesha Enterprise	-	436,725	-	436,725	-
Babylon Casual Wear Ltd.	704,194	-	704,194	-	-
Balaka Stitch Pvt Ltd.	-	923,000	923,000	-	-
Banani Hosiery Mills	-	19,859,126	19,859,126	-	-
Barnali Fabrics Ltd.	-	3,003,000	3,003,000	-	-
Beget Knitware Ltd.	-	525,353	-	525,353	525,353
Bengal Knittex Ltd.	18,693,458	8,783,613	27,477,071	-	-
Bengal Leisure Wear Ltd	1,323,835	16,353,613	11,041,778	6,635,670	-
Bonded Fashion Ltd.	-	4,175,840	4,175,840	-	-
Bovs Apparels Ltd.	-	1,530,450	-	1,530,450	-
Clamoon Garments Ltd.	-	707,940	707,940	-	-
Coast to Coast Pvt. Ltd.	9,642,096	75,916,949	72,838,723	12,720,322	12,269,962
Cotton Fashion Ware Ltd.	1,713,380	3,328,200	5,041,580	-	-
Cotton Field Ltd.	-	2,803,897	2,803,897	-	-
CPM Composite Knit Pvt Ltd.	-	935,263	935,263	-	-
Decent Fashion & Trade Ltd.	-	2,313,792	2,313,792	-	-
Design & Source Ltd.	-	5,649,813	5,649,813	-	-
Deva Ltd.	1,216,800	877,875	1,216,800	877,875	-
Dewan Fashion Wares Ltd.	-	2,262,632	2,262,632	-	-
Dhaka Far East Ltd	-	1,357,400	1,357,400	-	-
DNG Apparels Ltd.	-	2,648,575	2,648,575	-	-
Dress & Dismatic Ltd.	7,042,531	3,087,744	10,130,275	-	-



Duke Garments Ltd.	-	11,173,175	6,884,087	4,289,088	4,289,088
D. Z. Garments Ltd.	-	784,125	-	784,125	-
Enayat Garments Ltd.	-	3,652,723	3,061,723	591,000	-
Eon Knitcomposite Ltd.	-	2,864,738	-	2,864,738	-
Esex Ltd.	-	431,257	198,288	232,969	-
Ethical Garments Ltd.	16,780,276	105,566,072	119,334,737	3,011,611	3,011,611
Eurotex Knitwear Ltd.	-	4,707,863	-	4,707,863	-
Excellent Attries Ltd.	-	2,436,363	2,436,363	-	-
Farnoor Garments	-	947,232	947,232	-	-
Farseeing Knit Composite Ltd.	-	4,187,538	4,187,538	-	-
Fashion Gears Ltd.	-	1,419,000	-	1,419,000	290,400
Fashion Ltd.	3,489,606	-	3,489,606	-	-
Fashion Maker Ltd.	466,563	73,125	539,688	-	-
Fashion Park Int. Ltd.	12,820,849	5,071,197	17,892,046	-	-
Fashion Point Ltd.	4,612,477	39,124,603	28,573,588	15,163,492	6,761,272
Fashion Store Ltd.	12,131,589	12,265,021	12,131,589	12,265,021	12,265,021
Fulpur Knit & Garments Ltd.	-	2,225,633	2,225,633	-	-
Future Clothing Ltd.	8,479,193	3,729,830	11,449,423	759,600	-
Genetic Fashion Ltd	-	51,439,308	50,963,733	475,575	475,575
Golden Refit Garments Ltd.	47,638,514	247,288,916	227,162,637	67,764,793	13,562,217
Gold Mart Apparels Ltd.	59,819,805	103,962,254	106,872,992	56,909,067	31,945,778
Green Fashion (Pvt) Ltd.	-	1,162,011	1,162,011	-	-
Green Knit Wear Ltd	-	4,270,565	4,270,565	-	-
Hall Mark Fashion Ltd.	1,898,488	624,960	624,960	1,898,488	-
Hashmotullah Knit Wares Ltd.	16,087,018	67,806,876	72,109,332	11,784,562	7,030,312
Hisam Apparels Ltd.	-	6,489,752	6,489,752	-	-
Hot Dress Ltd.	-	3,547,500	-	3,547,500	-
Infinite Textiles Ltd.	465,332	-	465,332	-	-
Intersoft Apparels Ltd.	1,489,800	17,004,665	15,696,782	2,797,683	-
Jams Apparels Ltd.	-	5,029,557	218,855	4,810,702	1,626,771
Jiz Textiles Ltd.	-	17,519,856	14,783,434	2,736,422	-
KA Fashion Ltd.	-	13,938,048	4,511,907	9,426,141	2,155,720
Karnaphuli Knitware Ltd.	-	24,081,344	13,495,859	10,585,485	10,585,485
K.A.S Knitware Ltd.	494,000	-	494,000	-	-
Kazi Atteies Ltd	221,244	1,542,395	1,763,639	-	-
KDS Fashion Ltd.	45,308,444	155,324,077	146,928,493	53,704,028	30,263,445
Kento Asia Ltd.	-	447,688	447,688	-	-
KM Apparels Knit Pvt Ltd	1,730,204	-	1,730,204	-	-
Knit Export (BD) Ltd.	-	519,048	519,048	-	-
Knitivo Fashion Ltd.	-	2,643,840	2,643,840	-	-
Knittex Dyeing & Printing Ltd.	-	8,693,325	-	8,693,325	-
Kumudini Garments.	557,358	-	557,358	-	-
KWA Garments Ltd.	-	4,540,581	-	4,540,581	-
Latest Garments Ltd.	-	7,657,006	5,768,653	1,888,353	1,420,184
Leader Garments Ltd.	-	2,789,774	2,789,774	-	-
Luman Fashion Ltd	-	3,147,556	594,181	2,553,375	-
Madina Garments Ltd.	-	2,816,775	2,816,775	-	-
Mans Attires Ltd.	-	20,799,231	8,818,038	11,981,193	920,556
Marke Knitweat Ltd.	556,156	-	556,156	-	-
Marma Composite Ltd.	-	269,852	269,852	-	-
Mars Stitch Ltd.	3,312,562	552,094	3,864,656	-	-
Melody Garments Ltd.	-	689,203	689,203	-	-
Miles Fabrics Ltd.	-	3,708,250	3,708,250	-	-
Millennium Dresses Ltd.	-	19,795,869	14,581,829	5,214,040	1,015,540
Miswar Hosiery Mill Pvt Ltd	-	9,772,543	4,618,229	5,154,314	-
Muntaka Apparels Ltd.	-	1,882,694	-	1,882,694	1,882,694
Naziat Sweater Ltd.	523,615	192,563	716,178	-	-



Next Composite Ltd.	-	852,905	158,613	694,292	-
Nexus Fashion Ltd.	-	1,897,272		1,897,272	1,897,272
Nice Dresses Ltd	10,101,530	8,963,082	19,064,612	-	-
Nipa Fashion Wear Ltd.	-	20,647,400	20,647,400	-	-
Noorjahan Apparels Ltd.	1,204,701		1,204,701	-	-
Optimum Fashion Wear Ltd	-	5,177,617	5,177,617	-	-
Ornate International Ltd.	8,871,728	8,155,382	17,027,110	-	-
Pantex Ltd.	-	1,015,908	1,015,908	-	-
Papillon Knit Apparels Ltd	880,295	-	880,295	-	-
Peerage Knitware Ltd.	16,120,174	29,644,527	36,454,347	9,310,354	328,895
Phantom Tac Ltd.	-	1,344,041	1,344,041	-	-
Pole Star Fashion BD Ltd.	-	2,007,484	2,007,484	-	-
Probashi Knitware Ltd.	633,750	1,923,450	945,750	1,611,450	-
Provatex Apparels Ltd.	-	1,184,220	1,184,220	-	-
Purple Apparels Ltd.	-	4,717,521	1,769,121	2,948,400	-
Radiant Sweaters Ind Ltd.	-	344,250		344,250	-
Renaissance Apparels Ltd.	2,757,853	31,786,447	30,802,809	3,741,491	-
Reytext Fashion Wear Ltd.	-	9,460,500		9,460,500	-
Rio Fashion Ltd.	5,337,028	-	5,337,028	-	-
Ripon Knitware Ltd.	714,025	-	714,025	-	-
Ritz Fashion Ltd.	-	7,479,303	7,479,303	-	-
RM Fashion Ltd.	2,092,594	-	2,092,594	-	-
Roi Fashion Wear Ltd.	-	5,037,600	-	5,037,600	-
Rowa Knitwares Ltd.	-	605,556	605,556	-	-
Rupa Knitwear Pvt Ltd.	-	227,500	227,500	-	-
Sagor Garments Ltd.	419,965	-	419,965	-	-
Sakil & Shintheia Knit Composite Ltd	-	2,212,182	2,212,182	-	-
Sakura Dyeing & Garments Ltd.	3,691,789	-	3,691,789	-	-
SAS Fashion Wear Ltd.	-	547,869	547,869	-	-
Sea Moss Knitware Ltd.	2,574,614	1,666,714	4,241,328	-	-
Selina Apparels Ltd.	10,526,516	8,356,708	13,102,944	5,780,280	-
Seven One Tex Ltd.	2,277,962	684,548	2,962,510	-	-
SF Knitware Ltd.	-	6,587,837	1,122,373	5,465,464	1,022,779
SGM Knit & Print Ltd.	7,510,913	-	-	7,510,913	-
Shagore Garments Ltd.	-	12,141,823	12,141,823	-	-
Shark Knitware Ltd	-	1,190,700	1,190,700	-	-
S. H. B Garments Ltd.	-	3,767,515	3,767,515	-	-
Sidma Fashion (Pvt.) Ltd.	1,454,456	-	1,454,456	-	-
Sir Denim Ltd.	-	451,950	-	451,950	-
Skamp Garments Industries Ltd.	532,439	-	532,439	-	-
Skylark Knit Composite Ltd.	-	11,529,915	2,928,608	8,601,307	4,776,345
Sliken Sewing Ltd.	-	1,662,773	-	1,662,773	-
Smart Knitwares Ltd.	-	103,680	103,680	-	-
Snowtex Apparels Ltd.	7,743,552	17,527,345	17,346,434	7,924,463	-
South East Textiles Pvt Ltd.	-	8,904,188	8,904,188	-	-
SRB Fashion Ltd.	12,161,768	1,406,282	13,568,050	-	-
Tazreen Fashion Ltd.	1,261,884	10,208,197	11,470,081	-	-
Tejgaon Knitware Ltd.	-	1,056,591	1,056,591	-	-
Tejgaon Textiles Ltd.	-	2,039,096	2,039,096	-	-
Tex Zone Knitwear Ltd.	835,900	-	835,900	-	-
Tosrifa Industries Ltd.	7,160,318	3,649,319	10,809,637	-	-
TSR Apparels Ltd.	-	395,460	395,460	-	-
Tuba Garments Ltd.	2,369,192	4,302,142	6,671,334	-	-
Turag Garments & Hosiery Mills Ltd.	-	3,458,086	1,251,023	2,207,063	-



Turjo Apparels Ltd.	942,337	357,962	1,300,299	-	-
Uni Gears Ltd.	4,743,919	10,651,362	15,395,281	-	-
Valmont Fashion Ltd.	-	1,243,055	1,243,055	-	-
Weeny Apparels Ltd.	8,155,865	26,491,062	33,681,347	965,580	-
Wraptex Apparels Ltd.	-	221,130	221,130	-	-
Zalo Knitting Ltd.	391,381	5,379,702	5,771,083	-	-
Zara Jeans Knitwear Ltd.	-	16,886,076	10,933,298	5,952,778	-
Zyantex Ltd.	1,462,703	-	1,462,703	-	-
Zisa,S Fashion Ltd.	-	10,172,501	7,873,413	2,299,088	-
ZSB Garments Ltd.	6,709,219	-	6,709,219	-	-
Grand Total	456,729,910	1,795,139,593	1,768,433,775	483,435,728	171,094,444



Annexure-C

Hwa Well Textiles (BD) Limited
Schedule of Accounts Payable
BB L/C Liabilities with Southeast Bank Limited.
as at 30 June 2013

Amount in Taka

Particulars	Opening Balance	Transactions		Closing Balance
		Debit	Credit	
AT & T Spinning Mills Ltd.				
134712040136 dt. 10.04.12-P	3,515,460	3,515,460	-	-
134712040171 dt. 18.04.12-P	3,037,394	3,037,394	-	-
134713040284 dt. 01.04.13-P	-	-	2,541,991	2,541,991
134713040369 dt. 25.04.13-P	-	-	5,616,842	5,616,842
Badsha Textiles Mills Ltd.				
134712040098 dt. 11.03.12-P	6,119,400	6,119,400	-	-
134712040153 dt. 08.04.12-P	3,109,050	3,109,050	-	-
134713040108 dt. 05.02.13-P	-	-	4,222,063	4,222,063
HP Chemical Ind. Ltd.				
134712040154 dt. 08.04.12-P	213,850	213,850	-	-
134713040176 dt. 04.03.13-P	-	-	207,628	207,628
134713040433 dt. 13.05.13-P	-	-	183,182	183,182
Kamal Yarn Limited.				
134712040180 dt. 30.04.12-P	6,119,400	6,119,400	-	-
N.R.G Spining Mills Ltd.				
134712040120 dt. 21.03.12-P	2,928,614	2,928,614	-	-
134713040128 dt. 14.02.13-P	-	-	4,543,921	4,543,921
134713040192 dt. 07.03.13-P	-	-	11,207,364	11,207,364
N.R. Hometex Ltd.				
134712040121 dt. 21.03.12-P	5,161,763	5,161,763	-	-
134713040432 dt. 13.05.13-P	-	-	5,576,158	5,576,158
Prime Composite Mills Ltd.				
134712040062 dt. 13.02.12-P	1,443,076	1,443,076	-	-
134712040072 dt. 23.02.12-P	263,200	263,200	-	-
Prime Textiles Spinning Mills Ltd.				
134712040010 dt. 11.01.12-P	2,179,625	2,179,625	-	-
134712040108 dt. 15.03.12-P	1,172,885	1,172,885	-	-
134712040109 dt. 15.03.12-P	3,207,750	3,207,750	-	-
134713040158 dt. 25.02.13-P	-	-	4,634,450	4,634,450
134713040247 dt. 24.03.13-P	-	-	467,700	467,700
134713040285 dt. 01.04.13-P	-	-	998,400	998,400
134713040370 dt. 25.04.13-P	-	-	5,538,000	5,538,000
134713040394 dt. 05.05.13-P	-	-	1,895,400	1,895,400
134713040399 dt. 06.05.13-P	-	-	2,293,679	2,293,679
134713040434 dt. 13.05.13-P	-	-	616,200	616,200
134713040455 dt. 22.05.13-P	-	-	623,600	623,600
134713040469 dt. 29.05.13-P	-	-	639,190	639,190
Purbani Rotor Spinning Mills Ltd.				
134713040109 dt. 05.02.13-P	-	-	2,157,375	2,157,375
134713040398 dt. 06.05.13-P	-	-	2,198,190	2,198,190
Tamijuddin Textiles Mills Ltd.				
134712040081 dt. 01.03.12-P	1,501,063	1,501,063	-	-
134712040085 dt. 04.03.12-P	1,544,244	1,544,244	-	-
134712040092 dt. 07.03.12-P	1,864,196	1,864,196	-	-
134712040132 dt. 29.03.12-P	9,354,293	9,354,293	-	-
Total	52,735,263	52,735,263	56,161,333	56,161,333



Annexure-D

Hwa Well Textiles (BD) Limited
Schedule of Suppliers of Goods and services
as at 30 June 2013

Suppliers of Goods and service	Amount in Taka	
	Balance as on 30 June 2013	Balance as on 30 June 2012
Crown Traders	3,524	549
Eastern Clearing & Forwarding	866,793	646,893
Penguin Transport Systems	-	125,350
Top Trade C&F Agents	741,200	758,200
ABI Design & Fashion	-	2,762,500
Al Sahabi Modemmaker Ltd.	-	11,680,287
Cosmic Enterprise	-	10,564,850
Mars Knitting & Dyeing	-	8,595,600
Mitali Fashion Ltd.	-	12,565,400
Mostafa Brothers	23,700	-
P. A. Knit Composite Ltd.	-	14,575,600
Pearles Group.	-	14,525,000
P.M Knittex Limited	-	6,925,250
Goodwill transport System	1,240,000	3,550,000
Kalu Miah (Cook)	-	7,000
TDS & VAT	188,104	138,025
R . S. Group	12,034,248	29,850,700
Total	15,097,569	117,271,204



Hwa Well Textiles (BD) Limited
Auditors' report Under Section-135 (1) and Para-24(1) of Part-II of Schedule-III of The Companies Act 1994

We, as the auditors having examined the Financial Statements of Hwa Well Textiles (BD) Limited for the year ended 30 June 2013, 2012, 2011 and for the following comparative Balance Sheet (statement of assets and liabilities) & comparative Income Statement (statement of profit & loss) for the year ended 30th June 2010 and 2009 audited by M/s. Ahsan Rashid & Co., Chartered Accountants and the figures extracted from the financial statements certified in pursuance of Section-135 (1) and Para-24 (1) of Part-II of Schedule-III of The Companies Act 1994 report that:

A) The statements of assets and liabilities of the company are as under:

Amount in Taka					
Assets	30-Jun-13	30-Jun-12	30-Jun-11	30-Jun-10	30-Jun-09
Non-Current Assets	498,032,392	494,552,912	524,325,247	140,504,437	143,658,365
Property, Plant and Equipment	498,032,392	494,552,912	524,325,247	140,414,437	143,538,365
Preliminary Expenses	-	-	-	90,000	120,000
Current Assets	771,443,566	748,897,252	929,001,742	707,936,441	549,883,261
Inventories	238,996,678	218,855,408	329,012,120	294,975,016	240,054,899
Accounts Receivable	485,005,344	458,328,133	539,283,270	356,279,766	270,119,712
Advances, Deposits and Prepayments	31,765,410	48,584,971	59,931,803	56,424,885	35,436,336
Fixed Deposit Receipts	4,436,500	14,282,895	-	-	-
Other Receivable	373,722	347,753	-	-	-
Cash and Cash Equivalents	10,865,912	8,498,092	774,549	256,774	4,272,314
Total Assets	1,269,475,958	1,243,450,164	1,453,326,989	848,440,878	693,541,626
Amount in Taka					
Liabilities	30-Jun-13	30-Jun-12	30-Jun-11	30-Jun-10	30-Jun-09
Non-Current Liabilities	57,747,194	56,018,189	58,736,833	-	-
Deferred Tax	57,747,194	56,018,189	58,736,833	-	-
Current Liabilities	204,593,319	308,313,692	631,001,350	491,096,343	372,158,839
Bank Overdraft	-	3,642,309	100,129,011	90,613,261	64,574,559
Accounts Payable	139,496,918	151,221,745	358,278,692	271,774,705	278,797,458
Workers' Profit Participation Fund	7,803,254	-	-	-	-
Others Payable	26,176,086	126,920,769	152,081,064	125,003,093	28,786,822
Provision for Income Tax	31,117,061	26,528,869	20,512,583	3,705,284	-
Shareholders' Equity	1,007,135,445	879,118,283	763,588,806	357,344,535	321,382,787
Ordinary Share Capital	350,000,000	350,000,000	150,000,000	150,000,000	150,000,000
Tax Holiday Reserve	58,907,629	58,907,629	58,907,629	58,907,629	52,921,574
Revaluation Surplus	338,544,336	353,321,106	369,739,739	-	-
Retained Earnings	259,683,480	116,889,548	184,941,438	148,436,906	118,461,213
Total Liabilities & Shareholders' Equity	1,269,475,958	1,243,450,164	1,453,326,989	848,440,878	693,541,626



B) The statement of operating results of the company is as follow:

Amount in Taka

Particulars	30-Jun-13	30-Jun-12	30-Jun-11	30-Jun-10	30-Jun-09
Revenue	1,795,238,748	1,477,645,132	1,531,827,691	942,674,019	744,900,222
Less: Cost of Goods Sold	1,548,297,852	1,360,590,575	1,318,169,571	830,902,206	652,832,113
Gross Profit	246,940,896	117,054,557	213,658,120	111,771,813	92,068,109
Add: Foreign Exchange Gain/(Loss) upon realization	1,160,115	102,781,589	-	-	-
Add: Unrealized Foreign Exchange Gain/(Loss)	11,322,349	3,504,232	-	-	-
Less: Administrative and Other Expenses	41,067,241	36,426,981	36,613,991	31,622,657	47,925,158
Less: Selling and Distribution Expenses	49,175,805	37,903,064	36,075,739	25,050,328	-
Operating Profit	169,180,314	149,010,333	140,968,390	55,098,828	44,142,951
Add: Other Income	8,464,613	2,325,338	-	-	-
Profit before Interest and Tax	177,644,927	151,335,671	140,968,390	55,098,828	44,142,951
Less: Financial Expenses	4,367,187	17,033,849	28,919,726	15,431,796	13,249,439
Less: Provision for Doubtful Debts	9,409,401				
Less: Provision for Workers' Profit Participation Fund (WPPF)	7,803,254	-	-	-	-
Profit before Income Tax	156,065,085	134,301,822	112,048,664	39,667,032	30,893,512
Less: Provision for Income Tax	28,047,923	20,226,834	16,807,299	3,705,284	-
Less: Tax Holiday Reserve	-	-	-	-	12,357,405
Profit after tax for the period	128,017,162	114,074,988	95,241,365	35,961,748	18,536,107
Add: Other Comprehensive Income					
Revaluation Surplus of Non-Current Assets	-	-	369,739,739	-	-
Total Comprehensive Income	128,017,162	114,074,988	464,981,104	35,961,748	18,536,107
Earnings per share (EPS)	3.66	3.26	6.35	2.40	1.24
Earnings per share (Restated)*	3.66	3.26	2.72	1.03	0.53

* Earning per share for the period from 2009 to 2011 is restated for smooth comparison.



C) Dividend

Particulars	Amount in Taka				
	30-Jun-13	30-Jun-12	30-Jun-11	30-Jun-10	30-Jun-09
Cash dividend	Nil	Nil	Nil	Nil	Nil
Stock dividend	Nil	200,000,000	Nil	Nil	Nil

- D) The company was incorporated as a private limited company by shares under The Companies Act 1994, on 08th May, 2002 and converted into public limited company on 30th December, 2011.
- E) The company has no subsidiary company.
- F) The company did not prepare any accounts for any period subsequent to 30 June, 2013.
- H) Figures related to previous years have been rearranged where considered necessary.
- I) No proceeds or part of proceeds of the issue of shares were applied directly to the company in the purchase of any business.

Dated, Dhaka;
22 August 2013

Sd/-
S. F. Ahmed & Co.
Chartered Accountants



Hwa Well Textiles (BD) Limited
Auditors' Certificate regarding the calculation of EPS & other ratio(s)
(Selected Ratio as specified in Rule 8B (20) I - Annexure-B of the Securities and Exchange Commission
{(Public Issues)} Rules, 2006

Particulars	Formula	Measured by	For the year ended				
			30-Jun-13	30-Jun-12	30-Jun-11	30-Jun-10	30-Jun-09
Liquidity ratios :							
Current ratio	Current assets / Current liabilities	Times	3.77	2.43	1.47	1.44	1.48
Quick (Acid Test) ratio	(Current assets- Inventories-Adv & Deposit) / Current liabilities	Times	2.45	1.56	0.86	0.73	0.74
Times interest earned ratio	PBIT / Interest Expense	Times	40.68	8.88	4.87	3.57	3.33
Debt to equity ratio	Total debt / Total equity	Times	0.26	0.41	0.90	1.37	1.16

Operating ratios :							
Accounts receivable turnover ratio or average collection period	Average net receivable/Net credit sales	Days	95.90	123.21	106.70	121.27	135.58
Inventory turnover ratio	Cost of sales / Average inventory	Times	6.76	4.97	4.22	3.11	3.11
Total asset turnover ratio	Turnover / Capital employed (TA-CL)	Times	1.69	1.58	1.86	2.64	2.32

Profitability ratios :							
Gross profit margin	Gross profit / Turnover	Percentage	13.76%	7.92%	13.95%	11.86%	12.36%
Operating profit margin	Operating profit / Turnover	Percentage	9.42%	10.08%	9.20%	5.84%	5.93%
Net Profit Margin	PAT/ Turnover	Percentage	7.13%	7.72%	6.22%	3.81%	2.49%
Return on Assets (ROA)	Net profit after tax / Average total assets	Percentage	10.19%	8.46%	8.28%	4.66%	2.55%
Return on Equity (ROE)	Net profit after tax / Total equity	Percentage	12.71%	12.98%	12.47%	10.06%	5.77%
Earnings Per Share	Net profit after tax / ordinary shares outstanding	Taka	3.66	3.26	6.35	2.40	1.24
Restated Earnings Per Share	Net profit after tax / restated shares outstanding	Taka	3.66	3.26	2.72	1.03	0.53
Face value per share	Share amount/number of shares	Taka	10.00	10.00	10.00	10.00	10.00

Dated, Dhaka;
22 August 2013

Sd/-
S. F. Ahmed & Co.
Chartered Accountants



SECTION XXV: AUDITORS' ADDITIONAL DISCLOSURES REQUIRED:

Additional Disclosures in the Audited Financial Statements for the year ended 30 June 2013

1. Please confirm whether Workers' Profit Participation Fund (WPPF) has been keeping, maintaining and utilization as per the provision of section 232, 233, 234, 235, 240, 241, 242 and 243 of the Bangladesh Labor Law 2006;

Auditor's Response:

The Company did not operate any Fund to cater for any fund for payment of benefit to the employees in accordance with the provisions of Bangladesh Accounting Standard-19, "Employee Benefit". But the Board of the Directors of the company has recently decided to introduce the Workers Participation Fund vide board resolution dated June 25, 2013 to comply with the section 232, 233, 234, 235, 240, 241, 242, 243, 248, 249 and 250 of the Bangladesh Labor Law 2006 and the decision will be effective from July 01, 2013.

2. It appears from the statement of financial position that provision for taxation has been kept @ 15%. Please specify why such provision is made @ 15%;

Auditor's Response:

As per the এস, আর, ও নং ২০৭-আইন/আয়কর/২০০৮ তারিখ, ১৬ আষাঢ় ১৪১০/৩০ জুন ২০০৮ under Income Tax Ordinance, 1984(order no. XXXVI of 1984) Section 44, subsection (4) clause (b), textile industries enjoy reduced rate of tax. Therefore, tax provision was made at 15%. Copy of the related SRO is submitted for your kind consideration.

3. Please disclose the fringe benefit other than salary provided to Managing Director;

Auditor's Response:

Mr. Su, Chin Jung, Managing Director of the company, does not enjoy any benefit except director remuneration;

4. Please confirm whether any member of board of directors of the company gets remuneration for attending board meeting;

Auditor's Response:

No fees were paid to its Directors for attending board of directors meeting.



5. It appears from the comparative income statement under section 135 of the Companies Act 1994 that the net profit after tax for the year ended 3^{0th} June 2010 does not agree with that presented in audited income statement for the year ended 3^{0th} June 2010. Please provide your explanation.

Auditor's Response:

This is a restated presentation of comparative income statement under Section 135(1) and para 24(1) of part- II of the Companies Act 1994 where the tax holiday reserve for the year ended June 30, 2011 was charged on retained earnings and statement of comprehensive income for the year ended June 30, 2010 was restated accordingly as per BAS-8.

6. Disclosure regarding breakdown of provision for doubtful debt and its calculation is required;

Auditors' Response:

Provision for doubtful debts has been made against the following debts which are doubtful of recovery:-

Particulars	Amount in Tk.
Hall Mark Fashion Ltd.	1,898,488
SGM Knit & Print Ltd.	7,510,913
	9,409,401

7. Disclosure regarding WPPF along with its calculation is required;

Auditor's Response: *Breakdown of Workers' participation/welfare fund (WPPF) is as follows:*

Particulars	Amount in TK.
Operating Profit	169,180,314
Add: Other Income	8,464,613
Less: Financial Expenses	4,367,187
Less: Provision for Doubtful Debts	9,409,401
Profit before WPPF	163,868,339
Contribution to Workers' Participation/Welfare Funds @5% after such Contribution (i.e., 1/21 th)	7,803,254



8. Rationale restating the financial statements for the prior year are to be disclosed;

Auditor' Response:

The Company made changes in its policies concerning (i) deferred tax; and (ii) depreciation on revaluation surplus to bring them in line with IAS/BAS 12(Income Taxes) and 16(Property, Plant and Equipment). Therefore, the financial statements were restated as per IAS/BAS 8(Accounting Policies, Changes in Accounting Estimates and Errors).

9. It appears that provision for bad debts amounting to Tk. 94,09,401 has been created to accounts receivable rather credited to provision for bad debts. In this regard explanation is required;

Auditors' Response:

The provision for bad debt was created as per para 14 of IAS/BAS 37. This is an estimate for probable losses against accounts receivable/debtors; accounts receivable/debtor however was not written off. Therefore, while presenting the accounts receivable, such provision was net off from such receivables, also in compliance with the Schedule 11 to Companies Act, 1994.



10. Please provide the breakdown of cash flow.

Auditors Response:

Following is the breakdown of cash flow:

Taka**A Collection from Turnover & other receipts**

Revenue	1,795,238,748
Other income	8,464,613
Other Comprehensive Income	9,759,276
Opening accounts receivables	458,328,133
Closing accounts receivables	(485,005,344)
Opening other receivable	347,753
Closing other receivable	(373,722)
Provision for Doubtful Debts	(9,409,401)
Adj. for FE Gain/Loss upon realization	(21,416,166)
	1,755,933,890

Payment for operating costs & other expenses

Cost of goods sold	(1,548,297,852)
Administrative and other expenses	(41,067,241)
Selling & distribution expenses	(49,175,805)
Depreciation Adjustment	42,012,879
(Increase)/Decrease in Inventory	(20,141,270)
(Increase)/Decrease advance, deposits & Prepayments	16,819,561
Increase/(decrease) in accounts payable	(9,641,583)
Adj. for FE Gain/Loss upon realization	22,576,281
Increase/(decrease) in other payable	(100,744,683)
	(1,687,659,713)
Cash generated from operation	68,274,177
Finance cost	(4,367,187)
Income Tax Adjustment	(21,730,726)
Total cash flows from operating activities (A)	42,176,264

B Cash Flow from Investing Activities

Purchase of Property, Plant and Equipment	(45,492,359)
Investment in FDR	9,846,395
Total cash flows from investing activities (B)	(35,645,964)

C Cash Flow from Financing Activities

Bank overdraft 2011-2012 paid off	(3,642,309)
Total Cash Flow from Financing Activities(C)	(3,642,309)
Net cash inflow/(outflow) for the period (A+B+C)	2,887,991
Cash & Cash Equivalents at the beginning of the year	8,434,620
Cash & Cash Equivalents at the end of the year excluding unrealized foreign exchange gain/(loss)	11,322,611
Add: Unrealized foreign exchange gain/(loss) in cash & cash equivalents	(456,699)
Cash & Cash Equivalents at the end of the year	10,865,912



11. Please provide your explanation regarding significant reduction in net cash flow from operating activities in 2012-12 from 2011-12 of Hwa Well Textiles (BD) Limited.

Auditors Response: Justification for the reduction in cash flow from operating activities in 2012-13 from 2011-12:

Comparative analysis of Operating cash flow for the year 2012-2013:

	<u>2012-2013</u>	<u>2011-2012</u>	<u>Net Changes</u>
Collection from Turnover & Other Income:	1,755,933,890	1,670,874,847	85,059,043
Revenue	1,795,238,748	1,477,645,132	317,593,616
Other income	8,464,613	2,325,338	6,139,275
Other Comprehensive Income	9,759,276	1,598,223	8,161,053
Opening accounts receivables	458,328,133	539,283,270	(80,955,137)
Closing accounts receivables	(485,005,344)	(458,328,133)	(26,677,211)
Opening other receivable	347,753	-	347,753
Closing other receivable	(373,722)	(347,753)	(25,969)
Provision for Doubtful Debts	(9,409,401)	-	(9,409,401)
Adj. for FE Gain/Loss upon realization	(21,416,166)	108,698,770	(130,114,936)
Cash Payment to Suppliers, employees & Others	(1,687,659,713)	(1,510,786,310)	(176,873,403)
Cost of goods sold (After Depreciation Adj.)	(1,506,599,065)	(1,321,980,731)	(184,618,334)
Administrative and other expenses (After Depreciation Adj.)	(40,753,149)	(36,114,173)	(4,638,976)
Selling & distribution expenses	(49,175,805)	(37,903,064)	(11,272,741)
(Increase)/Decrease in Inventory	(20,141,270)	110,156,712	(130,297,982)
(Increase)/Decrease advance, deposits & Prepayments	16,819,561	11,346,832	5,472,729
Increase/(decrease) in accounts payable(After Foreign Exchange Gain/Loss adj.)	12,934,698	(211,131,591)	224,066,289
Increase/(decrease) in other payable	(100,744,683)	(25,160,295)	(75,584,388)
Net Cash Provided by Operating activities	68,274,177	160,088,537	(91,814,360)

A) Reason for significant decrease in cash flow from financial year 2011-12 to 2012-13

The cash inflow has increased by 85 million compare to the previous financial year, however, the cash outflow has also increased by 176.87 million the reason for the differences are as follows:

- I. Cash outflow increased by Tk. 100.74 million due to decrease in other payable.
- II. Cash outflow increased by Tk. 1,506.59 million due to increase in COGS after depreciation after depreciation adjustment
- III. Cash outflow increased by Tk. 40.75 million due to increase in Administrative and other expenses.
- IV. Cash outflow increased by Tk. 49.17 million due to increase in Selling & distribution expenses.

Therefore, decrease in cash flow from the financial year was justified and the company has paid off a significant amount of liabilities.

Sd/-

S. F. Ahmed & Co.
Chartered Accountants



**INFORMATION INCLUDED AS PER SEC'S NOTIFICATION NO.
SEC/CMRRCD/2008/115/ADMIN/30 DATED OCTOBER 05, 2011**

1. Earnings per Share (EPS) (The total existing no. of shares):

Particulars	Amount in Taka
Net profit after Tax for the year ended 30th June, 2013 (Total Comprehensive Income)	128,017,162
No. of shares before IPO	36,000,000
Earnings per Share (EPS)	3.56

2. Net profit excluding Extra-ordinary income or non-recurring income coming from other than core operations for the year ended 30th June, 2013:

Particulars	Amount in Taka
Net profit before Tax	156,065,085
Less: Other Income	8,464,613
Net profit before tax except other income	147,600,472
Less: Provision for Taxation	28,047,923
Net profit after tax except other income	119,552,549

3. Earnings per shares excluding extra-ordinary income or non-recurring income coming from other than core operations for the Year ended 30th June, 2013:

Particulars	Amount in Taka
Net profit after tax except other income	119,552,549
No. of shares before IPO	36,000,000
Earnings per Share (EPS)	3.32

*Note: the company has no extra-ordinary income except other income.

4. Net Asset Value per Share:

a) Net Asset Value with Revaluation Reserve based on fully diluted basis: **Tk. 28.25**

b) Net Asset Value without Revaluation Reserve based on fully diluted basis: **Tk. 18.85**

Particulars	Amount in Taka
Share Capital	360,000,000
Tax Holiday Reserve	58,907,629
Revaluation Reserve	338,544,336
Retained Earnings	259,683,480
a) Total Shareholders' Equity (with Revaluation Reserve)	1,017,135,445
b) Total Shareholders' Equity (without Revaluation Reserve)	678,591,109
Total Number of Ordinary Share	36,000,000
Net Assets Value (NAV) at BDT 10.00 per share	28.25
Net Assets Value (NAV) at BDT 10.00 per share	18.85

N:B: The Company has allotted 10 Lac ordinary shares dated on 31 July, 2013 after obtaining consent from The Bangladesh Securities and Exchange Commission vide letter No. SEC/CI/CPLC (Pvt)-360/2011/2411, dated July 17, 2013 to the other than existing shareholders and the calculation of EPS and NAV is based on 36,000,000 shares to reflect the Actual NAV and EPS after the allotment.



SECTION XXvi: APPLICATION FORM

"শেয়ার বাজারে বিনিয়োগ ঝুঁকিপূর্ণ, জেনে ও বুঝে বিনিয়োগ করুন"

“INTERESTED PERSONS ARE ENTITLED TO A PROSPECTUS, IF THEY SO DESIRE, AND THAT COPIES OF PROSPECTUS MAY BE OBTAINED FROM THE ISSUER AND THE ISSUE MANAGER”



HWA WELL TEXTILES (BD) LIMITED

APPLICATION FORM

APPLICATION FOR SHARES BY INVESTORS OTHER THAN NON-RESIDENT BANGLADESHI(S)

WARNING: Please read the instructions at the back of this form. Incorrectly filled applications or applications failing to comply with any of the instructions therein may be rejected.

The Managing Director & Director
Hwa Well Textiles (BD) Limited

138, Eastern Nibash, Flat # 402, (4th Floor), Gulshan Avenue, Gulshan -2,
Dhaka-1212, Bangladesh

Banker's Sl. No.

Dear Sir,

I/we apply for and request you to allot me/us number of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's Prospectus approved the Bangladesh Securities and Exchange Commission subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Member(s) of the Company and deposit the said ordinary shares to my/our Beneficiary Owner ("BO") Account; I/we further authorize you to send a crossed (Account Payee Only) cheque in respect of any Application money refundable to me/us by post/courier at my/our risk to the first applicant's address stated below:

- Number of Ordinary Shares of Tk. 10.00 Each at par.
- Amount of Tk. (in figure) Taka (in word) only deposited vide Cash/Cheque/DD/PO No. dated on Branch

- Beneficiary Owner (B/O) Account

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

[If you do not mention your valid BO (Beneficiary Owner) account number, your application will be treated as invalid.]

- I/We agree to fully abide by the instruction given herein.
- Particulars of Applicant(s):

a) Sole/First Applicant:

Name:		
Father's/Husband's Name:		
Mothers Name:		
Mailing Address:		
Occupation:	Nationality:	Tel No. (if any):
For refund warrant: Please write the correct and full name of bank and branch (Application will not be treated as valid if any one uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank)		
For refund purpose: I/we want refund through <input type="checkbox"/> Bank Account* <input type="checkbox"/> Hand Delivery/Courier (Please put tick mark in which refund will be made)		
The applicant shall provide with the same bank account number in the application form as it is in the BO Account of the applicant.		
In case of deposit into the applicant's bank account, the applicant will bear the applicable service charge, if any, of the applicant's banker, and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.		
Applicant's Bank A/C No:		
Name of the Bank:	Branch:	

b) Second Applicant:

Name: Mr./Mrs./Ms.		
Father's/Husband's Name :		
Mothers Name:		
Mailing Address:		
Occupation:	Nationality:	Tel No. (if any):

- I/we hereby declare that I/we have read the Prospectus of **Hwa Well Textiles (BD) Limited** and have willingly subscribed forNos. of Shares of **Tk. 10.00** each per share on this form.

7. Specimen Signature(s):

1 st Applicant: Name (in Block Letters)	Signature:	
2 nd Applicant: Name (in Block Letters)	Signature:	

BANKER'S ACKNOWLEDGMENT

Certified that this Bank has received Tk. (in figure)..... (in word) only from Mr./Mrs./Ms./ being the Application money for..... Nos. of Ordinary Shares of **Hwa Well Textiles (BD) Limited**

Banker's Sl. No.

Seal & Date

Authorized Signature
(Name & Designation)

**INSTRUCTIONS**

01	As per provision of the Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) account number in the application Form. If you do not mention your valid BO (beneficiary owner) account, your application will be treated as invalid.
02	All information must be typed or written in full (in block letters) in English or in Bengali and must not be abbreviated.
03	Application must be made on the Company's printed form/photocopy or on typed copy/hand written form thereof.
04	Application must not be for less than 500 ordinary shares and must be for a multiple of 500 ordinary shares. Any application not meeting these criterions will not be considered for allotment purpose.
05	Remittance for the full amount of the shares must accompany each application and must be forwarded to any of the Bankers' to the Issue. Remittance should be in the form of cash/cheque/bank draft/pay order payable to one of the Bankers' to the Issue favoring " Hwa Well Textiles (BD) Limited " and crossed " A/C Payee Only " and must be drawn on a bank in the same town as the bank to which the application form has been sent.
06	In the case of a joint application form, the allotment letter will be dispatched to the person whose name appears first on this application form and where amount is refundable in whole or in part the same will be refunded by account payee cheque by post/courier service to the person named first on this application form in the manner prescribed in the prospectus.
07	Joint application form for more than two persons will not be accepted. In case of joint application, each party must sign the application form.
08	Applications must be in the full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Application from financial and market intermediary companies must be accompanied by Memorandum of Association and Articles of Associations and certificate of incorporation.
09	An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.
10	No receipt will be issued for the payment made with application, but the bankers will issue a provisional acknowledgement to the issue for application lodged with them.
11	In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO application forms are maintained with the bankers to the issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms. Otherwise, refund will be made only through "Account Payee" cheque(s) showing bank account number and name of bank and branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
12	Allotment shall be made solely in accordance with the instructions of the Bangladesh Securities and Exchange Commission.
13	Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the application liable to rejection and subject to forfeiture of application money and / or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited Application money or share (unit) will be deposited in account specified by the Bangladesh Securities and Exchange Commission (BSEC). This may be in addition to any other penalties as may be provided for by the law.
14	Applications which do not meet the above requirements, or applications, which are incomplete, shall not be considered for allotment purpose.
15	The bankers' to the issue shall be obliged to receive the A/C Payee Cheque(s) on the closing day of the subscription.
16	No sale of securities shall be made nor shall any money be taken from any person, in connection with such sale until 25 (twenty five) days after the prospectus have been published.
17	The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% (fifteen percent) of their subscription money too.



Bankers to the Issue

<p><u>One Bank Limited</u> Principal Branch, Dhaka Motijheel Branch, Dhaka Karwan Bazar Branch, Dhaka Gulshan Branch, Dhaka Mirpur Branch, Dhaka Uttara Branch, Dhaka Dhanmondi Branch, Dhaka Banani Branch, Dhaka Kakrail Branch, Dhaka Progoti Sarani Branch, Dhaka Elephant Road Branch, Dhaka Jatrabari Branch, Dhaka Nawabgonj Branch, Dhaka Bangshal Branch, Dhaka Ganakbari (EPZ) Branch, Dhaka Imamganj Branch, Dhaka Narayanganj Branch, Narayanganj Joypara Branch, Dhaka Khatunganj Branch, Chittagong CDA Avenue Branch, Chittagong Nanupur Bazar Branch, Chittagong Agrabad Branch, Chittagong Cox's Bazar Branch, Cox's Bazar Jubilee Road Branch, Chittagong Khulna Branch, Khulna Ring Road Branch, Dhaka Chowmohani Branch, Noakhali Chandragonj Branch, Lakshmipur Feni Branch, Feni Raipur Branch, Lakshmipur Dagon Bhuiyan Branch, Feni Sylhet Branch, Sylhet Sherpur Branch, Moulvi Bazar Islampur Branch, Sylhet Jessore Branch, Jessore Bogra Branch, Bogra Sirajgonj Branch, Sirajgonj Laksham Branch, Comilla Ramganj Branch, Laximipur Majidee Court Branch, Comilla Banasree Branch, Dhaka Rajshahi Branch, Rajshahi Shahjadpur Branch, Dhaka Jagannathpur Branch, Dhaka Tongi Branch, Gazipur Comilla Branch, Comilla Basabo Branch, Dhaka Satkhira Branch, Satkhira Madhabdi Branch, Narsingdi Rangamati Branch, Rangamati Sitakunda Branch, Chittagong Moghbazar Branch, Dhaka Laldighirpar Branch, Sylhet Rangpur Branch, Rangpur</p> <p><u>Shahjalal Islami Bank Ltd.</u> Dhaka Main Branch, Dhaka Dhanmondi Branch, Dhaka Gulshan Branch, Dhaka Foreign Exchange Branch, Dhaka Kawran Bazar branch, Dhaka Motijheel Branch, Dhaka Bijoyagar Branch, Dhaka Banani Branch, Dhaka Eskaton Branch, Dhaka Panthapath Branch, Dhaka Agrabad Branch, Chittagong Khatunganj Branch, Chittagong Jubilee Road Branch, Chittagong Sylhet Branch, Sylhet Satmasjid Road Branch, Dhaka Uttara Branch, Dhaka Mirpur Branch, Dhaka Gulshan South Avenue Branch, Dhaka Joydebpur Chowrasta Branch, Gazipur Narayanganj Branch, Narayanganj Chawkbazar Branch, Chittagong Malibagh Chowdhurypara Branch, Dhaka Savar Branch, Dhaka Jessore Branch Dargahgate Branch, Sylhet Wasa Moor Branch, Chittagong Brahmonbaria Branch, Brahmonbaria Kushtia Branch, Kushtia</p>	<p><u>Trust Bank Limited</u> Principial Branch, Dhaka Dilkhusha Corp. Branch, Dhaka Radisson Water Garden Hotel Br. Dhaka Mirpur Branch, Dhaka Karwan Bazar Branch, Dhaka Uttara Corporate Branch, Dhaka Narayanganj Branch, Narayanganj Elephant Road Branch, Dhaka Dhanmondi Branch, Dhaka Narsingdi Branch, Narsingdi Tongi Branch, Gazipur Joydebpur Branch, Gazipur Ashulia Branch, Dhaka Momenshahi Cantonment Branch Savar Cantonment Branch, Dhaka S.S Cantonment Branch, Tangail Halishahar Branch, Chittagong Kadamtali Branch, Chittagong Comilla Cantonment Branch, Comilla Feni Branch, Feni Chowmohani Branch, Noakhali Comilla Branch, Comilla Ashugonj Branch, Brahmanbaria Khulna Branch, Khulna Jalalabad Cantonment Branch, Sylhet Rangpur Cantonment Branch, Rangpur Bogra Cantonment Branch, Bogra Khwaja Younus ali Medical College, Sirajgonj Jessore Cantonment Branch, Jessore Shahjalal Uposhohor Branch, Sylhet Rajshahi Branch, Rajshahi Barisal Branch, Barisal Joypara Branch, Dhaka</p> <p><u>City Bank Ltd.</u> B B Avenue Br, Dhaka Principal Office Br, Dhaka Dhanmondi Br, Dhaka Shyamoli Br, Dhaka Imamgonj Br, Dhaka Johnson Road Br, Dhaka Kawran Bazar Br, Dhaka New Market Br, Dhaka VIP Road Br, Dhaka Islampur Br, Dhaka Nawabgonj Br, Dhaka Nawabpur Br, Dhaka Pragati Sarani Br, Dhaka Bangabandhu Road Br, Narayanganj Zinzira Br, Dhaka Tongi Br, Gazipur Agrabad Br, Chittagong Jubilee Raod Br, Chittagong Khatunganj Br, Chittagong Andarkilla Br, Chittagong Cox's Bazar Br, Chittagong Chawkbazar Br, Chittagong Pahartoli Br, Chittagong Comilla Br, Comilla Narshingdi Br, narshingdi Zinda Bazar Br., Sylhet Bandar Bazar Br., Sylhet Amborkhana Br., Sylhet Moulovi Bazar Br., Sylhet Rajshahi Br., Rajshahi Bogra Br., Bogra Rangpur Br., Rangpur Sirajgonj Br., Sirajgonj Khulna Br., Khulna Jessore Br., Jessore Barisal Br., Barisal</p>	<p><u>Southeast Bank Limited</u> Principal Branch, Dhaka Mouchak Branch, Dhaka Feni Branch, Feni Corporate Branch, Dhaka Konabari Branch (Rural), Gazipur Pahartali Branch, Chittagong Imamganj Branch, Dhaka Tongi Branch, Gazipur Bashurhat Branch (Rural), Noakhali Dhanmondi Branch, Dhaka Bashundhara Branch, Dhaka Momin Road Branch, Chittagong Uttara Branch, Dhaka Mohammadpur Branch, Dhaka Rangpur Branch, Rangpur New Elephant Road Branch, Dhaka Madambibir Hat Branch, Chittagong Bogra Branch, Bogra Gulshan Branch, Dhaka Comilla Branch, Comilla Jessore Branch, Jessore Kakrail Branch, Dhaka Munshigonj Branch Barisal Branch, Barisal Banani Branch, Dhaka Chouhatta Branch, Sylhet Dhania Branch (Rural) Bangshal Branch, Dhaka Laldighirpar Branch, Sylhet Naogaon Branch, Naogaon New Eskaton Branch, Dhaka Shahjalal Uposhahar Branch, Sylhet Bandar Bazar Branch, Sylhet Pragati Sarani Branch, Dhaka Khulna Branch, Khulna Moulvibazar Branch, Moulvibazar Agargaon Branch, Dhaka Pathantula Branch, Sylhet Satkhira SME, Branch Sat Mashjid Road Branch, Dhaka Agrabad Branch, Chittagong Narsingdi SME, Branch Shaymoli Branch, Dhaka Khatunganj Branch, Chittagong Islampur Branch, Dhaka Aganagar Branch, Dhaka Jubilee Road Branch, Chittagong Kotwali Branch, Dhaka Karwan Bazar Branch, Dhaka Halishahar Branch, Chittagong Rajshahi Branch, Rajshahi Madhabdi Branch (Rural), Narahingdi Motijheel Branch, Dhaka Tangail SME, Branch Ashulia Branch (Rural), Dhaka Chowmuhani Branch, Noakhali Chapainawabganj Branch Narayanganj Branch, Narayanganj CDA Avenue Branch, Chittagong Dinajpur Branch, Dinajpur Rokeya Sharani Branch, Dhaka Cox's Bazar Branch, Cox's Bazar Hemayetpur Branch (Rural) Savar Branch, Dhaka Chagalnaiya Branch, Feni Joydebpur Branch, (Rural)</p>	<p><u>National Bank Ltd.</u> Agrabad Branch, Chittagong Anderkilla Branch, Chittagong Asadgate Branch, Dhaka Babubazar Branch, Dhaka Banani Branch, Dhaka Bangshal Road Branch, Dhaka Barisal Branch, Barisal Beani Bazar Branch, Sylhet Batiary Branch, Chittagong Bogra Branch, Bogra CDA Avenue Branch, Chittagong Chaktai Branch, Chittagong Chandpur Natun Bazar Branch, Chandpur Chawk Bazar Branch, Chittagong Chowmuhani Branch, Noakhali Comilla Branch, Comilla Khatunganj Branch, Chittagong Khulna Branch, Khulna Lake Circus Branch, Dhaka Madhupur Branch, Tangail Malibagh Branch, Dhaka Mirarsari Branch, Chittagong Mirpur Branch, Dhaka Moakhali Branch, Dhaka Mohammadpur Branch, Dhaka Motijheel Branch, Dhaka Muradpur Branch, Chittagong Mymensingh Branch, Mymensingh Narayanganj Branch, Narayanganj Narsingdi Branch, Narsingdi Netaiganj Branch, Narayanganj Dhanmondi Branch, Dhaka Dilkhusha Branch, Dhaka Elephant Road Branch, Dhaka Feni Branch, Feni Foreign Exchange Branch, Dhaka Gazipur Branch, Gazipur Godagari Branch, Rajshahi Gulshan Branch, Dhaka Rajshahi Branch, Rajshahi Rifles Square Branch, Dhaka S.K. Mojib Road Branch Savar Bazar Branch, Savar, Dhaka Sunamgonj Branch, Sunamgonj Sylhet Branch, Sylhet Tangail Branch, Tangail Tongi Branch, Gazipur Uttara Branch, Dhaka Z.H. Sikder M.C Branch, Dhaka Zindabazar Bazar, Sylhet Halishahar Branch, Chittagong Imamganj Branch, Dhaka Islampur Branch, Dhaka Jatrabari Branch, Dhaka Jessore Branch, Jessore Jubilee Road Branch, Chittagong Kodomtoli Branch, Sylhet Karwan Bazar Branch, Dhaka New Eskaton Branch, Dhaka North Book Hall Branch, Dhaka Pabna Branch, Pabna Pagla Bazar Branch, Narayanganj Patiya Branch, Chittagong Pragati Sarani Branch, Dhaka Moulvibazar Branch, Moulvibazar Pahartali Branch, Chittagong Faridpur Branch, Faridpur Rokeya Sarani Branch, Dhaka</p> <p><u>Investment Corporation of Bangladesh(ICB)</u> Head Office Dhaka Chittagong Branch, Chittagong Rajshahi Branch, Rajshahi Khulna Branch, Khulna Barisal Branch, Barisal Sylhet Branch, Sylhet Bogra Branch, Bogra Local Office, Dhaka</p>
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"শেয়ার বাজারে বিনিয়োগ ঝুঁকিপূর্ণ, জেনে ও বুঝে বিনিয়োগ করুন"

"INTERESTED PERSONS ARE ENTITLED TO A PROSPECTUS, IF THEY SO DESIRE, AND THAT COPIES OF PROSPECTUS MAY BE OBTAINED FROM THE ISSUER AND THE ISSUE MANAGER"

APPLICATION FORM



HWA WELL TEXTILES (BD) LIMITED

APPLICATION FOR SHARES BY NON-RESIDENT BANGLADESHI(S)

(To be sent directly to the Company's Head Office)

WARNING: Please read the instructions at the back of this form. Incorrectly filled applications or applications failing to comply with any of the instructions therein may be rejected.

The Managing Director & Director

Hwa Well Textiles (BD) Limited
138, Eastern Nibash, Flat # 402, (4th Floor), Gulshan Avenue, Gulshan -2,
Dhaka-1212, Bangladesh

Dear Sir,

I/we apply for and request you to allot me/us number of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's Prospectus approved by the Bangladesh Securities and Exchange Commission subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Member(s) of the Company and deposit the said ordinary shares to my/our Beneficiary Owner ("BO") Account; I/we further authorize you to send a crossed (Account Payee Only) cheque in respect of any Application money refundable to me/us by post/courier at my/our risk to the first applicant's address stated below:

1. Number of ordinary shares of Tk. 10.00 each at par.
2. Amount of Tk. (in figure) (in word) only
Convertible into US Dollar 1.00=Tk. UK Pound Sterling 1.00=Tk. EURO 1.00=Tk.
3. Payment by cheque/draft no. dated for US Dollar/UK Pound Sterling/EURO or Tk. drawn on Bank Branch

4. Beneficiary Owner (B/O) Account

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[If you do not mention your valid BO (Beneficiary Owner) account number, your application will be treated as invalid.]

5. I/We agree to fully abide by the instruction given herein.

6. Particulars of Applicant(s):

A) Sole/First Applicant:

Name : Mr./Mrs./Ms.	
Father's/Husband's Name :	
Mothers Name :	
Mailing Address :	
Occupation :	Nationality :
Passport No. :	Valid Up to :
Date of Birth :	Tel No. (if any) :
For refund warrant: Please write the correct and full name of bank and branch (Application will not be treated as valid if any one uses a non-scheduled bank. To avoid this complication, applicants are requested not to use the name of any non-scheduled bank).	
For Refund : Applicant's Bank A/C No :	
Name of the Bank :	Branch :

The applicant shall provide the same Bank Account Number in the application from as it is in the BO Account of the applicant.

Second Applicant:

Name : Mr./Mrs./Ms.	
Father's/Husband's Name :	
Mothers Name :	
Mailing Address :	
Occupation :	Nationality :
Passport No. :	Valid Up to :
Date of Birth :	Tel No. (if any) :
Nominee's Name	
Name:	
Mailing Address:	

7. I/ We hereby declare that I/we have read the Prospectus of **Hwa Well Textiles (BD) Limited** and have willingly Subscribed for Nos. of Ordinary Shares of **Tk. 10.00** per share

8. Specimen Signature(s):

1 st Applicant: Name (in Block Letters)		Signature:	
2 nd Applicant: Name (in Block Letters)		Signature:	
Nominee Name (in Block Letters)		Signature:	

* Please see the instructions in paragraphs 14 & 15 for the evidence required to establish Non-Resident Bangladeshi Status.

**INSTRUCTIONS**

01	As per provision of the Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your BO (beneficiary owner) account number in the Application Form. If you do not mention your valid BO (beneficiary owner) account, your application will be treated as invalid.
02	All information must be written or typed in block letters in English and must not be abbreviated.
03	An application must not be for less than 500 Ordinary Shares and must be for a multiple of 500 ordinary shares. Any application not meeting this criterion will not be considered for allotment purpose.
04	An application must be accompanied by a foreign demand draft drawn on a bank payable at Dhaka or cheque drawn out of foreign currency deposit account maintained in Bangladesh for the full value of shares favoring “Hwa Well Textiles (BD) Limited” and crossed “Account Payee Only” .
05	Application shall be sent by the applicant directly to the Company within February 23, 2014 so as to reach the Company within March 04, 2014. Any applications sent after February 23, 2014 or received by the Company after March 04, 2014 will not be considered for allotment purpose.
06	Refund against over-subscription shall be made in the currency in which the value of shares was paid for by the applicant through A/C Payee Cheque payable at Dhaka with bank account number, bank’s name and branch.
07	In case of over-subscription, allotment shall be made by lottery solely in accordance with the instructions of the Bangladesh Securities and Exchange Commission.
08	Money receipt on clearance of draft or cheque, as the case may be, shall be sent by post to the applicant by the Company.
09	Joint application by two persons will be acceptable. In such a case, allotment or refund shall be made by post to the first applicant. Note that a Non-Resident Bangladeshi (NRB) applicant cannot submit more than two applications. One in his/her own name and the other jointly with another person by one cheque/DD/PO by USD/GBP/EURO/BDT (supported by a foreign currency encashment certificate). More than two applications by one cheque/DD/PO by USD/GBP/EURO/BDT (supported by a foreign currency encashment certificate) will not be allowed.
10	Application must be made by an individual, a corporation or company, a trust or a society and not by a firm, minor or persons of unsound mind.
11	Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the Application liable to rejection and subject to forfeiture of application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account specified by the Bangladesh Securities and Exchange Commission (BSEC). This may be in addition to any other penalties as may be provided for by the law.
12	The intending NRB applicants shall deposit the share subscription money by US\$/UK Pound Sterling/EURO demand draft drawn on any Bank and payable in Dhaka, Bangladesh, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking “Account Payee only”. So that the issuer’s collecting bank can clear the proceeds and deposit the same into issuer bank’s account in time.
13	The spot buying rate (TT Clean) in US Dollar, UK Pound Sterling and EURO of Sonali Bank at the day of subscription opening will be applicable for the Non Resident Bangladeshi (NRB) applicants.
14	The applicant shall furnish photocopies of relevant pages of valid passports in support of his being a NRB, dual citizenship or of the foreign passport bearing an endorsement from the concerned Bangladeshi Embassy to the effect that no visa is required for him/her to travel to Bangladesh.
15	In case of joint NRB application joint applicant shall also submit supporting papers /documents in support of their being a NRB as mentioned in para-14 (above).
16	An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen percent) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.
17	No issue of ordinary shares shall be made nor shall any money be taken from any person, in connection with such issue and subscription, until 25 (twenty five) days after the prospectus have been published.
18	In the case of non-allotment of ordinary shares, if the applicants’ bank accounts as mentioned in their application forms are maintained with any of the bankers to the issue, the amount refunded of those applicants will be directly credited into the respective bank accounts as mentioned in their Application Forms. Otherwise, refund will be made only through “Account Payee” cheque(s) with bank account number and name of bank branch as mentioned in the application form payable at Dhaka, Chittagong, Khulna, Barisal, Rajshahi or Sylhet as the case may be.
19	The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% (fifteen percent) of their subscription money too.

THE NRB APPLICATION ALONG WITH THE FOREIGN CURRENCY DRAFT, AS ABOVE, IS TO BE SUBMITTED TO THE COMPANY’S HEAD OFFICE DIRECTLY WITHIN THE STIPULATED TIME MENTIONED IN PARA-5.



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"INTERESTED PERSONS ARE ENTITLED TO A PROSPECTUS, IF THEY SO DESIRE, AND THAT COPIES OF PROSPECTUS MAY BE OBTAINED FROM THE ISSUER AND THE ISSUE MANAGER"



HWA WELL TEXTILES (BD) LIMITED

APPLICATION FORM

APPLICATION FOR SHARES BY AFFECTED SMALL INVESTORS (ক্ষতিগ্রস্থ ক্ষুদ্র বিনিয়োগকারী)

WARNING: Please read the instructions at the back of this form. Incorrectly filled applications or applications failing to comply with any of the instructions therein may be rejected.

The Managing Director & Director

Hwa Well Textiles (BD) Limited
138, Eastern Nibash, Flat # 402,(4th Floor), Gulshan Avenue, Gulshan -2,
Dhaka-1212, Bangladesh
Dear Sir,

Banker's Sl. No.

I/we apply for and request you to allot me/us number of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's Prospectus approved the Bangladesh Securities and Exchange Commission subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Member(s) of the Company and deposit the said ordinary shares to my/our Beneficiary Owner ("BO") Account; I/we further authorize you to send a crossed (Account Payee Only) cheque in respect of any Application money refundable to me/us by post/courier at my/our risk to the first applicant's address stated below:

- Number of Ordinary Shares of Tk. 10.00 each at par.
- Amount of Tk. (in figure).....Taka (in word) only deposited vide Cash/Cheque/DD/PO No. dated..... on..... Bank..... Branch

3. Beneficiary Owner (B/O) Account

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[If you do not mention your valid BO (Beneficiary Owner) account number, your application will be treated as invalid.]

4. I/We agree to fully abide by the instruction given herein.

5. Particulars of Applicant(s):

a) Sole/First Applicant:

Name: Mr./Mrs./Ms.		
Father's/Husband's Name:		
Mothers Name:		
Mailing Address:		
Occupation:	Nationality:	Tel No. (if any):
For refund warrant: Please write the correct and full name of bank and branch (Application will not be treated as valid if any one uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank)		
For refund purpose: I/we want refund through <input type="checkbox"/> Bank Account <input type="checkbox"/> Hand Delivery/Courier (Please put tick mark in which refund will be made)		
The applicant shall provide with the same bank account number in the application form as it is in the BO Account of the applicant.		
In case of deposit into the applicant's bank account, the applicant will bear the applicable service charge, if any, of the applicant's banker, and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.		
Applicant's Bank A/C No:		
Name of the Bank:	Branch:	

b) Second Applicant:

Name: Mr./Mrs./Ms.		
Father's/Husband's Name :		
Mothers Name:		
Mailing Address:		
Occupation:	Nationality:	Tel No. (if any):

6. I/we hereby declare that I/we have read the Prospectus of **Hwa Well Textiles (BD) Limited** and have willingly subscribed forNos. of Shares of **Tk. 10.00** per share on this form.

7. Specimen Signature(s):

1 st Applicant: Name (in Block Letters)	Signature:	
2 nd Applicant: Name (in Block Letters)	Signature:	

BANKER'S ACKNOWLEDGMENT

Certified that this Bank has received Tk. (in figure)(in word)..... only from Mr./Mrs./Ms./..... being the Application money for..... Nos. of Ordinary Shares of **Hwa Well Textiles (BD) Limited**

Banker's Sl. No.

Seal & Date

Authorized Signature
(Name & Designation)

**INSTRUCTIONS**

01	As per provision of the Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) account number in the application form. If you do not mention your valid BO (beneficiary owner) account, your application will be treated as invalid.
02	All information must be typed or written in full (in block letters) in English or in Bengali and must not be abbreviated.
03	Application must be made on the Company's printed form/photocopy or on typed copy/hand written form thereof.
04	Application must not be for less than 500 ordinary shares and must be for a multiple of 500 ordinary shares. Any application not meeting these criterions will not be considered for allotment purpose.
05	Remittance for the full amount of the shares must accompany each application and must be forwarded to any of the bankers' to the Issue. Remittance should be in the form of cash/cheque/bank draft/pay order payable to one of the bankers' to the Issue favoring " Hwa Well Textiles (BD) Limited " and crossed " A/C Payee only " and must be drawn on a bank in the same town as the bank to which the application form has been sent.
06	In the case of a joint application form, the allotment letter will be dispatched to the person whose name appears first on this application form and where amount is refundable in whole or in part the same will be refunded by account payee cheque by post/courier service to the person named first on this application form in the manner prescribed in the prospectus.
07	Joint application form for more than two persons will not be accepted. In case of joint application, each party must sign the application form.
08	Applications must be in the full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Application from financial and market intermediary companies must be accompanied by Memorandum of Association and Articles of Associations and certificate of incorporation.
09	An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.
10	No receipt will be issued for the payment made with application, but the bankers will issue a provisional acknowledgement to the issue for application lodged with them.
11	In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the bankers to the issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms. Otherwise, refund will be made only through "Account Payee" cheque(s) showing bank account number and name of bank and branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
12	Allotment shall be made solely in accordance with the instructions of the Bangladesh Securities and Exchange Commission.
13	Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the application liable to rejection and subject to forfeiture of application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account specified by the Bangladesh Securities and Exchange Commission (BSEC). This may be in addition to any other penalties as may be provided for by the law.
14	Applications which do not meet the above requirements, or applications, which are incomplete, shall not be considered for allotment purpose.
15	The bankers' to the issue shall be obliged to receive the A/C Payee Cheque(s) on the closing day of the subscription.
16	No sale of securities shall be made nor shall any money be taken from any person, in connection with such sale until 25 (twenty five) days after the prospectus have been published.
17	The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% (fifteen percent) of their subscription money too.
18	তালিকাজুক্ত ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারীগণ সকল পাবলিক ইস্যুতে একক অথবা যৌথভাবে যেকোনটি অথবা উভয়টি হতে সংরক্ষিত ২০% কোটায় আবেদন করতে পারবেন। তবে তারা ইচ্ছা করলে সংরক্ষিত কোটায় আবেদন না করে সাধারণ বিনিয়োগকারীদের জন্য নির্ধারিত কোটায়ও আবেদন করতে পারবেন।

**SECTION XXVII: MANAGEMENT ADDITIONAL DISCLOSURE**

1. It appears that the issuer company did not comply with the condition #5 of SEC/CI/CPLC(Pvt.)-360/2011/933 dated 28/12/2011 in conducting audit within 120 days from the date of ending of financial year. Please provide your explanation;

Response to the above:

We did not prepare the financial statement within 120 days thinking that only the listed companies would have to prepare their financial statements within 120 days. We followed the guidelines of the Companies' Act 1994 in the preparation of our financial statements. In case of its being a mistake, we were fair enough and committed the mistake inadvertently and unintentionally, for which we feel sorry and in the future we will properly follow the rules in this regard.

2. It appears from the valuation report that the physical measurement of the land is 615.00 decimals though the area of purchase deed is 633.00 decimals and the valuer has also mentioned that as per SA mutation in the name of Hwa Well Textiles (BD) Limited, area of land is 615 decimal. Explanation from issuer company is required;

Response to the above:

Total area of the land we purchased which is certified in the original deed and in the record of the local land registration authority is 633 decimals out of which mutation was completed for the area of 628.5 decimals. But in the time of revaluation of our land, the valuer company ACANABIN had taken 615 decimals as consideration on the basis that the 615 decimals of our land are surrounded by a boundary wall. The location of our land is at a side by a road. We therefore willingly left the portion of the land outside the boundary wall to facilitate future expansion of the road. The valuer company excluded this portion of land area from revaluing since that area lies outside the boundary wall. But we legally own the whole of 633 decimals of land by means of registration deed.

3. No Workers' profit participation as per the provision of section 232, 233, 234, 235, 240, 241, 242, 243, 248, 249 and 250 of the Bangladesh Labor Law 2006 was found in the audited Statement of Financial Position. Please explain the reason of such non- compliance;

Response to the above:

The Company did not operate any Fund and thus account and pay for any employee benefit to the employees in accordance with the provisions of Bangladesh Accounting Standard-19, "Employee Benefit". But the board of the directors of the company has recently decided to introduce the workers participation fund as per board resolution dated June 25, 2013 the workers participation fund to comply with the section 232, 233, 234, 235, 240, 241, 242, 243, 248, 249 and 250 of the Bangladesh Labor Law 2006 and will be effective from July 01, 2013.



4. Statistics with regard to current state of the industry in Bangladesh, market size & growth rate and competition condition has not been submitted (prospectus page#27);

Response to the above:

A) Apparel export from Bangladesh has experienced a tremendous growth up to 2011. The statistics are as follows:

Fiscal Year	Knitwear Export				Woven Export				Total Export	
	Value	% Change	% Share in Apparel Export	% Share in BD Export	Value	% Change	% Share in Apparel Export	% Share in BD Export	Total Apparel	Total BD Export
94-95	393.26	-	17.65	11.32	1835.09	-	82.35	52.85	2228.35	3472.56
95-96	598.32	52.14	23.49	15.41	1948.81	6.20	76.51	50.20	2547.13	3882.42
96-97	763.30	27.57	25.43	17.28	2237.95	14.84	74.57	50.65	3001.25	4418.28
97-98	940.31	23.19	24.85	18.22	2843.33	27.05	75.15	55.09	3783.64	5161.20
98-99	1035.36	10.11	25.75	19.49	2984.81	4.98	74.25	56.18	4020.17	5312.86
99-00	1269.83	22.65	29.18	22.08	3082.56	3.27	70.82	53.59	4352.39	5752.20
00-01	1496.23	17.83	30.78	23.14	3364.20	9.14	69.22	52.02	4880.43	6267.30
01-02	1459.24	-2.47	31.83	24.38	3124.56	-7.12	68.17	52.20	4583.80	5986.09
02-03	1653.83	13.34	33.67	25.26	3258.27	4.28	66.33	49.76	4912.10	6548.44
03-04	2148.02	29.88	37.78	28.25	3538.07	8.95	62.22	46.54	5686.09	7602.99
04-05	2819.47	31.26	43.93	32.58	3598.20	1.70	56.07	41.58	6417.67	8654.52
05-06	3816.98	35.38	48.31	36.26	4083.82	13.50	51.69	38.80	7900.80	10526.20
06-07	4553.60	19.30	49.44	37.39	4657.63	14.05	50.56	38.25	9211.23	12177.90
07-08	5532.52	21.50	51.71	39.21	5167.28	10.94	48.29	36.62	10699.80	14110.80
08-09	6429	16.20	52.07	41.30	5918.51	14.54	47.93	38.02	12347.51	15565.19
09-10	6483.29	.83	51.88	40.01	6013.43	1.60	48.12	37.11	12496.72	16204.65
10-11	9482.06	46.25	52.93	41.36	8432.40	40.23	47.07	36.78	17914.46	22924.38

Source: Compiled by iART from EPB database

B) Major competitors of Hwa Well Textiles (BD) Limited:

The Company operates in a highly competitive business. The major competitors of the Company are as follows:

01. Nassa Taipei Textile Mills Ltd.
02. How Are You Textile Mills Ltd.
03. Ring Shine Textiles Ltd.
04. Jong Shen Textile Mills Ltd.



5. It appears from the page # 35 of draft prospectus that the company has issued 20,000,000 ordinary shares for Tk. 200,000,000 as bonus share. But it also appears from return of allotment (form XV) that company has issued 200,000 ordinary shares in cash. Please explain it;

Response to the above:

Shares issued as bonus shares are considered as if they are issued in cash, since bonus shares are not classified as shares issued for other than in cash. Therefore, the Return of Allotment (form XV) by the RJSC showed that 200,000 ordinary shares valued at Tk. 20,000,000 have been issued in cash. It may be mentioned here that the face value of our ordinary shares was Tk. 1,000 each before it was split into Tk. 10 each (EGM dated 30th December, 2011 and certified by RJSC on 8th March, 2012)

6. It appears from the draft prospectus page # 33 under 'breakdown of expenses for issuing shares' that Tk. 2,000,000 will be expended on account of 'consultancy fees'. Please provide the details of tasks to be accomplished by the consultants;

Response to the above:

The overall responsibility of our consultant is to make our expected public offer a success. Few of those responsibilities include the following:

- *Providing the assistance in preparing the financial statements to reflect fair picture of its affairs;*
- *Assisting in maintaining compliance of IFRS/BFRS, ISA, Income Tax Law, Companies Act 1994, Securities and Exchange Commission (SEC) related rules and regulations*
- *Assisting in capital restructuring decisions*
- *Assisting in Post issue related activities*
- *Assisting in holding AGM/EGM, Board Meeting, notice, minutes, etc.*
- *Assisting in Re-evaluation of our assets to reflect fair value;*
- *Suggesting in selecting method, size, pricing and timing of the fund raising;*
- *Assisting in checking documents for insertion in the prospectus;*
- *Any required related services.*



7. Disclosure regarding breakdown of provision for doubtful debt and its calculation is required;

Response to the above:

Following is the breakdown of provision for doubtful debts.

Particulars	Total receivable (Tk.)	Provision for doubtful debts	Remarks
Hall Mark Fashion Ltd.	1,898,488	1,898,488	Provision made in full as it is overdue more than 300 days.
SGM Knit & Print Ltd.	7,510,913	7,510,913	Provision made in full as it is overdue more than 500 days.
	9,409,401	9,409,401	

8. Disclosure regarding WPPF along with its calculation is required;

Response to the above:

Breakdown of workers profit participation fund are as follows:

Particulars	Amount in Tk.
Operating Profit	169,180,314
Add: Other Income	8,464,613
Less: Financial Expenses	4,367,187
Less: Provision for Doubtful Debts	9,409,401
Profit before WPPF	163,868,339
Provision for Workers' Profit Participation Fund	7,803,254

9. Rationales restating the financial statements for the prior year are to be disclosed;

Response to the above:

There were some changes in policy and in the way of presentation. To reflect the changes in policy and changes in the way of presentation the financial statements was restated.

10. Information regarding 'transaction with directors and subscribers to the memorandum' particularly acquiring machineries from its shareholders/directors is to be furnished as per rule 8.B.(13)(b) of 'Securities and Exchange Commission (Public Issue) rules, 2006. Please provide your explanation.

Response to the above:

Information regarding 'transaction with directors and subscribers to the memorandum' particularly acquiring machineries from its shareholders/directors are now furnished in the subsequent section of the prospectus as per rule 8.B.(13)(b) of 'Securities and Exchange Commission (Public Issue) rules, 2006



11. It appears that provision for bad debts amounting to tk. 94,09,401,00 has been credited to accounts receivable rather credited to accounts receivable rather credited to provision for bad debts. In this regard explanation is required;

Response to the above:

The provision for bad debt was created as per para 14 of IAS -37. This is a contra account of accounts receivable/debtor. Therefore, while presenting the Accounts receivable figure it was net off by the increase in provision. In reality debtor was not credited against the provision for bad debt and the debtor was presented in full and complete amount, which was in compliance of schedule 11 of Companies Act 1994.

12. It appears from the SGS certificates regarding 2nd hand machineries that nothing has been mentioned about the value of the machineries as per the provision of the rule 18 (6) of the Bangladesh Securities and Exchange Commission (Public Issue) rules, 2006. Please provide your explanation.

Response to the above:

We provided all the available documents regarding second hand/ re-conditioned machineries certified by SGS and Chamber of Commerce of Taiwan as per the requirements of 18(6) of the Bangladesh Securities and Exchange Commission (Public Issue) rules, 2006. However, the certificate that we obtained from SGS does not mention about value of the machineries since SGS only provides the certificates in a standard format to all its clients approved by their management.



13. Please provide the breakdown of cash flow.

Response to the above:

Following is the breakdown of cash flow:

		Amount in Taka
A	Collection from Turnover & other receipts	
	Operating Revenues	1,795,238,748
	Non-Operating Income	8,464,613
	Other Comprehensive Income	9,759,276
	Closing Accounts Receivable	(485,005,344)
	Opening Accounts Receivable	458,328,133
	Opening other receivable	347,753
	Closing Other Receivable	(373,722)
	Provision for Doubtful Debts	(9,409,401)
	Adj. for FE Gain/Loss upon realization	(21,416,166)
		1,755,933,890
B	Payment for operating costs & other expenses	
	Cost of goods sold	(1,548,297,852)
	Administrative and other expenses	(41,067,241)
	Selling & distribution expenses	(49,175,805)
	Financial expenses	(4,367,187)
	(Increase)/Decrease in Inventory	(20,141,270)
	(Increase)/Decrease advance, deposits & Prepayments	16,819,561
	Increase/(decrease) in accounts payable	(9,641,583)
	Adj. for FE Gain/Loss upon realization-Accounts Payable	22,576,281
	Increase/(decrease) in other payable	(100,744,683)
		(1,734,039,779)
	Cash generated from operation	21,894,111
	Income Tax Adjustment	(21,730,726)
	Non cash Exp.-Depreciation	42,012,879
C	Total cash flows from operating activities	42,176,264
D	Cash Flow from Investing Activities	
	Purchase of Property, Plant and Equipment	(45,492,359)
	Investment in FDR	9,846,395
	Total cash flows from investing activities	(35,645,964)
E	Cash Flow from Financing Activities	
	Bank overdraft 2011-2012	(3,642,309)
	Bank overdraft 2012-2013	-
	Total Cash Flow from Financing Activities	(3,642,309)
F	Net cash inflow/(outflow) for the period (C+D+E)	2,887,991
G	Cash & Cash Equivalents at the beginning of the year	8,434,620
H	Cash & Cash Equivalents at the end of the year excluding unrealized foreign exchange gain/(loss)	11,322,611
I	Add: Unrealized foreign exchange gain/(loss) in cash & cash equivalents	(456,699)
J	Cash & Cash Equivalents at the end of the year H+I	10,865,912



14. It appears that out of 716 decimal lands (633+49+34=716), 711.50 decimal of lands have been mutated in the name of Issuer Company. Explanation from the issuer company is required;

Response to the above:

The total land of Hwa Well Textiles (BD) Limited is 716 decimals. Out of 716 decimal lands (633+49+34=716), 711.50 decimal of lands have been mutated. The reason is 4.5 decimals of land was purchased twice from the land owner. The problem was later on settled amicably and HWTL purchased another 34 decimals land of which we have already submitted the documents..

15. It appears from the 'production and service capacity and current utilization' at the page # 28 of the draft prospectus that current capacity utilization is only 57.46%. Please provide your justification for expansion from IPO proceeds when the current utilization is at only 57.46%.

Response to the above:

Our Business is such that we start our production process on receiving the order from the customer. A machine is occupied while processing a job order irrespective of the size of the order. As a result, in processing a smaller order the machine capacity is not fully utilized though it consumes the machine-hour of the respective machinery.

To explore wide market opportunities, increase our market share and confront stiff competition in the market, our management has planned to diversify its product rang (e.g. Banded Fabrics, Sherpa, Tricot, Yarn Dye, Piece Finish etc.). The said diversification is also aimed at satisfying diversified customers demand in the modern world. In order to implement such diversification we need some new machinery at our plant.