ANNUAL REPORT
FOR
17th AGM

Tung Hai Group

Tung Hai Knitting and Dyeing Limited

CONTENTS

Letter of Transmittal — 02

Notice of the 17th Annual General Meeting — 03

Corporate Directory — 04

Five Years' Financial Summary — 05

The Company — 06

The Board of Directors — 08

Chairman's Statement — 09

Directors' Report — 10

MD & CFO's Declaration to the Board of Directors — 16

Corporate Governance Compliance Certificate — 17

Corporate Governance Compliance Report — 18

Auditors' report and Audited Financial Statements — 32

Proxy form — 55

Transmittal Letter

To

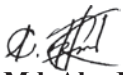
All Share Holders,
Bangladesh Securities and Exchanges Commission,
Registrar of Joint Stock Companies & Firms,
Dhaka Stock Exchange Limited,
Chittagong Stock Exchange Limited.

Subject: Annual Report for the year ended 30th June, 2021.

Dear sir (s),
Enclosed pleased find a copy of Annual Report together with the Audited Financial Statements including Statement of Financial Position, Statement of Comprehensive Income, statement of Cash Flow and Statement of Changes in Equity for the year ended 30th June, 2021 along with notes to thereon of Tung Hai Knitting and Dyeing Limited for your kind information and records.

Thank you

Sincerely yours,



Md. Abu Irfan
Company Secretary

Notice of the 17th Annual General Meeting

Notice is hereby given that the 17th Annual General Meeting of the Shareholders of Tung Hai Knitting & Dyeing Ltd. will be held on Wednesday, 29th December 2021 at 4.00 P.M. Through Digital Platform Link: **http://Tunghai 17thagm.digitalagmbd.net** (in pursuant to the Bangladesh Securities and Commission's Order No. SEC/SRMRC/ (04-231/25 dated July 08, 2020) to transact the following Business:

1. To receive, consider and adopt the Directors' and Auditors' Report and Audited Financial Statements for the year ended 30th June, 2021.
2. To Appoint Auditor of the Company and fixation of their remuneration for the year 2021-2022.
3. To-Approve appointment of Compliance Auditor the year 2021-2022.
4. To elect or re-elect Directors as per Articles of Association of the Company and appointment of Independent Director.

By Order of the Board of Directors

Date: Dhaka
30th November, 2021

Md. Abu Irfan
Company Secretary

Note:

1. The Shareholders, whose names shall appear in the share Register of the Company or in the Depository Register on the "Record Date" i.e. 20th December, 2021 will be entitled to attend the AGM.
2. A Member eligible to attend at the annual General meeting may appoint a proxy to attend on his/her behalf. The proxy form must be affixed with requisite revenue stamp and submitted to the registered office of the company not letter than 48 (Forty Eight) hours before the time fixed for the annual general meeting.
3. Link for joining in AGM through Digital platform Link: **http://Tunghai17thagm.digitalagmbd.net** Shareholders can join virtual AGM from Laptop, PC, Mobile or Tap putting 16-Digit BO ID and holding shares as on record date. For virtual AGM guidance, the concerned members may contact at the number: 01670-189683.
4. As per BSEC Notification no. BSEC/CMRRCD/2006-158/208/Admin/18, Dated 20 June 2018. Annual Report 2020-2021 of Tung Hai Knitting & Dyeing Ltd., in soft form shall be transmitted to the respective shareholders of the Company through their E-mail ID available in their beneficial Owner (BO) account with the depository. This Annual Report shall also be published on our website: **www.tunghaiknittingdl.com**

Corporate Directory

Board of Directors

Anjuman-Ara-Khanam	Chairman
Nafreen Mahbub	Managing Director
Afrin Mahbub	Director
Md. Ehsanur Rahman	Director
Nasrin Shanu	Director
Zabidur Rahman (Nominee Director of Tung Hai Sweaters Limited)	Director
Colonel Md. Neamul Islam Fatemi	Independent Director

Colonel Md. Neamul Islam Fatemi has been appointed by the Board of Directors on 30th November, 2021 .

Chief Financial Officer

Imran Hossen

Company Secretary

Md. Abu Irfan

Head of Internal Audit

Md. Alimuzzaman

Auditor

Artisan

Chartered Accountants

Banker

Southeast Bank Limited

Legal Advisor

Dr. M. Zahir & Associates

102, Supreme Court

Bar Association Building, Dhaka.

Registered Office

Corporate Head Office, 30/2, Darus Salam Road,

Industrial Plot No. 2C/1-B, Mirpur-01, Dhaka-1216

Phone: +88-02-9006502-3; +88-02-9010398Fax: +88-02-9006501,

E-mail: thkdl2020@gmail.com, Website: www.tunghaiknittingdl.com

Factory

Shibrampur, Zirani Bazar, BKSP, Joydebpur, Gazipur, Dhaka.

Five Years' Financial Summary

Operational Result	Amount in Taka				
	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17
Turnover	-	-	-	107,627,944	731,259,239
Gross Profit	(26,520,346)	(29,216,276)	(169,769,479)	(777,383,734)	(255,998,496)
Profit from Operation	(31,100,015)	(48,331,218)	(191,600,982)	(806,464,581)	(288,356,891)
Net Profit before tax	(31,100,015)	(199,816,932)	(331,773,908)	(927,663,286)	(399,720,759)
Net Profit after Tax	(30,402,745)	(199,529,371)	(332,093,024)	(929,385,904)	(406,236,510)
Net Cash Flow From Operation	-	32,937,752	11,252,771	(318,351,269)	158,097,587
Financial Position	**30-Jun-21**	**30-Jun-20**	**30-Jun-19**	**30-Jun-18**	**30-Jun-17**
Non-Current Assets	538,465,093	567,932,144	599,916,327	634,659,346	672,428,184
Current Assets	129,481,514	129,481,514	182,713,911	368,635,441	860,411,646
Shareholder's Equity	(613,929,135)	(583,526,390)	(383,997,019)	(51,903,995)	877,481,909
Long Term Liability	531,230,993	531,230,993	520,609,807	522,256,194	123,995,399
Earnings per Share	(0.29)	(1.87)	(3.11)	(8.71)	(3.81)

The Company

Tung Hai Knitting and Dyeing Limited (THKDL) was incorporated in Bangladesh as a private limited company on May 31, 2004 and has been converted in to a Public Limited Company on May 15, 2011 under the Companies Act, 1994.

The Company started its commercial operation in May 13, 2005 with a dyeing capacity of 20,000 (Twenty Thousands) pound per day and knitting capacity of 12,000 (Twelve) Thousands Pieces per day.

THKDL has two major sections i.e. dyeing and knitting. The factory building is constructed on its own land. Most of the machineries and equipment of the company were imported from renowned branded companies of Japan, Taiwan and Europe. The production facilities of the company are supported by state of the art technology implemented by THKDL and also by skilled man power.

The factory premise of THKDL is located at Shibrampur, Zirani Bazar, BKSP, Joydebpur, Gazipur which is an industrial zone and very near to Dhaka, the capital city of Bangladesh.

Major milestones of the company:

2004: Incorporated as a private limited company with the paid up capital of Tk. 5.00 (Five) Lac.
2005: Started commercial operation with dyeing capacity of 20,000 pound per day and knitting capacity of 12,000 pieces per day and raised paid-up capital by Tk. 92,000,000.
2010: Raised paid up capital by Tk. 5.00 (Five) Lac.
2011: Increased paid up capital from Tk. 93,000,000 to Tk. 451,300,000 and expanded its production capacity.

2014: Raised paid up capital Tk. 35.00 (Thirty Five) Crore through IPO.

The Company is 100% deemed exporter, mainly engaged in the business of Dyeing, Knitting and Bleaching of Yarn for use in the export of sweater and export oriented garments.

Products of THKDL:
The Company has two major products:

1. Dyed Yarn from dyeing section

2. Sweaters knitted from knitting section

Our Mission

Our mission is to provide high quality flat-knit sweater garments to satisfy our client's needs through a range of efficient and effective manufacturing activities and delivered on a holistic basis.

Our Vision

In order to realize the mission, we will:

- Strive for attaining a leadership position in our business sector.
- Provide products and services of high and consistent quality, ensuring value for money to our customer
- Attain a high level of productivity in all our operations through effective utilization of time and adoption of appropriate technology.
- Ensure superior return on investment through judicious use of resources and efficient operations, utilizing our core competencies.

Our Objectives

- To achieve highest standards in quality, delivery and compliance.
- To achieve high efficiency measures in production units.
- To protect the interest of all shareholders.
- To work hard to optimize profit through conduction of transparent business operations.

Our Values

- Highest Compliance Standard
- Safety First
- Continuous Improvement
- Customer Focus
- Transparent Business
- Fairness

The Board of Directors

Anjuman –Ara- Khanam, Chairman

Anjuman –Ara- Khanam has passed her life with the dignity and her strong personality. She is taking care of Tung Hai Knitting & Dying Limited as a Chairman since 2004. She is doing her job effectively which makes massive changes in Tung Hai Group.

Nafreen Mahbub, Managing Director

Nafreen Mahbub is a director of Tung Hai Knitting & Dyeing Limited. She is the eldest among the two daughters of Anjuman–Ara- Khanam, the present chairman; and late Mahbubur Rahman, the previous managing director, of Tung Hai Knitting & Dyeing Limited (THKDL). Nafreen preserves easy-going and flexible characteristics. She showed her eagerness in continuing the social benevolent activities that her father sponsored in his native village, which proves her awareness to the social responsibilities.

Afrin Mahbub, Director & Vice Chairman

Afrin Mahbub is a director of Tung Hai Knitting & Dyeing Limited. Afrin is the 2nd daughter of Anjuman–Ara-Khanam, the present chairman; and Late Mahbubur Rahman, previous Managing Director of the Company. Though in her teen, Afrin is inherited a business culture from her family.

Md. Ehsanur Rahman, Director

Md. Ehsanur Rahman is one of the directors & CEO of Tung Hai Knitting & Dyeing Limited. He did his MBBS. He left the medical profession because he was very interested in business. After that he started his profession as a business man and maintaining it last 12 years. He joined Tung Hai Dying & Knitting Limited at the beginning of the company in 2004 and he is showing his significant work in those years. Company faces a lot of achievement only because of his contribution and this contribution gives motivation to the company employees.

Nasrin Shanu, Director

Nasrin Shanu was born in a renowned Muslim family in Manikgonj district. She is one of the directors of Tung Hai Knitting & Dyeing Limited. Currently she is Director of Minerva CNG Station Limited, Athenea Developers Limited and Shatak Developers Limited. She is doing her job effectively which makes massive changes in her involved organization.

Md. Zabidur Rahman

Md. Zabidur Rahman is a director of Tung Hai Knitting and Dyeing Limited. He was born in a reputed Muslim family of Gopalganj district and did his Masters of Accounting from Dhaka College. He has been working with Tung Hai Sweaters Ltd. since 1995. He has a vast experience of working with reputed companies such as Chueung Hing Sweaters Ltd. and Dragon Sweaters Ltd. Due to his knowledge and experience the company achieved lot of success.

Colonel Md. Neamul Islam Fatemi

Board of Directors of Tung Hai Knitting and Dyeing Ltd. has appointed Mr. Colonel Md. Neamul Islam Fatemi, Bir Protik, BGBM, afwc, psc (retd) is an independent director of Tung Hai Knitting and Dyeing Limited. He was born in a reputed muslim family of Lalmonirhat district in 1965. Mr. Fatemi got his Commission in the year 1984. He did his Masters of Business Administration (MBA) in 2007. Mr. Fatemi retired from his job in 2019. He also did Master in Defence Studies (MDS) from National University in 1998 and Master in Security Studies (MOSS) from Bangladesh University of Professionals (BUP). Mr. Fatemi played a vital role during his service. In this Annual General Meeting appointment of Mr. Fatemi will be placed before the shareholders for approval.

Chairman's Statement

Distinguished Shareholders

Assalamualaikum,
On behalf of the Board of Directors, I welcome you all and take immense pleasure and delight in addressing the 17th Annual General Meeting of the company. I also want to thank you the honourable shareholders for joining us to make the event successful.

The Company was grinding to a halt by September 2017, ultimately the factory was closed. The company has incurred some expenses. After meeting up all expenses including Corporate Income Tax the net loss for the year is Tk. (30.40) million and resultant, Earnings per Share (EPS) is Tk. (0.29).

Here, I present the Report of the Board of Directors, the Audited Statements of Financial Position, Statement of Comprehensive Income and other Financial Statements of the company for the year ended June 30, 2021.

Meanwhile, Bangladesh Securities and Exchange Commission (BSEC) has introduced mandatory Guidelines on Corporate Governance. The Board of Directors of the Company is committed to deliver good Governance and exercise best practices in all respects, for us, good governance is about managing the business effectively and responsibly and in a way which is honest, transparent, shows accountability and abiding by the laws of the land.

I on behalf of the Board would like to express my sincere thanks to the respected shareholders for the confidence respond on the Board of the company throughout the year. I am also grateful to the Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Registrar of Joint Stock Companies &Firms and Central Depository Bangladesh Limited, Banks and Financial Institutions and other stakeholder for their support and patronage extended to the company from time to time.

I embrace your support and seek your co-operation by all means for a brighter future for all.

Thanking you

Regards

(Anjuman-Ara-Khanam)
Chairman

Directors' Report

Dear Shareholders,

Assalamualaikum,
On behalf of the Board of Directors and on my own behalf I welcome you all to 17th Annual General Meeting. The Board of Directors is pleased to take the opportunity to present you the Audited Financial Statements of the Company for the ended June 30, 2021, Auditors' report and the Directors' Report thereon along with Company's performance and other matters in terms of Companies Act 1994, the guideline issued by Bangladesh Securities and Exchange Commission and Bangladesh Accounting Standards.

Background:
Tung Hai Knitting and Dyeing Limited (here in after referred to as "THKDL" or "the Company") was incorporated with the Registrar of Joint Stock Companies and Firms (RJSCF) on May 31, 2004 and has been converted in to a Public Limited Company on May 15, 2011 under the Companies Act, 1994.

Revenue:
No revenue earned during the financial year.
The operating financial results of the Company for the year 2021 as compared to previous year are summarized hereunder:

Particulars	30 June, 2021	30 June, 2020
Turnover	-	-
Gross Profit/(Loss)	(26,520,346)	(29,216,276)
Net Profit/(Loss) (BT)	(31,100,015)	(199,816,932)
Provision for Taxation	(697,270)	(287,561)
Net Profit/(Loss) (AT)	(30,402,745)	(199,529,371)
Earnings per Share (EPS) (Tk.)	(0.29)	(1.87)

Industry outlook and possible future developments in the industry:

The company is 100% deemed exporter, mainly engaged in the business of Dyeing, Knitting and Blenching of Yarn for use in the export of sweater and export oriented garments. The core strength of the knitwear sector is its backward linkage. The entrepreneurs of the sector not only increased their stitching capacity overtime but also invested in the allied industry to augment the overall capacity of the total sector with the same pace.

Segment Reporting:

The company operates in one segment, which is the business of Dyeing & Knitting of sweaters.

Risk and concerns:

Changes in the existing global or national policies can have either positive or negative impacts for the company. Any scarcity or price hike of raw materials due to change in policy in the international market might hamper the production and profitability.

Moreover, 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 economy in general.

Similarly, risks and concern of the industry depends on the upcoming Government policy as well. However, garments being the major foreign currency earner have always enjoyed special consideration from all the successive Governments and expectation is that it will continue in the future

A discussion on cost of goods sold

Particulars	30 June, 2021	30 June, 2020
Turnover	-	-
Gross Profit/(Loss)	(26,520,346)	(29,216,276)
Net Profit/(Loss) (BT)	(31,100,015)	(199,816,932)
Provision for Taxation	(697,270)	(287,561)
Net Profit/(Loss) (AT)	(30,402,745)	(199,529,371)
Earnings per Share (EPS) (Tk.)	(0.29)	(1.87)

Discussion on continuity of extra-ordinary gain or loss
There is no significant extra-ordinary gain or loss during the financial year.

Related party transactions
The company has no related party transaction which have been disclosed in related party transaction in note no. 26 of the financial statements.

Significant variance of financial statements
There have no sales, but incurring operating expenses during the year which resulting significant variance in operating result between quarterly and annually.

Compliance of Notification No BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018.

1.0 Board Size:
The number of members of the Board of Directors is 6.

2.0 Subsidiary Company
The company has no subsidiary company.

3.0 Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance
As per corporate governance of BSEC, the company has allocated the responsibilities as follows:

Company Secretary	: Md. Abu Irfan
Chief Financial Officer	: Imran Hossen
Head of Internal Audit and Compliance	: Md. Alimuzzaman

4.0 Board of Directors Committee
Independent directors have not appointed, hence as per Corporate Governance Code 2018, no Board of Directors Committee has formed.

5.0 Audit Committee
There is no Independent Directors in the Board; hence, Audit Committee has not formed.

6.0 Nomination and Remuneration Committee
There is no Independent Directors in the Board; hence, Nomination and Remuneration Committee has not formed.

7.0 External Statutory Auditors
The BSEC guidelines are being strictly followed in engaging statutory Auditors.

8.0 Maintaining website
The Company has been maintaining an official website www.tunghaiknittingdl.com which is linked with the website of the stock exchange.

9.0 Reporting and Compliance of Corporate Governance
Status of Compliance with the conditions imposed by the Commission's Notification No BSEC/CMRRC-D/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969.
Requirement of the above are being complied with and is shown as Annexure-B and C

Directors' Appointment and Re-Appointment

With regard to the appointment, retirement and re appointment of directors, the company is governed by its Articles of Association, the Companies Act, 1994 and other related legislations. Accordingly, the following Directors of the Board will retire and re-appointed as director at the annual general meeting:

1. Anjuman-Ara-Khanam
2. Afrin Mahbub
3. Colonel Md. Neamul Islam Fatemi

Name of Directors	Attendance
Anjuman-Ara-Khanam	6
Ms. Nafreen Mahbub	6
Mr. Md. Ehsanur Rahman	6
Ms. Afrin Mahbub	6
Mrs.Nasrin Shanu	6
Mr. Zabidur Rahman (Nominee Director of Tung Hai Sweaters Limited)	6

Director's remuneration:
Board of Director's didn't take any remuneration for the year ended June 30, 2021. (Note no. 21).

Directors Responsibilities for the Financial Statements:
In accordance with the Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018 the Directors are pleased to confirm the following:

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

i. Proper books and accounts of the company have been maintained.
ii. Appropriate accounting policies have been applied consistently in preparation of the financial statements and the accounting estimates are based on reason able and prudent judgment.
iii. The International Financial Reporting standards, as applicable in Bangladesh, have been followed in the preparation of the financial statements.
iv. During the year Significant deviation have been occurred from comparative year.
v. Minority shareholders have been protected from abusive actions by or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.
vi. No bonus shares or stock dividend has been or shall be declared as interim dividend.
vii. The pattern of shareholding is provided in Annexure-I of the annual report.
viii. Directors involved in other companies are shown as Annexure-II.
ix. A management's discussion and analysis signed by CEO or MD presenting detailed analysis of the company's position and operations provided in Annexure-III.

Internal Control:
The Board has ultimate responsibilities to establish the effective system of internal control. To ensure internal control regarding risk management, financial control and compliance legislation, the company already has a strong internal audit department to ensure internal control and compliance in place.

Going Concern:
While approving the financial statements, the directors have made appropriate enquiries and analysed financial statements. There is an indicator that company face a going concern issue to run its business efficiently in the foreseeable time period.

Dividend:
As company incurred net operating loss due to no sales have been made during this year, the Board of Directors has recommended no dividend for the existing shareholders for the year ended 30th June, 2021.

Annexure-B

Report to the Shareholders of Tung Hai Knitting and Dyeing Limited on Compliance on the Corporate Governance Code

Mujibur Rahman & Co.
Cost & Management Accountants

Report to the Shareholders of
Tung Hai Knitting and Dyeing Limited
on
Compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **Tung Hai Knitting and Dyeing Limited** for the year ended on June 30, 2021. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Dated: 3 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

We have conducted our audit in accordance with the Companies Act, 1994 and other relevant rules and regulations thereof, we report that, in our opinion:

(a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission except condition no: 1(2), 1(3), 1(7), 4, 5 and 6.

(b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;

(c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and

(d) The governance of the company is satisfactory.

For Mujibur Rahman & Co.

Mohammad Mujibur Rahman FCMA
Cost & Management Accountants

Dhaka
Date- December 09, 2021

Office:
Saj Bhaban Suite # C-30(15th floor),27, Bijoy Nagar, Dhaka-1000
Cell # 01716-635751,E-mail:mujibcma2005@yahoo.com, mujibfcma2005@gmail.com,Web: www.taxlabbd.com

Auditor's Qualified Opinion on Financial Statements;
Last Annual General Meeting of the Company held on 22.12.2016, there after though the production of the Company were running but it went downwards in the subsequent period due to a corrupt and treacherous syndicate sprang up within the Company. Also some sorts of trouble, including stirring up workers' insubordinations and about the same time the local garments industry as a whole began to suffer because of the global recession, orders became few and far between, and many orders were cancelled. With a hostile environment within the Company, directors became tired and gave up, CEO resigned, productions stopped and the Company was grinding to a halt by September 2017, ultimately the factory was closed sine die. No AGM was held from year 2017 till to date.

Auditor's Material Uncertainty Relating to Going Concern:
We draw attention to Note 3.03 in the financial statement, which indicates that the Company incurred a net loss of tk. 30,402,745/= during the year ended 30 June 2021. As stated in Note 3.03 the events or condition, along with other matters, indicate that material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Statutory Auditors:
M/s. Mahfel Huq & Co; Chartered Accountants, had been appointed for the year ended 30 June, 2017 in the 12th AGM. But the company couldn't hold/ arrange the Annual General Meeting (AGM) for the last 4 (four) years since 2017 to 2020. After getting the directive from the Honorable High Court Division of Supreme Court of Bangladesh (No. 22 of 2021 dt 28/09/2021) to complete the pending AGM of all the 4 years through audit the accounts by a single Auditors, Thereafter ARTISAN Chartered Accountants were appointed to complete the said audit vide appointment letter dated 11.11.2021.

As Honorable High Court directed to complete 4 years AGM within 8 weeks from the date of drawing up the Judgement and Order. On the other, the AGM for the year 2020-2021 is supposed to be hold within the calendar year 2021(i.e. 31.12.2021), hence all the AGM date have been fixed at the same date. That's why the Board of Directors have been appointed auditors for the year 2020-2021 on the same meeting and same auditors. In this AGM approval of appointment of Auditor will be place before the Shareholders.

The Board of directors has recommended & appointed of ARTISAN Chartered Accountants as auditor for the year 2021-2022 of the company as per Corporate Governance Code. Thereafter ARTISAN Chartered Accountants expressing their desire to work with the Company. In this regard the Board of Directors will be proposing the appointment of ARTISAN Chartered Accountants as the statutory Auditor for the year 2021-2022 subject to the approval of Shareholders in the 17thAGM of the company.

Professionals for Compliance of Corporate Governance Code:
The company couldn't hold/ arrange the Annual General Meeting (AGM) for the last 4 (four) years since 2017 to 2020. After getting the directive from the Honorable High Court Division of Supreme Court of Bangladesh (No. 22 of 2021 dt 28/09/2021) to complete the pending AGM of all the 4 years. After getting the directive from the Honorable High Court Division of Supreme Court of Bangladesh, the Board of directors has recommended & appointed M/s. Mujibur Rahman & Co. as compliance auditor for the year 2020-2021 of the company as per Corporate Governance Code. In this regard, the Board of Directors will be proposing the appointment of Mujibur Rahman & Co. as the compliance Auditor to the Shareholders in this AGM for approval.

The Board has appointed M/s. Mujibur Rahman & Co., Cost & Management Accountants, 17/19, Tajmahal Road (3rd Floor), Mohammadpur, Dhaka-1207 as professional for Report on Compliance Governance Code for the year 2021-2022 of the Company and will be placed in the 17th AGM for shareholder's approval and fixation of their fees.

Acknowledgment
I take this opportunity, on behalf of the Board of Directors, to express my heartfelt gratitude to all of our valued clients, shareholders and well-wishers home and aboard for their wholehearted co-operation and active support in discharging the responsibilities reposed on me and the Board during the year under review.

I also thank Registrar of Joint Stock Companies and Firms (RJSC), Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE), Government and private sector Organization and many others for their sincere support and whole hearted co-operation to our company.

I now appeal to the magnanimity of valued shareholders to kindly accept and approve the Auditors' Report, Annual Audited Accounts 2021 and Directors' Report.

Thanking you,
On behalf of the Board of Directors,



Anjuman-Ara-Khanam
Chairman

Annexure-I

Shareholding Pattern
Pattern of Shareholding as at 30 June 2021

Sl. No.	Name of Shareholders	Position	No. of Share Held	Percentage
a)	Share held by Parent/Subsidiary/Associated Company and other related parties	-	-	-
b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children			
	Anjuman-Ara-Khanam	Chairperson	5,068,387	5.23%
	Nafreen Mahbub	Managing Director	7,418,055	7.65%
	Afrin Mahbub	Director	2,129,600	2.20%
	Mr. Md. Ehsanur Rahman	Director	5,276,356	5.44%
	Mrs. Nasrin Shanu	Director	2,420,000	2.50%
	Mr. Zabidur Rahman (nominee Director of Tung Hai Sweaters Limited)	Director	6,812,300	7.02%
	Md. Abu Irfan	Company Secretary	Nil	-
	Imran Hossen	Chief Financial Officer	Nil	-
	Md. Alimuzzaman	Head of Internal Audit	Nil	-
c)	Executives	-	-	-
d)	Shareholders holding 10% or more voting right:	-	-	-

Annexure-II

DIRECTORS INVOLVED IN OTHER COMPANIES:

SL.	Name	Position in THKDL	Involvement	
			Name of company	Position
1	Anjuman-Ara-Khanam	Chairman	1. Tung Hai Sweaters Ltd. 2. N.N. sweater Limited 3. Agrani Sweaters Limited	1. MD 2. Chairman 3. MD
2	Nafreen Mahbub	Managing Director	Tung Hai Sweaters Ltd.	Chairman
3	Md. Ehsanur Rahman	Director	-	-
4	Afrrin Mahbub	Director	-	-
5	Nasrin Shanu	Director	1. Athenea Developers Ltd. 2. Minerva CNG Station Ltd. 3. Shatak Developers Ltd.	1. Director 2. Director 3. Director
6	Zabidur Rahman	Nominee Director (Tung Hai Sweaters Limited)	-	-

Annexure-III
Management Discussion and Analysis on Financial Position and Performance

The Company follows International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) along with local regulations applicable for preparation of financial statements. Detail description of accounting policies and estimation used for preparation of the financial statements of the Company are disclosed in the financial statements.

Accounting policy and estimation for preparing financial statements have been remained same as it was before. Hence, there is no effect in this regard.

Comparative analysis of financial performance or results has already been disclosed under director's report to the shareholders.

As far as risks are concerned Tung Hai Knitting and Dyeing Ltd. is exposed to foreign exchange risk, inflation risk. Foreign exchange risk is trade-off between export and import.

Nafreen Mahbub
Managing Director

Annexure-A

Managing Director & Chief Financial Officer's Declaration to the Board of Directors

The Board of Directors
Tung Hai Knitting and Dyeing Limited
Corporate Head Office, 30/2 Darus Salam Road,
Industrial Plot-2C/1-B, Mirpur-01, Dhaka-1216

Subject: Declaration on Financial Statements for the year ended 30 June, 2021.

Dear Sir,
Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRC-D/2006-158/207/Admin/80 Dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

(1) The Financial Statements of Tung Hai Knitting and Dyeing Limited for the year ended on June 30, 2021 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;

(2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;

(3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;

(4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;

(5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and

(6) The management's use of the going concerns basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.
In this regard, we also certify that: -

(i) We have reviewed the financial statements for the year ended on June 30, 2021 and that to the best of our knowledge and belief:

(a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(b) These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours

(Nafreen Mahbub)
Managing Director

(Imran Hossen)
Chief Financial Officer

Report to the Shareholders of Tung Hai Knitting and Dyeing Limited on Compliance on the Corporate Governance Code

Annexure-B

Mujibur Rahman & Co.
Cost & Management Accountants

Report to the Shareholders of
Tung Hai Knitting and Dyeing Limited
on
Compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **Tung Hai Knitting and Dyeing Limited** for the year ended on June 30, 2021. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Dated: 3 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

(a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission except condition no. 1 (2), 1 (3), 1 (7), 4, 5 and 6.

(b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;

(c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and

(d) The governance of the company is satisfactory.

For Mujibur Rahman & Co.

Mohammad Mujibur Rahman FCMA
Cost & Management Accountants

Place -Dhaka.
Date- December 09, 2021

Office:
Saj Bhaban Suite # C-30(15th floor),27, Bijoy Nagar, Dhaka-1000
Cell # 01716-635751,E-mail:mujibcma2005@yahoo.com, mujibfcma2005@gmail.com,Web: www.taxlabbd.com

Annexure-C
Tung Hai Knitting and Dyeing Limited
Status of Compliance with the Corporate Governance Code (CGC)
For the Year ended 30th June, 2021

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.0	**Board of Directors:**			
1(1)	Board's Size: The number of the board members of the company shall not be less than 5 (five) and more than 20 (twenty).	√		
1.2	**Independent Directors:**		√	The Board of Directors has been constituted without any Independent Director
1(2)(a)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.			
1(2) (b)	For the purpose of this clause "independent director" means a director-			
1(2) (b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;			
1(2) (b)(ii)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company:			
1(2) (b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years			
1(2) (b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies.			
1(2) (b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange			
1(2) (b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;			
1(2) (b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;			
1(2) (b)(viii)	who is not independent director in more than 5 (five) listed companies;			

1(2) (b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and			
1(2) (b)(x)	who has not been convicted for a criminal offence involving moral turpitude;			
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);			
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and			
1(2) (e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only: Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]: Provided further that the independent director shall not be subject to retirement by rotation as per the Companies Act, 1994.			
1.3	**Qualification of Independent director**			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;			
1(3)(b)	Independent director shall have following qualifications:			
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or			
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or			
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or			
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			

1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;			
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);			
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			
1.4	**Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.**			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			No such issue arose
1.5	**The Directors' Report to Shareholders**			
	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):			
1(5)(i)	An industry outlook and possible future developments in the industry;	√		
1(5) (ii)	The segment-wise or product-wise performance;	√		
1(5) (iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5) (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		
1(5) (v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	√		
1(5) (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			Proceed had already been Utilized.

1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;	√		
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements	√		
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	√		
1(5) (xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1(5) (xii)	A statement that proper books of account of the issuer company have been maintained;	√		
1(5) (xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		
1(5) (xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1(5) (xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress	√		
1(5) (xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		
1(5) (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	√		
1(5) (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1(5) (xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
1(5) (xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:			

1(5) (xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details).	√		
1(5) (xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details)	√		
1(5) (xxiii)(c)	Executives; and	√		
1(5) (xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		
1(5) (xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:			
1(5) (xxiv)(a)	A brief resume of the directors.	√		
1(5) (xxiv)(b)	Nature of his/her expertise in specific functional areas; and	√		
1(5) (xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
1(5) (xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5) (xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√		
1(5) (xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		
1(5) (xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5) (xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5) (xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	√		
1(5) (xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		
1(5) (xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5) (xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	√		
1(5) (xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	√		

1(6)	**Meetings of the Board of Directors**: The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code	√		
1.7	**Code of Conduct for the Chairperson, other Board members and Chief Executive Officer**			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;		√	
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.		√	
2.0	**Governance of Board of Directors of Subsidiary Company**			The Company have no Subsidiary.
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			N/A
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;			N/A
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;			N/A
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;			N/A
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			N/A
3.0	**Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)**			
3(1)	**Appointment**			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		

3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s)			No such incidence arose.
3(2)	**Requirement to attend Board of Directors' Meetings:**			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters	√		
3.3	**Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)**			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	√		
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4.0	**Board of Directors' Committee** For ensuring good governance in the company, the Board shall have at least following sub-committees:		√	There is no Independent Directors in the Board; hence, no Board of Directors Committee has formed.
4(i)	Audit Committee; and			
4(ii)	Nomination and Remuneration Committee.			
5.0	**Audit Committee**		√	There is no Independent Directors in the Board; hence, Audit Committee has not formed.

5 (1)	**Responsibility to the Board of Directors:**			
5 (1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;			
5 (1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;			
5 (1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.			
5 (2)	**Constitution of the Audit Committee:**			
5 (2)(a)	The Audit Committee shall be composed of at least 3 (three) members;			
5 (2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;			
5 (2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;			
5 (2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;			
5 (2)(e)	The company secretary shall act as the secretary of the Committee;			
5 (2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.			
5 (3)	**Chairperson of the Audit Committee:**			
5 (3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;			
5 (3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			

5 (3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):			
5 (4)	**Meeting of the Audit Committee:**			
5 (4) (a)	The Audit Committee shall conduct at least its four meetings in a financial year:			
5 (4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.			
5 (5)	**Role of Audit Committee:**			
5 (5)(a)	The Audit Committee shall: Oversee the financial reporting process;			
5 (5)(b)	Monitor choice of accounting policies and principles;			
5 (5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;			
5 (5)(d)	Oversee hiring and performance of external auditors;			
5 (5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;			
5 (5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;			
5 (5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;			
5 (5)(h)	Review the adequacy of internal audit function;			
5 (5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;			
5 (5)(j)	Review statement of all related party transactions submitted by the management;			
5 (5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;			
5 (5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and			

5 (5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.			
5.6	**Reporting of the Audit Committee**			
5 (6)(a)	**Reporting to the Board of Directors:**			
5 (6)(a)(i)	The Audit Committee shall report on its activities to the Board.			
5 (6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:			
5 (6)(a)(ii)(a)	Report on conflicts of interests;			
5 (6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements			
5 (6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			
5 (6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately			
5 (6)(b)	**Reporting to the Authorities:**			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			
5 (7)	Reporting to the Shareholders and General Investors:			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.			

6.0	**Nomination and Remuneration Committee (NRC).**		√	There is no Independent Directors in the Board, hence, no Nomination and remuneration Committee has formed.
6(1)	**Responsibility to the Board of Directors:**			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;			
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;			
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b)			
6(2)	**Constitution of the NRC:**			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;			
6(2)(b)	All members of the Committee shall be non-executive directors;			
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;			
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee			
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee			
6(2)(g)	The company secretary shall act as the secretary of the Committee;			
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;			
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.			
6(3)	**Chairperson of the NRC:**			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;			
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			

6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM			
6(4)	**Meeting of the NRC:**			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;			
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);			
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC			
6(5)	**Role of the NRC:**			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;			
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board;			
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;			
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and			
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;			
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;			
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;			

6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and			
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;			
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.			
7.0	**External or Statutory Auditors**			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7(1)(i)	appraisal or valuation services or fairness opinions;	√		
7(1)(ii)	Financial information systems design and implementation;	√		
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	Broker-dealer services;	√		
7(1)(v)	Actuarial services;	√		
7(1)(vi)	Internal audit services or special audit services;	√		
7(1)(vii)	Any service that the Audit Committee determines;	√		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7(1)(ix)	Any other service that creates conflict of interest.	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		

8.0	**Maintaining a website by the Company.**			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		
8(2)	The company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9.0	**Reporting and Compliance of Corporate Governance.**			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TUNG HAI KNITTING AND DYEING LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statement Tung Hai Knitting & Dyeing Ltd. ("the Company"), which Comprise the Statement of Financial Position as at 30th June, 2021 and the statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the Financial Statement, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30th June 2021, and of its financial performance and its Cash flows for the year then in accordance with international Financial Reporting Standards (IFRSs) and comply with the requirements of the Companies Act 1994 and other applicable Laws & Regulations.

Preface of the appointment of Auditors:

Tung Hai Knitting & Dyeing Limited couldn't hold/ arrange the Annual General Meeting (AGM) for the last 4 (four) years since 2017 to 2020. After getting the directive from the Honourable High Court Division of Supreme Court of Bangladesh (No. 22 of 2021 dt 28/09/2021) to complete the pending AGM of all the 4 years through audit the accounts by a single Auditors, Thereafter ARTISAN Chartered Accountants were appointed to complete the said audit vide appointment letter dated 11.11.2021.

As Honorable High Court directed to complete 4 years AGM within 8 weeks from the date of drawing up the Judgement and Order. On the other, the AGM for the year 2020-2021 is supposed to be hold within the calendar year 2021(i.e 31.12.2021), hence all the AGM date have been fixed at the same date. That's why the Board of Directors have been appointed auditors for the year 2020-2021 on the same meeting and same auditors.

Basis for Qualified Opinion

Last Annual General Meeting of the Company held on 22.12.2016, there after though the production of the Company were running but it went downwards in the subsequent period due to a corrupt and treacherous syndicate sprang up within the Company. Also some sorts of trouble, including stirring up workers insubordinations and about the same time the local garments industry as a whole began to suffer because of the global recession, orders became few and far between, and many orders were cancelled. With a hostile environment within the Company, directors became tired and gave up, CEO resigned, productions stopped and the Company was grinding to a halt by September 2017, ultimately the factory was closed sine die. No AGM was held from year 2017 till to date.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and

we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Relating to Going Concern:

We draw attention to Note 3.03 in the financial statement, which indicates that the Company incurred a net loss of tk. 30,402,745/= during the year ended 30 June 2021. As stated in Note 3.03 the events or condition, along with other matters, indicate that material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Description of key audit matters	Our response to key audit matters
Valuation of Property, Plant and Equipment (PPE)	
The carrying value of the PPE amounted to Tk. 488,465,093 as at 30th June 2021. The valuation of PPE was identified as a key audit matter due to the significance of this balance to the financial statements. Expenditures are capitalized if they create new or enhance the existing assets, and expensed if they relate to repair or maintenance of the assets. Classification of expenditures involves judgment. The useful lives of PPE items are based on management's estimates regarding the period during which the asset or its significant components will be used. The estimates are based on historical experience and market practice and take into consideration the physical condition of the assets.	Our audit included the following procedures: • We reviewed the opening balances of PPE which was audited by another auditors including assessed the addition during the year under our audit, checked the related accounting treatment and associated deferred tax as recognized by the company. • We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent; • We could not evidence whether the useful lives determined and applied by the management were in line with historical experience and the market price; ***[See note number 4.00 for details]***
Impairment of Property, Plant and Equipment	
The economic climate and levels of competition remain challenging for the Company. The Company has completed a Strategic Review and as a result has decided to close or curtail some of its operations. There is therefore a risk that the impairment charge may be misstated. Determining the level of impairment involves forecasting and discounting future cash flows and estimation of recoverable amounts which are inherently uncertain. This is one of the key judgmental areas that our audit has concentrated on.	Our audit procedures including, among others, considering the impairment risk associated with the following different types of asset: • Assets within shops which continue to trade - we critically assessed and challenged the Company's impairment model. The included consideration of the discounted cash flow forecasts on a shop by shop basis and assessing the cash flow forecasts against the historical performance of those shops and against similar national retailers. We also recalculated the impairment model of assess the sensitivity of the key assumptions including growth rate and discount rate; • Due to shut down the factory production, the plant and machinery would develop some roasting and would get less production, capacity wouldn't remain as usual. So, impairment should be taken place. • We critically challenged the Company's assumptions in relation to recoverable amounts with reference to external third party valuations obtained by the Company. We considered the qualifications independence of the values and the movements in the market values of the property in relevant locations; and • We have also considered the adequacy of the Company's disclosures about the degree of estimation involved in the determining the amount of impairment and the sensitivity to key assumptions involved.

Valuation of Inventory	
The Company had inventory of Tk. 98,031,046 at 30th June 2021 which includes Finished Goods, Raw Materials, and Work in Process. Inventory value is measured as follows: Inventories are stated at the lower of cost and net realizable value in accordance with IAS-2 'Inventories'. As result, the management applies judgment in determining the appropriate values for value in use, work-in-progress, values for slow moving or obsolete items and need to apply impairment provision. While excess holding of inventories could impact level of inventories can result in stock outs or irregular supply to the market.	We verified the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by: • We evaluated the design and implementation of key inventory controls operating across the company's factory and warehouse; • We challenged the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow-moving/obsolete stock are valid and complete. • We reviewed the historical accuracy of inventory provisioning and the level of inventory during the year; • We attended inventory counts and reconciling the count results to the inventory listing to test the completeness of data; • We compared the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete; • We discussed with management about their sales forecasting procedures and ordering of inventories, and inquired about remedial action taken in case of excess or shortage of inventories due to difference in forecast and actual results. ***[See note number 6.00 for details]***
Measurement of Deferred Tax Liability	
The Company reported net deferred tax liability to totaling Tk. as at 41,350,612. Significant judgment is required in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years.	• We obtained an understanding, evaluated the design and tested the operational effectiveness of the company over the recognition and measurement and the assumptions used in estimating the future taxable income. • We also assessed the completeness and accuracy of the data used for the estimations of future taxable income. • We involved our tax expertise to assess key assumptions, controls, recognition and measurement of Taxes. • Finally, assessed the appropriateness and presentation of disclosure against IAS 12 Income Tax. ***[See note number 14.00 for details]***

Other information
Management is responsible to disclose other information. The other information comprises of all the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit in accordance with International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

  If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the company's financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

We have not come across any other key audit issue for the year under audit, and as such nothing is reportable.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, we also report that:

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

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

c) The financial statements and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;

d) The expenditures incurred were for the purpose of the Company's business for the year;



AFM Alamgir, FCA
Chief Executive Partner
ARTISAN
Chartered Accountants

Place: Dhaka
Date: 08.12.2021

TUNG HAI KNITTING AND DYEING LTD.

Statement of Financial Position

As at 30th June, 2021

Particulars	Notes	Amount in Taka	
		30.06.2021	30.06.2020
A NON-CURRENT ASSETS		**538,465,093**	**567,932,144**
Property, Plant & Equipment	**4**	488,465,093	517,932,144
Investment in Shares	**5**	50,000,000	50,000,000
B CURRENT ASSETS		**129,481,514**	**129,481,514**
Inventories	**6**	98,031,046	98,031,046
Accounts Receivable	**7**	-	-
Advances, Deposits & Pre-Payments	**8**	29,111,611	29,111,611
Cash & Cash Equivalents	**9**	2,338,857	2,338,857
C TOTAL ASSETS (A+B)		**667,946,607**	**697,413,658**
D SHAREHOLDERS' EQUITY		**(613,929,135)**	**(583,526,390)**
Share capital	**10**	1,066,530,300	1,066,530,300
Revaluation Reserve	**11**	25,983,413	25,983,413
Retained Earnings	**12**	(1,706,442,848)	(1,676,040,103)
E NON-CURRENT LIABILITIES		**572,581,605**	**573,278,875**
Long Term Bank Loans	**13**	531,230,993	531,230,993
Deferred Tax Liability	**14**	41,350,612	42,047,882
F CURRENT LIABILITIES & PROVISIONS		**709,294,137**	**707,661,173**
Accounts Payable	**15**	2,808,726	2,813,264
Current portion of Long Term Loans	**13**	201,602,585	201,602,585
Short Term Bank Loan	**16**	441,414,162	441,414,162
Un Paid IPO Subscription	**17**	1,795,000	1,795,000
Provision for Taxation	**18**	55,762,842	55,762,842
Accrued Expenses	**19**	5,910,822	4,273,320
G LIABILITIES & SAHREHOLDERS' EQUITY (D+E+F)		**667,946,607**	**697,413,658**
H Net Asset Value Per Share (NAVPS)	**28**	**(5.76)**	**(5.47)**

The accounting policies and explanatory notes form an integral part of the Financial Statements.

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

AFM Alamgir, FCA
Chief Executive Partner
ARTISAN
Chartered Accountants
DVC: 2112130268AS205169

Place: Dhaka
Date: 08.12.2021

TUNG HAI KNITTING AND DYEING LTD.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30th June, 2021

Sl.	Particulars	Notes	Amount in Taka	
			01.07.2020 To 30.06.2021	01.07.2019 To 30.06.2020
A	**Turnover**		-	-
B	**Factory Overhead**	**20.00**	26,520,346	29,216,276
C	**Gross Profit/(Loss) (A-B)**		**(26,520,346)**	**(29,216,276)**
D	**Operating Expenses:**		4,579,669	19,114,942
	Office & Administrative Expenses	**21**	4,579,669	19,114,942
	Selling & Distribution Expenses	**22**	-	-
E	**Operating Profit/(Loss) (C-D)**		**(31,100,015)**	**(48,331,218)**
F	Financial Expenses	**23**	-	151,485,714
G	**Other Income/(Loss)**	**24**	-	-
H	**Net Profit Before Tax (E-F +G)**		**(31,100,015)**	**(199,816,932)**
I	**Provision for Taxation:**	**25**	**(697,270)**	**(287,561)**
	Current Tax		-	-
	Deferred Tax		(697,270)	(287,561)
J	**Net Profit After Tax transferred to Statement of Changes in Equity (H-I)**		**(30,402,745)**	**(199,529,371)**
K	Basic Earning Per Share	**27**	(0.29)	(1.87)
L	Restated Earning Per Share	**27**	(0.29)	(1.87)

The accounting policies and explanatory notes form an integral part of the Financial Statements.

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

Place: Dhaka
Date: 08.12.2021

AFM Alamgir, FCA
Chief Executive Partner
ARTISAN
Chartered Accountants
DVC: 2112130268AS205169

TUNG HAI KNITTING AND DYEING LTD.

Statement of Changes in Equity
For the year ended June 30, 2021

(Amount in Taka)

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total
Balance at July 01, 2020	**1,066,530,300**	**25,983,413**	**(1,676,040,103)**	**(583,526,390)**
Net Profit for the year ended	-	-	(30,402,745)	(30,402,745)
Balance at June 30, 2021	**1,066,530,300**	**25,983,413**	**(1,706,442,848)**	**(613,929,135)**

Statement of Changes in Equity
For the year ended June 30, 2020

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total
Balance at July 01, 2019	**1,066,530,300**	**25,983,413**	**(1,476,510,732)**	**(383,997,019)**
Net Profit for the year ended	-	-	(199,529,371)	(199,529,371)
Balance at June 30, 2020	**1,066,530,300**	**25,983,413**	**(1,676,040,103)**	**(583,526,390)**

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

Place: Dhaka
Date: 08.12.2021

AFM Alamgir, FCA
Chief Executive Partner
ARTISAN
Chartered Accountants
DVC: 2112130268AS205169

TUNG HAI KNITTING AND DYEING LTD.

TUNG HAI KNITTING AND DYEING LTD.

Statement of Cash Flows

For the year ended 30th June, 2021

Particulars	Amount in Taka	
	01.07.2020 To 30.06.2021	01.07.2019 To 30.06.2020
A. CASH FLOWS FROM OPERATING ACTIVITIES:	**-**	**32,937,752**
Collection from Turnover & Other Income	-	28,907,442
Payment to Creditors, Suppliers, Employees & Others	-	4,030,310
Cash Generated from Operation	-	32,937,752
Income Tax	-	-
B. CASH FLOWS FROM INVESTING ACTIVITIES:	**-**	**-**
Acquisition of Fixed Assets	-	-
Capital Work-in-Progress	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES:	**-**	**(32,902,701)**
Financial Expenses	-	(151,485,714)
Uncollected IPO Subscription	-	-
Increase/(Decrease) in Short Term Bank Loan	-	103,662,454
Increase/(Decrease) in Long Term Bank Loan	-	14,920,559
D. Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	**-**	**35,051**
E. Cash & Cash equivalents at the beginning of the year	**2,338,857**	**2,303,805**
F. Cash & Cash Equivalents at the end of the year (D+E)	**2,338,857**	**2,338,857**
Net Operating Cash Flow Per Share	**-**	**0.31**

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

Place: Dhaka
Date: 08.12.2021

AFM Alamgir, FCA
Chief Executive Partner
ARTISAN
Chartered Accountants
DVC: 2112130268AS205169

TUNG HAI KNITTING AND DYEING LTD.

Accounting Policies and Explanatory Notes

For the year ended June 30, 2021

1.00 Corporate History of the Reporting Entity

Tung Hai Knitting and Dyeing Ltd. (The Company) was incorporated in Bangladesh as a Private Limited Company under The Companies Act, 1994 vide Registration No. C-5295(3246)/2004 dated on 31 May, 2004. The Company was converted into a public limited company vide EGM dated on May 15, 2011. The Company was listed with Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. on August 18, 2014 and July 22, 2014 respectively.

The registered office of the Company is located at 2C/1-B, Darus Salam Road, Mirpur, Dhaka-1216 and the factory is located at BKSP, Shibrampur, Gazipur.

2.00 Corporate Business

Tung Hai Knitting & Dyeing Ltd. is a 100% export oriented composite sweater industries to carry out business of dyeing of yarn, knitting of various types of sweaters.

3.00 IAS of preparation and significant accounting policies

3.01 IAS of Measurement of Elements of Financial Position

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

3.02 Statement on Compliance of Bangladesh Accounting Standards

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

The following standards are applied:

The following Standards are applied to the financial statements for the year under review:

Name of the accounting standards	Ref. No.	Status of Application
Presentation of Financial Statements	IAS 1	Applied
Inventories	IAS 2	Applied
Statement of Cash Flows	IAS 7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors.	IAS 8	Applied
Events after the Reporting Period	IAS 10	Applied
Income Taxes	IAS 12	Applied
Property, Plant and Equipment	IAS 16	Applied
Leases	IAS 17	Applied
The Effects of Changes in Foreign Exchange Rates	IAS 21	Applied
Borrowing Cost	IAS 23	Applied
Related Party Disclosures	IAS 24	Applied
Financial Instruments : Presentation	IAS 32	Applied
Earnings Per Share	IAS 33	Applied
Interim Financial Reporting	IAS 34	Applied
Impairment of Assets	IAS 36	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS 37	Applied
Financial Instruments : Recognition and Measurement	IAS 39	Applied
Investment Property	IAS 40	Applied

The following IFRS is applicable to the financial statements for the period under review;

First-time adoption of Bangladesh Financial Reporting Standards	IFRS 1	Applied
Financial Instruments : Disclosures	IFRS 7	Applied

3.03 Going Concern/Significant Deviation

As per IAS-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 reported Earnings Per Share (EPS) of the Company for the year under audit falls to (1.87), though it was (3.11) for the year 2018-2019. This is significant deviation in the over all financial performance of the Compnay. The Copmany shut down from previous year, which has no any good news during the foreseeable future.

3.04 Accrual IAS

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

3.05 Structure, Content and Presentation of Financial Position

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

i) Statement of Financial Position as at June 30, 2021.

ii) Statement of Profit or Loss and Other Comprehensive Income from July 01, 2020 to June 30, 2021.

iii) Statement of Changes in Equity from July 01, 2020 to June 30, 2021.

iv) Statement of Cash Flows from July 01, 2020 to June 30, 2021.

v) Notes comprising a summary of significant accounting policies and other explanatory information to the financial Statements from July 01, 2020 to June 30, 2021.

3.06 Reporting Period

The period of the financial statements covers from July 01, 2020 to June 30, 2021.

3.07 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported value of assets, liabilities, income and expenses . The estimates and associated assumptions are IAS on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the IASis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. However, the estimates and underlying assumptions are revised when there is material impact on the financial results of the company.

Due to the inherent uncertainty involved in making estimates, actual result could differ from those estimates.

3.08 Regulatory Compliance

The financial Statements have been prepared in compliance with the following laws and regulations;

The Companies Act, 1994

The Bangladesh Securities and Exchange Rule 1987

The Bangladesh Securities and Exchange Commission Act 1993.

The Income Tax Ordinance, 1984

The Income Tax Rules, 1984

The Value Added Tax (VAT) Act, 1991

The Custom Act 1969

3.09 Events after the reporting period

In compliance with the requirements of IAS 10: Events After the Reporting Period, post statement of financial position events that provide additional information about the Company's position at the reporting date are reflected in the financial statements and events after the reporting date that are not adjusting events are disclosed in the notes when material.

3.10 Inventories

Inventories comprises of Raw materials, Work-in-Process, Finished goods and Stores & Spares. Inventories are valued at lower of cost and net realizable value under the convention of IAS-2.

3.11 Revenue

During the year the production and as well as other activities of the Company was totally closed. Even there was no pending L/C for export. So, no revenue was made during the year 2019-2020.

3.12 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 IAS 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. The land and land developments with an effect as on December 31, 2010 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 equipments 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 Profit or Loss and Other Comprehensive Income as "Repair & Maintenance" when it is incurred.

Depreciation on Fixed Assets

Depreciation is provided to amortize the cost or valuation of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of IAS 16: Property, Plant and Equipment. Depreciation of an asset begins when it is available for use as per management intention. Depreciation is charged on all fixed assets except land and land developments on reducing balance method. Rates of depreciation is noted below:

Particulars	30.06.2021
Land & Land Development	-
Building	5%
Furniture & fixture	10%
Office Equipment	10%
Machinery	10%
Electric Equipment & Installation	10%
Laboratory Equipment	10%
Generator	15%
Gas Line Installation	8%
Tube well	10%
ETP	10%
Fan	10%
Tools & Accessories	15%
Exhaust Fan	10%
Vehicle	20%

The gain or loss on disposal or retirement of assets is included Statement of Profit or Loss and Other Comprehensive Income when the item is disposed off/derecognized.

The fair value of the property, plant and equipment on 30.06.2021 is not materially differing with the carrying amount is expected.

3.13 Revaluation Reserve

In 2010, land under the ownership of the Company was professionally revalued by ATA KHAN & Co, Chartered Accountants. Fair market value was estimated at Tk. 92,400,000 as against net book value of Tk. 61,831,279 resulting in a revaluation surplus of Taka 30,568,721 which was accounted for and transferred to revaluation reserve.

3.14 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 (IAS)-7: "Statement of Cash Flows"

3.15 Earnings Per Share

The company calculates Earnings Per Share (EPS) in accordance with the requirement of IAS – 33: "Earning Per Share", which has been shown on the face of the Statement of Profit or Loss and Other Comprehensive Income and the computation, is shown in "Note - 28".

IAS earnings

This represents earnings from July 01, 2020 to June 30, 2021. attributable to the ordinary shareholders.

IAS earning per share

This has been calculated by dividing the IAS earning by the number of ordinary shares outstanding for the year.

3.16 Foreign Currency Transactions

During the year no transaction was made through foreign currency. However there is a bank account of FC which coming since past few years.

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

i) Foreign currency monetary items are translated using the closing rate.

ii) 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.

iii) 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.

3.17 Impairment of Assets

All assets, except inventory 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.

3.18 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.

3.19 Functional and Presentational (Reporting) Currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), Which is the companies' functional currency. All financial information presented have been rounded off to the nearest Taka except where indicated otherwise.

Figures in brackets indicated deductions.

3.20 Provisions

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

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

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

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

3.21 Accruals & Deferrals

Accruals and Deferrals have been made as per the guidance in IAS 1 Presentation of Financial Statements. In order to meet their objectives, Financial Statements, except for cash flow statement and related information, are prepared on accrual IASis of accounting. Under the IASis, 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 period to which they relate.

3.22 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 Profit or Loss and Other Comprehensive Income.

3.23 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.

3.24 Related Party Disclosures

The Company in normal course of business carried out a number of transactions with other entities and Directors that fall within the definition of related party contained in Bangladesh Accounting Standard 24: Related Party Disclosures. The disclosure relating to related parties have been shown in note # 27.

3.25 Income Tax

Current Tax

During the year no provision was made as no revenue was there, rather then were a few expenses.

Deferred Tax

Deferred Tax has been recognized in the accounts in accordance with the requirement of IAS-12 "Income Taxes". The company has introduced deferred tax on revaluation during the year.

3.26 Employee Benefit Plan

The company has accounted for and disclosed employee benefits in compliance with the provisions of IAS 19: Employee Benefits.

The cost of employee benefit is charged off as revenue expenditure in the period to which the contributions relate.

The company provides short-term employee benefits which include salaries, bonuses etc. Obligations for such benefits are measured on an undiscounted IASis and are expensed as the related service is provided.

3.27 Contingent Assets and Contingent 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.

A contingent assets is disclosed as per IAS 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.

		Amount in Taka	
4.00	**Property, Plant & Equipment: Tk. 488,465,093**	**30.06.2021**	**30.06.2020**
	A. Cost		
	Opening balance	942,875,929	942,875,929
		942,875,929	**942,875,929**
	B. Accumulated Depreciation		
	Opening balance	424,943,785	392,959,602
	Add: Charged during the year	29,467,052	31,984,183
		454,410,836	424,943,785
	Written Down Value (A - B)	**488,465,093**	**517,932,144**

The details has been shown in Annexure: A

5.00 Investment in Shares: Tk. 5,00,00,000

This represnts the amount invested in 10,00,000 shares @ Tk. 10/- each in the placement shares of GMG Airlines Limited at a premium of Tk. 40 per share. GMG Airlines Limited declared a bonus dividend of 10% on its share capital for the year ended June 30, 2010 for which the company received additional 1,00,000 shares of Tk. 10/- each making total number of shares at 11,00,000. The above share not quoted yet as such market value of shares is difficult to ascertain. Therefor provision for unrealized gain or loss could not be made in the accounts.

6.00 Inventory : Tk. 98,031,046

The break-up of the amount is given below:

W.I.P	9,393,429	9,393,429
Yarn	62,752,451	72,752,451
Dyes & Chemicals	12,781,273	12,781,273
Spares & Parts	2,413,753	2,413,753
Finished Goods	10,690,140	15,398,568
Total	**98,031,046**	**112,739,474**
Write-off Inventory	-	14,708,428
Total	**98,031,046**	**98,031,046**

7.00 Accounts Receivable: Tk. 0

This consists of the following:

Dues within three months	-	-
Dues over three months but within six months	-	-
Dues over six months	-	-
	-	**-**

8.00 Advances, Deposits & Pre-Payments: Tk. 29,111,611

The break-up of the amount is given below:

Advances:	**23,904,701**	**23,904,701**
Advance Tax Deduction at Source	23,904,701	23,904,701
Deposits:	**5,206,910**	**5,206,910**
REB	1,171,560	1,171,560
Security Deposits-CDBL	500,000	500,000
Titas Gas Transmission & Distribution Co. Ltd.	3,535,350	3,535,350
Total	**29,111,611**	**29,111,611**

		Amount in Taka	
		30.06.2021	30.06.2020
9.00	**Cash & Cash Equivalents: Tk. 2,338,857**		
	The break-up of the amount is given below:		
	Cash in Hand	-	-
	Cash at Banks (Note- 9.01)	2,338,857	2,338,857
	Total	**2,338,857**	**2,338,857**
9.01	**Cash at Bank : Tk. 2,338,857**		
	The break-up of the amount is given below:		
	Bank Name		
	Southeast Bank C/D A/C # 345	18,115	18,115
	Southeast Bank - A/C # 1320	150	150
	Southeast Bank - A/C # 0023	15,632	15,632
	Southeast Bank - A/C # 635	1,764,716	1,764,716
	Southeast Bank - A/C # 0189-USD	273,312	273,312
	Southeast Bank - A/C # 0001 Pound	4537	4,537
	Southeast Bank - A/C # 0002 EURO	4204	4,204
	Southeast Bank - A/C # 131-2098	258,191	258,191
	Total	**2,338,857**	**2,338,857**
10.00	**Share Capital : Tk. 1,000,000,000**		
10.01	**Authorised Capital :**		
	100,000,000 ordinary shares of tk. 10/- each	1,000,000,000	1,000,000,000
10.02	**Issued, Subscribed, Called-up & Paid-up Capital : Tk. 969,573,000**		
	106,653,030 ordinary shares of tk. 10/- each	1,066,530,300	1,066,530,300
		1,066,530,300	**1,066,530,300**
10.03	**The Shareholding position of the Company is given below:**		
		No. of Shares	**No. of Shares**
	Director & Sponsors	29124698	29124698
	General Public	77528332	77528332
		106653030	**106653030**
11.00	**Revaluation Reserve: Tk. 25,983,413**		
	This has been arrived as under;		
	Opening balance	25,983,413	25,983,413
	Closing balance	**25,983,413**	**25,983,413**
12.00	**Retained Earnings : Tk. -1,706,442,848**		
	This has been arrived as under;		
	Opening balance	(1,676,040,103)	(1,476,510,732)
	Add: Net profit (Loss) for the year	(30,402,745)	(199,529,371)
	Closing balance	**(1,706,442,848)**	**(1,676,040,103)**

		Amount in Taka	
		30.06.2021	30.06.2020
13.00	**Long Term Loan (Secured): Tk. 531,230,993**		
	The break-up of the amount is given below:		
	Southeast Bank Ltd. - A/C # 081	23,948,294	23,948,294
	Southeast Bank Ltd.- A/C # 085	46,030,775	46,030,775
	Southeast Bank Ltd.- A/C # 090	30,235,848	30,235,848
	Southeast Bank Ltd.- A/C # 091	21,172,976	21,172,976
	Southeast Bank Ltd.- A/C # 106	58,560,147	58,560,147
	Southeast Bank Ltd.- A/C # 108	17,029,103	17,029,103
	Southeast Bank Ltd.- A/C # 120	61,878,128	61,878,128
	Southeast Bank Ltd.- A/C # 133	473,978,307	473,978,307
		732,833,578	**732,833,578**
	Less: Current portion of Long Term Loan transferred to Current Liability	201,602,585	201,602,585
	Total	**531,230,993**	**531,230,993**
	The above loan is secured against the Non-Current assets.		
14.00	**Deferred Tax liabilities : Tk. 41,350,612**		
	Deferred Tax liabilities		
	This has been arrived as under;		
	Opening balance	42,047,882	42,335,443
	Add/(Less): Deferred Tax Expenses/(Income) recognized in Statement of Profit or Loss and other comprehensive income	(697,270)	(287,561)
	Closing balance	**41,350,612**	**42,047,882**
15.00	**Accounts Payable: Tk. 2,808,726**		
	The break-up of the amount is given below:		
	Trade Creditors	2,808,726	2,813,264
	Total	**2,808,726**	**2,813,264**
16.00	**Short Term Loan : Tk. 441,414,162**		
	The break-up of the amount is given below:		
	Southeast Bank Ltd. -OD	249,698,104	249,698,104
	Southeast Bank Ltd. -Time Loan	188,501,251	188,501,251
	Southeast Bank Ltd. -Forced Loan	3,214,807	3,214,807
	Total	**441,414,162**	**441,414,162**
17.00	**Unpaid IPO Subscription : Tk. 1,795,000**		
	This represent the amount payable against refund warrant issued for Initial Public Offering liability as follows:		
	Bank Name		
	Southeast Bank Ltd.- A/C # 635 BDT	1,545,000	1,545,000
	South East Bank Ltd.- A/C # 189 USD	250,000	250,000
	Total	**1,795,000**	**1,795,000**

	Amount in Taka	
	30.06.2021	30.06.2020
18.00 Provision for Taxation: Tk. 55,762,842		
The break-up of the amount is given below:		
Opening balance	55,762,842	55,762,842
Current year provision	-	-
Closing balance	**55,762,842**	**55,762,842**
19.00 Accrued expenses: Tk. 26,498,226		
The break-up of the amount is given below:		
Salary & Wages	3,562,220	2,432,085
Legal & License Fees	1,055,591	720,724
Audit Fees	862,500	690,000
Office Rent	-	-
Gas Bill	167,639	167,639
Electricity Bill	262,872	262,872
Total	**5,910,822**	**4,273,320**
20.00 Factory Overhead: Tk. 26,520,346		
The break-up of the amount is given below:		
Wages	-	-
Electricity Bill	-	262,872
Gas Bill	-	167,639
Electrical Goods	-	-
Labour Bill	-	-
Night Bill	-	-
Fooding Expenses	-	-
Production Incentive	-	-
Accessories	-	-
Spare part	-	-
Insurance Premium	-	-
Loading, Unloading & Carrying	-	-
Subcontract Bill	-	-
Fuel & Lubricants	-	-
Repair & Maintenance	-	-
Depreciation	26,520,346	28,785,765
Other Expenses	-	-
Total	**26,520,346**	**29,216,276**

		Amount in Taka	
		30.06.2021	30.06.2020
21.00	**Office & Administrative Expenses: Tk. 4,579,669**		
	The break-up of the amount is given below:		
	Salary & Allowance	404,872	314,872
	Directors Remuneration	-	-
	Telephone Bill	-	-
	Travelling & Conveyance	-	-
	Office Rent	-	-
	Printing & Stationery	-	-
	Audit Fees	172,500	172,500
	Entertainment	-	-
	Vehicle Maintenance	-	-
	Fuel	-	-
	Legal & License Fees	1,055,591	720,724
	Depreciation	2,946,706	3,198,418
	Loss on Inventory	-	14,708,428
	Other Expenses	-	-
	Total	**4,579,669**	**19,114,942**
22.00	**Selling & Distribution Expenses: Tk. 0**		
	The break-up of the amount is given below:		
	Salary & Allowance	-	-
	Travelling & Conveyance	-	-
	Printing & Stationery	-	-
	Entertainment	-	-
	Air Freight Charges	-	-
	Postage & Courier	-	-
	Sample Expenses	-	-
	Advertisement	-	-
	Total	**-**	**-**
23.00	**Financial Expenses: Tk. 0**		
	The break-up of the amount is given below:		
	Bank Charges & Commission	-	214,622
	Interest on Loan Liability	-	151,271,092
		-	**151,485,714**
24.00	**Other Income/(Losses): Tk. 0**		
	The break-up of the amount is given below:		
	Wastage Sales	-	-
	Total	**-**	**-**
25.00	**Provision for Income Tax: Tk. -697,270**		
	Current Tax	-	-
	Deferred Tax	(697,270)	(287,561)
	Total	**(697,270)**	**(287,561)**

	Amount in Taka	
	30.06.2021	30.06.2020

26.00 Related party disclosures

The Company has entered into transactions with other entities that fall within the definition of related party as contained in IAS-24 "Related Party Disclosures" The Company opines that terms of related transaction do not significantly differ from those that could have been obtained from third parties . Total transactions of the significant related parties as at 30.06.2021 are as follows:

Name of Related Party	Relationship	30.06.2021	30.06.2020
Tung Hai Sweater Ltd.	Common Management	-	-

a) Key Management Personnel:

As per Company Act , 1994 part-II , Schedule-XI (4) The profit and loss account will give by way of a note detailed information , showing separately the following payments provided or made during the financial year to the directors , including managing director , the managing agents or manager , if any ,by the company , subsidiaries of the company and any other person:-

No.	Particulars	2021
(a)	Managerial Remuneration paid or payable during the period to the directors, including managing directors, a managing agent or manager	-
(b)	Expenses reimbursed to Managing Agent	
(c)	Commission or Remuneration payable separately to a managing agent or his associate	
(d)	Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company	
(e)	The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial period.	
(f)	Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	
(g)	Other allowances and commission including guarantee commission	
(h)	Pensions etc.	
	(i) Pensions	
	(ii) Gratuities	
	(iii) Payments from a provident funds, in excess of own subscription and interest thereon	
(i)	Share Based payments	

As per IAS- 24:

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

(a) Short-term employee benefits	-	8,353,204
(b) Post-employee benefits	-	-
(c) Other long term benefits	-	-
(d) termination benefits and	-	-
(e) share- based payment	-	-
	-	**8,353,204**

		Amount in Taka	
		30.06.2021	30.06.2020
27.00	**Calculation of Earnings Per Shares:**		
	Basic Earning Per Share:		
	Net Profit After Tax:	(30,402,745)	(199,529,371)
	Number of Ordinary Shares outstanding during the year	106,653,030	106,653,030
		(0.29)	**(1.87)**
	Weighted Average Number of Shares		
	106,653,030 Shares for 365 Days	106,653,030	106,653,030
		106,653,030	**106,653,030**
	Restated Earning Per Shares :		
	Net Profit After Tax:	(30,402,745)	(199,529,371)
	Number of Ordinary Shares outstanding during the year	106,653,030	106,653,030
		(0.29)	**(1.87)**
	Weighted Average Number of Shares		
	106,653,030 Shares for 365 Days	106,653,030	106,653,030

*Previous year's EPS has been adjusted as per the requirement of IAS-33 "Earning per share".

28.00	**Net Asset Value (NAV) Per Shares**		
	Net Asset Value	(613,929,135)	(583,526,390)
	Number of Shares	106,653,030	106,653,030
	Net Asset Value Per Shares	**(5.76)**	**(5.47)**

TUNG HAI KNITTING AND DYEING LTD.

Schedule of Property, Plant & Equipments

As at 30.06.2021

Annexure: A

Particulars	Cost/Revaluation			Rate of Dep.	Depreciation			Written down value as on 30.06.2021
	Balance as on 01.07.2020	Addition during of the year	Balance as on 30.06.2021		Balance as on 01.07.2020	Charged during of the year	Balance as on 30.06.2021	
Land & Land Development	61,831,279	-	61,831,279	-	-	-	-	61,831,279
Building	483,446,678	-	483,446,678	5%	220,975,989	13,123,534	234,099,523	249,347,155
Furniture & fixture	3,855,597	-	3,855,597	10%	2,220,339	163,526	2,383,865	1,471,732
Office Equipment	3,383,347	-	3,383,347	10%	1,820,025	156,332	1,976,358	1,406,989
Plant & Machinery	322,447,566	-	322,447,566	10%	172,168,058	15,027,951	187,196,009	135,251,557
Electric Equipment & Installation	17,199,772	-	17,199,772	10%	12,166,852	503,292	12,670,144	4,529,628
Laboratory Equipment	3,089,884	-	3,089,884	10%	2,151,442	93,844	2,245,286	844,598
Generator	3,035,488	-	3,035,488	15%	2,746,929	43,284	2,790,213	245,275
Gas Line Installation	2,162,176	-	2,162,176	8%	1,488,595	53,886	1,542,482	619,694
Tube well	601,473	-	601,473	10%	472,933	12,854	485,787	115,686
ETP	5,739,463	-	5,739,463	10%	4,304,832	143,463	4,448,295	1,291,168
Fan	1,218,113	-	1,218,113	10%	804,090	41,402	845,492	372,621
Tools & Accessories	1,442,372	-	1,442,372	15%	1,155,890	42,972	1,198,862	243,510
Exhaust Fan	568,000	-	568,000	10%	402,722	16,528	419,250	148,750
Vehicle	2,286,000	-	2,286,000	20%	2,065,088	44,182	2,109,270	176,730
Sub Total	**912,307,208**	**-**	**912,307,208**		**424,943,785**	**29,467,052**	**454,410,836**	**457,896,372**
REVALUATION PART								
Land & Land Development	30,568,721	-	30,568,721	-	-	-	-	30,568,721
Sub Total	**30,568,721**	**-**	**30,568,721**		**-**	**-**	**-**	**30,568,721**
Balance as at 30.06.2021	**942,875,929**	**-**	**942,875,929**	**-**	**424,943,785**	**29,467,052**	**454,410,836**	**488,465,093**
Balance as at 30.06.2020	**942,875,929**	**-**	**942,875,929**	**-**	**392,959,602**	**31,984,183**	**424,943,785**	**517,932,144**

Allocation of of Depreciation:

	30.06.2021
Manufacturing Overhead	26,520,346
Office & Admin Overhead	2,946,706
	29,467,052

TUNG HAI KNITTING AND DYEING LTD.

Calculation of Deferred Tax

As at 30.06.2021

Annexure: B

Particulars	Amount in Taka	
	30.06.2021	**30.06.2020**
A. Tax (income) / expenses recognized in profit and loss and other comprehensive income statement		
Cost:		
Carrying amount:		
Property, Plant and Equipment	396,065,093	425,532,144
	396,065,093	425,532,144
Tax base:		
Property, Plant and Equipment	101,942,665	125,831,554
	101,942,665	125,831,554
Taxable /(Deductible) temporary difference	**294,122,428**	**299,700,590**
Income Tax rate	12.50%	12.50%
Deferred Tax Liabilities/(Assets) at the end of the year/period	**36,765,304**	**37,462,574**
Closing Deferred Tax Liabilities/(Assets)	36,765,304	37,462,574
Opening Deferred Tax Liabilities/(Assets)	(37,462,574)	(37,750,135)
Tax (income) / expenses recognized in profit and loss and other comprehensive income statement	**(697,270)**	**(287,561)**
B. Tax (income) /expenses recognized in Revaluation Reserve:		
Revaluation:		
Carrying Amount:		
Land and Land Development	30,568,721	30,568,721
	30,568,721	30,568,721
Tax base:		
Land and Land Development		
	-	-
Taxable /(Deductible) temporary difference	**30,568,721**	**30,568,721**
Tax rate	15.00%	15.00%
Deferred tax liability end of the year/period	**4,585,308**	**4,585,308**
Closing Deferred Tax Liabilities/(Assets)	4,585,308	4,585,308
Opening Deferred Tax Liabilities/(Assets)	4,585,308	4,585,308
C. Tax (income) /expenses recognized in Revaluation Reserve:	-	-
D. Total Deferred tax liability at the end of the year/period as shown in the Statement of Financial Position (A+B)	**41,350,612**	**42,047,882**

Tung Hai Knitting And Dyeing Ltd.

Proxy form

I/we_____being a member(s) of **Tung Hai Knitting and Dyeing Limited** do hereby appoint Mr/Ms. _____ of _____ as my/our Proxy to attend and vote on behalf of me / us at the**17th Annual General Meeting** of the Company to be held on **Wednesday, the 29th December, 2021** at **04.00 A.M**. through Digital Platform Link: http://Tunghai14thagm.digitalagmbd.netand any adjournment thereof.

As witness my/our hand this _____ day of _____ 2021.

Folio No.	_____	**BO A/C No.**															

_____
Signature of the Proxy with date

No. of Share(s):_____

Revenue Stamp for Tk. 20.00

_____
Signature of the Member with date

N.B.: This Form of Proxy, duly signed (as recorded with the company), stamped and completed must be submitted to the Registered Office or Share Department (the Company's registered office 30/2, Darus Salam Road, Industrial Plot: @C/1-B, Mirpur – 01, Dhaka -1216) of the Company at least 48 (Forty Eight) hours before the Meeting.