

APEX FOODS LIMITED

SHANTA SKYMARK, LEVELS, 8TH TO 13TH, 18 GULSHAN AVENUE, GULSHAN, DHAKA-1212, BANGLADESH

UN-AUDITED HALF YEARLY (Q2) FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON 31ST DECEMBER, 2022

STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT 31ST DECEMBER, 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX MONTHS ENDED ON 31ST DECEMBER, 2022

Value in Taka '000'

Value in Taka '000'

Notes	Value in Taka '000'		Growth %	Notes	Value in Taka '000'		Growth %	Notes	Value in Taka '000'		Growth %
	As at 31.12.2022	As at 30.06.2022			01.07.2022 to 31.12.2022	01.07.2021 to 31.12.2021			01.10.2022 to 31.12.2022	01.10.2021 to 31.12.2021	
ASSETS											
Non-Current Assets:											
Property, Plant and Equipment	4	79,661	77,439	(3)							
Investments	5	305,065	320,455	(5)							
Security Deposits	6	6,003	6,003	0							
Current Assets:											
Inventories	7	246,369	261,341	(6)							
Trade Receivables	8	299,546	44,826	568							
Advances, Deposits & Prepayments	9	71,095	33,593	112							
Other Receivables	10	132,031	268,969	(51)							
Investment in Financial Assets	11	230,916	224,137	3							
Cash & Cash Equivalents	12	15,558	3,221	383							
TOTAL ASSETS		1,386,244	1,239,984	12							
EQUITY AND LIABILITIES											
Shareholders' Equity:											
Share Capital	13	57,024	57,024	0							
Share Premium	14	209,088	209,088	0							
Reserve and Surplus	15	214,721	205,744	4							
Fair Valuation Surplus of Investments	16	233,834	247,685	(6)							
Non-Current Liabilities:											
Deferred Tax Liabilities	17	39,061	53,585	(27)							
Long Term Loan	18	-	-	0							
Current Liabilities:											
Working Capital Loan (Secured)	19	441,571	312,870	41							
Long Term Loan-Current Maturity	20	522	2,088	(75)							
Short Term Loan	21	-	7,217	(100)							
Trade Payables	22	77,246	56,490	37							
Other Payables	23	43,258	56,086	(23)							
Current Tax Liabilities	24	68,613	30,797	123							
Unclaimed Dividend Account	25	1,305	1,310	(0)							
Total Liabilities		671,577	520,443	29							
TOTAL EQUITY & LIABILITIES		1,386,244	1,239,984								
Net Assets Value Per Share (NAV)	39	125.33	126.18								

Notes	Value in Taka '000'		Growth %	Notes	Value in Taka '000'		Growth %
	01.07.2022 to 31.12.2022	01.07.2021 to 31.12.2021			01.10.2022 to 31.12.2022	01.10.2021 to 31.12.2021	
REVENUE	26	1,452,801	2,500,133	(42)	875,488	1,391,530	(37)
Cost of goods sold	27	(1,315,466)	(2,283,567)	(42)	(804,654)	(1,267,198)	(37)
GROSS PROFIT		137,334	216,566	(37)	70,833	124,332	(43)
Other operating income/(loss)	31	203	27	645	4	2	100
Administrative & selling overhead	32	(87,634)	(161,822)	(46)	(45,909)	(93,325)	(51)
OPERATING PROFIT/(LOSS)		49,904	54,772	(9)	24,929	31,009	(20)
Finance & Other Income	33	13,084	11,223	17	9,624	8,660	11
Financial expenses	34	(15,514)	(27,210)	(43)	(9,052)	(14,451)	(37)
PROFIT BEFORE PPF & WF		47,473	38,785	22	25,500	25,218	1
Provision for contribution to PPF & WF	35	(2,261)	(1,847)	22	(1,214)	(1,201)	1
PROFIT/(LOSS) BEFORE TAX		45,212	36,938	22	24,286	24,017	1
Tax Expenses:	36	(24,831)	(30,666)	(141)	(15,329)	(21,589)	(29)
Current tax	(A)	(37,816)	(15,038)	(99)	(8,551)	(7,987)	7
Deferred tax (expenses)/income	(B)	12,985	(15,628)	(183)	(6,778)	(13,602)	(50)
NET PROFIT/(LOSS) AFTER TAX		20,381	6,272	(14,129)	8,957	2,428	269
Other comprehensive income		(13,851)	(3,048)	354	(22,405)	(52,269)	(57)
Fair valuation surplus/(deficit) of investme	16	(15,390)	(3,387)	354	(24,895)	(58,077)	(57)
Deferred tax income/(expenses) on share valuation surplus		1,539	339	354	2,489	5,808	(57)
TOTAL COMPREHENSIVE INCOME		6,530	3,224	(27,093)	(13,449)	(49,841)	(73)
Basic Earnings Per Share (EPS)	37	3.57	1.10	(14,129)	1.57	0.43	269

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTHS ENDED ON 31ST DECEMBER, 2022

Particulars	Value in Taka '000'						
	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation surplus of Investments	Total
As at 1st July 2022	57,024	209,088	51,163	153,974	607	247,685	719,541
Net Profit/(Loss) for the six months ended on 31st December'22	-	-	-	20,381	-	-	20,381
Dividend for the year 2021-22	-	-	-	(11,405)	-	-	(11,405)
Fair valuation surplus/(deficit) of investments	-	-	-	-	-	(13,851)	(13,851)
As at 31st December 2022	57,024	209,088	51,163	162,950	607	233,834	714,667

STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE SIX MONTHS ENDED ON 31ST DECEMBER, 2022

Value in Taka '000'

Notes	Value in Taka '000'		Growth %
	01.07.2022 to 31.12.2022	01.07.2021 to 31.12.2021	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Collection from revenue	1,198,081	2,553,121	(53)
Finance Income from SND	0	-	0
Other Income from foreign exchange gain / (loss) from operation	(9)	-	0
Receive from PF lapse (Employer's portion)	-	-	0
Bank Charges & Commission	(4,048)	(5,560)	(27)
Income tax paid during the period	(37,335)	(13,827)	170
Payment for costs and expenses	(1,245,381)	(2,347,933)	(47)
Net cash generated from operating activities (a)	(88,692)	185,801	(148)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property, Plant & Equipment acquired	(9,609)	(3,265)	194
Financial Income from FDR's	8,910	9,704	(8)
Investment in Financial Assets	(6,779)	(7,507)	(10)
Net cash generated from investing activities (b)	(7,478)	(1,068)	600
CASH FLOWS FROM FINANCING ACTIVITIES:			
Working Capital Loan received/(repaid)	128,701	(121,600)	(206)
Long Term loan received/(repaid)	(1,566)	(1,961)	20
Short Term loan received/(repaid)	(7,217)	(9,019)	(20)
Payment on Lease Liabilities	0	(1,061)	(100)
Interest & Other financial charges paid	(11,619)	(21,617)	(46)
Dividend paid during the period	(5)	(8,792)	(100)
Net cash used in financing activities (c)	108,294	(164,051)	(166)
Net increase/(decrease) in cash & cash equivalents (a+b+c)	12,125	20,682	(41)
Cash & cash equivalents on opening	3,221	2,884	12
The effect of foreign currency translation gain / (loss)	212	27	679
Cash & cash equivalents on closing	15,558	23,593	(34)
Net Operating Cash Flows Per Share (NOCFPS) 38	(15.55)	32.58	

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTHS ENDED ON 31ST DECEMBER, 2021

Particulars	Value in Taka '000'						
	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation surplus of Investments	Total
As at 1st July 2021	57,024	209,088	51,163	136,063	607	226,854	680,799
Net Profit/(Loss) for the six months ended on 31st December 2021	-	-	-	6,272	-	-	6,272
Dividend for the year 2020-21	-	-	-	(11,405)	-	-	(11,405)
Fair valuation surplus/(deficit) of investments	-	-	-	-	-	(3,048)	(3,048)
As at 31st December 2021	57,024	209,088	51,163	130,931	607	223,806	672,618

Note: Published half yearly financial statements can be available in the web-site of the Company.
The address of the web-site is www.apexfoods.com

Please refer to Note no. 43 for reconciliation of cash flows from operating activities under direct method and indirect method as per requirement of BSEC.

Sd/-
Zahur Ahmed PhD
Vice Chairman

Sd/-
Shahriar Ahmed
Managing Director

Sd/-
Ashim Kumar Barua
Director

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Sd/-
Sheuli Rani Dey
Chief Financial Officer

Sd/-
Kamrul Islam
Company Secretary

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS (Q2) ENDED ON 31ST DECEMBER, 2022
FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS**

1. The company and its operation:

1.01 Legal Form of the Enterprise:

Apex Foods Limited is a Public Limited Company registered under the Companies Act, 1913 (Repealed in 1994). The Company was incorporated in Bangladesh vide its RJSC registration No. C-6841(571) dated 21.03.1979. Shares of the Company are listed in the Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. in Bangladesh.

1.02 Address of Registered Office and Factory:

The Registered Office is located at Shanta Skymark, Levels 8th to 13th, 18 Gulshan Avenue, Gulshan, Dhaka-1212 and the Factory is located at 51-B Shagarika Road, Fouzderhat Industrial Estate, Pahartali, Chattogram, Bangladesh.

1.03 Nature of Business Activities:

The Company owns and operates a modern Shrimps Processing Plant and exports 100% of its products in the foreign markets.

2. Basis of the preparation of the Financial Statements:

2.01 Accounting Convention and Basis:

These interim Financial Statements have been prepared under the Historical Cost Convention, Accrual and Going Concern basis in accordance with applicable International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) in Bangladesh which do not vary from the requirements of the Companies Act, 1994 and the Listing Regulations of the Stock Exchanges, The Securities & Exchange Rules, 2020 and other laws and rules applicable in Bangladesh.

2.02 Application of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs):

We have complied the following IASs and IFRSs as applicable for the financial statements for the period under review:

IAS-1 Presentation of Financial Statements	Complied With	IAS-24 Related Party Disclosures	Complied With
IAS-2 Inventories	Complied With	IAS-33 Earnings Per Share	Complied With
IAS-7 Statement of Cash Flows	Complied With	IAS-34 Interim Financial Reporting	Complied With
IAS-8 Accounting Policies, Changes in Accounting Estimates and Errors	Complied With	IAS-36 Impairment of Assets	Complied With
IAS-10 Events after the Reporting Period	Complied With	IAS-37 Provisions, Contingent Liabilities and Contingent Assets	Complied With
IAS-12 Income Taxes	Complied With	IFRS-7 Financial Instruments: Disclosures	Complied With
IAS-16 Property, Plant and Equipment	Complied With	IFRS-9 Financial Instruments	Complied With
IAS-21 The Effects of Changes in Foreign Exchange Rates	Complied With	IFRS-15 Revenue from contracts with customers	Complied With
IAS-23 Borrowing Costs	Complied With	IFRS-16 Leases	Complied With

2.03 Compliance with local laws:

These Interim Financial Statements have been prepared in compliance with requirements of the Companies Act, 1994, The Securities & Exchange Rules, 2020, the Income Tax Ordinance 1984, The Income Tax Rules 1984, The VAT & Supplementary Act 2012, The VAT & Supplementary Rules 2016 and other relevant local laws and rules.

2.04 Compliance with International Financial Reporting Standards (IFRSs):

These Interim Financial Statements have been prepared in compliance with requirements of IFRS's.

3. Other Explanatory Notes:

- (a) These Interim financial statements have been prepared under the historical cost convention and going concern basis.
 (b) No interim dividend paid during the interim period ended on 31st December 2022.
 (c) No diluted EPS is required to be calculated as there was no dilution during this period.
 (d) Last year's half yearly (Q2) figures have been re-arranged where considered necessary to conform to current half yearly (Q2) presentation.
 (e) Figures were rounded-off to the nearest thousand Taka.
 (f) Reporting Period: These interim financial statements cover the period from 01st July 2022 to 31st December 2022.
 (g) Comparative Figure: Comparative information has been disclosed in respect of same period of the year 2021-2022 for income statement & financial position with 30th June 2022.

Value in Taka '000'	
As at	As at
31.12.2022	30.06.2022

4. PROPERTY, PLANT & EQUIPMENT:

Details of property, plant & equipment and depreciation as at December 31, 2022 are as follows:

Fixed assets at cost:

Opening Balance	749,848	732,112
Add: Addition during the period	9,774	17,737
Closing Balance (Cost)	759,623	749,848

Accumulated Depreciation:

Opening Balance	672,410	657,462
Add: Addition during the period	7,552	14,948
Closing Balance (Depreciation)	679,962	672,410

Written Down Value (WDV)

	79,661	77,439
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During the period, Fixed Assets addition has been made for Tk.9,774,288/- & depreciation has been charged (reducing method) on additions made during the period from the month in which that assets are ready to use as per IAS 16.

5. INVESTMENTS:	305,065	320,455
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During the period, investments have been changed due to fair valuation of share.

6. SECURITY DEPOSITS:

Security Deposits to Office Rent	405	405
Security Deposits to TNT & Mobile	9	9
Security Deposits to Bangladesh Power Development Board	903	903
Security Deposits to BGS/L Kamaphuli Gas Distribution Co.Ltd.	4,686	4,686
	6,003	6,003

Security deposits are made to statutory bodies and hence secured.

7. INVENTORIES:

Shrimps (Finished Goods)	237,424	248,744
Packing Materials	2,691	3,777
Chemical & Ingredients	6,254	8,820
	246,369	261,341

8. TRADE RECEIVABLES:

Export Bills Receivable	299,546	44,826
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Trade receivables are stated at invoice value and considered good.

9. ADVANCES, DEPOSITS & PREPAYMENTS:

Advance against Expenses	211	1,175
Pre-payments	2,437	1,408
Advance Income Tax 9.(a)	67,916	30,581
Bank Guarantee Margin	429	429
L/C margin with Agrani Bank Limited	102	-
	71,095	33,593

9. (a) Advance Income Tax:

Opening Balance	30,581	35,263
Add: Paid during the period	37,335	31,414
	67,916	66,678
Less: Adjustment during the period	-	36,097
	67,916	30,581

The growth of 112% in Advances, deposits & pre-payments mainly due to rate of tax deduction at source on export increase from 0.50% to 1% & more cash incentive received from bank during the period.

10. OTHER RECEIVABLES:

Insurance Claim Receivable	16,255	16,255
Dividend Receivable-CDBL	1,428	-
Dividend Receivable-ASKML	4,526	-
Cash Incentive Receivable	104,315	245,427
FDR's Interest Receivable	5,227	7,043
P.F Lapse (employer's portion)	279	244
	132,031	268,969

11. INVESTMENT IN FINANCIAL ASSETS:

FDRs with Dhaka Bank Limited	207,316	200,537
FDRs with Agrani Bank Limited	23,600	23,600
	230,916	224,137

All FDRs are made for more than 3 (Three) months.

12. CASH & CASH EQUIVALENTS:

Cash in Hand:	182	70
Head Office	14	6
Factory Office	168	64
Cash at Bank with:		
Agrani Bank Limited, Agrabad Corporate Br., Chattogram	1,684	487
Eastern Bank Limited, Principal Branch, Dhaka	15	29
The Hongkong & Shanghai Banking Corporation, CD A/C, Dhaka	29	74
The Hongkong & Shanghai Banking Corporation(CD-Div), Dhaka	12,762	2,467
Dhaka Bank Limited, Foreign Exchange Branch, Dhaka	887	93
	15,376	3,151
	15,558	3,221

13. SHARE CAPITAL:

Authorized Capital:		
15,000,000 Ordinary Shares of Tk. 10/= each	150,000	150,000

Issued, Subscribed & Paid up Capital:

5,702,400 Ordinary Shares of Tk. 10/= each	57,024	57,024
• There was no preference share issued by the Company.		

COMPOSITION OF SHARE HOLDINGS:

	%	No. of Share	No. of Share	%
Sponsors & Directors	36.06	2,056	2,056	36.06
Institutions	6.99	399	243	4.26
Public - Local	56.95	3,247	3,403	59.68
	100.00	5,702	5,702	100.00

Sd/-
Zahur Ahmed Phd
Vice Chairman

Sd/-
Shahriar Ahmed
Managing Director

Sd/-
Ashim Kumar Barua
Director Page 2

Sd/-
Sheuli Rani Dey
Chief Financial Officer

Sd/-
Kamrul Islam
Company Secretary

	Value in Taka '000'	
	As at 31.12.2022	As at 30.06.2022
14. SHARE PREMIUM:	209,088	209,088
This represents premium of Tk. 1,100 per share of 190,080 Right Shares of Tk.100 each.		
15. RESERVE AND SURPLUS:		
Reserve for re-investment	51,163	51,163
Retained Earnings	162,951	153,974
Capital Gain	607	607
	214,721	205,744

	Value in Taka '000'	
	As at 31.12.2022	As at 30.06.2022
16. FAIR VALUATION SURPLUS OF INVESTMENTS:		
Opening Balance	247,685	226,854
Adjustment for fair valuation surplus/(deficit) in this period	(15,390)	23,145
Less: Deferred tax @10%	1,539	(2,315)
Fair valuation surplus/(deficit) during this period	(13,851)	20,831
	233,834	247,685

This represents the difference of market value and the cost of the investments.

	Value in Taka '000'	
	As at 31.12.2022	As at 30.06.2022
17. DEFERRED TAX LIABILITIES:		
a) Book Value of Depreciable Assets:		
Tax base of Depreciable Assets	79,662	77,439
Net Taxable Temporary Difference	2,614	574
Effective Tax Rate	12.00%	10.00%
Closing Deferred Tax (Assets)/Liabilities arising from asset	314	57
Opening Deferred Tax Balance	57	242
Deferred Tax Income/(Expense)	(256)	185

b) Foreign currency translation gain/(loss) -Unrealized:	212	36
Effective Tax Rate	20.00%	20.00%
Closing Deferred Tax (Assets)/Liabilities arising from Unrealized translation gain/(loss)	42	7
Opening Deferred Tax Balance	7	(0)
Deferred Tax Income/(Expense)	(35)	(7)

c) Unrealized Interest on FDRs:	5,227	7,043
Effective Tax Rate	20.00%	20.00%
Closing Deferred Tax (Assets)/Liabilities arising from Unrealized FDRs Interest	1,045	1,409
Opening Deferred Tax Balance	1,409	1,856
Deferred Tax Income/(Expense)	363	447

d) PF Lapse Receivable (employer's portion):	279	244
Effective Tax Rate	20.00%	20.00%
Closing Deferred Tax (Assets)/Liability Arising from PF Lapse	56	49
Opening Deferred Tax Balance	49	53
Deferred Tax Income/ (Expense)	(7)	4

e) Cash Incentive Receivable:	104,315	245,427
Effective Tax Rate	10.00%	10.00%
Closing Deferred Tax (Assets)/Liabilities arising from Cash Incentive Receivable	10,431	24,543
Opening Deferred Tax Balance	24,543	6,744
Deferred Tax Income/(Expense)	14,111	(17,799)

f) Dividend Receivable	5,954	-
Effective Tax Rate	20.00%	20.00%
Closing Deferred Tax (Assets)/Liability Arising from Dividend Receivable	1,191	0
Opening Deferred Tax Balance	0	0
Deferred Tax Income/(Expense)	(1,191)	-
Deferred Tax Income/(Expense) (a+b+c+d+e+f)	12,985	(17,170)

g) Deferred Tax (Assets)/Liabilities arising from Other Comprehensive Income:		
Tax for (Losses)/gains on available for sale of investments	25,982	27,521
Closing Deferred Tax (Assets)/Liabilities arising from investments	25,982	27,521
Opening Deferred Tax Balance	27,521	25,206
Deferred Tax income/(expense) arising from investments	1,539	(2,315)
Total Deferred Tax (Assets)/Liabilities (a+b+c+d+e+f+g)	39,061	53,585

Decrease in deferred tax liabilities arises due to implementation of IAS 12 "Income Taxes".

	Value in Taka '000'	
	As at 31.12.2022	As at 30.06.2022
18. LONG TERM LOAN:		
Stimulus Salary Loan		
Opening Balance	2,088	4,698
Add: Loan Taken During the period	-	-
Less: Paid during the period	(1,566)	(2,610)
	522	2,088
Less: Transferred to current maturity	(522)	(2,088)
	-	-

This represents the stimulus salary loan taken from Agrani Bank Ltd.

	Value in Taka '000'	
	As at 31.12.2022	As at 30.06.2022
19. WORKING CAPITAL LOAN (SECURED):		
Against Hypothecation	60,695	138,951
Against Pledge of Finished Goods	380,876	173,920
	441,571	312,870

The Working Capital loan was taken from Agrani Bank Limited, Agrabad Corporate Branch, Chattogram.

	Value in Taka '000'	
	As at 31.12.2022	As at 30.06.2022
20. LONG TERM LOAN-CURRENT MATURITY:		
Stimulus Salary Loan	522	2,088
	522	2,088

This represents the stimulus salary loan payable in next two months as per schedule of re-payment.

21. SHORT TERM LOAN:		
Dhaka Bank Limited	-	7,217
	-	7,217

22. TRADE PAYABLES:	77,246	56,490
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Trade Payables represents the amount payable to the gher owners of Shrimps from whom we procure the shrimps.

	Value in Taka '000'	
	As at 31.12.2022	As at 30.06.2022
23. OTHER PAYABLES:		
Advance against export	4,937	35,086
Audit Fees including VAT	201	403
Chemicals	30	74
Clearing & Forwarding	878	244
Consumable Stores & Spares	115	50
Contribution to PPF & WF	6,125	3,864
Contribution to Provident Fund	298	38
Directors Remuneration	400	400
Dividend Payable for the year 2021-2022	11,405	-
Electricity & WASA Charges	-	58
Factory Building	124	10
Factory Equipments	51	-
Ice	124	519
Interest Payable on Overdraft	-	153
Legal & Professional Fees	23	5
License & renewals	-	30
Laboratory Expenses	-	3
Newspaper & Periodicals	-	0
Ocean Freight	-	2,016
Office Maintenance	2	5
Packing Materials	10,865	4,499
Plant & Machinery	-	-
Power, Fuel and Water	62	51
Postage & Stamps	6	3
Printing & Stationery	-	52
Corporate Expenses & Others	694	-
Repairs (Factory Building)	72	-
Repairs (Machinery & Equipments)	456	275
Salaries & Allowances	2,022	2,627
Sanitation Expenses	121	15
Staff Income Tax	68	68
Staff Welfare	115	68
Survey Fees & Inspection	43	10
Telephone, Talex & Fax	4	15
T.A & Conveyance	-	427
TDS Payable to Govt.	5	5
Uniform & Liveries	80	44
Wages & Salaries	3,899	4,900
Transportation Expenses	-	48
VAT Payable to Govt.	35	22
	43,258	56,086

	Value in Taka '000'	
	As at 31.12.2022	As at 30.06.2022
24. CURRENT TAX LIABILITIES:		
Opening Balance	30,797	36,097
Add: Current period tax (Note-36)	37,816	30,797
Less: Adjustment against completion of tax assessment	-	(36,097)
	68,613	30,797

25. UNCLAIMED DIVIDEND ACCOUNT:	1,305	1,310
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The details break up as on 31st December, 2022 is as under:

Year of Dividend	Value in Taka '000'	
	As at 31.12.2022	As at 30.06.2022
2018-2019	459	460
2019-2020	378	379
2020-2021	469	470
	1,305	1,310

Sd/-
Zahur Ahmed PhD
Vice Chairman

Sd/-
Shahriar Ahmed
Managing Director

Sd/-
Ashim Kumar Barua
Director

Sd/-
Sheuli Rani Dey
Chief Financial Officer

Sd/-
Kamrul Islam
Company Secretary

	Value in Taka '000'	
	01.07.2022	01.07.2021
	to	to
	31.12.2022	31.12.2021

26. REVENUE: 1,452,801 2,500,133

Revenue has been decreased 41.89% (i.e. From 2,500.13 million to 1,452.80 million) as compared to the revenue of same period of last year as demand decline in foreign market.

	248,744	491,091
Opening Stock of Finished Goods	1,304,146	2,057,378
Add: Cost of Production - Note 28	<u>1,552,891</u>	<u>2,548,468</u>
	(237,424)	(264,901)
Less: Closing Stock of Finished Goods	<u>1,315,466</u>	<u>2,283,567</u>

	1,198,888	1,932,456
Raw Materials	44,520	65,628
Packing Materials, Chemicals & Ice Consumed - Note 29	16,275	19,612
Direct Labour	44,463	39,681
Factory Overhead - Note 30	<u>1,304,146</u>	<u>2,057,378</u>

	3,777	5,079
Opening balance (Packing Materials)	38,326	51,219
Add: Packing Materials Purchase	<u>42,103</u>	<u>56,299</u>
	(2,691)	(3,992)
Less: Packing Materials in hand	<u>39,412</u>	<u>52,306</u>
Opening balance (Chemicals & Ingredients)	8,820	4,439
Add: Chemicals, Ingredients & Ice Purchase	2,542	14,295
	<u>11,362</u>	<u>18,733</u>
	(6,254)	(5,412)
Less: Chemicals & Ingredients in hand	<u>5,108</u>	<u>13,322</u>
	<u>44,520</u>	<u>65,628</u>

	10,776	11,733
Wages & Salaries	249	173
Bonus to Workers'	16,816	13,725
Power, Fuel & Water	579	624
Consumable Stores & Spares	4,519	3,683
Insurance Premium	4,330	2,946
Repair & Maintenance	4	12
Carriage Inward	7,190	6,786
Depreciation	<u>44,463</u>	<u>39,681</u>

	(9)	0
Foreign Exchange Gain/(Loss) from operations	212	27
Foreign Exchange Gain/(Loss) from translation	<u>203</u>	<u>27</u>

	110	98
Advertisement	-	-
AGM Expenses	201	201
Audit Fee (Including VAT)	12	9
Board Meeting Fees (Including VAT)	2,000	1,126
Bonus to Staff	1,140	879
Contribution to Provident Fund	362	391
Depreciation on tangible assets	-	1,187
Depreciation on right of use Assets	2,400	4,650
Directors' Remuneration	4	2
Donation & Subscription	354	148
Electricity & WASA Charges	315	187
Entertainment	47,878	127,332
Freight, Forwarding & Export Expenses	34	1
General Fees & Charges	283	217
Guest House Expenses	124	52
Laboratory Expenses	3,367	6,564
Laboratory Testing Fees	138	34
Legal & Professional Fees	87	166
License & renewals	0	4
Medical Expenses	1	-
Membership Subscription	1	1
Newspaper & Periodicals	5	63
Office Maintenance	147	244
Postage & Stamp	388	327
Printing & Stationery	2,392	150
Corporate Expenses & Others	-	123
VAT on Lease Rent	15,339	13,632
Salaries & Allowances	1,406	-
Sales Commission	6,447	1,399
Sales Promotion Expenses	154	167
Sanitation Expenses	280	527
Staff Fooding	784	460
Staff Welfare Expenses	420	496
T.A & Conveyance	188	194
Telephone, Telex & Fax	284	309
Uniform & Liveries	586	484
Vehicles Maintenance	<u>87,634</u>	<u>161,822</u>

The Decrease of 46% is mainly for decrease in revenue.

	7,094	5,224
Interest Earned on FDR's	0	-
Interest Income on SND	5,954	5,954
Dividend Income	36	45
P.F Lapse (employer's portion)	<u>13,084</u>	<u>11,223</u>

Sd/-
Zahur Ahmed PhD
Vice Chairman

Sd/-
Shahriar Ahmed
Managing Director

34. FINANCIAL EXPENSES:

Interest	11,466	21,617
Charges	4,048	5,560
Interest Expenses on Lease Liability	-	33
	<u>15,514</u>	<u>27,210</u>

35. PROVISION FOR CONTRIBUTION TO PPF & WF: (2,261) (1,847)

This represents 5% of the net profit after charging such contribution provided as per provisions of the Bangladesh Labour Law, 2006 & Bangladesh Labour Rules, 2015 & is payable to workers' as defined in the said Act.

36. TAX EXPENSES: (24,831) (30,666)

(A) CURRENT TAX: (37,816) (15,038)

Current tax consists of tax provision made on business income means higher of below a,b,c i.e. Tax on operating profit basis, Minimum Tax U/S -82c(2) & Minimum Tax U/S -82c(4) and realized amount of finance & other income for the period from 1st July 2022 to 31st December 2022.

Calculation of current tax:	Applicable tax rate %		
a) Tax on Operating profit Basis			
Profit before tax		45,212	36,938
Other Operating Income/(Loss)		(203)	(27)
Finance & Other Income		(13,084)	(11,223)
Net Operating Profit/ Loss		<u>31,926</u>	<u>25,688</u>
Tax Rate	12%		
Tax on Operating profit/ loss		<u>3,831</u>	<u>2,890</u>
b) Minimum Tax U/S-82c(2):	%		
TDS on export proceeds	1.00	<u>11,770</u>	<u>12,854</u>
		<u>11,770</u>	<u>12,854</u>
c) Minimum Tax U/S-82c(4):	%		
Realized from Revenue =(0.60%/20%*12%)	0.36	4,313	7,659
Realized from other operating Income	0.60	(6)	-
Realized from Cash Incentive	0.60	1,456	-
Realized from finance & Other Income	0.60	53	58
Realized from Dividend Income	0.60	-	-
Realized from Other Income PF Lapse	0.60	-	-
		<u>5,817</u>	<u>7,718</u>
So, Current tax			
Business tax- Higher of a,b & c **	above b	11,770	12,854
TDS on Cash Incentive	10.00	242,666	-
Tax on Finance Income (Realized)	20.00	1,782	2,184
Tax on other operating Income (Realized)	20.00	(2)	-
Tax on Dividend Income	20.00	-	-
Realized from Other Income PF Lapse	20.00	-	-
		<u>37,816</u>	<u>15,038</u>
Effective Tax Rate= Tax Expenses/Profit Before Tax		54.92%	83.02%

Effective Tax Rate= Tax Expenses/Profit Before Tax 54.92% 83.02%

** Since the source tax deducted under Income Tax Ordinance 1984 for Tk. 11,770/- is higher than tax on operating profit basis Tk. 3,831/- and minimum tax on gross receipts Tk. 5,817/-, so higher is provided as current tax liability from business for the period ended December 2022.

36. (B) DEFERRED TAX (EXPENSES) / INCOME: 12,985 15,628

The provision for deferred tax (expenses)/income is made to pay/adjust future income tax liability/asset due to accumulated temporary differences of interest on FDRs receivable, Cash Incentive receivable, Dividend receivable, foreign currency translation, PF Lapse receivable and WDV of fixed assets. Detailed calculations are shown for above in Note - 17.

37. BASIC EARNINGS PER SHARE (EPS):	20,381	6,272
Earnings Attributable to Ordinary Shareholders	5,702	5,702
Number of Ordinary Shares	<u>3.57</u>	<u>1.10</u>

Basic Earnings Per Share (EPS)

	As at	As at
	31.12.2022	30.06.2022
38. NET OPERATING CASH FLOWS PER SHARE (NOCFPS) :		
Net Operating Cash Flows	(88,692)	185,801
Number of Ordinary Shares	5,702	5,702
	<u>(15.55)</u>	<u>32.58</u>

Net Operating Cash Flows Per Share (NOCFPS)
Net operating cash flow is Tk. (15.55) per share for the six months ended on 31st December 2022 but it was Tk. 32.58 for the same period of last year, however the scenario is changeable time to time depending on different issues.

	As at	As at
	31.12.2022	30.06.2022
39. NET ASSETS VALUE (NAV) PER SHARE :		
Equity Attributable to the Owners of the Company	714,667	719,541
Number of Ordinary Shares	5,702	5,702
Net Assets Value (NAV) Per Share (Q2)	<u>125.33</u>	<u>126.18</u>

40. CONTINGENT LIABILITY:
There is Tk.1.72 million as Bank guarantee for which the Company is contingently liable as on 31st December 2022.

41. EVENTS AFTER REPORTING PERIOD:

a) Other Significant Events:
There is no other significant event that has occurred between the Statement of Financial Position date and the date when the financial statements were authorized for issue by the Board of Directors of the Company.

Sd/-
Ashim Kumar Barua
Director Page 4

Sd/-
Sheuli Rani Dey
Chief Financial Officer

Sd/-
Kamrul Islam
Company Secretary

42. RELATED PARTY TRANSACTIONS:

(a) There was no related party transaction (Inter Company) during the quarter under review.

(b) The Company is paying remuneration to the Directors who are rendering full time service to the Company and in addition to that there is nothing paid to them (Note No.32).

(c) The Company operates a contributory provident fund which is administrated by the Board of Trustee. The Company has also a Group Insurance Scheme. The Company pays its monthly contribution for the Key Management to the Provident Fund Trust and the Company has no further liability. Group insurance premium is paid to the Insurance Company once in a year and if there is any claim that will be entertained by the Insurance Company for the Key Management and the Company has no liability. In addition to that there is nothing to them except salaries and allowances.

43. RECONCILIATION OF NET PROFIT WITH CASH FLOWS FROM OPERATING ACTIVITIES:

Reconciliation of net income or net profit with cash flows from operating activities making adjustment for non-cash items, for non-operating items and for the net changes in operating accruals has been disclosed as per BSEC notification no.: BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June,2018.

	Value in Taka '000'	
	01.07.2022 to 31.12.2022	01.07.2021 to 31.12.2021
Cash flows from operating activities:		
Net Profit after tax expenses	20,381	6,272
Adjustment for non-cash & non-operating items:		
Add: Depreciation on tangible assets & ROU assets during the period	7,552	8,364
Less: Effect of Foreign currency translation gain / (loss)	(212)	(27)
Less: Finance & Other income during the period	(13,084)	(11,179)
Add: Interest paid during the period	11,466	21,650
Add: Tax Expenses	24,831	30,666
Increase & Decrease:		
(Increase)/Decrease in Inventories	14,972	226,304
(Increase)/Decrease in Trade Receivables	(254,719)	52,988
(Increase)/Decrease in Advances, Deposits & Pre-payments	(167)	1,053
(Increase)/Decrease in Other Receivables	141,112	(155,059)
Income tax paid during the period	(37,335)	(13,827)
(Increase)/Decrease in Security deposits	-	-
Increase/(Decrease) in Trade Payables	20,756	16,535
Increase/(Decrease) in Other Payables	(24,245)	2,062
Net cash flows generated from/(Used in) operating activities	<u>(88,692)</u>	<u>185,801</u>
RECONCILIATION:		
Net cash flows generated from/(Used in) operating activities	(88,692)	185,801
Indirect Method:		
Net cash flows generated from/(Used in) operating activities	(88,692)	185,801
Direct Method:		
Differences	<u>-</u>	<u>-</u>

Sd/-
Zahur Ahmed PhD
Vice Chairman

Sd/-
Shahriar Ahmed
Managing Director

Sd/-
Ashim Kumar Barua
Director

Sd/-
Sheuli Rani Dey
Chief Financial Officer

Sd/-
Kamrul Islam
Company Secretary