

APEX FOODS LIMITED

Rupayan Golden Age (5th & 6th Floor), 99 Gulshan Avenue, Gulshan, Dhaka-1212.

UN-AUDITED HALF YEARLY (Q2) FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON 31ST DECEMBER 2015

STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT 31ST DECEMBER, 2015

STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX MONTHS ENDED 31ST DECEMBER, 2015

Value in Taka '000'			Value in Taka '000'						
	As on	As on	Growth %	01.07.2015	01.07.2014	Growth %	01.10.2015	01.10.2014	Growth %
	31.12.2015	30.06.2015		to 31.12.2015	to 31.12.2014		to 31.12.2015	to 31.12.2014	
ASSETS									
Non-Current Assets:									
Property, Plant and Equipment	140,374	155,017	(9)						
Investment	274,772	175,689	56						
	415,146	330,706	26						
Current Assets:									
Inventories	755,154	906,868	(17)						
Trade Debtors	26,039	-	100						
Advances, Deposits & Pre-Payments	157,189	139,966	12						
Other Receivables	99,359	84,081	18						
Cash & Cash Equivalents	326,979	318,325	3						
	1,364,720	1,449,240	(6)						
TOTAL ASSETS	1,779,866	1,779,946							
EQUITY AND LIABILITIES									
Shareholders' Equity:									
Share Capital	57,024	57,024	0						
Share Premium	209,088	209,088	0						
Reserve and Surplus	195,228	225,931	(14)						
Fair Valuation Surplus of Investment	206,570	130,440	58						
	667,910	622,483	7						
Non-Current Liabilities:									
Deferred Tax Liabilities	23,134	200	11,467						
Long Term Loan	37,500	52,500	(29)						
	60,634	52,700	15						
Current Liabilities:									
Working Capital Loan (Secured)	710,952	794,270	(10)						
Long Term Loan-Current Maturity	30,000	30,000	0						
Short Term Loan	75,246	52,627	43						
Trade Creditors	53,476	61,894	(14)						
Sundry Creditors	21,481	24,688	(13)						
Income Tax Payable	148,159	136,052	9						
Other Liabilities	12,008	5,232	130						
	1,051,322	1,104,763	(5)						
Total Liabilities	1,111,956	1,157,463	(4)						
TOTAL EQUITY & LIABILITIES	1,779,866	1,779,946	(0)						
Net Asset Value Per Share	117.13	109.16							

STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE SIX MONTHS ENDED 31ST DECEMBER, 2015

Value in Taka '000'			Growth %
01.07.2015	01.07.2014	to 31.12.2015	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Collection from turnover	1,096,188	2,022,583	(46)
Other Income	22,868	22,498	2
Interest and other financial charges paid	(49,993)	(54,379)	8
Income tax paid	(16,179)	(18,889)	14
Payment for costs and expenses	(963,368)	(1,926,539)	50
Net cash generated from operating activities (a)	89,516	45,274	98
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property, Plant and Equipment acquired	(534)	(12,148)	96
Net cash used in investing activities (b)	(534)	(12,148)	96
CASH FLOWS FROM FINANCING ACTIVITIES:			
Working Capital Loan received/(repaid)	(83,318)	31,419	(365)
Long Term loan received/(repaid)	(15,000)	(13,477)	(11)
Short Term Loan received/(repaid)	22,619	(90,763)	125
Dividend paid	(4,629)	(5,043)	8
Net cash used in financing activities (c)	(80,328)	(77,864)	(3)
Net increase/(decrease) in cash and cash equivalents(a+b+c)	8,654	(44,738)	119
Cash & cash equivalents on opening	318,325	242,050	32
Cash & cash equivalents on closing	326,979	197,312	66
Net Operating Cash Flow Per Share	15.70	7.94	98

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTHS ENDED 31ST DECEMBER, 2015

Particulars	Value in Taka '000'						Total
	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation surplus of Investment	
As at 1st July 2015	57,024	209,088	51,163	174,161	607	130,440	622,483
Net Loss for the six months ended on 31st December 2015	-	-	-	(19,298)	-	-	(19,298)
Dividend for the year 2014-15	-	-	-	(11,405)	-	-	(11,405)
Fair valuation surplus/(deficit) of investments	-	-	-	-	-	89,174	89,174
Prior years' adjustment for deferred tax	-	-	-	-	-	(13,044)	(13,044)
As at 31st December 2015	57,024	209,088	51,163	143,458	607	206,570	667,910

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTHS ENDED 31ST DECEMBER, 2014

Particulars	Value in Taka '000'						Total
	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation surplus of Investment	
As at 1st July 2014	57,024	209,088	51,163	100,724	607	143,446	562,052
Net Profit for the six months ended on 31st December 2014	-	-	-	9,124	-	-	9,124
Dividend for the year 2013-14	-	-	-	(11,405)	-	-	(11,405)
Fair valuation surplus/(deficit) of investments	-	-	-	-	-	(15,487)	(15,487)
As at 31st December 2014	57,024	209,088	51,163	98,443	607	127,959	544,284

Explanatory Notes:

- (1) These financial statements have been prepared under the historical cost convention and going concern basis.
- (2) No interim dividend paid during the interim period ended on 31st December 2015.
- (3) No diluted EPS is required to be calculated as there was no dilution during this period.
- (4) Last year's half yearly figures have been re-arranged where considered necessary to conform to current half year's presentation.
- (5) Figures were rounded-off to the nearest thousand Taka.

Note: The details with selected notes of the 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

Sd/-
Zafar Ahmed
Chairman

Sd/-
Shahriar Ahmed
Managing Director

Sd/-
Ashim Kumar Barua
Director

Sd/-
S. K. Halder
Chief Financial Officer

Sd/-
Kamrul Islam
Assistant Company Secretary

SELECTIVE NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED ON 31.12.2015

Value in Taka '000'

Value in Taka '000'

	As on <u>31.12.2015</u>	As on <u>30.06.2015</u>
1. PROPERTY, PLANT & EQUIPMENT:	140,374	155,017
During the period an amount of Tk. 260,057/- has been added in Property, Plant & Equipment.		
2. INVENTORIES:		
Shrimps	743,557	895,527
Stock of Packing Materials	7,931	8,662
Stock of Chemical & Ingredients	<u>3,666</u>	<u>2,679</u>
	755,154	906,868

3. TRADE DEBTORS: 26,039 -

Subsequently trade debtors are realised in full.

4. ADVANCES, DEPOSITS AND PREPAYMENTS:		
Advance against Expenses	-	48
Deposits & Prepayments	7,908	6,639
Advance Income Tax	149,281	133,090
L/C margin with Agrani Bank Limited	<u>-</u>	<u>189</u>
	157,189	139,966

The growth of 12% mainly in Advance Income tax due to Tax deduction at Source on export, cash incentive and other income.

5. OTHER RECEIVABLES:		
Insurance Claim Receivable	16,255	16,255
Dividend receivable	1,428	-
Cash incentive Receivable	75,459	57,439
FDR's Interest Receivable	<u>6,217</u>	<u>10,387</u>
	99,359	84,081

Cash incentive receivable from the Bank which will be received through Agrani Bank Limited from time to time depending on their availability of fund from Bangladesh Bank.

6. CASH AND CASH EQUIVALENTS:		
Cash in Hand:		
Head Office	22	112
Factory Office	<u>134</u>	<u>32</u>
	156	144
Cash at Bank with:		
Agrani Bank, Agrabad Corporate Br. Chittagong.	24,294	21,345
Arab Bangladesh Bank Ltd. Principal Br, Dhaka.	621	623
Eastern Bank Ltd., Principal Branch, Dhaka	11	86
The Hongkong & Shanghai Banking Corporation, Dhaka	3,426	2,116
Dhaka Bank Ltd., Foreign Exchange Branch, Dhaka	4	4
FDR with Dhaka Bank Limited, Dhaka	<u>298,467</u>	<u>294,007</u>
	326,823	318,181
	326,979	318,325

7. FAIR VALUATION SURPLUS OF INVESTMENTS: 206,570 130,440

This represents the difference of market value and cost of investments

8. DEFERRED TAX LIABILITIES: 23,134 200

This increased due to implementation of BAS 12 on fair valuation surplus of investments.

9. WORKING CAPITAL LOAN:		
Against Hypothecation	94,736	176,478
Against Pledge of Finished Goods	<u>616,216</u>	<u>617,792</u>
	710,952	794,270

The Working Capital loan was taken from Agrani Bank Ltd., Agrabad Corporate Br., Chittagong.

10. LONG TERM LOAN-CURRENT MATURITY: 30,000 30,000

This represents the term loan payable in next twelve months as per schedule of re-payment.

11. SHORT TERM LOAN:		
Dhaka Bank Limited	<u>75,246</u>	<u>52,627</u>
	75,246	52,627

Increase of 43% represents the more utilization of loan for procurement of shrimps.

12. TRADE CREDITORS: 53,476 61,894

The decrease of 14% in Trade creditors due to more payments have made during the period.

13. OTHER LIABILITIES:		
Unclaimed Dividend	<u>12,008</u>	<u>5,232</u>
	12,008	5,232

The growth of 130% due to dividend payable for 2014-15 which were not presented to the bank within 31.12.2015.

	01.07.2015	01.07.2014
	to	to
	<u>31.12.2015</u>	<u>31.12.2014</u>
14. TURNOVER:	1,122,227	1,992,673

Turnover has been decreased 44% (i.e. From 1,992.67 million to 1,122.22 million) as compared

to the turnover of same period of 2013-14 because of price fall in international market.

15. COST OF GOODS SOLD:		
Opening Stock of Finished Goods	895,527	795,189
Add. Cost of Production-Note-16	<u>886,303</u>	<u>1,918,479</u>
	1,781,830	2,713,668
Less: Closing Stock of Finished Goods	<u>743,557</u>	<u>889,578</u>
	1,038,273	1,824,090

16. COST OF PRODUCTION:

Raw Materials	804,859	1,802,114
Packing Material Chemicals & Ice-Note-17	32,819	52,072
Direct Labour	10,265	21,363
Factory Overhead-Note-18	24,083	25,508
Depreciation	<u>14,277</u>	<u>16,422</u>
	886,303	1,918,479

The decrease of cost of goods sold mainly due to the decrease of turnover.

17. PACKING MATERIALS, CHEMICALS & ICE CONSUMED:

Opening balance (Packing Materials)	8,662	12,223
Add: Packing Materials Purchase	<u>25,794</u>	<u>39,616</u>
	34,456	51,839
Less: Packing Materials in hand	<u>7,931</u>	<u>10,072</u>
	26,525	41,767
Opening balance (Chemical & Ingredients)	2,680	4,001
Add: Chemical, Ingredients & Ice Purchase	<u>7,280</u>	<u>10,672</u>
	36,485	56,440
Less: Chemical, Ingredients in hand	<u>3,666</u>	<u>4,368</u>
	32,819	52,072

18. FACTORY OVERHEAD:

Wages & Salaries	11,282	14,101
Bonus to Workers'	543	551
Power, Fuel & Water	8,867	7,225
Consumable Stores & Spares	497	852
Repair & Maintenance	2,869	3,721
Carriage Inward	<u>25</u>	<u>58</u>
	24,083	26,508

The decrease of 9% in factory overhead is mainly due to less turnover as compared to last years six months.

19. ADMINISTRATIVE AND SELLING OVERHEAD:

Advertisement	225	224
AGM Expenses	88	100
Board meeting fees	10	8
Bonus to Staff	2,459	2,514
Contribution to Provident Fund	781	641
Depreciation	626	703
Directors Remuneration	4,500	4,500
Donation & Subscription	10	16
Electricity & WASA Charges	218	45
Entertainment	253	265
Freight & Forwarding	18,636	33,617
General Fees & Charges	13	15
Guest House Expenses	307	311
Insurance Premium	2,295	2,295
Laboratory Expenses	5	85
Laboratory Testing Fees	2,278	4,429
Legal & Professional Fees	28	28
License & renewals	323	248
Medical Expenses	1	2
Membership Subscription	1	1
Newspaper & Periodicals	30	30
Office Maintenance	149	298
Postage & Stamp	190	295
Printing & Stationery	460	484
Rejection Insurance Premium	930	5,579
Rent, Rates & Taxes	1,410	1,533
Salary & Allowances	13,624	13,397
Sales Commission	3,573	23,623
Sales Promotion Expenses	4,968	5,727
Sanitation Expenses	64	197
Staff fooding	284	284
Staff Welfare Expenses	553	683
T.A & Conveyance	738	727
Telephone, Telex & Fax	312	313
Uniform & Liveries	115	314
Vehicles Maintenance	<u>839</u>	<u>921</u>
	61,296	104,452

41% decreased in Administrative and Selling Overhead is mainly due to less turnover as compared to last years six months.

Sales commission is paid as per terms of L/C.

20. FINANCIAL EXPENSES:

Interest	46,911	48,616
Charges	<u>3,082</u>	<u>5,763</u>
	49,993	54,379

21. OTHER INCOME:

Dividend income	5,954	5,954
Interest earned	<u>14,172</u>	<u>16,544</u>
	20,126	22,498

Decrease in interest earned is mainly due to less earnings of interest on FDRs as the FDR rate was lower during the period.

22. PROVISION FOR TAX: 12,107 21,419

The decrease of 43% in provision for tax is mainly due to less turnover as compared to the last years six months.

23. RELATED PARTY TRANSACTIONS:

There was no transaction with the Associated Companies during the period.

Sd/-
Zafar Ahmed
Chairman

Sd/-
Shahriar Ahmed
Managing Director

Sd/-
Ashim Kumar Barua
Director

Sd/-
S. K. Halder
Chief Financial Officer

Sd/-
Kamrul Islam
Assistant Company Secretary