

APEX FOODS LIMITED

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

1 compliance with the Notification No: SEC/CMRRCD/2008-183/Admin/03-34 dated September 27, 2009 of the Bangladesh Securities and Exchange Commission, in addition to Rule 13 of the Securities & Exchange Rules 1987, we are pleased to forward herewith the un-audited Half Yearly (Q2) Financial Statements for the period ended on 31st December 2012 of the Company.

STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT 31ST DECEMBER, 2012

STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX MONTHS ENDED 31ST DECEMBER, 2012

	Value in Taka '000'		Growth %
	As on 31.12.2012	As on 30.06.2012	
ASSETS			
Non-Current Assets:			
Property, Plant and Equipment	148,689	147,409	1
Investment	189,187	189,187	0
Immovable Properties	12,040	12,040	0
Deferred Tax Assets	410	410	0
	350,326	349,046	
Current Assets:			
Inventories	753,668	715,872	5
Trade Debtors	93,364	82,036	14
Advances, Deposits & Pre- Payments	58,864	37,914	55
Other Receivables	153,755	54,530	182
Cash & Cash Equivalents	329,601	332,017	(1)
	1,389,252	1,222,369	14
TOTAL ASSETS	1,739,578	1,571,415	
EQUITY AND LIABILITIES			
Shareholders' Equity:			
Share Capital	57,024	57,024	0
Share Premium	209,088	209,088	0
Reserve and Surplus	141,128	141,392	0
Fair Valuation Surplus	143,937	143,937	0
	551,177	551,441	(0)
Non-Current Liabilities:			
Long Term Loan	127,500	142,500	(11)
	127,500	142,500	(11)
Current Liabilities:			
Working Capital Loan (Secured)	793,466	766,024	4
Long Term Loan-Current Maturity	37,198	14,186	162
Short Term Loan	95,081	-	100
Trade Creditors	54,114	39,504	37
Sundry Creditors	21,741	23,260	(7)
Income Tax Payable	54,239	31,164	74
Other Liabilities	5,062	3,336	51
	1,060,901	877,474	21
Total Liabilities	1,188,401	1,019,974	17
TOTAL EQUITY & LIABILITIES	1,739,578	1,571,415	
Net Asset Value Per Share	96.66	96.70	

	Value in Taka '000'		Growth %	01.07.2012 to 31.12.2012	01.07.2011 to 31.12.2011	Growth %	01.10.2012 to 31.12.2012	01.10.2011 to 31.12.2011	Growth %
	to 31.12.2012	to 31.12.2011							
TURNOVER	1,816,377	2,306,105	(21)				937,151	1,289,737	(27)
Cost of Goods Sold	1,652,783	2,121,016	(22)				849,524	1,184,766	(28)
GROSS PROFIT	163,594	185,089	(12)				87,627	104,971	(17)
OPERATING EXPENSES:	158,710	177,755	(11)				83,447	98,493	(15)
Administrative & Selling Overhead	104,205	120,551	(14)				53,898	69,668	(23)
Financial Expenses	54,505	57,204	(5)				29,549	28,825	3
OPERATING PROFIT	4,884	7,334	(33)				4,180	6,478	(35)
Other Income	29,932	19,492	54				12,914	8,056	60
PROFIT BEFORE PPF & WF	34,816	26,826	30				17,094	14,534	18
Provision for Contribution to PPF & WF	1,741	1,341	30				855	726	18
PROFIT BEFORE TAX	33,075	25,485	30				16,239	13,808	18
Provision for tax	23,075	18,523	25				11,228	10,000	12
NET PROFIT AFTER TAX	10,000	6,962	44				5,011	3,808	32
Other comprehensive income	-	-					-	-	
TOTAL COMPREHENSIVE INCOME	10,000	6,962	44				5,011	3,808	32
Basic earning per share	1.75	1.22	44				0.88	0.67	32

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTHS ENDED 31ST DECEMBER, 2012

Particulars	Value in Taka '000'						
	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation surplus	Total
As at 1st July 2012	57,024	209,088	51,163	89,622	607	143,937	551,441
Net Profit for the six months ended on 31st December 2012	-	-	-	10,000	-	-	10,000
Dividend for the year 2011-12	-	-	-	(10,264)	-	-	(10,264)
As at 31st December 2012	57,024	209,088	51,163	89,358	607	143,937	551,177

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTHS ENDED 31ST DECEMBER, 2011

Particulars	Value in Taka '000'						
	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation surplus	Total
As at 1st July 2011	57,024	209,088	51,163	87,309	607	-	405,191
Net Profit for the six months ended on 31st December 2011	-	-	-	6,962	-	-	6,962
Dividend for the year 2010-11	-	-	-	(7,983)	-	-	(7,983)
As at 31st December 2011	57,024	209,088	51,163	86,288	607	-	404,170

STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE SIX MONTHS ENDED 31ST DECEMBER, 2012

	Value in Taka '000'		Growth %
	01.07.2012 to 31.12.2012	01.07.2011 to 31.12.2011	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Collection from turnover	1,805,049	2,315,414	(22)
Other Income	29,932	19,492	54
Interest and other financial charges paid	(54,505)	(57,204)	(5)
Income tax paid	(21,148)	(170,083)	(88)
Payment for costs and expenses	(1,866,598)	(2,225,121)	(16)
Net cash generated from operating activities (a)	(107,270)	(117,502)	(9)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property, Plant and Equipment acquired	(17,143)	(1,155)	1,384
Net cash used in investing activities (b)	(17,143)	(1,155)	1,384
CASH FLOWS FROM FINANCING ACTIVITIES:			
Working Capital Loan received/(repaid)	27,442	22,340	23
Long Term loan received/(repaid)	8,012	1,152	595
Short Term Loan received/(repaid)	95,081	86,783	10
Dividend paid	(8,538)	(3,311)	158
Net cash generated from financing activities (c)	121,997	106,964	14
Net increase/(decrease) in cash and cash equivalents(a+b+c)	(2,416)	(11,693)	(79)
Cash & cash equivalents on opening	332,017	277,168	20
Cash & cash equivalents on closing	329,601	265,475	24
Net Operating Cash Flow Per Share	(18.81)	(20.61)	

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 2012.
 (3) Last years six month's figures were rearranged where considered necessary to conform to current six months presentation.
 (4) Figures were rounded-off to the nearest thousand Taka.
 (5) Notes to the financial statements are given where considered necessary.
 (6) Revaluation surplus/deficit of investments and deferred tax have not been considered because it will be calculated and shown in the yearly financial statements.

Note: The details 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
Managing Director

Sd/-
Ashim Kumar Barua
Director

Sd/-
S. K. Halder
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED ON 31.12.2012

Value in Taka '000'
As on
31.12.2012 30.06.2012

Value in Taka '000'
01.07.2012 01.07.2011
to
31.12.2012 31.12.2011

1. PROPERTY, PLANT & EQUIPMENT:	148,689	147,409
During the period an amount of Tk. 1,57,41,436 has been invested in compressors purchase for machineries as replacement and Tk.14,01,198 has been invested for factory building.		
2. INVENTORIES:		
Shrimps	735,743	696,035
Stock of Packing Materials	17,925	19,837
	<u>753,668</u>	<u>715,872</u>
3. TRADE DEBTORS	93,364	82,036
Trade debtors are considered good and subsequently realized in full.		
4. ADVANCES, DEPOSITS AND PREPAYMENTS:		
Advance against Raw Materials	-	367
Advance to Employees	-	111
Deposits & Prepayments	6,375	6,095
Advance Income Tax	52,489	31,341
	<u>58,864</u>	<u>37,914</u>

The growth of 55% in Advance deposits and pre-payments mainly due to increase in Tax deduction at Source. The rate was 0.60% on realised value of export, now the rate has been increased to 0.80%.

5. OTHER RECEIVABLES:		
Insurance Claim Receivable	16,255	16,255
Cash incentive Receivable	137,500	38,275
	<u>153,755</u>	<u>54,530</u>

The growth of 182% in Other receivables due to increase in cash incentive receivable from the Bank which will be received from bank time to time depending on their availability of fund from Bangladesh Bank.

6. CASH AND CASH EQUIVALENTS:

Cash in Hand:		
Head Office	82	61
Factory Office	245	61
	<u>327</u>	<u>122</u>

Cash at Bank with:		
Agrani Bank, Agrabad Corporate Br. Chittagong.	50,474	22,800
Arab Bangladesh Bank Ltd. Principal Br. Dhaka.	635	641
Eastern Bank Ltd., Principal Branch, Dhaka	4	73
The Hongkong & Shanghai Banking Corporation, Dhaka	1,459	1,141
Dhaka Bank Ltd., Foreign Exchange Branch, Dhaka	11	1,331
FDR with HSBC, Dhaka	78,065	55,000
FDR with Eastern Bank Limited, Dhaka	89,032	76,911
FDR with Dhaka Bank Limited, Dhaka	109,594	173,998
	<u>329,274</u>	<u>331,895</u>
	<u>329,601</u>	<u>332,017</u>

7. LONG TERM LOAN-CURRENT MATURITY: **37,198** **14,186**

The growth of 162% is due to term loan payable in next twelve months as per schedule of re-payment.

8. WORKING CAPITAL LOAN:

Against Hypothecation	166,057	152,253
Against Pledge of Finished Goods	627,409	613,771
	<u>793,466</u>	<u>766,024</u>

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

9. SHORT TERM LOAN:

Dhaka Bank Limited	95,081	-
	<u>95,081</u>	-

The growth of 100% is due to utilization of limit for procurement of Raw Materials.

10. TRADE CREDITORS: **54,114** **39,504**

The growth of 37% is due to payable to 7 parties against procurement of more raw materials during the period.

11. OTHER LIABILITIES:

Unclaimed Dividend	5,062	3,336
	<u>5,062</u>	<u>3,336</u>

The growth of 52% due to dividend payable for 2011-12 which were not presented to the bank within 31.12.12.

01.07.2012	01.07.2011
to	to
<u>31.12.2012</u>	<u>31.12.2011</u>

12. TURNOVER: **1,816,377** **2,306,105**

Turnover has been decreased 21% (i.e.From 2,306.10 million to 1,816.38 million) as compared to the turnover of same period of 2011-12 because of price fall in international markets due to financial crisis in Euro Zone and economic slowdown in USA, Canada, Australia and Russia, which are the main destination of Frozen Shrimp from Bangladesh.

13. COST OF GOODS SOLD:

Opening Stock of Finished Goods	696,035	899,966
Add. Cost of Production-Sch-14	1,692,491	2,183,114
	<u>2,388,526</u>	<u>3,083,080</u>
Less: Closing Stock of Finished Goods	735,743	962,064
	<u>1,652,783</u>	<u>2,121,016</u>

Sd/-
Zafar Ahmed
Managing Director

14.COST OF PRODUCTION:		
Raw Materials	1,571,189	2,071,319
Packing Material & Chemicals-Sch-15	56,356	53,023
Direct Labour	27,467	27,217
Factory Overhead-Sch-16	22,351	17,173
Depreciation	15,128	14,382
	<u>1,692,491</u>	<u>2,183,114</u>

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

15. PACKING MATERIALS, CHEMICALS & ICE CONSUMED:

Opening balance (Packing Materials)	19,837	7,377
Add: Packing Materials Purchase	45,121	38,954
	<u>64,958</u>	<u>46,331</u>
Less: Packing Materials in hand	17,925	10,123
	<u>47,033</u>	<u>36,208</u>
Add: Chemical, Ingredients & Ice Purchase	9,323	16,815
	<u>56,356</u>	<u>53,023</u>

16. FACTORY OVERHEAD:

Wages & Salaries	7,042	6,092
Bonus to Workers'	562	426
Power, Fuel & Water	10,045	8,029
Consumable Stores & Spares	833	384
Repair & Maintenance	3,827	2,203
Carriage Inward	42	39
	<u>22,351</u>	<u>17,173</u>

17. ADMINISTRATIVE AND SELLING OVERHEAD:

Advertisement	232	268
AGM Expenses	332	172
Board meeting fees	8	11
Bonus to Staff	2,222	1,760
Contribution to Provident Fund	665	390
Depreciation	734	798
Directors Remuneration	4,500	4,350
Donation & Subscription	24	16
Electricity & WASA Charges	58	132
Entertainment	358	288
Freight & Forwarding	57,106	75,185
General Fees & Charges	72	126
Guest House Expenses	307	295
Insurance Premium	165	152
Laboratory Expenses	214	159
Laboratory Testing Fees	6,932	7,355
Legal & Professional Fees	26	21
License & renewals	280	215
Medical Expenses	8	6
Membership Subscription	1	1
Newspaper & Periodicals	17	15
Office Maintenance	250	171
Postage & Stamp	333	179
Printing & Stationery	451	248
Rejection Insurance Premium	1,937	4,091
Rent, Rates & Taxes	1,426	1,110
Salary & Allowances	11,665	8,491
Sales Commission	2,536	1,427
Sales Promotion Expenses	7,253	11,007
Sanitation Expenses	213	90
Staff fooding	553	450
Staff Welfare Expenses	100	93
T.A & Conveyance	1,378	291
Telephone, Telex & Fax	445	438
Uniform & Liveries	382	71
Vehicles Maintenance	1,022	679
	<u>104,205</u>	<u>120,551</u>

18. FINANCIAL EXPENSES:

Interest	46,189	48,997
Charges	8,316	8,207
	<u>54,505</u>	<u>57,204</u>

19. OTHER INCOME:

Dividend income	4,074	3,395
Interest earned	25,858	16,097
	<u>29,932</u>	<u>19,492</u>

The growth of 54% is mainly due to more earnings of interest on FDRs as the FDR rate was higher as compared to the same period of 2011-12.

20. PROVISION FOR TAX:

	<u>23,075</u>	<u>18,523</u>
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The growth of 25% is mainly due to the rate of tax deduction at source on export which is presently 0.80% but it was 0.60% in 2011-12.

21. RELATED PARTY TRANSACTIONS:

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

Sd/-
Ashim Kumar Barua
Director

Sd/-
S. K. Halder
Chief Financial Officer