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 2018

STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT 31ST DECEMBER, 2018

Value in Taka '000'

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE SIX MONTHS ENDED 31ST DECEMBER, 2018

Value in Taka '000'

	As on	As on	Growth
	<u>30.12.2018</u>	<u>30.06.2018</u>	%
ASSETS			
Non-Current Assets:	415,850	518,563	(20)
Property, Plant and Equipment	96,534	103,205	(6)
Investments	313,907	409,944	(23)
Security Deposits	5,409	5,414	(0)
Current Assets:	1,485,164	1,353,620	10
Inventories	1,040,216	880,409	18
Trade Receivables	81,356	24,577	231
Advances, Deposits & Prepayments	57,449	45,805	25
Other Receivables	102,040	183,263	(44)
Investment in Financial Assets	196,429	212,153	(7)
Cash & Cash Equivalents	7,674	7,413	4
TOTAL ASSETS	1,901,014	1,872,183	
EQUITY AND LIABILITIES			
Shareholders' Equity: Share Capital Share Premium Reserve and Surplus Fair Valuation Surplus of Investments Non-Current Liabilities:	689,464 57,024 209,088 181,560 241,792 31,697	783,570 57,024 209,088 189,234 328,224 41,134	(12) 0 (4) (26) (23)
Deferred Tax Liabilities	29,665	38,753	(23)
Long Term Loan	2,032	2,381	(15)
Current Liabilities:	1,179,853	1,047,479	13
Working Capital Loan (Secured)	792,852	762,783	4
Long Term Loan-Current Maturity	649	594	9
Short Term Loan	122,786	145,343	(16)
Trade Payables	162,876	64,709	152
Other Payables	25,179	22,924	10
Current Tax Liability	55,224	42,181	31
Other Liabilities	20,287	8,945	127
Total Liabilities	<u>1,211,550</u>	<u>1,088,613</u>	11
TOTAL EQUITY & LIABILITIES	1,901,014	1,872,183	
Net Asset Value Per Share	120.91	 137.41	

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Value in Taka '000'

	01.07.2018	01.07.2017		01.10.18	01.10.17	
	to	to	Growth	to	to	Growth
	<u>31.12.2018</u>	31.12.2017	%	<u>31.12.2018</u>	<u>31.12.2017</u>	%
REVENUE	961,014	1,264,005	(24)	516,967	585,796	(12)
Cost of goods sold	(866,589)	(1,159,822)	(25)	(470,230)	(540,558)	(13)
GROSS PROFIT	94,425	104,183	(9)	46,736	45,238	3
Other operating income	0	0	0	0	0	0
Administrative & selling overhead	(50,313)	(58,451)	(14)	(27,357)	(28,121)	(3)
OPERATING PROFIT/(LOSS)	44,112	45,731	(4)	19,380	17,117	13
Finance income	14,186	12,134	17	9,963	9,340	7
Financial expenses	(40,098)	(35,728)	12	(19,427)	(15,039)	29
PROFIT BEFORE PPF & WF	18.200	22,138	(18)	9.917	11.418	13
Provision for contribution to PPF & WF	(910)	(1,107)	(18)	(496)	(571)	13
PROFIT/(LOSS) BEFORE TAX	17,290	21,031	(18)	9,421	10,847	13
Tax Expenses:	(13,559)	(16,388)	(17)	(7,469)	(8,617)	13
Current tax	(13,043)	(15,926)	(18)	(6,474)	(7,422)	(13)
Deferred tax (expenses)/income	(516)	(462)	12	(995)	(1,195)	(17)
NET PROFIT/(LOSS) AFTER TAX	3,731	4,643	(20)	1,952	2,230	(12)
Other comprehensive income	(86,432)	8,925	(1,068)	18,756	(35,261)	(153)
Fair valuation surplus/(deficit) of investment	(96,036)	9,917	(1,068)	20,840	(39,179)	(153)
Deferred tax income/(expenses)						
on share valuation surplus	9,604	(992)	(1,068)	(2,084)	3,918	(153)
TOTAL COMPREHENSIVE INCOME	(82,701)	13,568	(710)	20,708	(33,031)	(163)
Basic Earnings Per Share (EPS)	<u>0.65</u>	<u>0.81</u>	(20)	<u>0.34</u>	<u>0.39</u>	(12)

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTHS ENDED 31ST DECEMBER, 2018

Value in Taka '000'

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation surplus of Investment	Total
As at 1st July 2018	57,024	209,088	51,163	137,464	607	328,224	783,570
Net Profit/(Loss) for the six months						-	-
ended on 31st December 2018	-	-	-	3,731	-	-	3,731
Dividend for the year 2017-18	-	-	-	(11,405)	-	-	(11,405
Fair valuation surplus/(deficit) of investments	-	-	-	-	-	(86,432)	(86,432)
As at 31st December 2018	57,024	209,088	51,163	129,790	607	241,792	689,464

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTHS ENDED 31ST DECEMBER, 2017

Value in Taka '000'

	01.07.2018 to <u>31.12.2018</u>	01.07.2017 to <u>31.12.2017</u>	Growth %
CASH FLOWS FROM OPERATING ACTIVITIES: Collection from revenue	904.235	1.299.297	(30)
Financial charges paid	(3,217)	(4,035)	(20)
Income tax paid	(12,705)	(14,629)	(13)
Payment for costs and expenses	(878,557)	(1,260,800)	(30)
Net cash generated from operating activities (a)	9,756	19,833	(51)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property, Plant and Equipment acquired	(3.726)	(9,317)	(60)
Finance income	10.857	9,150	19
Investment in Financial Assets	15,724	15,424	2
Net cash generated from investing activities (b)	22,855	15,257	50
CASH FLOWS FROM FINANCING ACTIVITIES:			
Working Capital Loan received/(repaid)	30,068	1,016	2,859
Long Term loan received/(repaid)	(294)	(11,746)	97
Short Term loan received/(repaid)	(22,557)	7,549	(399)
Interest paid	(39,504)	(31,693)	25
Dividend paid	(63)	(23)	176
Net cash used in financing activities (c)	(32,350)	(34,897)	(7)
Net increase/(decrease) in cash and			
cash equivalents (a+b+c)	261	193	35
Cash & cash equivalents on opening	7,413	6,139	21
The effect of foreign exchange translation gain	0	0	0
Cash & cash equivalents on closing	7,674	6,332	21
Net Operating Cash Flow Per Share	1.71	3.48	
Please refer to Note no. 33 for reconciliation of cash flows fro			method ar

STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE SIX MONTHS ENDED 31ST DECEMBER, 2018

th	Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation surplus of Investment	Total
	As at 1st July 2017	57,024	209,088	51,163	138,561	607	199,879	656,322
	Net Profit for the six months ended on 31st December 2017	-	-	-	4,643	-	-	4,643
)	Dividend for the year 2016-17	-	-	-	(11,405)	-	-	(11,405)
	Fair valuation surplus/(deficit) of investments	-	-	-	-		8,925	8,925
)	As at 31st December 2017	57,024	209,088	51,163	131,799	607	208,804	658,485

Explanatory Notes: These financial statements have been prepared under the historical cost convention and going concern basis. No interim dividend paid during the interim period ended on 31st December 2018. 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

and indirect method as per requirement of BSEC.

Sd/-	Sd/-	Sd/-	Sd/-
Zafar Ahmed	Shahriar Ahmed	Ashim Kumar Barua	Sheuli Rani Dey
Chairman	Managing Director	Director	Chief Financial Officer

Sd/-Kamrul Islam Assistant Company Secretary

SELECTIVE NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS (Q2) ENDED ON 31.12.2018

	Value in	Taka '000'	
	As on	As on	
	<u>31.12.2018</u>	<u>30.06.2018</u>	
1. PROPERTY, PLANT & EQUIPMENT:	96,534	103,205	10. DEFERRED TAX LIABILITIES:
During the period addition has been made for Tk. 3,243,204/- and depreciation has been calculated as per BAS 16.			a) Book Value of Depreciable Assets: Tax base of Depreciable Assets
			Net Taxable Temporary Difference
2. SECURITY DEPOSITS:	5,409	5,414	Effective Tax Rate
Security deposits are made to statutory bodies			Closing Deferred Tax (Assets)/Liabilities arising from assets
and hence secured.			Opening Deferred Tax Balance
			Deferred Tax Income/(Expense)
3. INVENTORIES: Shrimps	1,032,836	868,083	b) Foreign currency translation gain/(loss) -Unrealized
Packing Materials	4,790	9,124	Effective tax rate
Chemical & Ingredients	2,590	3,202	Closing Deferred Tax (Assets)/Liabilities
	1,040,216	880,409	arising from Unrealized translation gain/(loss)
18% increase mainly for increase in stock of shrimps due to d			Opening Deferred Tax Balance
4. TRADE RECEIVABLES:	81,356	24,577	Deferred Tax Income/(Expense)
Trade receivables are stated at Invoice value and considered	gooa.		c) Unrealized Dividend Receivable
5. ADVANCES, DEPOSITS AND PREPAYMENTS:			Effective Tax Rate
Advance against expenses	-	490	Closing Deferred Tax (Assets)/Liability arising from Dividend Receivable
Staff Advance	3	-	Opening Deferred Tax Balance
Prepayments	3,382	3,956	Deferred Tax Income/(Expense)
Bank Guarantee margin	429	429	
Advance Income Tax	53,635	40,930	d) Unrealized Interest on FDRs:
	57,449	45,805	Effective Tax Rate
The growth of 25% in Advances, deposits and pre-payments tax deduction at Source on Cash incentive and value of expo			Closing Deferred Tax (Assets)/Liabilities arising from Unrealized FDRs Interest Opening Deferred Tax Balance
			Deferred Tax Income/(Expense)
6. OTHER RECEIVABLES:			Deferred Tax Income/(Expense) - (a+b+c+d)
Insurance Claim Receivable	16,255	16,255	
Dividend Receivable-CDBL	1,428	-	e) Deferred Tax (Assets)/Liabilities arising from Other Comprehensive Income:
Dividend Receivable-ASKML	4,526	-	Tax for (Losses)/gains on available for sale investments @10%
Cash incentive Receivable FDR's Interest Receivable	75,007 4,824	159,559 7,449	Closing Deferred Tax (Assets)/Liabilities arising from investments
	102,040	183,263	Opening Deferred Tax Balance
Cash incentive receivable from the Bank which will be received			Deferred Tax (income)/expense arising from investments
time to time depending on their availability of fund from Bang			Total Deferred Tax (Assets)/Liabilities (a+b+c+d+e)
			This decreased due to implementation of BAS 12.
7. INVESTMENT IN FINANCIAL ASSETS:			
FDR's with Dhaka Bank Ltd.	174,329	190,053	11. LONG TERM LOAN:
FDR's with Agrani Bank Limited	22,100	22,100	This represents the term loan from Dhaka Bank Limited for procurement
	196,429	212,153	of machinery.
All FDRs are made for more than 3 (Three) months.			12. WORKING CAPITAL LOAN (SECURED):
8. CASH AND CASH EQUIVALENTS:			Against Hypothecation
Cash in Hand:			Against Pledge of Finished Goods
Head Office	2	28	
Factory Office	82	22	The Working Capital loan was taken from Agrani Bank Ltd., Agrabad Corporate
	84	50	Branch, Chattogram.
Cash at Bank with:			
Agrani Bank Ltd., Agrabad Corporate Br. Chattogram	520	136	13. LONG TERM LOAN-CURRENT MATURITY:
Arab Bangladesh Bank Ltd., Principal Br., Dhaka Eastern Bank Ltd., Principal Branch, Dhaka	- 30	610 30	This represents the term loan payable in next twelve months as per schedule of ro payment
The Hongkong & Shanghai Banking Corporation, Dhaka	7.040	6,587	schedule of re-payment.
	7,590	7,363	14. SHORT TERM LOAN:
	7,674	7,413	Dhaka Bank Limited
			Loan against cash incentive
9. FAIR VALUATION SURPLUS OF INVESTMENTS:			
Opening Balance	328,224	199,879	Short term loan with Dhaka Bank Limited represents the utilization of limit for
Adjustment for fair valuation surplus/(deficit) in this period Less: Deferred tax @10%	(96,036) 9,604	142,606 (14,261)	procurement of Raw Materials. The loan was taken against lien of FDRs and the limit is 100 million.
Fair valuation surplus/(deficit) during this period	(86,432)	128,345	and the finite is 100 million.
	241,792	328,224	15. TRADE PAYABLES:
This represents the difference of market value and the cost of	f the investment	8.	Trade Payables represents the amount payable to the gher owners of Shrimps
			from whom we procure the shrimps. The increase represents less payments made to
			the suppliers of shrimps during the period.
			16. OTHER PAYABLES: The locrases of 10% mainly due to less nauments to the parties during this period
			The Increase of 10% mainly due to less payments to the parties during this period.
			17. OTHER LIABILITIES:
			Unclaimed Dividend
			This represents the dividend warrants not presented to the Bank by the Shareholders
			within December 31, 2018 and the dividend payable for 2017-18 which has been approved in AGM by the Shareholders but not distributed with in 31.12.2018.

been approved in AGM by the Shareholders but not distributed with in 31.12.2018.

Sd/-

Sheuli Rani Dey Chief Financial Officer

Sd/-Kamrul Islam Assistant Company Secretary

Value in Taka '000' As on

31.12.2018

96.534

93,319

3,215

12.50%

402

421

19

25.00% 0

5.954 20.00%

1,191

(1,191)

4.824 25.00%

1,206

1,862

656

(516)

26,866

26,866

36.470

(9,604)

29,665

181,647

611,205

792,852

<u>649</u>

95,086

27,700

162,876

25,179

20,287 8,945

0 -(0)

As on

30.06.2018

103.205

99,838

3,367

12.50%

421

362

(59) _ 0

1 25.00%

0

(0)

-

-

-7,449

25.00%

1,862

1,702

(160)

(219)

36,470

36,470

22,209

14,261

38,753

147,516

<u>594</u>

89,134

56,209 _ 122,786

145,343

64,709

22,924

615,267 762,783

2,032 2,381

Sd/-Shahriar Ahmed Managing Director

Sd/-

Zafar Ahmed

Chairman

Page 1 of 2

Sd/-Ashim Kumar Barua

Director

	Value in 1	Caka 1000'		Value in Ta	aka '000'
	01.07.2018	01.07.2017		01.07.2018	ака 000 01.07.2017
	to	to		to	to
	<u>31.12.2018</u>	31.12.2017		31.12.2018	31.12.2017
18. REVENUE:	961,014	1,264,005	24. OTHER OPERATING INCOME:		
Revenue has been decreased 24% as compared to the rev		od of last year.	Foreign Exchange gain	0	0
as the demand of international market was less and the price 19. COST OF GOODS SOLD:	ce was also down.		Foreign exchange agin was Tk 195/ As the figures have been shown in the sand Take in t		0
Opening Stock of Finished Goods	868,083	864,730	Foreign exchange gain was Tk. 185/ As the figures have been shown in thousand Taka in so the figure is showing "0" Taka in other operating income as well as in statement of cash		
Add: Cost of Production - Note 20	1,031,342	1,207,105			
	1,899,425	2,071,835	25. FINANCE INCOME:		
Less: Closing Stock of Finished Goods	1,032,836	912,013	Dividend Income	5,954	5,954
	866,589	1,159,822	Interest Earned	8,232	6,180
20.COST OF PRODUCTION:			Interest earned increased mainly for increase of interest rate.	14,186	12,134
Raw Materials	940,512	1,115,730	interest carried increased mainly for increase of interest rate.		
Packing Materials, Chemicals & Ice Consumed - Note 21	36,314	32,076	26. FINANCIAL EXPENSES:		
Direct Labour	15,048	18,284	Interest	36,881	31,693
Factory Overhead - Note 22	39,468	41,015	Charges	3,217	4,035
	1,031,342	<u>1,207,105</u>		40,098	35,728
The decrease of 15% in Cost of production mainly due to le same period of last year as the export was less during the p			27. CURRENT TAX:	13,043	15,926
			The decrease of 18% is mainly due to less turnover during the period as compared to the sar		
21. PACKING MATERIALS, CHEMICALS & ICE CONSUM	NED:		period of last year.		
Opening balance (Packing Materials)	9,124	10,135			
Add: Packing Materials Purchase	23,391	23,504	28. RELATED PARTY TRANSACTIONS: (a) I here was no related party transaction (inter Company) during the period under review.		
	32,515	33,639	(b) The Company is paying remuneration to the Directors who are rendering full time service		
Less: Packing Materials in hand	4,790	10,424			
Opening balance (Chemicals & Ingredients)	27,725 3,202	23,215 4,565	to the Company and in addition to that there is nothing paid to them (Note No. 23). (c) The Company also operates a contributory provident fund which is administrates by the B	oard of Trustee, the	•
Add: Chemicals, Ingredients & Ice Purchase	7,977	8,516	Company pays its monthly contribution for the key management (Senior Employees) to the P	rovident Fund Trust	ł
·····	38,904	36,296	and the Company has no further liability. The Company has also a Group Insurance Scheme		
Less: Chemicals & Ingredients in hand	2,590	4,220	Group Insurance premium is paid to the Insurance Company once in a year and if there is an		
	36,314	32,076	that will be entertained by the Insurance Company for the Key Management (Senior Employed	es) and	
			the Company has no liability. In addition to that there is nothing paid to them except salaries	and allowances.	
22. FACTORY OVERHEAD: Wages & Salaries	11,197	12,005	29. DEFERRED TAX INCOME/(EXPENSES):	(516)	(462)
Bonus to Workers'	186	255	The provision for deferred tax (expenses)/income is made to pay/adjust future income tax	(010)	(402)
Power, Fuel & Water	13,199	10,626	liability/asset due to accumulated temporary difference of interest and dividend income recei	vable and	
Consumable Stores & Spares	583	831	WDV of fixed assets.		
Insurance Premium Repair & Maintenance	2,077 2,831	2,076 4,529	30. BASIC EARNINGS PER SHARE (EPS):	<u>0.65</u>	<u>0.81</u>
Carriage Inward	15	24	20% EPS during the period decreased as the revenue has been decreased 24% during the	0.00	<u>v.v.</u>
Depreciation	9,380	10,669	period as a result the earning per share is Tk. 0.65 but it was Tk. 0.81 in the same period of la	ast year.	
	39,468	41,015			
23. ADMINISTRATIVE AND SELLING OVERHEAD:			31. NET OPERATING CASH FLOWS PER SHARE:	1.71	3.48
Advertisement	90	96	Net operating cash flow is Tk.1.71 per share for the six months ended on 31st December 2018 but it was Tk. 3.48 for the same period of last year, this		
AGM Expenses	152	132	is mainly due to more trade receivable, however the scenario is changeable		
Board meeting fees	13 1,188	10 1,119	time to time depending on different issues. 32. DISCLOSURE REGARDING RE-ARRANGEMENT:		
Bonus to Staff Contribution to Provident Fund	773	718	Other operating income and finance income have been shown separately in statement of pro	fit and loss and othe	er
Depreciation	534	559	comprehensive income and statement of cash flows for the last period to conform current per		
Directors' Remuneration Donation & Subscription	4,650 4	4,500 12	33. Reconciliation of net profit with cash flows from operating activities:		
Electricity & WASA Charges	187	175			h 3
Entertainment Freight & Forwarding	299 17,214	305 21,001	Reconciliation of net income or net profit with cash flows from operating activities making adju for non-operating items and for the net changes in operating accruals has been disclosed as		
General Fees & Charges	19	100	CMRRCD/2006-158/208/Admin/81 dated 20 June,2018.		
Guest House Expenses Laboratory Expenses	319 76	330 57		Value in Ta 01.07.2018	aka '000' 01.07.2017
Laboratory Testing Fees	3,063	3,651		to	to
Legal & Professional Fees	37	121	Cash Baue from execution activities	<u>31.12.2018</u>	<u>31.12.2017</u>
License & renewals Medical Expenses	248 4	844 157	Cash flows from operating activities: Profit before tax	17,290	21,031
Membership Subscription	-	2	Add: Depreciation	9,914	11,227
Newspaper & Periodicals Office Maintenance	29 293	28 194	Less: Effect of Foreign exchange Translation gain Less:Finance income during the period	0 (8,232)	0 (9,150
Postage & Stamp	204	202	Add: Interest paid during the period	36,881	31,693
Printing & Stationery Rejection Insurance Premium	508	514 87	(Increase)/Decrease in Inventories (Increase)/Decrease in Trade Receivables	(159,807) (56,779)	(47,227) 35,292
Rent, Rates & Taxes	1,997	1,596	(Increase)/Decrease in Advances, Deposits & Pre-payments	1,061	(201
Salary & Allowances Salar Commission	12,880	13,193 737	(Increase)/Decrease in other Receivables	78,600	8,764
Sales Commission Sales Promotion Expenses	- 3,119	737 4,775	Income tax paid during the period (Increase)/Decrease in Security deposits	(12,705) 5	(14,629
Sanitation Expenses	62	104	Increase/(Decrease) in Trade Payables	98,167	(13,667
Staff fooding Staff Welfare Expenses	317 460	399 565	Increase/(Decrease) in Other Payables Net Cash flows generated from/(Used in) operating activities	5,361 9,756	(3,301
T.A & Conveyance	400 504	712	RECONCILIATION:	3,100	.3,000
Telephone, Telex & Fax	258	266	Net Cash flows Generated from/(Used in) operating activities-Indirect method	9,756	19,833
Uniform & Liveries	251	349	Net Cash flows generated from/(Used in) operating activities-Direct Method	9,756	19,833
Vehicles Maintenance	561 50,313	841 58,451	Difference	(0)	0

Directors' remuneration increased as the remuneration of Mr. Ashim Kumar Barua, Director has been

increased from Tk. 3.00 lac to Tk. 3.25 lac per month.

The decrease of 14% in administrative and selling overhead mainly due to less turnover and minimization of cost during this period.

Sd/-	Sd/-	Sd/-	Sd/-
Zafar Ahmed	Shahriar Ahmed	Ashim Kumar Barua	Sheuli Rani Dey
Chairman	Managing Director	Director	Chief Financial Officer
		Page	e 2 of 2

Sd/-Kamrul Islam Assistant Company Secretary