

FAR CHEMICAL INDUSTRIES LIMITED
Statement of Financial Position (Un-Audited)
As at December 31, 2018

| Particulars | Amount in Taka | |
|------------------------------------|----------------------|----------------------|
| | 31-12-2018 | 30-06-2018 |
| ASSETS | | |
| Non-Current Assets | | |
| Property, Plant & Equipment | 1,833,146,420 | 1,675,929,791 |
| Security Deposits | 1,548,471 | 1,548,471 |
| | 1,834,694,891 | 1,677,478,262 |
| Current Assets: | | |
| Inventories | 419,754,684 | 426,959,883 |
| Trade Receivables | 629,370,891 | 626,642,699 |
| Advances, Deposits and Prepayments | 37,741,396 | 56,904,297 |
| STD Account (IPO) | 2,945,000 | 2,945,000 |
| STD Account (Dividend) | 724,454 | 724,454 |
| Cash and Cash Equivalents | 19,331,302 | 22,210,099 |
| | 1,109,867,727 | 1,136,386,432 |
| TOTAL ASSETS | 2,944,562,618 | 2,813,864,694 |
| EQUITY AND LIABILITES | | |
| Shareholder's Equity | | |
| Share Capital | 1,982,667,480 | 1,802,424,980 |
| Retained Earnings | 916,013,499 | 961,917,818 |
| | 2,898,680,979 | 2,764,342,798 |
| Current Liabilities | | |
| Trade Payables | 33,747,473 | 40,035,250 |
| Short Term borrowings | 2,237,528 | 2,147,857 |
| Share Money Deposit (IPO) | 2,945,000 | 2,945,000 |
| Dividend Payables | 724,454 | 724,454 |
| Creditors and Accruals | 6,227,184 | 3,669,335 |
| | 45,881,639 | 49,521,896 |
| TOTAL EQUITY AND LIABILITES | 2,944,562,618 | 2,813,864,694 |
| Net Asset Value Per Share | 14.62 | 15.34 |



Chairman

 S. Haque

Managing Director

 M. Hasan

Director



Company Secretary

 R. Ahmed

Chief Financial Officer

Place: Dhaka

Dated: January 30, 2019

FAR CHEMICAL INDUSTRIES LIMITED
Statement of Profit or Loss and other Comprehensive Income (Un-Audited)
For the period ended December 31,2018

| Particulars | Amount in Taka | | Amount in Taka | |
|---|---|---|--|---|
| | July 01, 2018 to December 31, 2018 | July 01, 2017 to December 31, 2017 | October 01, 2018 to December 31, 2018 | October 01, 2017 to December 31, 2017 |
| Sales Revenue | 598,177,409 | 654,297,197 | 300,717,015 | 341,926,018 |
| Less: Cost of Goods Sold | 452,438,092 | 493,278,282 | 230,529,664 | 262,120,485 |
| Gross Profit | 145,739,317 | 161,018,915 | 70,187,351 | 79,805,533 |
| Operating Expenses | | | | |
| Selling & Distribution | 6,339,016 | 6,733,008 | 3,266,328 | 3,518,570 |
| Administrative Expenses | 4,419,432 | 4,569,875 | 2,221,746 | 2,388,149 |
| Employee Welfare Expenses | 405,642 | 410,017 | 203,925 | 214,269 |
| | 11,164,091 | 11,712,900 | 5,692,000 | 6,120,988 |
| Profit from Operation | 134,575,226 | 149,306,016 | 64,495,351 | 73,684,545 |
| Less: Financial Expenses | 317,326 | 307,186 | 179,637 | 156,649 |
| Add: Foreign Exchange Gain/(Loss) | 32,825 | - | 32,825 | - |
| | 134,290,725 | 148,998,830 | 64,315,714 | 73,527,896 |
| Add: Other Income | 47,456 | - | 19,687 | - |
| Net profit before tax | 134,338,181 | 148,998,830 | 64,335,401 | 73,527,896 |
| Income Tax Expenses | - | - | - | - |
| Profit after tax | 134,338,181 | 148,998,830 | 64,335,401 | 73,527,896 |
| Basic Earnings Per Share (EPS)- Adjusted | 0.68 | 0.75 | 0.32 | 0.37 |

* EPS calculated based on weighted average number of shares

| | | | |
|---|---|---|---|
|  |  |  |  |
| Chairman | Managing Director | Director | Company Secretary |
| | | |  |
| | | | Chief Financial Officer |


Place: Dhaka
Dated: January 30, 2019

FAR CHEMICAL INDUSTRIES LIMITED
Statement of Cash Flows
For the period ended December 31, 2018

| Particulars | Amount in Taka | |
|--|---------------------------------------|---------------------------------------|
| | July 01, 2018 to December 31, 2018 | July 01, 2017 to December 31, 2017 |
| A. Cash Flows From Operating Activities: | | |
| Receipt from customers | 595,563,929 | 655,396,463 |
| Receipt from other income | 47,456 | - |
| Payment for Cost of Expenses | (402,453,522) | (473,114,752) |
| Payment for Operating Expenses | (8,241,963) | (12,104,938) |
| Payment for financial Expenses | (317,326) | (307,186) |
| Net cash flows from Operating activities | 184,598,574 | 169,869,588 |
| B. Cash Flows From Investing Activities: | | |
| Purchase of Fixed Assets | (187,573,174) | (159,460,387) |
| Net cash flows from investing activities | (187,573,174) | (159,460,387) |
| C. Cash Flows From Financing Activities: | | |
| Increase / (Decrease) in Short term Borrowings | 89,671 | 665,329 |
| Net Cash flows from financing activities | 89,671 | 665,329 |
| D. Increase/(Decrease) cash and cash equivalents (A+B+C) | (2,884,929) | 11,074,530 |
| E. Foreign Exchange Gain/(Loss) | 6,132 | - |
| F. Opening cash and cash equivalents | 22,210,099 | 19,919,834 |
| G. Closing cash and cash equivalents (E + D) | 19,331,302 | 30,994,364 |
| Net Operating Cash Flows Per Share | 0.93 | 0.94 |

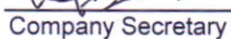


Chairman

S. Heiqul M. Hasan 

Managing Director

Director



Company Secretary



Chief Financial Officer

Place: Dhaka

Dated: January 30, 2019

FAR CHEMICAL INDUSTRIES LIMITED
Statement of Changes in Equity (Un-Audited)
For the period ended December 31,2018

| Particulars | Ordinary Share Capital | Retained Earnings | Total |
|--------------------------------|------------------------|--------------------|----------------------|
| As at July 01, 2018 | 1,802,424,980 | 961,917,818 | 2,764,342,798 |
| Add/(Less): Bonus Share | 180,242,500 | (180,242,500) | - |
| Add: Current Period Net Profit | - | 134,338,181 | 134,338,181 |
| Total | 1,982,667,480 | 916,013,499 | 2,898,680,979 |

FAR CHEMICAL INDUSTRIES LIMITED
Statement of Changes in Equity (Un-Audited)
For the period ended December 31,2017

| Particulars | Ordinary Share Capital | Retained Earnings | Total |
|--------------------------------|------------------------|--------------------|----------------------|
| As at July 01, 2017 | 1,638,568,160 | 859,044,368 | 2,497,612,528 |
| Add/(Less): Bonus Share | 163,856,820 | (163,856,820) | - |
| Add: Current period net profit | - | 148,998,830 | 148,998,830 |
| Total | 1,802,424,980 | 844,186,378 | 2,646,611,358 |



Chairman



Managing Director



Director



Company Secretary



Chief Financial Officer

Place: Dhaka

Dated: January 30, 2019

FAR Chemical Industries Limited
Notes, comprising significant accounting policies and other explanatory information
For the period ended December 31, 2018

1.00 Reporting Entity

Background of the Company

FAR Chemical Industries Limited (the Company') was incorporated in Bangladesh on 22 March 2007 as a Private Limited Company under the Companies Act 1994 with its Corporate office at House No: 11 (Floor: 5-A), Road No: 12, Niketon, Gulshan-1, Dhaka-1212 and Registered office & factory is situated at Plot # 135-136 in CEPZ, Comilla Export Processing Zone, Comilla, Bangladesh. Subsequently the company has been converted to Public Limited Company under the Companies Act 1994 on 19 June 2012 and issue of Public offer of 12,000,000 ordinary shares of Tk. 10.00 each at par totaling to Tk.120,000,000 as Bangladesh Securities and Exchange Commission (BSEC) ref no. BSEC/CI/IPO-220/2013/98 dated February 05, 2014.

2.00 Basis of Preparation of Financial Statements

2.01 Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and International Accounting Standards (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations in Bangladesh.

2.02 Reporting Currency and Level of Precision

The financial statements are presented in Bangladeshi Taka (Taka/Tk), which is the Company's functional currency. All financial information presented in Taka have been rounded off to the nearest Taka.

2.03 Preparation and Presentation of Financial Statements of the Company

The Board of Directors of FAR Chemical Industries Ltd is responsible for the preparation and presentation of financial statements.

2.04 Reporting Period

The financial period of the companies covers 6 months period from 01 July 2018 to 31 December 2018 and is followed consistently.

2.05 Statement of Cash Flows

Statement of cash flows is prepared in accordance with "IAS 7: Statement of Cash Flows" and the cash flow from operating activities have been presented under Direct Method as required by the Securities and Exchange Rules 1987 and considering the provisions that "Enterprises are Encouraged to Report Cash Flows from Operating Activities using the Direct Method".

3.00 Components of the Financial Statements

According to the International Accounting Standards (IAS)-1 as adopted by ICAB "Presentation of Financial Statements" the complete set of financial statements includes the following components.

- i. Statement of financial position as at 31 December 2018;
- ii. Statement of profit or loss and other comprehensive income for the period ended on 31 December 2018;
- iii. Statement of changes in equity for the period ended on 31 December 2018
- iv. Statement of cash flows for the period ended on 31 December 2018;and
- v. Notes, comprising significant accounting policies and other explanatory information for the period ended on 31 December 2018.

4.0 Foreign Currency Transaction/Translation

Foreign currency transactions are translated into Bangladeshi Taka at the exchange rates ruling at the transaction dates according to IAS 21: "The effect of changes in Foreign Exchange Rates". Monetary assets and liabilities denominated in the foreign currencies are translated at prevailing rates on the balance sheet (financial position) date. Non monetary assets and liabilities denominated in foreign currencies, which are related at historical cost, are translated into Bangladesh Taka at the exchange date ruling at the date of transactions. Foreign exchange fluctuation gain/losses are charged to Statement of Comprehensive Income for the respective period.

5.00 Taxation

No provision is made for income tax since the Company is situated in Export Processing Zone, Comilla and as per Income Tax Ordinance 1984 vide IRD SRO No. 289-Law/89, dated 19 August 1989, all industries operated in the Bangladesh Export Processing Zone (BEPZ) have been exempted from payment of income tax for a period of 10 years from the date of commercial operation.

6.00 Earnings per Share (EPS)

This has been calculated in compliance with the requirements of "IAS 33: Earnings per Share" by dividing the basic earnings by the weighted average number of ordinary Shares outstanding during the year.

Basic Earnings

This represents earnings for the period attributable to the ordinary shareholders. As there are no preference dividend, minority interest or extra ordinary items, the net profit for the year has been considered as fully attributable to ordinary shareholders. Basic earnings per share has been calculated by dividing the net profit or loss by the number of weighted average ordinary share outstanding during the year.

7.00 Employee Benefits

7.1 Worker's Profit Participation

Accordance with the requirement of section 234 of Labor Act, 2006, the company should contribute 5% of net profit before charging the amount to the aforementioned fund. But the company established in Comilla Export Processing Zone and have to comply only BEPZA rules relating to services matter concerning workers and officers employed in the company operating in the Export Processing Zone Bangladesh, which imposed by BEPZA. So there is

no provision for Worker's Profit Participation Fund in company's profits as per BEPZA rules.

7.2 Provident Fund

The Company has established and maintaining Contributory Provident Fund in compliance to the requirement of "The EPZ employees (Contributory) Provident Fund Policy -2012". The fund is administrated by the 6 members Board of Trustees of which 3 members are nominated from employer's side and remaining 3 members fulfilled from the representative from Workers Welfare Association. All members of trustee shall hold their position for three years. The member of the trustee board within the limit of the policy shall together hold absolute measure to take any decision for implementation of the provident fund.

7.3 Workers Welfare Fund

The company has been paying against "Workers Welfare Fund" to BEPZA since 1st February 2013 in compliance to the requirement of BEPZA rules. The management of the fund is maintained by BEPZA according to the rules & guidelines imposed under the style of 'Constitution and Operation Procedure of EPZ Worker's Welfare Fund 2012'.

| Particulars | 01-07-2018 to 31-12-2018 | 01-07-2017 to 31-12-2017 | 01-10-2018 to 31-12-2018 | 01-10-2017 to 31-12-2017 |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| 8.00 Cost of Goods Sold | | | | |
| Cost of Goods Sold | 452,438,092 | 493,278,282 | 230,529,664 | 262,120,485 |
| | 452,438,092 | 493,278,282 | 230,529,664 | 262,120,485 |
| 9.00 Operating Expenses | | | | |
| Selling & Distribution | 6,339,016 | 6,733,008 | 3,266,328 | 3,518,570 |
| Administrative Expenses | 4,419,432 | 4,569,875 | 2,221,746 | 2,388,149 |
| Employee Welfare Expenses | 405,642 | 410,017 | 203,925 | 214,269 |
| | 11,164,091 | 11,712,900 | 5,692,000 | 6,120,988 |
| 10.00 Basic earnings per share for the year: | | | | |
| Earnings from Core Business | | | | |
| a) Net Profit after Tax excluding Extraordinary Income | 134,290,725 | 148,998,830 | 64,315,714 | 73,527,896 |
| b) Weighted average number of shares outstanding | 198,266,748 | 180,242,498 | 198,266,748 | 180,242,498 |
| Basic Earnings per share (EPS) from core business(a/b) | 0.68 | 0.83 | 0.32 | 0.41 |
| Earnings from Extraordinary Income | | | | |
| a) Extraordinary Income | 47,456 | - | 19,687 | - |
| b) Weighted average number of shares outstanding | 198,266,748 | 180,242,498 | 198,266,748 | 180,242,498 |
| Basic Earnings per share from Extraordinary Income (a/b) | 0.0002 | - | 0.0001 | - |
| Basic earnings per share | 0.68 | 0.83 | 0.32 | 0.41 |
| Basic earnings per share (Adjusted) | 0.68 | 0.75 | 0.32 | 0.37 |

Weighted average number of shares outstanding

| For the year 2018-2019 | Number of Share | Weight | Weighted average no. of Shares |
|------------------------|--------------------|---------|--------------------------------|
| Particulars | | | |
| Opening Shares | 180,242,498 | 365/365 | 180,242,498 |
| Bonus Shares | 18,024,250 | 365/365 | 18,024,250 |
| Total | 198,266,748 | | 198,266,748 |

| Amount in Taka | |
|----------------|------------|
| 31-12-2018 | 30-06-2018 |

11.00 Share Capital:

Authorized share capital :

300,000,000 ordinary shares of Taka 10/= each.

| | |
|---------------|---------------|
| 3,000,000,000 | 3,000,000,000 |
|---------------|---------------|

Issued, subscribed and paid-up capital:

198,266,748 Ordinary Shares of Tk. 10/- each fully paid-up.

| | |
|---------------|---------------|
| 1,982,667,480 | 1,802,424,980 |
|---------------|---------------|

The shareholding position of the company are as under:

| Name | No of shares | Percentages (%) | Taka |
|----------------------|--------------------|-----------------|----------------------|
| Sponsors & Directors | 59,961,475 | 30.24% | 599,614,752 |
| Local Institutions | 59,380,891 | 29.95% | 593,808,908 |
| General Shareholder | 78,924,382 | 39.81% | 789,243,820 |
| Total | 198,266,748 | 100.00% | 1,982,667,480 |

| Particulars | Amount in Taka | |
|---------------------------------|--------------------|--------------------|
| | 31-12-2018 | 30-06-2018 |
| 12.00 Retained earnings: | | |
| Opening balance | 961,917,818 | 859,044,368 |
| Less: Dividend | (180,242,500) | 163,856,820 |
| | 781,675,318 | 695,187,548 |
| Add: Profit during the year | 134,338,181 | 266,730,270 |
| | 916,013,499 | 961,917,818 |

13.00 Net Assets Value (NAV) per share

| | | |
|---|----------------------|----------------------|
| Total Assets | 2,944,562,618 | 2,813,864,694 |
| Less: Total outside liability | 45,881,639 | 49,521,896 |
| a. Net Asset Value | 2,898,680,979 | 2,764,342,798 |
| b. Total number of shares outstanding | 198,266,748 | 180,242,498 |
| Net Assets Value (NAV) per share (a/b) | 14.62 | 15.34 |

| Amount in Taka | |
|----------------|------------|
| 31-12-2018 | 31-12-2017 |

14.00 Net operating cash flow per share (NOCFPS)

| | | |
|---|-------------|-------------|
| a) Net Operating Cash Flow (Numerator) | 184,598,574 | 169,869,588 |
| b) No of Shares outstanding | 198,266,748 | 180,242,498 |
| Net operating cash flow per share (NOCFPS) (a/b) | 0.93 | 0.94 |