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 2016

STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 31ST DECEMBER, 2016

Value in Taka '000'

	As on 31.12.2016	As on 30.06.2016	Growth %
ASSETS			
Non-Current Assets:			
Property, Plant and Equipment	120,478	131,305	(8)
Investments	259,050	223,507	16
	379,528	**354,812**	**7**
Current Assets:			
Inventories	718,409	658,163	9
Trade Receivables	52,020	38,621	35
Advances, Deposits & Prepayments	39,043	26,552	47
Other Receivables	175,833	130,296	35
Short Term Investments	292,298	326,190	(10)
Cash & Cash Equivalents	10,201	10,876	(6)
	1,287,804	**1,190,698**	**8**
TOTAL ASSETS	**1,667,332**	**1,545,510**	
EQUITY AND LIABILITIES			
Shareholders' Equity:			
Share Capital	57,024	57,024	0
Share Premium	209,088	209,088	0
Reserve and Surplus	185,034	192,816	(4)
Fair Valuation Surplus of Investments	192,421	160,431	20
	643,567	**619,359**	**4**
Non-Current Liabilities:			
Deferred Tax Liabilities	22,678	20,550	10
Long Term Loan	7,500	22,500	(67)
	30,178	**43,050**	**(30)**
Current Liabilities:			
Working Capital Loan (Secured)	745,070	712,861	5
Long Term Loan-Current Maturity	30,000	30,000	0
Short Term Loan	87,864	65,871	33
Trade Payables	54,956	27,741	98
Other Payables	24,878	20,428	22
Current Tax Liability	33,225	19,982	66
Other Liabilities	17,594	6,218	183
	993,587	**883,101**	**13**
Total Liabilities	**1,023,765**	**926,151**	**11**
TOTAL EQUITY & LIABILITIES	**1,667,332**	**1,545,510**	
Net Asset Value Per Share	**112.86**	**108.61**	

STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTHS ENDED 31ST DECEMBER, 2016

Value in Taka '000'

	01.07.2016 to 31.12.2016	01.07.2015 to 31.12.2015	Growth %
CASH FLOWS FROM OPERATING ACTIVITIES:			
Collection from revenue	1,021,661	1,096,188	(7)
Other Income	16,175	22,868	(29)
Interest and other financial charges paid	(49,429)	(49,993)	(1)
Income tax paid	(10,710)	(16,179)	(34)
Payment for costs and expenses	(1,049,048)	(963,368)	9
Net cash used in operating activities (a)	**(71,351)**	**89,516**	**(180)**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property, Plant and Equipment acquired	(2,388)	(534)	347
Short term investments	33,891	(6,060)	659
Net cash generated from investing activities (b)	**31,503**	**(6,594)**	**578**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Working Capital Loan received/(repaid)	32,209	(83,318)	139
Long Term loan received/(repaid)	(15,000)	(15,000)	0
Short Term Loan received/(repaid)	21,993	22,619	(3)
Dividend paid	(29)	(4,629)	(99)
Net cash generated from financing activities (c)	**39,173**	**(80,328)**	**(149)**
Net increase/(decrease) in cash and cash equivalents(a+b+c)	**(675)**	**2,594**	**(126)**
Cash & cash equivalents on opening	10,876	4,318	152
Cash & cash equivalents on closing	**10,201**	**6,912**	**48**
Net Operating Cash Flow Per Share	**(12.51)**	**15.70**	**(180)**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS ENDED 31ST DECEMBER, 2016

Value in Taka '000'

	01.07.2016 to 31.12.2016	01.07.2015 to 31.12.2015	Growth %	01.10.2016 to 31.12.2016	01.10.2015 to 31.12.2015	Growth %
REVENUE	**1,035,060**	**1,122,227**	**(8)**	**572,703**	**677,417**	**(15)**
Cost of Goods Sold	(935,659)	(1,038,273)	**(10)**	(522,087)	(630,115)	**(17)**
GROSS PROFIT	**99,401**	**83,954**	**18**	**50,616**	**47,302**	**7**
OPERATING EXPENSES:	**(100,102)**	**(111,289)**	**(10)**	**(51,811)**	**(59,066)**	**(12)**
Administrative & Selling Overhead	(50,673)	(61,296)	**(17)**	(26,644)	(33,563)	**(21)**
Financial Expenses	(49,429)	(49,993)	**(1)**	(25,167)	(25,503)	**(1)**
OPERATING PROFIT/(LOSS)	**(701)**	**(27,335)**	**97**	**(1,195)**	**(11,764)**	**90**
Other Income	16,954	20,126	**(16)**	10,655	8,818	**21**
PROFIT BEFORE PPF & WF	**16,253**	**(7,209)**	**325**	**9,460**	**(2,946)**	**421**
Provision for Contribution to PPF & WF	(813)	-	**(100)**	(473)	-	**(100)**
PROFIT /(LOSS) BEFORE TAX	**15,440**	**(7,209)**	**314**	**8,987**	**(2,946)**	**405**
Tax Expenses:						
Current tax	(13,243)	(12,107)	**9**	**(7,532)**	(5,522)	**36**
Deferred tax (expenses) / Income	1,426	18	**7,820**	580	8	**7,149**
NET PROFIT/(LOSS) AFTER TAX	**3,623**	**(19,298)**	**119**	**2,035**	**(8,460)**	**124**
Other comprehensive income	**31,990**	**89,174**	**(64)**	**(38,022)**	**73,633**	**(152)**
Fair valuation surplus/(deficit) of investments	35,544	99,082	**(64)**	(42,247)	81,814	**(152)**
Deferred tax (expenses)/income on share valuation surplus	(3,554)	(9,908)	**(64)**	4,225	(8,181)	**152**
TOTAL COMPREHENSIVE INCOME	**35,613**	**69,876**	**(49)**	**(35,987)**	**65,173**	**(155)**
Earning Per Share (EPS)	**0.64**	**(3.38)**	**119**	**0.36**	**(1.48)**	**124**

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS ENDED 31ST DECEMBER, 2016

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 2016	**57,024**	**209,088**	**51,163**	**141,046**	**607**	**160,431**	**619,359**
Net Profit for the six months ended on 31st December 2016	-	-	-	3,623	-	-	**3,623**
Dividend for the year 2015-16	-	-	-	(11,405)	-	-	**(11,405)**
Fair valuation surplus/(deficit) of investments	-	-	-	-	-	31,990	**31,990**
As at 31st December 2016	**57,024**	**209,088**	**51,163**	**133,264**	**607**	**192,421**	**643,567**

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

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 2015	**57,024**	**209,088**	**51,163**	**174,161**	**607**	**130,440**	**622,483**
Net Profit 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**

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 2016.
(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/-	**Sd/-**	**Sd/-**	**Sd/-**	**Sd/-**
Zafar Ahmed	**Shahriar Ahmed**	**Ashim Kumar Barua**	**S. K. Halder**	**Kamrul Islam**
Chairman	Managing Director	Director	Chief Financial Officer	Assistant Company Secretary

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SELECTIVE NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED ON 31.12.2016

	Value in Taka '000' As on 31.12.2016	As on 30.06.2016
1. PROPERTY, PLANT & EQUIPMENT:	120,478	131,305
During the period an amount of Tk. 1,817,826/- has been added in Property, Plant & Equipments. Depreciation has been charged as per BAS 16.		
2. INVENTORIES:		
Shrimps	704,186	645,763
Stock of Packing Materials	10,834	9,251
Stock of Chemical & Ingredients	3,389	3,149
	718,409	658,163
3. TRADE RECEIVABLES:	52,020	38,621
Trade receivables are considered good.		
4. ADVANCES, DEPOSITS AND PREPAYMENTS:		
Advance against Expenses	2,322	142
Advance to employees	18	
Deposits	5,119	5,119
Prepayments	1,446	1,863
Advance Income Tax	30,138	19,428
	39,043	26,552
The growth of 47% mainly in Advance Income tax due to tax deduction at source.		
5. OTHER RECEIVABLES:		
Insurance Claim Receivable	16,255	16,255
Dividend receivable	6,407	-
Cash incentive Receivable	149,046	104,289
FDR's Interest Receivable	4,125	9,752
	175,833	130,296
Cash incentive receivable from the Bank which will be received through Agrani Bank Limited time to time depending on their availability of fund from Bangladesh Bank.		
6. SHORT TERM INVESTMENTS:		
FDR with Dhaka Bank Limited	270,698	304,590
FDR with Agrani Bank Limited	21,600	21,600
	292,298	326,190
7. CASH AND CASH EQUIVALENTS:		
Cash in Hand:		
Head Office	23	20
Factory Office	37	77
	60	97
Cash at Bank with:		
Agrani Bank, Agrabad Corporate Br. Chittagong.	6,411	6,995
Arab Bangladesh Bank Ltd. Principal Br, Dhaka.	620	620
Eastern Bank Ltd., Principal Branch, Dhaka	10	10
The Hongkong & Shanghai Banking Corporation, Dhaka	3,097	3,151
Dhaka Bank Ltd., Foreign Exchange Branch, Dhaka	3	3
	10,141	10,779
	10,201	10,876
8. WORKING CAPITAL LOAN:		
Against Hypothecation	128,899	96,790
Against Pledge of Finished Goods	616,171	616,071
	745,070	712,861
The Working Capital loan was taken from Agrani Bank Ltd., Agrabad Corporate Br., Chittagong.		
9. 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.		
10. SHORT TERM LOAN:		
Dhaka Bank Limited	87,864	65,871
	87,864	65,871
Increase of 33% represents the more utilization of loan for procurement of shrimps.		
11. TRADE PAYABLES:	54,956	27,741
The increase of 98% in Trade Payables due to more purchase have made during the period.		
12. OTHER LIABILITIES:		
Unclaimed Dividend	17,594	6,218
	17,594	6,218
The growth of 183% due to dividend payable for 2015-16 which was not paid within 31.12.16.		

	Value in Taka '000' 01.07.2016 to 31.12.2016	01.07.2015 to 31.12.2015
13. REVENUE:	1,035,060	1,122,227
Turnover has been decreased 8% (i.e.From 1,122.23 million to 1,035.06 million) as compared to the turnover of same period of 2015-16 because of less quantity sold.		
14. COST OF GOODS SOLD:		
Opening Stock of Finished Goods	645,763	895,527
Add. Cost of Production-Note-15	994,082	886,303
	1,639,845	1,781,830
Less: Closing Stock of Finished Goods	704,186	743,557
	935,659	1,038,273
15.COST OF PRODUCTION:		
Raw Materials	919,265	804,859
Packing Material & Chemicals-Note-16	21,869	32,819
Direct Labour	13,790	10,265
Factory Overhead-Note-17	27,077	24,083
Depreciation	12,081	14,277
	994,082	886,303
The increase of cost of production mainly due to the more procurement of raw materials.		
16. PACKING MATERIALS, CHEMICALS & ICE CONSUMED:		
Opening balance (Packing Materials)	9,251	8,662
Add: Packing Materials Purchase	19,106	25,794
	28,357	34,456
Less: Packing Materials in hand	10,834	7,931
	17,523	26,525
Opening balance (Chemical & Ingredients)	3,149	2,680
Add: Chemical, Ingredients & Ice Purchase	4,586	7,280
	25,258	36,485
Less: Chemical, Ingredients in hand	3,389	3,666
	21,869	32,819
17. FACTORY OVERHEAD:		
Wages & Salaries	12,818	11,282
Bonus to Workers'	239	543
Power, Fuel & Water	9,770	8,867
Consumable Stores & Spares	617	497
Repair & Maintenance	3,604	2,869
Carriage Inward	29	25
	27,077	24,083
The increase of 12% in factory overhead is mainly due to wages & salary and cost of power& fuel.		
18. ADMINISTRATIVE AND SELLING OVERHEAD:		
Advertisement	291	225
AGM Expenses	36	88
Board meeting fees	8	10
Bonus to Staff	1,285	2,459
Contribution to Provident Fund	681	781
Depreciation	563	626
Directors Remuneration	4,500	4,500
Donation & Subscription	8	10
Electricity & WASA Charges	219	218
Entertainment	252	253
Freight & Forwarding	14,733	18,636
General Fees & Charges	14	13
Guest House Expenses	319	307
Insurance Premium	2,295	2,295
Laboratory Expenses	26	5
Laboratory Testing Fees	2,357	2,278
Legal & Professional Fees	61	28
License & renewals	171	323
Medical Expenses	7	1
Membership Subscription	1	1
Newspaper & Periodicals	24	30
Office Maintenance	258	149
Postage & Stamp	286	190
Printing & Stationery	456	460
Rejection Insurance Premium	995	930
Rent, Rates & Taxes	1,461	1,410
Salary & Allowances	12,811	13,624
Sales Commission	-	3,573
Sales Promotion Expenses	3,929	4,968
Sanitation Expenses	86	64
Staff fooding	318	284
Staff Welfare Expenses	458	553
T.A & Conveyance	666	738
Telephone, Telex & Fax	239	312
Uniform & Liveries	213	115
Vehicles Maintenance	646	839
	50,673	61,296
17% decrease in Administrative and Selling Overhead is mainly due to there was no sales commission and minimization of cost during the period.		

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**	**Sd/-**
Zafar Ahmed	**Shahriar Ahmed**	**Ashim Kumar Barua**	**S. K. Halder**	**Kamrul Islam**
Chairman	Managing Director	Director	Chief Financial Officer	Assistant Company Secretary

	01.07.2016 to 31.12.2016	01.07.2015 to 31.12.2015
19. FINANCIAL EXPENSES:		
Interest	45,574	46,911
Charges	3,855	3,082
	49,429	**49,993**
20. OTHER INCOME:		
Dividend income	6,407	5,954
Interest earned	10,547	14,172
	16,954	**20,126**

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

21. PROVISION FOR TAX:	**13,243**	**12,107**

The increase of 9% in provision for tax is mainly due to tax on export.

22. RELATED PARTY TRANSACTIONS:

There was no related party transactions during the period.

23. EARNINGS PER SHARE (EPS)	**0.64**	**(3.38)**

EPS during the period increased as the international market now seems to be rebounding and the management efficiently running the Company with minimization of cost as a result the Company earns net profit and the EPS was Tk. 0.64 for the 2nd quarter ended on 31st December 2016 as compared to same period of previous year of EPS.

24. NET OPERATING CASH FLOW PER SHARE:	**(12.51)**	**15.70**

Net operating cash flow was (Tk.12.51) per share for the 2nd quarter ended on 31st December 2016 but it was Tk. 15.70 for the same period of last year, this is mainly due to more procurement of shrimps and there was a trade receivable of Tk. 52.02 million as a result the more cash outflows have been made as well as cash inflow was less. This scenario is changeable time to time depending on different issues.

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**	**Sd/-**
Zafar Ahmed	**Shahriar Ahmed**	**Ashim Kumar Barua**	**S. K. Halder**	**Kamrul Islam**
Chairman	Managing Director	Director	Chief Financial Officer	Assistant Company Secretary

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