APEX FOODS LIMITED

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

UN-AUDITED NINE MONTHS (Q3) FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON 31ST MARCH 2017

STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT 31ST MARCH, 2017

Value in Taka '000'

	As on 31.03.2017	As on 30.06.2016	Growth %
ASSETS			
Non-Current Assets:			
Property, Plant and Equipment	114,863	131,305	(13)
Investments	263,192	223,507	18
	378,055	354,812	7
Current Assets:			
Inventories	730,923	658,163	11
Trade Receivables	38,711	38,621	0
Advances, Deposits & Pre- Payments	43,224	26,552	63
Other Receivables	127,045	130,296	(2)
Short Term Investments	270,852	326,190	(17)
Cash & Cash Equivalents	12,109	10,876	11
	1,222,864	1,190,698	3
TOTAL ASSETS	1,600,919	1,545,510	4
EQUITY AND LIABILITIES			
Shareholders' Equity:			
Share Capital	57,024	57,024	0
Share Premium	209,088	209,088	0
Reserve and Surplus	187,044	192,816	(3)
Fair Valuation Surplus	196,148	160,431	22
	649,304	619,359	5
Non-Current Liabilities:			
Deferred Tax Liabilities	23,909	20,550	16
Long Term Loan	-	22,500	(100)
	23,909	43,050	(44)
Current Liabilities:			
Working Capital Loan (Secured)	753,471	712,861	6
Long Term Loan-Current Maturity	30,000	30,000	0
Short Term Loan	35,460	65,871	(46)
Trade Payables	42,891	27,741	55
Other Payables	16,473	20,428	(19)
Current Tax Liability	36,053	19,982	80
Other Liabilities	13,358	6,218	115
	927,706	883,101	5
Total Liabilities	951,615	926,151	3
TOTAL EQUITY & LIABILITIES	1,600,919	1,545,510	4
Net Asset Value Per Share	113.87	108.61	

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS ENDED 31ST MARCH, 2017

Value in Taka '000'

	01.07.2016 to 31.03.2017	01.07.2015 to 31.03.2016	Growth %	01.01.2017 to 31.03.2017	01.01.2016 to 31.03.2016	Growth %
REVENUE	1,258,080	1,576,292	(20)	223,020	454,064	(51)
Cost of Goods Sold	(1,112,832)	(1,436,429)	(23)	(177,173)	(398,156)	(56)
GROSS PROFIT	145,248	139,863	4	45,847	55,908	(18)
OPERATING EXPENSES:	(143,910)	(163,210)	(12)	(43,808)	(51,921)	(16)
Administrative & Selling Overhead	(70,740)	(89,498)	(21)	(20,067)	(28,202)	(29)
Financial Expenses	(73,170)	(73,712)	(1)	(23,741)	(23,719)	0
OPERATING PROFIT/(LOSS)	1,338	(23,347)	106	2,039	3,987	(49)
Other Income	20,866	25,387	(18)	3,912	5,261	(26)
PROFIT/(LOSS) BEFORE PPF & WF	22,204	2,040	988	5,951	9,248	(36)
Provision for Contribution to PPF & WF	(1,110)	(102)	988	(297)	(462)	36
PROFIT /(LOSS) BEFORE TAX	21,094	1,938	988	5,654	8,786	(36)
Tax Expenses:	(15,461)	(17,866)	(13)	(3,644)	(5,777)	37
Current tax	(16,071)	(15,426)	4	(2,828)	(3,319)	15
Deferred tax (expenses) / Income	610	(2,440)	125	(816)	(2,458)	67
NET PROFIT/(LOSS) AFTER TAX	5,633	(15,928)	135	2,010	3,009	(33)
Other comprehensive income:	35,717	40,452		3,727	(48,721)	
Fair valuation surplus/(deficit) of investments	39,686	44,947	(12)	4,141	(54,135)	108
Deferred tax (expenses)/income on share valuation surplus	(3,969)	(4,495)	(12)	(414)	5,414	(108)
TOTAL COMPREHENSIVE INCOME	41,350	24,524	69	5,737	(45,712)	113
Earning Per Share (EPS)	0.99	(2.79)	135	0.35	0.53	(33)

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

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 nine months ended on 31st March 2017	-	-	-	5,633	-	-	5,633
Dividend for the year 2015-16	-	-	-	(11,405)	-	-	(11,405)
Fair valuation surplus/(deficit) of investments	-	-	-	-	-	35,717	35,717
As at 31st March 2017	57,024	209,088	51,163	135,274	607	196,148	649,304

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED 31ST MARCH, 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 2015	57,024	209,088	51,163	174,161	607	130,440	622,483
Net Profit for the nine months ended on 31st March 2016	-	-	-	(15,928)	-	-	(15,928)
Dividend for the year 2014-15	-	-	-	(11,405)	-	-	(11,405)
Fair valuation surplus/(deficit) of investments	-	-	-	-	-	40,452	40,452
Prior years' adjustment for deferred tax						(13,044)	(13,044)
As at 31st March 2016	57,024	209,088	51,163	146,828	607	157,848	622,558

STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS ENDED 31ST MARCH, 2017

Value in Taka '000'

	01.07.2016 to 31.03.2017	01.07.2015 to 31.03.2016	Growth %
CASH FLOWS FROM OPERATING ACTIVITIES:			
Collection from revenue	1,257,990	1,570,928	(20)
Other Income	23,217	26,018	(11)
Interest and other financial charges paid	(73,170)	(73,712)	1
Income tax paid	(14,724)	(19,735)	25
Payment for costs and expenses	(1,227,692)	(1,380,534)	11
Net cash generated from operating activities (a)	(34,379)	122,965	(128)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property, Plant and Equipment acquired	(3,160)	(2,216)	(43)
Short Term Investments	55,338	(7,588)	829
Net cash used in investing activities (b)	52,178	(9,804)	632
CASH FLOWS FROM FINANCING ACTIVITIES:			
Working Capital Loan received/(repaid)	40,610	(93,570)	143
Long Term loan received/(repaid)	(22,500)	(22,500)	0
Short Term Loan received/(repaid)	(30,411)	14,555	(309)
Dividend paid	(4,265)	(4,849)	12
Net cash used in financing activities (c)	(16,566)	(106,364)	84
Net increase/(decrease) in cash and cash equivalents(a+b+c)	1,233	6,797	(82)
Cash & cash equivalents on opening	10,876	4,318	152
Cash & cash equivalents on closing	12,109	11,115	9
Net Operating Cash Flow Per Share	(6.03)	21.56	(128)

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 March 2017.

(3) Last year's nine month's figures were rearranged where considered necessary to conform to current nine months presentation.

(4) No diluted EPS is required to be calculated as there was no dilution during this period.

(5) Figures were rounded-off to the nearest thousand Taka.

Note: The details with selected notes of the published nine months 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 NINE MONTHS ENDED ON 31.03.2017

Value in Taka '000'

	As on 31.03.2017	As on 30.06.2016
1. PROPERTY, PLANT & EQUIPMENT:	114,863	131,305
During the period an amount of Tk. 2,589,912/- has been added in Property, Plant & Equipment.		
2. INVENTORIES:		
Shrimps (Finished Goods)	717,376	645,763
Stock of Packing Materials	10,157	9,251
Stock of Chemical & Ingredients	3,390	3,149
	730,923	658,163
3. TRADE RECEIVABLES:	38,711	38,621
Subsequently trade receivables are realised in full.		
4. ADVANCES, DEPOSITS AND PREPAYMENTS:		
Advance against Expenses	24	142
Deposits	5,126	5,119
Prepayments	3,922	1,863
Advance Income Tax	34,152	19,428
	43,224	26,552
The growth of 63% mainly in Advance Income tax due to Tax deduction at Source on export realization, cash incentive and other income.		
5. OTHER RECEIVABLES:		
Insurance Claim Receivable	16,255	16,255
Cash incentive Receivable	103,388	104,289
FDR's Interest Receivable	7,402	9,752
	127,045	130,296
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. SHORT TERM INVESTMENTS:		
FDR with Dhaka Bank Limited	249,252	304,590
FDR with Agrani Bank Limited	21,600	21,600
	270,852	326,190
7. CASH AND CASH EQUIVALENTS:		
Cash in Hand:		
Head Office	31	20
Factory Office	99	77
	130	97
Cash at Bank with:		
Agrani Bank, Agrabad Corporate Br. Chittagong.	5,158	6,995
Arab Bangladesh Bank Ltd. Principal Br. Dhaka.	615	620
Eastern Bank Ltd., Principal Branch, Dhaka	0	10
The Hongkong & Shanghai Banking Corporation, Dhaka	6,203	3,151
Dhaka Bank Ltd., Foreign Exchange Branch, Dhaka	3	3
	11,979	10,779
	12,109	10,876
8. FAIR VALUATION SURPLUS OF INVESTMENTS:	196,148	160,431
This represents the difference of market value and cost of investments.		
9. DEFERRED TAX LIABILITIES:	23,909	20,550
This increased due to implementation of BAS 12 on fair valuation surplus of investments.		
10. WORKING CAPITAL LOAN:		
Against Hypothecation	137,396	96,790
Against Pledge of Finished Goods	616,075	616,071
	753,471	712,861
The Working Capital loan was taken from Agrani Bank Ltd., Agrabad Corporate Br., Chittagong.		
11. 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.		
12. SHORT TERM LOAN:		
Dhaka Bank Limited	35,460	65,871
	35,460	65,871
Decrease of 46% is for early adjustment/payment of Short term loan.		
13. TRADE PAYABLES:	42,891	27,741
The increase of 55% in trade payables due to less payment against procurement of raw materials during the period.		
14. OTHER LIABILITIES:		
Unclaimed Dividend	13,358	6,218
	13,358	6,218
The growth of 115% due to dividend payable for 2015-16 which were not presented to the bank within 31.03.2017. This is mainly for Directors dividends who has not encashed yet.		

Value in Taka '000'

	01.07.2016 to 31.03.2017	01.07.2015 to 31.03.2016
15. REVENUE:	1,258,080	1,576,292
Revenue has been decreased 20% (i.e.From 1,576.29 million to 1,258.08 million) as compared to the turnover of same period of 2015-16 because of less quantity sold during the period.		
16. COST OF GOODS SOLD:		
Opening Stock of Finished Goods	645,763	895,527
Add. Cost of Production-Note-17	1,184,445	1,239,510
	1,830,208	2,135,037
Less: Closing Stock of Finished Goods	717,376	698,608
	1,112,832	1,436,429
The decrease of 23% in cost of goods sold mainly due to less turnover during the period.		
17.COST OF PRODUCTION:		
Raw Materials	1,082,562	1,121,060
Packing Material Chemicals & Ice-Note-18	27,539	45,648
Direct Labour	16,202	14,072
Factory Overhead-Note-19	39,966	37,271
Depreciation	18,176	21,459
	1,184,445	1,239,510
18. PACKING MATERIALS, CHEMICALS & ICE CONSUMED:		
Opening balance (Packing Materials)	9,251	8,662
Add: Packing Materials Purchase	23,325	35,710
	32,576	44,372
Less: Packing Materials in hand	10,157	9,381
	22,419	34,991
Opening balance (Chemical & Ingredients)	3,148	2,679
Add: Chemical, Ingredients & Ice Purchase	5,362	9,998
	30,929	47,668
Less: Chemical, Ingredients in hand	3,390	2,020
	27,539	45,648
The decrease of 40% mainly due to less turnover and less use of Packing materials, chemicals and ice during the period.		
19. FACTORY OVERHEAD:		
Wages & Salaries	19,245	17,521
Bonus to Workers'	239	543
Power, Fuel & Water	13,502	14,023
Consumable Stores & Spares	837	724
Repair & Maintenance	6,102	4,422
Carriage Inward	41	38
	39,966	37,271
The increase of 7% is mainly for repairs & maintenance and wages & Salary.		
20. ADMINISTRATIVE AND SELLING OVERHEAD:		
Advertisement	500	351
AGM Expenses	121	88
Board meeting fees	10	13
Bonus to Staff	1,285	2,459
Contribution to Provident Fund	1,058	1,168
Depreciation	856	940
Directors Remuneration	6,750	6,750
Donation & Subscription	14	118
Electricity & WASA Charges	291	290
Entertainment	381	373
Freight & Forwarding	18,159	25,892
General Fees & Charges	33	36
Guest House Expenses	480	479
Insurance Premium	2,295	2,295
Laboratory Expenses	42	143
Laboratory Testing Fees	3,041	3,289
Legal & Professional Fees	407	41
License & renewals	763	844
Medical Expenses	8	7
Membership Subscription	61	119
Newspaper & Periodicals	38	49
Office Maintenance	334	257
Postage & Stamp	394	262
Printing & Stationery	688	538
Rejection Insurance Premium	1,339	1,163
Rent, Rates & Taxes	2,119	2,041
Salary & Allowances	19,541	19,749
Sales Commission	-	6,695
Sales Promotion Expenses	5,973	8,088
Sanitation Expenses	119	114
Staff fooding	450	436
Staff Welfare Expenses	623	715
T.A & Conveyance	1,078	1,300
Telephone, Telex & Fax	360	429
Uniform & Liveries	297	204
Vehicles Maintenance	832	1,663
	70,740	89,498
21% decreased in Administrative and Selling Overhead is mainly due to less turnover as compared to last year's nine months.		

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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Value in Taka '000'

	01.07.2016 to 31.03.2017	01.07.2015 to 31.03.2016
21 FINANCIAL EXPENSES:		
Interest	68,123	69,321
Charges	5,047	4,391
	73,170	73,712
22. OTHER INCOME:		
Dividend income	6,407	5,954
Interest earned	14,459	19,433
	20,866	25,387
23. PROVISION FOR TAX:	16,071	15,426

24. RELATED PARTY TRANSACTIONS:
There was no related party transaction during the period.

25. DEFERRED TAX (EXPENSES)/INCOME	610	(2,440)

The provision for deferred tax (expenses)/income is made to pay/adjust future income tax liability/asset due to accumulated temporary difference of interest income receivable and WDV of fixed assets.

26. EARNINGS PER SHARE (EPS)	0.99	(2.79)

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 and earn more profit as a result the Company earns net profit and the EPS was Tk. 0.99 for the 3rd quarter ended on 31st March 2017 as compared to same period of previous year of EPS.

27. NET OPERATING CASH FLOW PER SHARE:	(6.03)	21.56

Net operating cash flow was Tk.(6.03) per share for the 3rd quarter ended on 31st March 2017 but it was Tk. 21.56 for the same period of last year, this is mainly due to less turnover during this period as compared to the same period of last year.

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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