APEX FOODS LIMITED

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

UN-AUDITED FIRST QUARTER (Q1) FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON 30TH SEPTEMBER, 2017

STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT 30TH SEPTEMBER, 2017

Value in Taka '000'

	As on 30.09.2017	As on 30.06.2017	Growth %
ASSETS			
Non-Current Assets:	**430,440**	**385,534**	**12**
Property, Plant and Equipment	108,887	113,077	(4)
Investments	316,434	267,338	18
Security Deposits	5,119	5,119	0
Current Assets:	**1,336,224**	**1,372,968**	**(3)**
Inventories	899,329	879,430	2
Trade Receivables	31,739	62,374	(49)
Advances, Deposits & Prepayments	48,015	39,859	20
Other Receivables	144,230	161,028	(10)
Short Term Investments	206,625	224,138	(8)
Cash & Cash Equivalents	6,286	6,139	2
TOTAL ASSETS	**1,766,664**	**1,758,502**	
EQUITY AND LIABILITIES			
Shareholders' Equity:	**702,921**	**656,322**	**7**
Share Capital	57,024	57,024	0
Share Premium	209,088	209,088	0
Reserve and Surplus	192,744	190,331	1
Fair Valuation Surplus of Investments	244,065	199,879	22
Non-Current Liabilities:	**28,449**	**24,272**	**17**
Deferred Tax Liabilities	28,449	24,272	17
Current Liabilities:	**1,035,294**	**1,077,908**	**(4)**
Working Capital Loan (Secured)	765,697	768,871	(0)
Long Term Loan-Current Maturity	15,000	22,500	(33)
Short Term Loan	95,713	96,451	(1)
Trade Payables	73,700	104,522	(29)
Other Payables	30,487	39,356	(23)
Current Tax Liability	47,264	38,760	22
Other Liabilities	7,433	7,448	(0)
Total Liabilities	**1,063,743**	**1,102,180**	**(3)**
TOTAL EQUITY & LIABILITIES	**1,766,664**	**1,758,502**	
Net Asset Value Per Share	**123.27**	**115.10**	

STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE FIRST QUARTER ENDED ON 30TH SEPTEMBER, 2017

Value in Taka '000'

	01.07.2017 to 30.09.2017	01.07.2016 to 30.09.2016	Growth %
CASH FLOWS FROM OPERATING ACTIVITIES:			
Collection from revenue	708,843	422,459	68
Other Income	5,662	9,631	(41)
Interest and other financial charges paid	(20,689)	(24,262)	(15)
Income tax paid	(7,680)	(4,267)	80
Payment for costs and expenses	(690,457)	(451,881)	53
Net cash used in operating activities (a)	**(4,321)**	**(48,320)**	**(91)**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property, Plant and Equipment acquired	(1,618)	(1,144)	(41)
Short term investments	17,513	(8,271)	312
Net cash generated from investing activities (b)	**15,895**	**(9,415)**	**269**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Working Capital Loan received/(repaid)	(3,174)	33,001	(110)
Long Term loan received/(repaid)	(7,500)	(7,500)	0
Short Term loan received/(repaid)	(738)	25,895	(103)
Dividend paid	(15)	(8)	90
Net cash used in financing activities (c)	**(11,427)**	**51,388**	**(122)**
Net increase/(decrease) in cash and cash equivalents(a+b+c)	**147**	**(6,347)**	**102**
Cash & cash equivalents on opening	6,139	10,876	(44)
Cash & cash equivalents on closing	**6,286**	**4,529**	**39**
Net Operating Cash Flows Per Share	**(0.76)**	**(8.47)**	

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE FIRST QUARTER ENDED ON 30TH SEPTEMBER, 2017

Value in Taka '000'

	01.07.2017 to 30.09.2017	01.07.2016 to 30.09.2016	Growth %
REVENUE	**678,209**	**462,357**	**47**
Cost of goods sold	(619,264)	(413,572)	50
GROSS PROFIT	**58,945**	**48,785**	**21**
OPERATING EXPENSES:	**(51,019)**	**(48,291)**	**6**
Administrative & selling overhead	(30,330)	(24,029)	26
Financial expenses	(20,689)	(24,262)	(15)
OPERATING PROFIT/(LOSS)	**7,926**	**494**	**1,505**
Other income	2,794	6,299	(56)
PROFIT BEFORE PPF & WF	**10,720**	**6,793**	**58**
Provision for contribution to PPF & WF	(536)	(340)	58
PROFIT/(LOSS) BEFORE TAX	**10,184**	**6,453**	**58**
Tax Expenses:	**(7,771)**	**(4,865)**	**60**
Current tax	(8,504)	(5,711)	49
Deferred tax (expenses)/income	733	846	(13)
NET PROFIT/(LOSS) AFTER TAX	**2,413**	**1,588**	**52**
Other comprehensive income	**44,186**	**70,011**	**(37)**
Fair valuation surplus/(deficit) of investments	49,096	77,790	(37)
Deferred tax (expenses)/income on share valuation surplus	(4,910)	(7,779)	37
TOTAL COMPREHENSIVE INCOME	**46,599**	**71,599**	**(35)**
Basic Earnings Per Share (EPS)	**0.42**	**0.28**	**52**

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE FIRST QUARTER ENDED ON 30TH SEPTEMBER, 2017

Value in Taka '000'

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation Surplus	Total
As at 1st July 2017	**57,024**	**209,088**	**51,163**	**138,561**	**607**	**199,879**	**656,322**
Net Profit/(Loss) for the first quarter ended on 30th September 2017	-	-	-	2,413	-	-	2,413
Fair valuation surplus/(deficit) of investments	-	-	-	-	-	44,186	44,186
As at 30th September 2017	**57,024**	**209,088**	**51,163**	**140,974**	**607**	**244,065**	**702,921**

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE FIRST QUARTER ENDED ON 30TH SEPTEMBER, 2016

Value in Taka '000'

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation Surplus	Total
As at 1st July 2016	**57,024**	**209,088**	**51,163**	**141,046**	**607**	**160,431**	**619,359**
Net Profit/(Loss) for the first quarter ended on 30th September 2016	-	-	-	1,588	-	-	1,588
Fair valuation surplus/(deficit) of investments	-	-	-	-	-	70,011	70,011
As at 30th September 2016	**57,024**	**209,088**	**51,163**	**142,634**	**607**	**230,442**	**690,958**

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 30th September 2017.
(3) No diluted EPS is required to be calculated as there was no dilution during this period.
(4) Last year's first quarterly figures have been re-arranged where considered necessary to conform to current quarter's presentation.
(5) Figures were rounded-off to the nearest thousand Taka.

Note: The details with selected notes of the published first quarterly 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 FIRST QUARTER ENDED ON 30.09.2017

Value in Taka '000'

	As on 30.09.2017	As on 30.06.2017
1. PROPERTY, PLANT & EQUIPMENT:	**108,887**	**113,077**
During the period addition has been made for Tk. 1,224,204/- and depreciation has been calculated as per BAS 16.		
2. SECURITY DEPOSITS:	**5,119**	**5,119**
Security deposits are made to statutory bodies and hence secured.		
3. INVENTORIES:		
Shrimps	884,021	864,730
Packing Materials	10,606	10,135
Chemical & Ingredients	4,702	4,565
	899,329	**879,430**
4. TRADE RECEIVABLES:	**31,739**	**62,374**
Trade receivables are stated at invoice value and considered good.		
5. ADVANCES, DEPOSITS AND PREPAYMENTS:		
Advance against expenses	25	380
Staff Advance	-	4
Prepayments	3,565	2,488
Bank Guarantee margin	429	429
L/C Margin	-	241
Advance Income Tax	43,996	36,317
	48,015	**39,859**
The growth of 20% in advances, deposits and pre-payments mainly due to advance tax deduction at Source on Cash incentive and realised value of export.		
6. OTHER RECEIVABLES:		
Insurance Claim Receivable	16,255	16,255
Cash incentive Receivable	124,036	137,966
FDR's Interest Receivable	3,939	6,807
	144,230	**161,028**
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. FDRs' interest receivable has decreased as the interest rate was lower.		
7. SHORT TERM INVESTMENTS:		
FDR's with Dhaka Bank Ltd (more than six months)	185,025	202,538
FDR's with Agrani Bank Limited (more than six months)	21,600	21,600
	206,625	**224,138**
8. CASH AND CASH EQUIVALENTS:		
Cash in Hand:		
Head Office	37	23
Factory Office	81	14
	118	**37**
Cash at Bank with:		
Agrani Bank Ltd., Agrabad Corporate Br. Chittagong.	1,170	1,129
Arab Bangladesh Bank Ltd. Principal Br, Dhaka.	615	615
Eastern Bank Ltd., Principal Branch, Dhaka	31	31
The Hongkong & Shanghai Banking Corporation, Dhaka	4,352	4,325
Dhaka Bank Ltd., Foreign Exchange Branch, Dhaka	-	2
	6,168	**6,102**
	6,286	**6,139**
9. FAIR VALUATION SURPLUS OF INVESTMENTS:	**244,065**	**199,879**
Opening Balance	**199,879**	**160,431**
Adjustment for fair valuation surplus/(deficit) in this peri	49,096	43,831
Less Deferred tax @10%	(4,910)	(4,383)
Fair valuation surplus/(deficit) during this period	**44,186**	**39,448**
	244,065	**199,879**
10. DEFERRED TAX LIABILITIES:	**28,449**	**24,272**
17% increased in deferred tax liabilities due to implementation of BAS 12 on fair valuation surplus of investments.		

Value in Taka '000'

	As on 30.09.2017	As on 30.06.2017
11. WORKING CAPITAL LOAN:		
Against Hypothecation	154,890	153,578
Against Pledge of Finished Goods	610,807	615,293
	765,697	**768,871**
The Working Capital loan was taken from Agrani Bank Ltd., Agrabad Corporate Br., Chittagong.		
12. LONG TERM LOAN-CURRENT MATURITY:	**15,000**	**22,500**
This represents the term loan payable in next twelve months as per schedule of re-payment.		
13. SHORT TERM LOAN:		
Dhaka Bank Limited	**95,713**	**96,451**
Short term loan with Dhaka Bank Limited represents the utilization of limit for procurement of Raw Materials. The Limit is 100 million against lien of FDRs.		
14. TRADE PAYABLES:	**73,700**	**104,522**
Trade Payables represents the amount payable to the gher owners of Shrimps from whom we procure the shrimps.		
15. OTHER PAYABLES:	**30,487**	**39,356**
The decrease of 23% is mainly due to more payments to the parties during this period.		
16. OTHER LIABILITIES:		
Unclaimed Dividend	**7,433**	**7,448**
This represents dividend payable to the shareholders which were not presented to the bank within 30.09.2017.		

	01.07.2017 to 30.09.2017	01.07.2016 to 30.09.2016
17. REVENUE:	**678,209**	**462,357**
Revenue has been increased 47% as compared to the revenue of same period of last year.		
18. COST OF GOODS SOLD:		
Opening Stock of Finished Goods	864,730	645,763
Add: Cost of Production-Note 19	638,555	506,858
	1,503,285	**1,152,621**
Less: Closing Stock of Finished Goods	884,021	739,049
	619,264	**413,572**
19.COST OF PRODUCTION:		
Raw Materials	593,709	473,214
Packing Materials, Chemicals & Ice -Note-20	17,206	7,612
Direct Labour	8,917	7,028
Factory Overhead-Note 21	13,574	12,987
Depreciation	5,149	6,017
	638,555	**506,858**
The increase of 26% in Cost of production mainly due to more procurement of shrimps to maintain the export schedule for future.		
20. PACKING MATERIALS, CHEMICALS & ICE CONSUMED:		
Opening balance (Packing Materials)	10,135	9,251
Add: Packing Materials Purchase	12,046	7,914
	22,181	**17,165**
Less: Packing Materials in hand	10,606	10,329
	11,575	**6,836**
Opening balance (Chemical & Ingredients)	4,565	3,149
Add: Chemical, Ingredients & Ice Purchase	5,768	1,947
	21,908	**11,932**
Less: Chemical, Ingredients in hand	4,702	4,320
	17,206	**7,612**
The increase of 126% is mainly for more turnover and value additions of products.		
21. FACTORY OVERHEAD:		
Wages & Salaries	5,327	6,032
Bonus to Workers'	256	239
Power, Fuel & Water	5,111	4,699
Consumable Stores & Spares	318	239
Repair & Maintenance	2,551	1,767
Carriage Inward	11	11
	13,574	**12,987**

	01.07.2017 to 30.09.2017	01.07.2016 to 30.09.2016
22. ADMINISTRATIVE AND SELLING OVERHEAD:		
Advertisement	6	4
Bonus to Staff	1,119	1,285
Contribution to Provident Fund	312	297
Depreciation	266	273
Directors Remuneration	2,250	2,250
Donation & Subscription	6	3
Electricity & WASA Charges	88	134
Entertainment	134	112
Freight & Forwarding	11,131	6,947
General Fees & Charges	7	10
Guest House Expenses	166	153
Laboratory Expenses	31	1
Laboratory Testing Fees	2,117	1,127
Legal & Professional Fees	101	44
License & renewals	651	63
Medical Expenses	155	3
Membership Subscription	-	1
Newspaper & Periodicals	13	9
Office Maintenance	80	90
Postage & Stamp	112	74
Printing & Stationery	159	122
Rejection Insurance Premium	87	651
Rent, Rates & Taxes	873	796
Salary & Allowances	6,593	6,334
Sales Promotion Expenses	2,351	2,163
Sanitation Expenses	41	47
Staff fooding	204	154
Staff Welfare Expenses	148	144
T.A & Conveyance	360	289
Telephone, Telex & Fax	138	122
Uniform & Liveries	169	69
Vehicles Maintenance	462	258
	30,330	**24,029**

The increase of 26% in administrative and selling overhead mainly due to more turnover during this period.

23. FINANCIAL EXPENSES:		
Interest	18,501	22,825
Charges	2,188	1,437
	20,689	**24,262**
24. OTHER INCOME:		
Interest Earned	2,794	6,299
	2,794	**6,299**
25. CURRENT TAX:	**8,504**	**5,711**

Current tax represents estimated income tax liability for this period.

26. RELATED PARTY TRANSACTIONS:

(a) There are no related party (inter company) transactions during the quarter under review.

(b) The Company is paying Remuneration to the Directors who are rendering full time service to the Company and in addition to that there is nothing paid to them.

(c) The Company operates a contributory provident fund which is administrates by the Board of Trustee. The Company has also a Group Insurance Scheme. The Company pays its monthly contribution for the Key Management (Senior Employees) to the Provident Fund Trust and the Company has no further liability. Group insurance premium is paid to the Insurance Company once in a year and if there is any claim that will be entertained by the Insurance Company for the Key Management (Senior Employees) and the Company has no liability. In addition to that there is nothing paid to them except salary and allowances.

	01.07.2017 to 30.09.2017	01.07.2016 to 30.09.2016
27. DEFERRED TAX (EXPENSES)/INCOME:	**733**	**846**

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.

28. BASIC EARNINGS PER SHARE (EPS):	**0.42**	**0.28**

EPS during the period increased as the turnover has increased during this period 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 is Tk. 0.42 for the 1st quarter ended on 30th September 2017as compared to same period of previous year of EPS of Tk. 0.28.

29. NET OPERATING CASH FLOWS PER SHARE:	**(0.76)**	**(8.47)**

Net operating cash flow is Tk.(0.76) per share for the 1st quarter ended on 30th September 2017 but it was Tk. (8.47) for the same period of last year, this is mainly due to more turnover and realization 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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