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 2017

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

Value in Taka '000'

	As on 31.12.2017	As on 30.06.2017	Growth %
ASSETS			
Non-Current Assets:	**393,145**	**385,534**	**2**
Property, Plant and Equipment	110,773	113,077	(2)
Investments	277,253	267,338	4
Security Deposits	5,119	5,119	0
Current Assets:	**1,375,739**	**1,372,968**	**0**
Inventories	926,657	879,430	5
Trade Receivables	27,082	62,374	(57)
Advances, Deposits & Prepayments	54,689	39,859	37
Other Receivables	152,265	161,028	(5)
Short Term Investments	208,714	224,138	(7)
Cash & Cash Equivalents	6,332	6,139	3
TOTAL ASSETS	**1,768,884**	**1,758,502**	
EQUITY AND LIABILITIES			
Shareholders' Equity:	**658,485**	**656,322**	**0**
Share Capital	57,024	57,024	0
Share Premium	209,088	209,088	0
Reserve and Surplus	183,569	190,331	(4)
Fair Valuation Surplus of Investments	208,804	199,879	4
Non-Current Liabilities:	**28,376**	**24,272**	**17**
Deferred Tax Liabilities	25,727	24,272	6
Long Term Loan	2,649	-	100
Current Liabilities:	**1,082,023**	**1,077,908**	**0**
Working Capital Loan (Secured)	769,887	768,871	0
Long Term Loan-Current Maturity	8,105	22,500	(64)
Short Term Loan	104,000	96,451	8
Trade Payables	90,856	104,522	(13)
Other Payables	35,659	39,356	(9)
Current Tax Liability	54,686	38,760	41
Other Liabilities	18,830	7,448	153
Total Liabilities	**1,110,399**	**1,102,180**	**1**
TOTAL EQUITY & LIABILITIES	**1,768,884**	**1,758,502**	**1**
Net Asset Value Per Share	**115.48**	**115.10**	

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

Value in Taka '000'

	01.07.2017 to 31.12.2017	01.07.2016 to 31.12.2016	Growth %
CASH FLOWS FROM OPERATING ACTIVITIES:			
Collection from revenue	1,299,297	1,021,661	27
Other Income	9,150	16,175	(43)
Interest and other financial charges paid	(35,728)	(49,429)	(28)
Income tax paid	(14,629)	(10,710)	37
Payment for costs and expenses	(1,260,800)	(1,049,048)	20
Net cash used in operating activities (a)	**(2,710)**	**(71,351)**	**(96)**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property, Plant and Equipment acquired	(9,317)	(2,388)	290
Short term investments	15,424	33,891	54
Net cash generated from investing activities (b)	**6,107**	**31,503**	**81**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Working Capital Loan received/(repaid)	1,016	32,209	(97)
Long Term loan received/(repaid)	(11,746)	(15,000)	(22)
Short Term Loan received/(repaid)	7,549	21,993	(66)
Dividend paid	(23)	(29)	(22)
Net cash used in financing activities (c)	**(3,204)**	**39,173**	**(108)**
Net increase/(decrease) in cash and cash equivalents(a+b+c)	**193**	**(675)**	**129**
Cash & cash equivalents on opening	6,139	10,876	(44)
Cash & cash equivalents on closing	**6,332**	**10,201**	**(38)**
Net Operating Cash Flow Per Share	**(0.48)**	**(12.51)**	**(96)**

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

Value in Taka '000'

	01.07.2017 to 31.12.2017	01.07.2016 to 31.12.2016	Growth %	01.10.2017 to 31.12.2017	01.10.2016 to 31.12.2016	Growth %
REVENUE	**1,264,005**	**1,035,060**	**22**	**585,796**	**572,703**	**2**
Cost of Goods Sold	(1,159,822)	(937,954)	24	(540,558)	(524,382)	3
GROSS PROFIT	**104,183**	**97,106**	**7**	**45,238**	**48,321**	**(6)**
OPERATING EXPENSES:	**(94,179)**	**(97,807)**	**(4)**	**(43,160)**	**(49,516)**	**(13)**
Administrative & Selling Overhead	(58,451)	(48,378)	21	(28,121)	(24,349)	15
Financial Expenses	(35,728)	(49,429)	(28)	(15,039)	(25,167)	(40)
OPERATING PROFIT/(LOSS)	**10,004**	**(701)**	**1,527**	**2,078**	**(1,195)**	**274**
Other Income	12,134	16,954	(28)	9,340	10,655	(12)
PROFIT BEFORE PPF & WF	**22,138**	**16,253**	**36**	**11,418**	**9,460**	**21**
Provision for Contribution to PPF & WF	(1,107)	(813)	36	(571)	(473)	21
PROFIT /(LOSS) BEFORE TAX	**21,031**	**15,440**	**36**	**10,847**	**8,987**	**21**
Tax Expenses:	**(16,388)**	**(11,817)**	**39**	**(8,617)**	**(6,952)**	**24**
Current tax	(15,926)	(13,243)	20	(7,422)	(7,532)	(1)
Deferred tax (expenses) / Income	(462)	1,426	(132)	(1,195)	580	(306)
NET PROFIT/(LOSS) AFTER TAX	**4,643**	**3,623**	**28**	**2,230**	**2,035**	**10**
Other comprehensive income	**8,925**	**31,990**	**(72)**	**(35,261)**	**(38,022)**	**(7)**
Fair valuation surplus/(deficit) of investments	9,917	35,544	(72)	(39,179)	(42,247)	(7)
Deferred tax (expenses)/income on share valuation surplus	(992)	(3,554)	(72)	3,918	4,225	(7)
TOTAL COMPREHENSIVE INCOME	**13,568**	**35,613**	**(62)**	**(33,031)**	**(35,987)**	**(8)**
Earning Per Share (EPS)	**0.81**	**0.64**	**28**	**0.39**	**0.36**	**10**

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

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**

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 2017.
(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

SELECTIVE NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED ON 31.12.2017

Value in Taka '000'

	As on 31.12.2017	As on 30.06.2017
1. PROPERTY, PLANT & EQUIPMENT:	**110,773**	**113,077**
During the period an amount of Tk. 89,22,813/- has been added in Property, Plant & Equipments and depreciation has been charged as per BAS 16.		
2. SECURITY DEPOSITS:	**5,119**	**5,119**
Security deposits are made to statutory bodies and hence secured.		
3. INVENTORIES:		
Shrimps	912,013	864,730
Stock of Packing Materials	10,424	10,135
Stock of Chemicals & Ingredients	4,220	4,565
	926,657	**879,430**
4. TRADE RECEIVABLES:	**27,082**	**62,374**
Trade receivables are considered good.		
5. ADVANCES, DEPOSITS AND PREPAYMENTS:		
Advance against Expenses	28	380
Staff Advance	-	4
Prepayments	3,286	2,488
Advance Income Tax	50,946	36,317
Bank Guarantee margin	429	429
L/C margin with Agrani Bank Limited	-	241
	54,689	**39,859**
The growth of 37% in advances, deposits and prepayments mainly due to tax deduction at source on export realization.		
6. OTHER RECEIVABLES:		
Insurance Claim Receivable	16,255	16,255
Dividend receivable	5,954	-
Cash incentive Receivable	126,219	137,966
FDR's Interest Receivable	3,837	6,807
	152,265	**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.		
7. SHORT TERM INVESTMENTS:		
FDR with Dhaka Bank Limited	187,114	202,538
FDR with Agrani Bank Limited	21,600	21,600
	208,714	**224,138**
8. CASH AND CASH EQUIVALENTS:		
Cash in Hand:		
Head Office	21	23
Factory Office	18	14
	39	**37**
Cash at Bank with:		
Agrani Bank Ltd., Agrabad Corporate Br. Chittagong.	527	1,129
Arab Bangladesh Bank Ltd. Principal Br, Dhaka.	613	615
Eastern Bank Ltd., Principal Branch, Dhaka	31	31
The Hongkong & Shanghai Banking Corporation, Dhaka	5,122	4,325
Dhaka Bank Ltd., Foreign Exchange Branch, Dhaka	-	2
	6,293	**6,102**
	6,332	**6,139**
9. FAIR VALUATION SURPLUS OF INVESTMENTS:	**208,804**	**199,879**
Opening Balance	**199,879**	**160,431**
Adjustment for fair valuation surplus/(deficit) in this period	9,917	43,831
Less: Deferred tax @10%	(992)	(4,383)
Fair valuation surplus/(deficit) during this period	**8,925**	**39,448**
	208,804	**199,879**
10. DEFERRED TAX LIABILITIES:	**25,727**	**24,272**
6% increased in deferred tax liabilities due to implementation of BAS 12 on fair valuation surplus of investments.		
11. LONG TERM LOAN:	**2,649**	**-**
This represents the term loan from Dhaka Bank Limited for procurement of machinery.		

Value in Taka '000'

	As on 31.12.2017	As on 30.06.2017
12. WORKING CAPITAL LOAN:		
Against Hypothecation	162,083	153,578
Against Pledge of Finished Goods	607,804	615,293
	769,887	**768,871**
The Working Capital loan was taken from Agrani Bank Ltd., Agrabad Corporate Br., Chittagong.		
13. LONG TERM LOAN-CURRENT MATURITY:	**8,105**	**22,500**
This represents the term loan payable in next twelve months as per schedule of re-payment.		
14. SHORT TERM LOAN:		
Dhaka Bank Limited	56,535	96,451
Loan against cash incentive from Agrani Bank Limited	47,465	-
	104,000	**96,451**
The increase of 8% mainly for Loan against Cash Incentive for more procurement of shrimps.		
15. TRADE PAYABLES:	**90,856**	**104,522**
The decrease of 13% in Trade Payables due to more payment have made during the period.		
16. OTHER PAYABLES:	**35,659**	**39,356**
The decrease of 9% is mainly due to more payments to the parties during this period.		
17. OTHER LIABILITIES:		
Unclaimed Dividend	18,830	7,448
	18,830	**7,448**
The increase of 153% due to dividend payable for 2016-17 which was approved in the AGM on 21.12.2017 but not distributed within 31.12.17.		

	01.07.2017 to 31.12.2017	01.07.2016 to 31.12.2016
18. REVENUE:	**1,264,005**	**1,035,060**
Turnover has been increased 22% (i.e. from 1,035.06 million to 1,264.00 million) as compared to the turnover of same period of 2016-17 because of higher quantity sold at higher price.		
19. COST OF GOODS SOLD:		
Opening Stock of Finished Goods	864,730	645,763
Add: Cost of Production-Note-20	1,207,105	996,377
	2,071,835	**1,642,140**
Less: Closing Stock of Finished Goods	912,013	704,186
	1,159,822	**937,954**
20.COST OF PRODUCTION:		
Raw Materials	1,115,730	919,265
Packing Materials, Chemicals & Ice -Note-21	32,076	21,869
Direct Labour	18,284	13,790
Factory Overhead-Note-22	41,015	41,453
	1,207,105	**996,377**
The increase of 21% cost of production is mainly due to the more procurement of raw materials.		
21. PACKING MATERIALS, CHEMICALS & ICE CONSUMED:		
Opening balance (Packing Materials)	10,135	9,251
Add: Packing Materials Purchase	23,504	19,106
	33,639	**28,357**
Less: Packing Materials in hand	10,424	10,834
	23,215	**17,523**
Opening balance (Chemicals & Ingredients)	4,565	3,149
Add: Chemicals, Ingredients & Ice Purchase	8,516	4,586
	36,296	**25,258**
Less: Chemicals & Ingredients in hand	4,220	3,389
	32,076	**21,869**
22. FACTORY OVERHEAD:		
Wages & Salaries	12,005	12,818
Bonus to Workers'	255	239
Power, Fuel & Water	10,626	9,770
Consumable Stores & Spares	831	617
Insurance Premium	2,076	2,295
Repair & Maintenance	4,529	3,604
Carriage Inward	24	29
Depreciation	10,669	12,081
	41,015	**41,453**

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

	Value in Taka '000'	
	01.07.2017 to 31.12.2017	01.07.2016 to 31.12.2016
23. ADMINISTRATIVE AND SELLING OVERHEAD:		
Advertisement	96	291
AGM Expenses	132	36
Board meeting fees	10	8
Bonus to Staff	1,119	1,285
Contribution to Provident Fund	718	681
Depreciation	559	563
Directors Remuneration	4,500	4,500
Donation & Subscription	12	8
Electricity & WASA Charges	175	219
Entertainment	305	252
Freight & Forwarding	21,001	14,733
General Fees & Charges	100	14
Guest House Expenses	330	319
Laboratory Expenses	57	26
Laboratory Testing Fees	3,651	2,357
Legal & Professional Fees	121	61
License & renewals	844	171
Medical Expenses	157	7
Membership Subscription	2	1
Newspaper & Periodicals	28	24
Office Maintenance	147	141
Postage & Stamp	202	286
Printing & Stationery	514	456
Rejection Insurance Premium	87	995
Rent, Rates & Taxes	1,596	1,461
Repairs & Maintenances	47	118
Salary & Allowances	13,193	12,811
Sales Commission	737	-
Sales Promotion Expenses	4,775	3,929
Sanitation Expenses	104	86
Staff fooding	399	318
Staff Welfare Expenses	565	458
T.A & Conveyance	712	666
Telephone, Telex & Fax	266	239
Uniform & Liveries	349	213
Vehicles Maintenance	841	646
	58,451	**48,378**
24. FINANCIAL EXPENSES:		
Interest	31,693	45,574
Charges	4,035	3,855
	35,728	**49,429**
25. OTHER INCOME:		
Dividend income	5,954	6,407
Interest earned	6,180	10,547
	12,134	**16,954**

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

26. CURRENT TAX:	**15,926**	**13,243**

The increase of 20% in current tax is mainly due to tax deduction at source on export realization value.

27. RELATED PARTY TRANSACTIONS:

There was no related party (Inter Company) transactions during the period.
The Company is paying remuneration to the Directors for full time service (Note-23).
The Company has Group Insurance Scheme for which the Company pays Premium once a year and has no further liability. The Company also operates a contributory provident fund for which the Company pays monthly contribution for the key management and has no further liability. In addition to that there is nothing paid to them except salary and allowances.

28. EARNINGS PER SHARE (EPS):	**0.81**	**0.64**

28% EPS during the period increased as the revenue has been increased during the period and the management efficiently running the Company with minimization of cost as a result the Company earns net profit and the EPS was Tk. 0.81 for the 2nd quarter ended on 31st December 2017 as compared to same period of previous year of EPS Tk. 0.64.

29. NET OPERATING CASH FLOWS PER SHARE:	**(0.48)**	**(12.51)**

Net operating cash flow is Tk. (0.48) per share for the 2nd quarter ended on 31st December 2017 but it was Tk. (12.51) for the same period of last year, this is mainly due to more revenue earned and less trade receivable during the period as a result the more cash inflows have been generated, however the 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