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, 2018

STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 31ST MARCH, 2018

Value in Taka '000'

	As on 31.03.2018	As on 30.06.2017	Growth %
ASSETS			
Non-Current Assets:	390,955	385,534	1
Property, Plant and Equipment	107,942	113,077	(5)
Investments	277,599	267,338	4
Security Deposits	5,414	5,119	6
Current Assets:	1,258,964	1,372,968	(8)
Inventories	803,213	879,430	(9)
Trade Receivables	13,488	62,374	(78)
Advances, Deposits & Prepayments	61,891	39,859	55
Other Receivables	161,779	161,028	0
Short Term Investments	209,685	224,138	(6)
Cash & Cash Equivalents	8,908	6,139	45
TOTAL ASSETS	1,649,919	1,758,502	
EQUITY AND LIABILITIES			
Shareholders' Equity:	662,096	656,322	1
Share Capital	57,024	57,024	0
Share Premium	209,088	209,088	0
Reserve and Surplus	186,870	190,331	(2)
Fair Valuation Surplus of Investments	209,114	199,879	5
Non-Current Liabilities:	27,844	24,272	15
Deferred Tax Liabilities	25,300	24,272	4
Long Term Loan	2,544	-	100
Current Liabilities:	959,979	1,077,908	(11)
Working Capital Loan (Secured)	720,394	768,871	(6)
Long Term Loan-Current Maturity	564	22,500	(97)
Short Term Loan	106,663	96,451	11
Trade Payables	31,149	104,522	(70)
Other Payables	32,746	39,356	(17)
Current Tax Liability	59,232	38,760	53
Other Liabilities	9,231	7,448	24
Total Liabilities	987,823	1,102,180	(10)
TOTAL EQUITY & LIABILITIES	1,649,919	1,758,502	
Net Asset Value Per Share	116.11	115.10	

STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31ST MARCH, 2018

Value in Taka '000'

	01.07.2017 to 31.03.2018	01.07.2016 to 31.03.2017	Growth %
CASH FLOWS FROM OPERATING ACTIVITIES:			
Collection from revenue	1,682,084	1,257,990	34
Other Income	15,656	23,217	(33)
Interest and other financial charges paid	(62,193)	(73,170)	(15)
Income tax paid	(22,081)	(14,724)	50
Payment for costs and expenses	(1,545,496)	(1,227,692)	26
Net cash generated from operating activities (a)	67,970	(34,379)	298
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property, Plant and Equipment acquired	(12,375)	(3,160)	292
Short term investments	14,453	55,338	(74)
Net cash generated from investing activities (b)	2,078	52,178	(96)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Working Capital Loan received/(repaid)	(48,477)	40,610	219
Long Term loan received/(repaid)	(19,392)	(22,500)	(14)
Short Term Loan received/(repaid)	10,212	(30,411)	(134)
Dividend paid	(9,622)	(4,265)	126
Net cash used in financing activities (c)	(67,279)	(16,566)	306
Net increase/(decrease) in cash and cash equivalents(a+b+c)	2,769	1,233	(125)
Cash & cash equivalents on opening	6,139	10,876	(44)
Cash & cash equivalents on closing	8,908	12,109	(26)
Net Operating Cash Flows Per Share	11.92	(6.03)	298

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31ST MARCH, 2018

Value in Taka '000'

	01.07.2017 to 31.03.2018	01.07.2016 to 31.03.2017	Growth %	01.01.2018 to 31.03.2018	01.01.2017 to 31.03.2017	Growth %
REVENUE	1,633,198	1,258,080	30	369,193	223,020	66
Cost of Goods Sold	(1,473,421)	(1,115,126)	32	(313,599)	(179,468)	75
GROSS PROFIT	159,777	142,954	12	55,594	43,552	28
OPERATING EXPENSES:	(145,349)	(141,616)	3	(51,170)	(41,513)	23
Administrative & Selling Overhead	(83,156)	(68,446)	21	(24,705)	(17,772)	39
Financial Expenses	(62,193)	(73,170)	(15)	(26,465)	(23,741)	11
OPERATING PROFIT/(LOSS)	14,428	1,338	979	4,424	2,039	117
Other Income	15,485	20,866	(26)	3,351	3,912	(14)
PROFIT BEFORE PPF & WF	29,913	22,204	35	7,775	5,951	31
Provision for Contribution to PPF & WF	(1,496)	(1,110)	35	(389)	(297)	31
PROFIT /(LOSS) BEFORE TAX	28,417	21,094	35	7,386	5,654	31
Tax Expenses:	(20,473)	(15,461)	32	(4,085)	(3,644)	12
Current tax	(20,472)	(16,071)	27	(4,546)	(2,828)	61
Deferred tax (expenses) / Income	(1)	610	100	461	(816)	157
NET PROFIT/(LOSS) AFTER TAX	7,944	5,633	41	3,301	2,010	64
Other comprehensive income	9,235	35,717	(74)	310	3,727	(92)
Fair valuation surplus/(deficit) of investments	10,261	39,686	(74)	344	4,141	(92)
Deferred tax (expenses)/income on share valuation surplus	(1,026)	(3,969)	(74)	(34)	(414)	(92)
TOTAL COMPREHENSIVE INCOME	17,179	41,350	(58)	3,611	5,737	(37)
Earnings Per Share (EPS)	1.39	0.99	41	0.58	0.35	64

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31ST MARCH, 2018

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 nine months ended on 31st March 2018	-	-	-	7,944	-	-	7,944
Dividend for the year 2016-17	-	-	-	(11,405)	-	-	(11,405)
Fair valuation surplus/(deficit) of investments	-	-	-	-	-	9,235	9,235
As at 31st March 2018	57,024	209,088	51,163	135,100	607	209,114	662,096

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

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 2018.
(3) No diluted EPS is required to be calculated as there was no dilution during this period.
(4) Last nine month's figures have been re-arranged where considered necessary to conform to current nine month's presentation.
(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

AMARSTOCK

SELECTIVE NOTES TO THE FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED ON 31.03.2018

Value in Taka '000'

	As on 31.03.2018	As on 30.06.2017
1. PROPERTY, PLANT & EQUIPMENT:	107,942	113,077
During the period an amount of Tk. 11,981,287/- has been added in Property, Plant & Equipments and depreciation has been charged as per BAS 16.		
2. SECURITY DEPOSITS:	5,414	5,119
Security deposits increased due to more security deposit to Gas authority for increasing the gas tariff rate. All security deposits are made to statutory bodies and hence secured.		
3. INVENTORIES:		
Shrimps	790,386	864,730
Stock of Packing Materials	9,629	10,135
Stock of Chemicals & Ingredients	3,198	4,565
	803,213	879,430
4. TRADE RECEIVABLES:	13,488	62,374
Trade receivables are considered good.		
There was no foreign exchange gain or loss as the export bills are negotiated with the Agrani Bank Limited on the date of B/L received.		
5. ADVANCES, DEPOSITS AND PREPAYMENTS:		
Advance against Expenses	176	380
Staff Advance	-	4
Prepayments	2,889	2,488
Advance Income Tax	58,397	36,317
Bank Guarantee margin	429	429
L/C margin with Agrani Bank Limited	-	241
	61,891	39,859
The growth of 55% 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
Cash incentive Receivable	138,888	137,966
FDR's Interest Receivable	6,636	6,807
	161,779	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	187,585	202,538
FDR with Agrani Bank Limited	22,100	21,600
	209,685	224,138
8. CASH AND CASH EQUIVALENTS:		
Cash in Hand:		
Head Office	21	23
Factory Office	70	14
	91	37
Cash at Bank with:		
Agrani Bank Ltd., Agrabad Corporate Br. Chittagong	1,259	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	6,914	4,325
Dhaka Bank Ltd., Foreign Exchange Branch, Dhaka	-	2
	8,817	6,102
	8,908	6,139
9. FAIR VALUATION SURPLUS OF INVESTMENTS:		
Opening Balance	199,879	160,431
Adjustment for fair valuation surplus/(deficit) in this period	10,261	43,831
Less: Deferred tax @10%	(1,026)	(4,383)
Fair valuation surplus/(deficit) during this period	9,235	39,448
	209,114	199,879

Value in Taka '000'

	As on 31.03.2018	As on 30.06.2017
10. DEFERRED TAX LIABILITIES:		
a. Deferred Tax Liabilities for Fixed Assets:		
Book Value of Depreciable Assets	107,942	113,077
Tax base of Depreciable Assets	104,694	110,183
Net Taxable Temporary Difference	3,248	2,894
Effective Tax Rate	12.50%	12.50%
Deferred Tax (Assets)/Liability arising from Depreciation	406	362
b. Deferred Tax Liabilities for Interest Receivable:		
Unrealized Interest on FDRs	6,636	6,807
Effective Tax Rate	25.00%	25.00%
Deferred Tax (Assets)/Liability arising from FDRs Interest	1,659	1,702
Total Deferred Tax (Assets)/Liabilities (a+b)	2,065	2,064
Opening Deferred Tax Balance	2,064	2,724
Deferred Tax (Income)/Expense arising from Fixed asset & interest receivable	1	(660)
c. Deferred Tax Liabilities on Investment:		
Unrealized gain on investments available for sale	10,261	43,831
Effective Tax Rate	10.00%	10.00%
Deferred Tax (Assets)/Liability arising from Investments	1,026	4,383
Opening Deferred Tax Balance	22,209	17,826
Total Deferred Tax (Assets)/Liabilities on investments	23,235	22,209
Total Deferred Tax (Assets)/Liabilities (a+b+c)	25,300	24,272
Increase in deferred tax liabilities arises due to implementation of BAS 12 .		
11. LONG TERM LOAN:	2,544	-
This represents the term loan from Dhaka Bank Limited for procurement of machinery.		
12. WORKING CAPITAL LOAN:		
Against Hypothecation	104,239	153,578
Against Pledge of Finished Goods	616,155	615,293
	720,394	768,871
The Working Capital loan was taken from Agrani Bank Ltd., Agrabad Corporate Br., Chittagong.		
13. LONG TERM LOAN-CURRENT MATURITY:	564	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	73,263	96,451
Loan against cash incentive from Agrani Bank Limited	33,400	-
	106,663	96,451
The increase of 11% mainly for Loan against Cash Incentive for more procurement of shrimps.		
15. TRADE PAYABLES:	31,149	104,522
The decrease of 70% in Trade Payables due to more payment have made during the period.		
16. OTHER PAYABLES:	32,746	39,356
The decrease of 17% is mainly due to more payments to the parties during this period.		
17. OTHER LIABILITIES:		
Unclaimed Dividend	9,231	7,448
	9,231	7,448
This represents dividend payable to the shareholders which were not presented to the bank within 31.03.2018.		

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

AMARSTOCK

	Value in Taka '000'	
	01.07.2017 to 31.03.2018	01.07.2016 to 31.03.2017
18. REVENUE:	1,633,198	1,258,080
Turnover has been increased 30% (i.e.From 1,258.08 million to 1,633.20 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	1,399,077	1,186,739
	2,263,807	1,832,502
Less: Closing Stock of Finished Goods	790,386	717,376
	1,473,421	1,115,126
20.COST OF PRODUCTION:		
Raw Materials	1,274,175	1,082,562
Packing Materials, Chemicals & Ice -Note-21	43,729	27,539
Direct Labour	22,650	16,202
Factory Overhead-Note-22	58,523	60,436
	1,399,077	1,186,739
The increase of 18% 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	31,191	23,325
	41,326	32,576
Less: Packing Materials in hand	9,629	10,157
	31,697	22,419
Opening balance (Chemicals & Ingredients)	4,565	3,148
Add: Chemicals, Ingredients & Ice Purchase	10,565	5,362
	46,927	30,929
Less: Chemicals & Ingredients in hand	3,198	3,390
	43,729	27,539
22. FACTORY OVERHEAD:		
Wages & Salaries	17,050	19,245
Bonus to Workers'	255	239
Power, Fuel & Water	15,516	13,502
Consumable Stores & Spares	1,212	837
Insurance Premium	2,076	2,294
Repairs & Maintenance	6,117	6,102
Carriage Inward	36	41
Depreciation	16,261	18,176
	58,523	60,436
23. ADMINISTRATIVE AND SELLING OVERHEAD:		
Advertisement	166	500
AGM Expenses	133	121
Board meeting fees	8	10
Bonus to Staff	1,119	1,285
Contribution to Provident Fund	1,120	1,058
Depreciation	856	856
Directors' Remuneration	6,750	6,750
Donation & Subscription	20	14
Electricity & WASA Charges	251	291
Entertainment	355	381
Freight & Forwarding	28,111	18,159
General Fees & Charges	113	33
Guest House Expenses	486	480
Laboratory Expenses	104	42
Laboratory Testing Fees	4,933	3,041
Legal & Professional Fees	750	407
License & renewals	1,337	763
Medical Expenses	158	8
Membership Subscription	12	61
Newspaper & Periodicals	43	38
Office Maintenance	526	334
Postage & Stamp	300	394
Printing & Stationery	658	688
Rejection Insurance Premium	87	1,339
Rent, Rates & Taxes	2,318	2,119
Salary & Allowances	19,747	19,541
Sales Commission	737	-
Sales Promotion Expenses	7,286	5,973
Sanitation Expenses	151	119
Staff fooding	548	450
Staff Welfare Expenses	947	623
T.A & Conveyance	1,016	1,078
Telephone, Telex & Fax	384	360
Uniform & Liveries	414	297
Vehicles Maintenance	1,202	832
	83,156	68,446
Sales commission has been paid as per terms of the L/C.		

	Value in Taka '000'	
	01.07.2017 to 31.03.2018	01.07.2016 to 31.03.2017
24. FINANCIAL EXPENSES:		
Interest	56,896	68,123
Charges	5,297	5,047
	62,193	73,170
25. OTHER INCOME:		
Dividend income	5,954	6,407
Interest earned	9,531	14,459
	15,485	20,866
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:	20,472	16,071
During the period more revenue earned and the increase of 27% in provision for 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):	1.39	0.99
41% 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. 1.39 for the nine months ended on 31st March 2018 as compared to same period of previous year of EPS Tk. 0.99.		
29. NET OPERATING CASH FLOWS PER SHARE:	11.92	(6.03)
Net operating cash flow is Tk. 11.92 per share for the nine months ended on 31st March 2018 but it was Tk. (6.03) 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