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, 2018

STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT 30TH SEPTEMBER, 2018

Value in Taka '000'

	As on 30.09.2018	As on 30.06.2018	Growth %
ASSETS			
Non-Current Assets:	**398,052**	**518,563**	**(23)**
Property, Plant and Equipment	99,575	103,205	(4)
Investments	293,068	409,944	(29)
Security Deposits	5,409	5,414	
Current Assets:	**1,325,985**	**1,353,620**	**(2)**
Inventories	894,025	880,409	2
Trade Receivables	4,215	24,577	(83)
Advances, Deposits & Prepayments	51,351	45,805	12
Other Receivables	151,150	183,263	(18)
Investment in Financial Assets	217,575	212,153	3
Cash & Cash Equivalents	7,669	7,413	3
TOTAL ASSETS	**1,724,037**	**1,872,183**	
EQUITY AND LIABILITIES			
Shareholders' Equity:	**680,161**	**783,570**	**(13)**
Share Capital	57,024	57,024	0
Share Premium	209,088	209,088	0
Reserve and Surplus	191,013	189,234	1
Fair Valuation Surplus of Investments	223,036	328,224	(32)
Non-Current Liabilities:	**28,787**	**41,134**	**(30)**
Deferred Tax Liabilities	26,587	38,753	(31)
Long Term Loan	2,200	2,381	
Current Liabilities:	**1,015,089**	**1,047,479**	**(3)**
Working Capital Loan (Secured)	785,132	762,783	3
Long Term Loan-Current Maturity	632	594	6
Short Term Loan	100,734	145,343	(31)
Trade Payables	40,097	64,709	(38)
Other Payables	30,826	22,924	34
Current Tax Liability	48,750	42,181	16
Other Liabilities	8,918	8,945	(0)
Total Liabilities	**1,043,876**	**1,088,613**	**(4)**
TOTAL EQUITY & LIABILITIES	**1,724,037**	**1,872,183**	
Net Asset Value Per Share	**119.28**	**137.41**	

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE FIRST QUARTER ENDED ON 30TH SEPTEMBER, 2018

Value in Taka '000'

	01.07.2018 to 30.09.2018	01.07.2017 to 30.09.2017	Growth %
REVENUE	**444,047**	**678,209**	**(35)**
Cost of goods sold	(396,359)	(619,276)	(36)
GROSS PROFIT	**47,688**	**58,933**	**(19)**
Other operating income	0	-	0
Administrative & selling overhead	(22,957)	(30,318)	(24)
OPERATING PROFIT/(LOSS)	**24,731**	**28,615**	**(14)**
Finance income	4,223	2,794	51
Financial expenses	(20,671)	(20,689)	(0)
PROFIT BEFORE PPF & WF	**8,283**	**10,720**	**23**
Provision for contribution to PPF & WF	(414)	(536)	23
PROFIT/(LOSS) BEFORE TAX	**7,869**	**10,184**	**23**
Tax Expenses:	**(6,090)**	**(7,771)**	**22**
Current tax	(6,568)	(8,504)	(23)
Deferred tax (expenses)/income	478	733	(35)
NET PROFIT/(LOSS) AFTER TAX	**1,779**	**2,413**	**(26)**
Other comprehensive income	**(105,188)**	**44,186**	**(338)**
Fair valuation surplus/(deficit) of investments	(116,876)	49,096	(338)
Deferred tax income/(expenses) on share valuation surplus	11,688	(4,910)	(338)
TOTAL COMPREHENSIVE INCOME	**(103,409)**	**46,599**	**(322)**
Basic Earnings Per Share (EPS)	**0.31**	**0.42**	**(26)**

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE FIRST QUARTER ENDED ON 30TH SEPTEMBER, 2018

Value in Taka '000'

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation Surplus	Total
As at 1st July 2018	57,024	209,088	51,163	137,464	607	328,224	783,570
Net Profit/(Loss) for the first quarter ended on 30th September 2018	-	-	-	1,779	-	-	1,779
Fair valuation surplus/(deficit) of investments	-	-	-	-	-	(105,188)	(105,188)
As at 30th September 2018	57,024	209,088	51,163	139,243	607	223,036	680,161

STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE FIRST QUARTER ENDED ON 30TH SEPTEMBER, 2018

Value in Taka '000'

	01.07.2018 to 30.09.2018	01.07.2017 to 30.09.2017	Growth %
CASH FLOWS FROM OPERATING ACTIVITIES:			
Collection from revenue	464,410	708,843	(34)
Finance income	6,067	5,662	7
Interest and other financial charges paid	(23,294)	(20,689)	13
Income tax paid	(5,683)	(7,680)	(26)
Payment for costs and expenses	(411,618)	(690,457)	(40)
Net cash generated from operating activities (a)	**29,882**	**(4,321)**	**792**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property, Plant and Equipment acquired	(1,773)	(1,618)	10
Investment in Financial Assets	(5,422)	17,513	(131)
Net cash used in investing activities (b)	**(7,195)**	**15,895**	**(145)**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Working Capital Loan received/(repaid)	22,348	(3,174)	804
Long Term loan received/(repaid)	(142)	(7,500)	98
Short Term loan received/(repaid)	(44,609)	(738)	5,945
Dividend paid	(28)	(15)	85
Net cash used in financing activities (c)	**(22,431)**	**(11,427)**	**96**
Net increase/(decrease) in cash and cash equivalents (a+b+c)	**256**	**147**	**74**
Cash & cash equivalents on opening	7,413	6,139	21
Cash & cash equivalents on closing	**7,669**	**6,286**	**22**
The effect of foreign exchange translation gain	0	-	0
Net Operating Cash Flow Per Share	**5.24**	**(0.76)**	

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

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 2018.
(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 30.09.2018

Value in Taka '000'

	As on 30.09.2018	As on 30.06.2018
1. PROPERTY, PLANT & EQUIPMENT:	**99,575**	**103,205**
During the period addition has been made for Tk. 1,290,298/- and depreciation has been calculated as per BAS 16.		
2. SECURITY DEPOSITS:	**5,409**	**5,414**
Security deposits are made to statutory bodies and hence secured.		
3. INVENTORIES:		
Shrimps	881,419	868,083
Packing Materials	9,771	9,124
Chemical & Ingredients	2,835	3,202
	894,025	**880,409**
4. TRADE RECEIVABLES:	**4,215**	**24,577**
Trade receivables are stated at invoice value and considered good.		
5. ADVANCES, DEPOSITS AND PREPAYMENTS:		
Advance against expenses	-	490
Staff Advance	5	-
Prepayments	4,304	3,956
Bank Guarantee margin	429	429
Advance Income Tax	46,613	40,930
	51,351	**45,805**
The growth of 12% 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	129,290	159,559
FDR's Interest Receivable	5,605	7,449
	151,150	**183,263**
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. INVESTMENT IN FINANCIAL ASSETS:		
FDR's with Dhaka Bank Ltd.	195,475	190,053
FDR's with Agrani Bank Limited	22,100	22,100
	217,575	**212,153**
All FDRs are made for more than 3 (Three) months.		
8. CASH AND CASH EQUIVALENTS:		
Cash in Hand:		
Head Office	7	28
Factory Office	77	22
	84	**50**
Cash at Bank with:		
Agrani Bank Ltd., Agrabad Corporate Br. Chattogram	375	136
Arab Bangladesh Bank Ltd., Principal Br., Dhaka	-	610
Eastern Bank Ltd., Principal Branch, Dhaka	30	30
The Hongkong & Shanghai Banking Corporation, Dhaka	7,105	6,587
Dhaka Bank Ltd., Foreign Exchange Branch, Dhaka	75	-
	7,585	**7,363**
	7,669	**7,413**
9. FAIR VALUTION SURPLUS OF INVESTMENTS:	**223,036**	**328,224**
Opening Balance	**328,224**	**199,879**
Adjustment for fair valuation surplus/(deficit) in this period	**(116,876)**	**142,606**
Less: Deferred tax @10%	**11,688**	**(14,261)**
Fair valuation surplus/(deficit) during this period	**(105,188)**	**128,345**
	223,036	**328,224**
This represents the difference of market value and the cost of the investment.		

Value in Taka '000'

	As on 30.09.2018	As on 30.06.2018
10. DEFERRED TAX LIABILITIES:		
a) Book Value of Depreciable Assets:	99,575	103,205
Tax base of Depreciable Assets	96,345	99,838
Net Taxable Temporary Difference	**3,230**	**3,367**
Effective Tax Rate	12.50%	12.50%
Closing Deferred Tax (Assets)/Liabilities arising from assets	**404**	**421**
Opening Deferred Tax Balance	421	362
Deferred Tax Income/(Expense)	**17**	**(59)**
b) Foreign currency translation gain/(loss) -Unrealized	**0**	1
Effective tax rate	25.00%	25.00%
Closing Deferred Tax (Assets)/Liabilities arising from Unrealized translation gain/(loss)	**0**	**0**
Opening Deferred Tax Balance	0	-
Deferred Tax Income/(Expense)	0	0
c) Unrealized Interest on FDRs:	5,605	7,449
Effective Tax Rate	25.00%	25.00%
Closing Deferred Tax (Assets)/Liabilities arising from Unrealized FDRs Interest	**1,401**	**1,862**
Opening Deferred Tax Balance	1,862	1,702
Deferred Tax Income/(Expense)	**461**	**(160)**
Deferred Tax Income/(Expense)- (a+b+c)	**478**	**(219)**
d) Deferred Tax (Assets)/Liabilities arising from Other Comprehensive Income:		
Tax for (Losses)/gains on available for sale investments	24,782	36,470
Closing Deferred Tax (Assets)/Liabilities arising from investments	**24,782**	**36,470**
Opening Deferred Tax Balance	36,470	22,209
Deferred Tax income/(expense) arising from investments	**11,688**	**(14,261)**
Total Deferred Tax (Assets)/Liabilities (a+b+c+d)	**26,587**	**38,753**
This decreased due to implementation of BAS 12.		
11. LONG TERM LOAN:	**2,200**	**2,381**
This represents the term loan from Dhaka Bank Limited for procurement of machinery.		
12. WORKING CAPITAL LOAN (SECURED):		
Against Hypothecation	172,790	147,516
Against Pledge of Finished Goods	612,342	615,267
	785,132	**762,783**
The Working Capital loan was taken from Agrani Bank Ltd., Agrabad Corporate Branch, Chattogram.		
13. LONG TERM LOAN-CURRENT MATURITY:	**632**	**594**
This represents the term loan payable in next twelve months as per schedule of re-payment.		
14. SHORT TERM LOAN:		
Dhaka Bank Limited	100,734	89,134
Loan against cash incentive	-	56,209
	100,734	**145,343**
Short term loan with Dhaka Bank Limited represents the utilization of limit for procurement of Raw Materials. The loan was taken against lien of FDRs and the Limit is 100 million.		
15. TRADE PAYABLES:	**40,097**	**64,709**
Trade Payables represents the amount payable to the gher owners of Shrimps from whom we procure the shrimps.		
16. OTHER PAYABLES:	**30,826**	**22,924**
The Increase of 34% mainly due to less payments to the parties during this period.		
17. OTHER LIABILITIES:		
Unclaimed Dividend	**8,918**	**8,945**
This represents the dividend warrants not presented to the Bank by the Shareholders within September 30, 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

	Value in Taka '000'	
	01.07.2018 to 30.09.2018	01.07.2017 to 30.09.2017
18. REVENUE:	**444,047**	**678,209**

Revenue has been decreased 35% as compared to the revenue of same period of last year. as the demand of international market was less and the price was also down.

19. COST OF GOODS SOLD:		
Opening Stock of Finished Goods	868,083	864,730
Add: Cost of Production - Note 20	409,695	638,567
	1,277,778	**1,503,297**
Less: Closing Stock of Finished Goods	881,419	884,021
	396,359	**619,276**

20.COST OF PRODUCTION:		
Raw Materials	368,677	593,709
Packing Materials, Chemicals & Ice Consumed - Note 21	14,993	17,206
Direct Labour	6,709	8,917
Factory Overhead - Note 22	19,316	18,735
	409,695	**638,567**

The decrease of 36% in Cost of production mainly due to less procurement of shrimps as the export was less during the period as compared to same period of last year.

21. PACKING MATERIALS, CHEMICALS & ICE CONSUMED:		
Opening balance (Packing Materials)	9,124	10,135
Add: Packing Materials Purchase	11,707	12,046
	20,831	**22,181**
Less: Packing Materials in hand	9,771	10,606
	11,060	**11,575**
Opening balance (Chemicals & Ingredients)	3,202	4,565
Add: Chemicals, Ingredients & Ice Purchase	3,566	5,768
	17,828	**21,908**
Less: Chemicals & Ingredients in hand	2,835	4,702
	14,993	**17,206**

22. FACTORY OVERHEAD:		
Wages & Salaries	5,464	5,327
Bonus to Workers'	186	256
Power, Fuel & Water	7,383	5,111
Consumable Stores & Spares	239	318
Repair & Maintenance	1,378	2,563
Carriage Inward	11	11
Depreciation	4,655	5,149
	19,316	**18,735**

23. ADMINISTRATIVE AND SELLING OVERHEAD:		
Advertisement	-	6
Bonus to Staff	1,188	1,119
Contribution to Provident Fund	342	312
Depreciation	265	266
Directors' Remuneration	2,325	2,250
Donation & Subscription	2	6
Electricity & WASA Charges	55	88
Entertainment	118	134
Freight & Forwarding	7,156	11,131
General Fees & Charges	16	7
Guest House Expenses	164	166
Laboratory Expenses	10	31
Laboratory Testing Fees	1,597	2,117
Legal & Professional Fees	14	101
License & renewals	54	651
Medical Expenses	1	155
Newspaper & Periodicals	14	13
Office Maintenance	113	68
Postage & Stamp	121	112
Printing & Stationery	111	159
Rejection Insurance Premium	-	87
Rent, Rates & Taxes	632	873
Salary & Allowances	6,551	6,593
Sales Promotion Expenses	943	2,351
Sanitation Expenses	27	41
Staff fooding	184	204
Staff Welfare Expenses	135	148
T.A & Conveyance	295	360
Telephone, Telex & Fax	122	138
Uniform & Liveries	137	169
Vehicles Maintenance	265	462
	22,957	**30,318**

Directors remuneration increased as the remuneration of Mr. Ashim Kumar Barua, Director has been increased from Tk. 3.00 lac to Tk. 3.25 lac per month.

The decrease of 24% in administrative and selling overhead mainly due to less turnover and minimization of cost during this period.

	Value in Taka '000'	
	01.07.2018 to 30.09.2018	01.07.2017 to 30.09.2017

24. FINANCIAL EXPENSES:		
Interest	19,300	18,501
Charges	1,371	2,188
	20,671	**20,689**

25. OTHER OPERATING INCOME:		
Foreign Exchange gain	**0**	-

Foreign exchange gain was Tk. 133/-. As the figures have been shown in thousand Taka in financial statements so the figure is showing "0" Taka in other OPERATING income as well as in statement of cash flows and deferred tax.

26. FINANCE INCOME:		
Interest Earned	4,223	2,794
	4,223	**2,794**

Interest earned increased mainly for increase of interest rate.

27. CURRENT TAX:	**6,568**	**8,504**

The decrease of 23% is mainly due to less turnover during the period as compared to the same period of last year as well as TDS was @ 0.60% which was 0.70% in last year.

28. RELATED PARTY TRANSACTIONS:

(a) There was no related party transaction (inter Company) 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 (Note No. 23).

(c) The Company also operates a contributory provident fund which is administrates by the Board of Trustee, the Company pays its monthly contribution for the key management (Senior Employees) to the Provident Fund Trust and the Company has no further liability. The Company has also a Group Insurance Scheme. 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 salaries and allowances.

29. DEFERRED TAX INCOME/(EXPENSES):	**478**	**733**

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.

30. BASIC EARNINGS PER SHARE (EPS):	**0.31**	**0.42**

26% EPS during the period decreased as the revenue has been decreased 35% 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. 0.31 for the three months ended on 30th September 2018 as compared to same period of previous year of EPS Tk. 0.42.

31. NET OPERATING CASH FLOWS PER SHARE:	**5.24**	**(0.76)**

Net operating cash flow is Tk. 5.24 per share for the three months ended on 30th September 2018 but it was Tk. (0.76) for the same period of last year, this is mainly due to less trade receivable and less payment for cost & expenses 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