

# 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'

	Value in Taka '000'		Growth %
	As on 31.03.2017	As on 30.06.2016	
<b>ASSETS</b>			
<b>Non-Current Assets:</b>			
Property, Plant and Equipment	114,863	131,305	(13)
Investments	263,192	223,507	18
	<b>378,055</b>	<b>354,812</b>	
<b>Current Assets:</b>			
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
	<b>1,222,864</b>	<b>1,190,698</b>	
<b>TOTAL ASSETS</b>	<b>1,600,919</b>	<b>1,545,510</b>	
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity:</b>			
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
	<b>649,304</b>	<b>619,359</b>	
<b>Non-Current Liabilities:</b>			
Deferred Tax Liabilities	23,909	20,550	16
Long Term Loan	-	22,500	(100)
	<b>23,909</b>	<b>43,050</b>	
<b>Current Liabilities:</b>			
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
	<b>927,706</b>	<b>883,101</b>	
<b>Total Liabilities</b>	<b>951,615</b>	<b>926,151</b>	
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1,600,919</b>	<b>1,545,510</b>	
<b>Net Asset Value Per Share</b>	<b>113.87</b>	<b>108.61</b>	

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

Value in Taka '000'

	Value in Taka '000'		Growth %
	01.07.2016 to 31.03.2017	01.07.2015 to 31.03.2016	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
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
<b>Net cash generated from operating activities (a)</b>	<b>(34,379)</b>	<b>122,965</b>	<b>(128)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Property, Plant and Equipment acquired	(3,160)	(2,216)	(43)
Short Term Investments	55,338	(7,588)	829
<b>Net cash used in investing activities (b)</b>	<b>52,178</b>	<b>(9,804)</b>	<b>632</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
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
<b>Net cash used in financing activities (c)</b>	<b>(16,566)</b>	<b>(106,364)</b>	<b>84</b>
<b>Net increase/(decrease) in cash and cash equivalents(a+b+c)</b>	<b>1,233</b>	<b>6,797</b>	<b>(82)</b>
Cash & cash equivalents on opening	10,876	4,318	152
<b>Cash &amp; cash equivalents on closing</b>	<b>12,109</b>	<b>11,115</b>	<b>9</b>
<b>Net Operating Cash Flow Per Share</b>	<b>(6.03)</b>	<b>21.56</b>	<b>(128)</b>

## 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			01.01.2017 to 31.03.2017			01.01.2016 to 31.03.2016		
			Growth %			Growth %			Growth %			Growth %
<b>REVENUE</b>	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)						
<b>GROSS PROFIT</b>	<b>145,248</b>	<b>139,863</b>	<b>4</b>	<b>45,847</b>	<b>55,908</b>	<b>(18)</b>						
<b>OPERATING EXPENSES:</b>	<b>(143,910)</b>	<b>(163,210)</b>	<b>(12)</b>	<b>(43,808)</b>	<b>(51,921)</b>	<b>(16)</b>						
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						
<b>OPERATING PROFIT/(LOSS)</b>	<b>1,338</b>	<b>(23,347)</b>	<b>106</b>	<b>2,039</b>	<b>3,987</b>	<b>(49)</b>						
Other Income	20,866	25,387	(18)	3,912	5,261	(26)						
<b>PROFIT/(LOSS) BEFORE PPF &amp; WF</b>	<b>22,204</b>	<b>2,040</b>	<b>988</b>	<b>5,951</b>	<b>9,248</b>	<b>(36)</b>						
Provision for Contribution to PPF & WF	(1,110)	(102)	988	(297)	(462)	36						
<b>PROFIT/(LOSS) BEFORE TAX.</b>	<b>21,094</b>	<b>1,938</b>	<b>988</b>	<b>5,654</b>	<b>8,786</b>	<b>(36)</b>						
<b>Tax Expenses:</b>	<b>(15,461)</b>	<b>(17,866)</b>	<b>(13)</b>	<b>(3,644)</b>	<b>(5,777)</b>	<b>37</b>						
Current tax	(16,071)	(15,426)	4	(2,828)	(3,319)	15						
Deferred tax (expenses) / Income	610	(2,440)	125	(816)	(2,458)	67						
<b>NET PROFIT/(LOSS) AFTER TAX</b>	<b>5,633</b>	<b>(15,928)</b>	<b>135</b>	<b>2,010</b>	<b>3,009</b>	<b>(33)</b>						
<b>Other comprehensive income:</b>	<b>35,717</b>	<b>40,452</b>		<b>3,727</b>	<b>(48,721)</b>							
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)						
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>41,350</b>	<b>24,524</b>	<b>69</b>	<b>5,737</b>	<b>(45,712)</b>	<b>113</b>						
<b>Earning Per Share (EPS)</b>	<b>0.99</b>	<b>(2.79)</b>	<b>135</b>	<b>0.35</b>	<b>0.53</b>	<b>(33)</b>						

## 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
<b>As at 1st July 2016</b>	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
<b>As at 31st March 2017</b>	<b>57,024</b>	<b>209,088</b>	<b>51,163</b>	<b>135,274</b>	<b>607</b>	<b>196,148</b>	<b>649,304</b>

## 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
<b>As at 1st July 2015</b>	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)
<b>As at 31st March 2016</b>	<b>57,024</b>	<b>209,088</b>	<b>51,163</b>	<b>146,828</b>	<b>607</b>	<b>157,848</b>	<b>622,558</b>

### 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](http://www.apexfoods.com)

Sd/- Zafar Ahmed Chairman	Sd/- Shahriar Ahmed Managing Director	Sd/- Ashim Kumar Barua Director	Sd/- S. K. Halder Chief Financial Officer	Sd/- Kamrul Islam 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'		Value in Taka '000'	
		As on	As on	01.07.2016	01.07.2015
		31.03.2017	30.06.2016	to	to
		31.03.2017	30.06.2016	31.03.2017	31.03.2016
<b>1. PROPERTY, PLANT &amp; EQUIPMENT:</b>		<u>114,863</u>	<u>131,305</u>		
During the period an amount of Tk. 2,589,912/- has been added in Property, Plant & Equipment.					
<b>2. INVENTORIES:</b>					
Shrimps (Finished Goods)		717,376	645,763		
Stock of Packing Materials		10,157	9,251		
Stock of Chemical & Ingredients		<u>3,390</u>	<u>3,149</u>		
		<u>730,923</u>	<u>658,163</u>		
<b>3. TRADE RECEIVABLES:</b>		<u>38,711</u>	<u>38,621</u>		
Subsequently trade receivables are realised in full.					
<b>4. ADVANCES, DEPOSITS AND PREPAYMENTS:</b>					
Advance against Expenses		24	142		
Deposits		5,126	5,119		
Prepayments		3,922	1,863		
Advance Income Tax		<u>34,152</u>	<u>19,428</u>		
		<u>43,224</u>	<u>26,552</u>		
The growth of 63% mainly in Advance Income tax due to Tax deduction at Source on export realization, cash incentive and other income.					
<b>5. OTHER RECEIVABLES:</b>					
Insurance Claim Receivable		16,255	16,255		
Cash incentive Receivable		103,388	104,289		
FDR's Interest Receivable		<u>7,402</u>	<u>9,752</u>		
		<u>127,045</u>	<u>130,296</u>		
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.					
<b>6. SHORT TERM INVESTMENTS:</b>					
FDR with Dhaka Bank Limited		249,252	304,590		
FDR with Agrani Bank Limited		<u>21,600</u>	<u>21,600</u>		
		<u>270,852</u>	<u>326,190</u>		
<b>7. CASH AND CASH EQUIVALENTS:</b>					
<b>Cash in Hand:</b>					
Head Office		31	20		
Factory Office		99	77		
		130	97		
<b>Cash at Bank with:</b>					
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		<u>3</u>	<u>3</u>		
		<u>11,979</u>	<u>10,779</u>		
		<u>12,109</u>	<u>10,876</u>		
<b>8. FAIR VALUATION SURPLUS OF INVESTMENTS:</b>		<u>196,148</u>	<u>160,431</u>		
This represents the difference of market value and cost of investments.					
<b>9. DEFERRED TAX LIABILITIES:</b>		<u>23,909</u>	<u>20,550</u>		
This increased due to implementation of BAS 12 on fair valuation surplus of investments.					
<b>10. WORKING CAPITAL LOAN:</b>					
Against Hypothecation		137,396	96,790		
Against Pledge of Finished Goods		<u>616,075</u>	<u>616,071</u>		
		<u>753,471</u>	<u>712,861</u>		
The Working Capital loan was taken from Agrani Bank Ltd., Agrabad Corporate Br., Chittagong.					
<b>11. LONG TERM LOAN-CURRENT MATURITY:</b>		<u>30,000</u>	<u>30,000</u>		
This represents the term loan payable in next twelve months as per schedule of re-payment.					
<b>12. SHORT TERM LOAN:</b>					
Dhaka Bank Limited		35,460	65,871		
		<u>35,460</u>	<u>65,871</u>		
Decrease of 46% is for early adjustment/payment of Short term loan.					
<b>13. TRADE PAYABLES:</b>		<u>42,891</u>	<u>27,741</u>		
The increase of 55% in trade payables due to less payment against procurement of raw materials during the period.					
<b>14. OTHER LIABILITIES:</b>					
Unclaimed Dividend		13,358	6,218		
		<u>13,358</u>	<u>6,218</u>		
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.					
<b>15. REVENUE:</b>				<u>1,258,080</u>	<u>1,576,292</u>
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.					
<b>16. COST OF GOODS SOLD:</b>					
Opening Stock of Finished Goods				645,763	895,527
Add. Cost of Production-Note-17				<u>1,184,445</u>	<u>1,239,510</u>
				<u>1,830,208</u>	<u>2,135,037</u>
Less: Closing Stock of Finished Goods				<u>717,376</u>	<u>698,608</u>
				<u>1,112,832</u>	<u>1,436,429</u>
The decrease of 23% in cost of goods sold mainly due to less turnover during the period.					
<b>17. COST OF PRODUCTION:</b>					
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				<u>18,176</u>	<u>21,459</u>
				<u>1,184,445</u>	<u>1,239,510</u>
<b>18. PACKING MATERIALS, CHEMICALS &amp; ICE CONSUMED:</b>					
Opening balance (Packing Materials)				9,251	8,662
Add: Packing Materials Purchase				<u>23,325</u>	<u>35,710</u>
				<u>32,576</u>	<u>44,372</u>
Less: Packing Materials in hand				<u>10,157</u>	<u>9,381</u>
				<u>22,419</u>	<u>34,991</u>
Opening balance (Chemical & Ingredients)				3,148	2,679
Add: Chemical, Ingredients & Ice Purchase				<u>5,362</u>	<u>9,998</u>
				<u>30,929</u>	<u>47,668</u>
Less: Chemical, Ingredients in hand				<u>3,390</u>	<u>2,020</u>
				<u>27,539</u>	<u>45,648</u>
The decrease of 40% mainly due to less turnover and less use of Packing materials, chemicals and ice during the period.					
<b>19. FACTORY OVERHEAD:</b>					
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				<u>41</u>	<u>38</u>
				<u>39,966</u>	<u>37,271</u>
The increase of 7% is mainly for repairs & maintenance and wages & Salary.					
<b>20. ADMINISTRATIVE AND SELLING OVERHEAD:</b>					
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	638
Rejection Insurance Premium				1,339	1,163
Rent, Rates & Taxes				2,119	2,041
Salary & Allowances				19,541	19,749
Sales Commission				-	6,895
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				<u>832</u>	<u>1,663</u>
				<u>70,740</u>	<u>89,498</u>
21% decreased in Administrative and Selling Overhead is mainly due to less turnover as compared to last year's nine months.					

Sd/-  
Zafar Ahmed  
Chairman

Sd/-  
Shahriar Ahmed  
Managing Director

Sd/-  
Ashim Kumar Barua  
Director

Sd/-  
S. K. Halder  
Chief Financial Officer

Sd/-  
Kamrul Islam  
Assistant Company Secretary

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
	<u>73,170</u>	<u>73,712</u>

22. OTHER INCOME:		
Dividend income	6,407	5,954
Interest earned	14,459	19,433
	<u>20,866</u>	<u>25,387</u>

23. PROVISION FOR TAX:	<u>16,071</u>	<u>15,426</u>
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24. RELATED PARTY TRANSACTIONS:

There was no related party transaction during the period.

25. DEFERRED TAX (EXPENSES)/INCOME	<u>610</u>	<u>(2,440)</u>
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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)	<u>0.99</u>	<u>(2.79)</u>
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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:	<u>(6.03)</u>	<u>21.56</u>
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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/-  
Zafar Ahmed  
Chairman

Sd/-  
Shahriar Ahmed  
Managing Director

Sd/-  
Ashim Kumar Barua  
Director

Sd/-  
S. K. Halder  
Chief Financial Officer

Sd/-  
Kamrul Islam  
Assistant Company Secretary