

APEX FOODS LIMITED

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

In compliance with the Notification No:SEC/CMRRCD/2008-183/Admin/03-34 dated September 27, 2009 of the Bangladesh Securities and Exchange Commission, we are pleased to forward herewith the un-audited Third Quarterly (Q3) Financial Statements for the period ended on 31st March 2016 of the Company.

STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT 31ST MARCH, 2016

STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS ENDED 31ST MARCH, 2016

Value in Taka '000'				Value in Taka '000'					
	As on	As on	Growth %	01.07.2015	01.07.2014	Growth %	01.01.2016	01.01.2015	Growth %
	31.03.2016	30.06.2015		to	to		to	to	
ASSETS									
Non-Current Assets:									
Property, Plant and Equipment Investment	134,617	155,017	(13)						
	220,637	175,689	26						
	355,254	330,706	7						
Current Assets:									
Inventories	710,009	906,868	(22)						
Trade Debtors	5,364	-	100						
Advances, Deposits & Pre- Payments	163,528	139,966	17						
Other Receivables	112,926	84,081	34						
Cash & Cash Equivalents	332,710	318,325	5						
	1,324,537	1,449,240	(9)						
TOTAL ASSETS	1,679,791	1,779,946	(6)						
EQUITY AND LIABILITIES									
Shareholders' Equity:									
Share Capital	57,024	57,024	0						
Share Premium	209,088	209,088	0						
Reserve and Surplus	198,598	225,931	(12)						
Fair Valuation Surplus	157,848	130,440	21						
	622,558	622,483	0						
Non-Current Liabilities:									
Deferred Tax Liabilities	20,178	200	9,989						
Long Term Loan	30,000	52,500	(43)						
	50,178	52,700	(5)						
Current Liabilities:									
Working Capital Loan (Secured)	700,700	794,270	(12)						
Long Term Loan-Current Maturity	30,000	30,000	0						
Short Term Loan	67,182	52,627	28						
Trade Creditors	29,790	61,894	(52)						
Sundry Creditors	16,117	24,688	(35)						
Income Tax Payable	151,478	136,052	11						
Other Liabilities	11,788	5,232	125						
	1,007,055	1,104,763	(9)						
Total Liabilities	1,057,233	1,157,463	(9)						
TOTAL EQUITY & LIABILITIES	1,679,791	1,779,946	(6)						
Net Asset Value Per Share	109.17	109.16							

STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS ENDED 31ST MARCH, 2016

Value in Taka '000'			
	01.07.2015	01.07.2014	Growth %
	to	to	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Collection from turnover	1,570,928	2,510,849	(37)
Other Income	26,018	24,184	8
Interest and other financial charges paid	(73,712)	(76,764)	4
Income tax paid	(19,735)	(27,278)	28
Payment for costs and expenses	(1,380,534)	(2,373,008)	42
Net cash generated from operating activities (a)	122,965	57,983	112
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property, Plant and Equipment acquired	(2,216)	(13,285)	83
Net cash used in investing activities (b)	(2,216)	(13,285)	83
CASH FLOWS FROM FINANCING ACTIVITIES:			
Working Capital Loan received/(repaid)	(93,570)	(34,929)	(168)
Long Term loan received/(repaid)	(22,500)	(19,454)	(16)
Short Term Loan received/(repaid)	14,555	(53,865)	127
Dividend paid	(4,849)	(10,720)	55
Net cash used in financing activities (c)	(106,364)	(118,968)	11
Net increase/(decrease) in cash and cash equivalents(a+b+c)	14,385	(74,270)	119
Cash & cash equivalents on opening	318,325	242,050	32
Cash & cash equivalents on closing	332,710	167,780	98
Net Operating Cash Flow Per Share	21.56	10.17	112

Value in Taka '000'			
	01.07.2015	01.07.2014	Growth %
	to	to	
TURNOVER	1,576,292	2,485,298	(37)
Cost of Goods Sold	1,436,429	2,260,335	(36)
GROSS PROFIT	139,863	224,963	(38)
OPERATING EXPENSES:			
Administrative & Selling Overhead	89,498	141,260	(37)
Financial Expenses	73,712	78,287	(6)
OPERATING PROFIT/(LOSS)	(23,347)	5,416	(531)
Other Income	25,387	24,184	5
PROFIT/(LOSS) BEFORE PPF & WF	2,040	29,600	(93)
Provision for Contribution to PPF & WF	102	1,480	(93)
PROFIT/(LOSS) BEFORE TAX	1,938	28,120	(93)
Tax Expenses:			
Current tax	15,426	26,457	(42)
Deferred tax expenses / (Income)	2,440	110	2,118
NET PROFIT/(LOSS) AFTER TAX	(15,928)	1,553	(1,126)
Other comprehensive income:			
Fair valuation surplus/(deficit) of investments	44,947	(16,668)	370
Deferred tax (expenses)/income on share valuation surplus	(4,495)	1,667	(370)
TOTAL COMPREHENSIVE INCOME	24,524	(13,448)	282
Earning Per Share (EPS)	(2.79)	0.27	(1,126)

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

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED 31ST MARCH, 2015

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 2014	57,024	209,088	51,163	100,724	607	143,446	562,052
Net Profit for the nine months ended on 31st March 2015	-	-	-	1,553	-	-	1,553
Dividend for the year 2013-14	-	-	-	(11,405)	-	-	(11,405)
Fair valuation surplus/(deficit) of investments	-	-	-	-	-	(15,001)	(15,001)
As at 31st March 2015	57,024	209,088	51,163	90,872	607	128,445	537,199

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 2016.
- (3) Last year's nine month's figures were rearranged where considered necessary to conform to current nine months presentation.
- (4) Figures were rounded-off to the nearest thousand Taka.
- (5) Notes to the financial statements are given where considered necessary.

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/- 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 31.03.2016

Value in Taka '000'

As on
31.03.2016 As on
30.06.2015

1. PROPERTY, PLANT & EQUIPMENT: 134,617 155,017

During the period an amount of Tk. 1,999,653/- has been added in Property, Plant & Equipment.

2. INVENTORIES:

Shrimps (Finished Goods)	698,608	895,527
Stock of Packing Materials	9,381	8,662
Stock of Chemical & Ingredients	<u>2,020</u>	<u>2,679</u>
	<u>710,009</u>	<u>906,868</u>

3. TRADE DEBTORS:

5,364 -

Subsequently trade debtors are realised in full.

4. ADVANCES, DEPOSITS AND PREPAYMENTS:

Advance against Expenses	10	48
Advance against machinery	2,285	-
Deposits & Prepayments	8,174	6,639
Advance Income Tax	152,825	133,090
L/C margin with Agrani Bank Limited	<u>234</u>	<u>189</u>
	<u>163,528</u>	<u>139,966</u>

The growth of 17% mainly in Advance Income tax due to Tax deduction at Source on export, cash incentive and other income.

5. OTHER RECEIVABLES:

Insurance Claim Receivable	16,255	16,255
Cash incentive Receivable	86,915	57,439
FDR's Interest Receivable	<u>9,756</u>	<u>10,387</u>
	<u>112,926</u>	<u>84,081</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.

6. CASH AND CASH EQUIVALENTS:

Cash in Hand:

Head Office	20	112
Factory Office	93	32
	<u>113</u>	<u>144</u>

Cash at Bank with:

Agrani Bank, Agrabad Corporate Br. Chittagong.	27,959	21,345
Arab Bangladesh Bank Ltd. Principal Br, Dhaka.	621	623
Eastern Bank Ltd., Principal Branch, Dhaka	11	86
The Hongkong & Shanghai Banking Corporation, Dhaka	4,007	2,116
Dhaka Bank Ltd., Foreign Exchange Branch, Dhaka	4	4
FDR with Dhaka Bank Limited, Dhaka	<u>299,995</u>	<u>294,007</u>
	<u>332,597</u>	<u>318,181</u>
	<u>332,710</u>	<u>318,325</u>

7. FAIR VALUATION SURPLUS OF INVESTMENTS: 157,848 130,440

This represents the difference of market value and cost of investments

8. DEFERRED TAX LIABILITIES: 20,178 200

This increased due to implementation of BAS 12 on fair valuation surplus of investments.

9. WORKING CAPITAL LOAN:

Against Hypothecation	84,625	176,478
Against Pledge of Finished Goods	<u>616,075</u>	<u>617,792</u>
	<u>700,700</u>	<u>794,270</u>

The Working Capital loan was taken from Agrani Bank Ltd., Agrabad Corporate Br., Chittagong.

10. LONG TERM LOAN-CURRENT MATURITY: 30,000 30,000

This represents the term loan payable in next twelve months as per schedule of re-payment.

11. SHORT TERM LOAN:

Dhaka Bank Limited	<u>67,182</u>	<u>52,627</u>
	<u>67,182</u>	<u>52,627</u>

Increase of 28% represents the utilization of loan for procurement of shrimps and payment of Creditors.

12. TRADE CREDITORS: 29,790 61,894

The decrease of 52% in Trade creditors due to more payments have made during the period.

13. OTHER LIABILITIES:

Unclaimed Dividend	<u>11,788</u>	<u>5,232</u>
	<u>11,788</u>	<u>5,232</u>

The growth of 125% due to dividend payable for 2014-15 which were not presented to

the bank within 31.03.2016. This is mainly for Directors dividends who has not encashed yet.

01.07.2015	01.07.2014
to	to
<u>31.03.2016</u>	<u>31.10.2015</u>

14. TURNOVER: 1,576,292 2,485,298

Turnover has been decreased 37% (i.e. From 2,485.30 million to 1,576.29 million) as compared to the turnover of same period of 2014-15 because of price fall in international market.

15. COST OF GOODS SOLD:

Opening Stock of Finished Goods	895,527	795,189
Add. Cost of Production-Note-16	<u>1,239,510</u>	<u>2,260,146</u>
	<u>2,135,037</u>	<u>3,055,335</u>
Less: Closing Stock of Finished Goods	<u>698,608</u>	<u>795,000</u>
	<u>1,436,429</u>	<u>2,260,335</u>

16. COST OF PRODUCTION:

Raw Materials	1,121,060	2,111,505
Packing Material Chemicals & Ice-Note-17	45,648	60,129
Direct Labour	14,072	25,893
Factory Overhead-Note-18	37,271	37,609
Depreciation	<u>21,459</u>	<u>25,010</u>
	<u>1,239,510</u>	<u>2,260,146</u>

The decrease of cost of goods sold mainly due to the decrease of turnover.

17. PACKING MATERIALS, CHEMICALS & ICE CONSUMED:

Opening balance (Packing Materials)	8,662	12,223
Add: Packing Materials Purchase	<u>35,710</u>	<u>45,441</u>
	<u>44,372</u>	<u>57,664</u>
Less: Packing Materials in hand	<u>9,381</u>	<u>9,375</u>
	<u>34,991</u>	<u>48,289</u>
Opening balance (Chemical & Ingredients)	2,679	4,001
Add: Chemical, Ingredients & Ice Purchase	<u>9,998</u>	<u>10,965</u>
	<u>47,668</u>	<u>63,255</u>
Less: Chemical, Ingredients in hand	<u>2,020</u>	<u>3,126</u>
	<u>45,648</u>	<u>60,129</u>

18. FACTORY OVERHEAD:

Wages & Salaries	17,521	20,633
Bonus to Workers'	543	551
Power, Fuel & Water	14,023	10,090
Consumable Stores & Spares	724	1,295
Repair & Maintenance	4,422	4,972
Carriage Inward	<u>38</u>	<u>68</u>
	<u>37,271</u>	<u>37,609</u>

The increase of 39% in Power, Fuel and Water is mainly due to increase of price of Gas as compared to last year's nine months.

19. ADMINISTRATIVE AND SELLING OVERHEAD:

Advertisement	351	259
AGM Expenses	88	100
Board meeting fees	13	10
Bonus to Staff	2,459	2,514
Contribution to Provident Fund	1,168	961
Depreciation	940	1,063
Directors Remuneration	6,750	6,750
Donation & Subscription	118	74
Electricity & WASA Charges	290	58
Entertainment	373	353
Freight & Forwarding	25,892	42,823
General Fees & Charges	36	21
Guest House Expenses	479	460
Insurance Premium	2,295	2,268
Laboratory Expenses	143	107
Laboratory Testing Fees	3,289	5,162
Legal & Professional Fees	41	1,481
License & renewals	844	901
Medical Expenses	7	40
Membership Subscription	119	46
Newspaper & Periodicals	49	8
Office Maintenance	257	364
Postage & Stamp	262	398
Printing & Stationery	638	694
Rejection Insurance Premium	1,163	6,965
Rent, Rates & Taxes	2,041	2,221
Salary & Allowances	19,749	19,400
Sales Commission	6,695	32,703
Sales Promotion Expenses	8,088	8,499
Sanitation Expenses	114	268
Staff fooding	436	425
Staff Welfare Expenses	715	760
T.A & Conveyance	1,300	959
Telephone, Telex & Fax	429	449
Uniform & Liveries	204	364
Vehicles Maintenance	<u>1,663</u>	<u>1,332</u>
	<u>89,498</u>	<u>141,260</u>

37% decreased in Administrative and Selling Overhead is mainly due to less turnover as compared to last year's nine months.

Sales commission is paid as per terms of L/C.

20. FINANCIAL EXPENSES:

Interest	69,321	70,493
Charges	<u>4,391</u>	<u>7,794</u>
	<u>73,712</u>	<u>78,287</u>

21. OTHER INCOME:

Dividend income	5,954	5,954
Interest earned	<u>19,433</u>	<u>18,230</u>
	<u>25,387</u>	<u>24,184</u>

22. PROVISION FOR TAX:

	<u>15,426</u>	<u>26,457</u>
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The decrease of 42% in provision for tax is mainly due to less turnover as compared to the last year's nine months.

23. RELATED PARTY TRANSACTIONS:

There was no transaction with the Associated Companies during the period.

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