

APOLLO FOOD HOLDINGS BERHAD (291471-M)
(Incorporated in Malaysia)

**SUMMARY OF KEY FINANCIAL INFORMATION
FOR THE QUARTER ENDED 31 JULY 2017**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/07/2017 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/07/2016 RM'000	CURRENT YEAR TO-DATE 31/07/2017 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/07/2016 RM'000
1 Revenue	46,733	49,982	46,733	49,982
2 Profit before tax	4,725	8,615	4,725	8,615
3 Profit for the period	3,761	5,699	3,761	5,699
4 Profit attributable to ordinary equity holders of the parent	3,761	5,699	3,761	5,699
5 Basic earnings per share (sen)	4.70	7.12	4.70	7.12
6 Proposed/Declared dividend per share (sen)	-	-	-	-
		AS AT END OF CURRENT QUARTER 31/07/2017 RM		AS AT PRECEDING FINANCIAL YEAR END 30/04/2017 RM
7 Net assets per share attributable to ordinary equity holders of the parent		3.20		3.17

ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/07/2017 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/07/2016 RM'000	CURRENT YEAR TO-DATE 31/07/2017 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/07/2016 RM'000
1 Gross interest income	351	575	351	575
2 Gross interest expense	-	-	-	-

APOLLO FOOD HOLDINGS BERHAD (291471-M)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE QUARTER ENDED 31 JULY 2017**

(The figures have not been audited)

	UNAUDITED AS AT 31/07/2017 RM'000	AUDITED AS AT 30/04/2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	96,130	98,006
Prepaid lease payments for land	3,461	654
Investment properties	13,930	13,983
Other investments	2,498	4,710
	<u>116,019</u>	<u>117,353</u>
Current assets		
Inventories	16,841	15,848
Trade and other receivables	27,253	37,934
Tax recoverable	570	839
Cash and cash equivalents	117,811	104,683
	<u>162,475</u>	<u>159,304</u>
TOTAL ASSETS	<u><u>278,494</u></u>	<u><u>276,657</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share Capital	80,000	80,000
Reserves attributable to capital	4,174	5,251
Retained profits	171,760	167,999
Total equity	<u>255,934</u>	<u>253,250</u>
Non-current liabilities		
Retirement benefits obligations	2,096	2,096
Deferred tax	10,082	11,092
	<u>12,178</u>	<u>13,188</u>
Current Liabilities		
Trade and other payables	10,294	10,093
Current tax liabilities	88	126
	<u>10,382</u>	<u>10,219</u>
Total liabilities	<u>22,560</u>	<u>23,407</u>
TOTAL EQUITY AND LIABILITIES	<u><u>278,494</u></u>	<u><u>276,657</u></u>
Net assets per share (RM)	<u>3.20</u>	<u>3.17</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements)

APOLLO FOOD HOLDINGS BERHAD (291471-M)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 JULY 2017**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/07/2017 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/07/2016 RM'000	CURRENT PERIOD TO-DATE 31/07/2017 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/07/2016 RM'000
Revenue	46,733	49,982	46,733	49,982
Cost of sales	(38,352)	(38,434)	(38,352)	(38,434)
Gross profit	8,381	11,548	8,381	11,548
Other income	1,871	824	1,871	824
Operating & other expenses	(5,527)	(3,757)	(5,527)	(3,757)
Profit before tax	4,725	8,615	4,725	8,615
Income tax expense	(964)	(2,916)	(964)	(2,916)
Profit for the period	3,761	5,699	3,761	5,699
Other comprehensive income				
Fair value gain/(loss) on other investments	(1,077)	(4)	(1,077)	(4)
Total comprehensive income for the period	2,684	5,695	2,684	5,695
Profit for the period attributable to:				
Equity holders of the parent	3,761	5,699	3,761	5,699
Non-controlling interests	-	-	-	-
	3,761	5,699	3,761	5,699
Total comprehensive income for the period attributable to:				
Equity holders of the parent	2,684	5,695	2,684	5,695
Non-controlling interests	-	-	-	-
	2,684	5,695	2,684	5,695
Earnings per share (sen)				
(i) Basic	4.70	7.12	4.70	7.12
(ii) Fully diluted	4.70	7.12	4.70	7.12
Dividends per share (sen)	-	-	-	-

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 30 April 2017 and the accompanying explanatory notes attached to the interim financial statements)

APOLLO FOOD HOLDINGS BERHAD (291471-M)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 JULY 2017**

(The figures have not been audited)

	Attributable to owners of the parent				
	←---- Non-distributable ----→			Distributable	
	Share Capital RM '000	Share Premium RM '000	Fair value Reserves RM '000	Retained Profits RM '000	Total RM '000
3 months ended 31 July 2017					
Balance as at 1 May 2017	80,000	4,325	926	167,999	253,250
Total comprehensive income for the period	-	-	(1,077)	3,761	2,684
Distribution of dividends	-	-	-	-	-
Balance as at 31 July 2017	80,000	4,325	(151)	171,760	255,934
3 months ended 31 July 2016					
Balance as at 1 May 2016	80,000	4,325	(931)	174,167	257,561
Total comprehensive income for the period	-	-	4	5,699	5,703
Distribution of dividends	-	-	-	-	-
Balance as at 31 July 2016	80,000	4,325	(927)	179,866	263,264

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 30 April 2017 and the accompanying explanatory notes attached to the interim financial statements)

APOLLO FOOD HOLDINGS BERHAD (291471-M)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED 31 JULY 2017**

(The figures have not been audited)

	3 months ended 31 July	
	2017	2016
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	4,725	8,615
Adjustments for:		
Depreciation of property, plant and equipment	2,303	2,298
Depreciation of investment properties	53	53
Amortisation of prepaid lease payments for land	9	29
Unrealised gain on foreign currency translations	(1,190)	(2,155)
Impairment loss on other investments	-	343
Provision for retirement benefits	-	-
Interest income	(351)	(575)
Dividend income	(31)	(44)
Property, plant and equipment written off	-	-
Inventories written off	-	-
Gain on disposal of other investments	(1,234)	-
Gain on disposal of property, plant and equipment	(8)	-
Operating profit before changes in working capital	<u>4,276</u>	<u>8,564</u>
Changes in working capital		
Inventories	(993)	533
Receivables	10,582	4,966
Payables	200	(1,352)
Cash generated from operations	<u>14,065</u>	<u>12,711</u>
Interest received	351	575
Income taxes paid	(1,743)	(2,918)
Income taxes refund	-	-
Retirement benefits paid	-	-
Net cash from operating activities	<u><u>12,673</u></u>	<u><u>10,368</u></u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received	31	45
Purchase of:		
- other investments	(20)	(314)
- property, plant and equipment	(517)	(1,220)
- prepaid lease payments for land	(2,816)	-
Proceeds from disposal of other investments	2,388	-
Proceeds from disposal of property, plant and equipment	98	-
Net cash used in investing activities	<u><u>(836)</u></u>	<u><u>(1,489)</u></u>
CASH FLOWS FROM FINANCING ACTIVITY		
Net cash used in financing activity	<u><u>-</u></u>	<u><u>-</u></u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	11,837	8,879
Currency translation differences	1,291	1,414
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	104,683	107,380
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>117,811</u></u>	<u><u>117,673</u></u>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Audited Financial Statements for the year ended 30 April 2017 and the accompanying explanatory notes attached to the interim financial statements)

APOLLO FOOD HOLDINGS BERHAD (291471-M)

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NOTES TO THE INTERIM FINANCIAL STATEMENTS

31 JULY 2017

1. BASIS OF PREPARATION

The condensed interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 - "Interim Financial Reporting" and Paragraph 9.22 of the Bursa Malaysia Securities Berhad (Bursa Securities Berhad ("Bursa")) Listing Requirements.

The interim financial statements should be read in conjunction with the Group's annual audited financial statements for the year ended 30 April 2017 and the explanatory notes attached to the interim financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

New MFRSs adopted during the financial year

At the date of authorisation of the interim financial statements, the following standards and interpretation were issued and applied by the Group:

Effective for financial periods beginning on or after 1 January 2016:

MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 101	Disclosure Initiative
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants
Amendments to MFRS 127	Equity Method in Separate Financial Statements
Amendments to MFRSs	Annual Improvements to MFRSs 2012-2014 Cycle

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group.

Standards and Interpretations issued but not yet effective

At the date of authorisation of the interim financial statements, the following standards and interpretation were issued but not yet effective and have not been applied by the Group:

Effective for financial periods beginning on or after 1 January 2017:

Amendments to MFRS 12	Annual Improvements to MFRS Standards 2014-2016 Cycle
Amendments to MFRS 107	Disclosure Initiative
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
31 JULY 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Standards and Interpretations issued but not yet effective (continued)

Effective for financial periods beginning on or after 1 January 2018:

Amendments to MFRS 1	Annual Improvements to MFRS Standards 2014-2016 Cycle
MFRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014)
MFRS 15	Revenue from Contracts with Customers
Clarifications to MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 128	Annual Improvements to MFRS Standards 2014 - 2016 Cycle
Amendments to MFRS 140	Transfers of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

Effective for financial periods beginning on or after 1 January 2019:

MFRS 16	Leases
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Deferred

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associates or Joint Venture
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3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The preceding year's audit report for the year ended 30 April 2017 was unqualified.

4. SEASONAL OR CYCLICAL FACTORS

Seasonal or cyclical factors do not significantly affect the principal business operations of the Group.

5. UNUSUAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current financial period under review.

6. CHANGES IN ESTIMATES

There were no material changes in the estimation methods in this interim reporting quarter which will have a material impact.

7. DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial period under review.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
31 JULY 2017

8. DIVIDEND PAID

There was no dividend paid during the quarter under review.

9. SEGMENT INFORMATION

Segment information is presented in respect of the Group's nature of principal activities. The segmental analysis is provided as follows:

	Manufacturing, marketing and distribution RM'000	Investment holding RM'000	Total RM'000
<u>Revenue</u>			
Total revenue	46,702	31	46,733
Inter-segment revenue	-	-	-
Revenue from external customers	<u>46,702</u>	<u>31</u>	<u>46,733</u>
Profit for reportable segments			<u>3,761</u>

10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no revaluation carried out on property, plant and equipment during the financial period under review.

11. MATERIAL EVENTS SUBSEQUENT TO THE END OF INTERIM PERIOD

There were no material events subsequent to the end of interim period that would substantially affect the interim financial statements.

12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during this interim period.

13. CONTINGENT LIABILITIES

There were no material changes in contingent liabilities since the last annual date of the statement of financial position as at 30 April 2017.

14. CAPITAL COMMITMENTS

Capital expenditure not provided for in the interim financial statements as at 31 July 2017 is as follows:

AUTHORISED AND CONTRACTED	RM <u>6,462,648</u>
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APOLLO FOOD HOLDINGS BERHAD (291471-M)
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NOTES TO THE INTERIM FINANCIAL STATEMENTS
31 JULY 2017

15. SIGNIFICANT RELATED PARTY TRANSACTIONS

There were no significant related party transactions during this interim period.

16. REVIEW OF PERFORMANCE AS COMPARED TO THE PRECEDING YEAR'S CORRESPONDING QUARTER

For the current quarter ended 31 July 2017, the Group recorded a revenue of RM46.733 million, a decrease of RM3.249 million as compared to RM49.982 million in the preceding year's corresponding quarter. Lower revenue was mainly due to the decrease in sales orders placed by export markets.

The Group's pre-tax profit for the current quarter ended 31 July 2017 decreased by RM3.890 million to RM4.725 million from RM8.615 million in the quarter ended 31 July 2016. The decrease was primarily due to higher costs of raw materials and lower foreign exchange gain.

17. MATERIAL CHANGE IN THE PROFIT BEFORE TAX FOR THE CURRENT QUARTER AS COMPARED TO THE IMMEDIATE PRECEDING QUARTER

For the quarter ended 31 July 2017, the Group recorded a revenue of RM46.733 million, a decrease of RM12.863 million as compared to RM59.596 million recorded in the preceding quarter. The decrease in revenue was mainly due to lesser demand in export markets.

The Group's pre-tax profit had increased by RM0.468 million from RM4.257 million in the preceding quarter to RM4.725 million in this quarter. This was mainly due to gain on disposal of other investment in this quarter.

18. CURRENT YEAR PROSPECTS

In view of the increase in costs of raw materials and the volatility of Ringgit Malaysia against foreign currencies, the Group expects its operating environment to be tougher in both the current and coming financial years. The market will continue to remain competitive.

Despite a challenging environment, the Board is of the opinion that the Group will be able to maintain its market position by implementing prudent measures and improving operational efficiency to safeguard the Group's profitability. By focusing on product and service quality, the Group is optimistic that it will continue to achieve satisfactory results in the coming year.

19. PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable.

APOLLO FOOD HOLDINGS BERHAD (291471-M)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS
31 JULY 2017

20. INCOME TAX EXPENSE

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/07/2017 RM'000	Preceding Year Corresponding Quarter 31/07/2016 RM'000	Current Year To Date 31/07/2017 RM'000	Preceding Year Corresponding Period 31/07/2016 RM'000
Income tax				
- Current period	1,974	2,295	1,974	2,295
- Prior period	-	-	-	-
	<u>1,974</u>	<u>2,295</u>	<u>1,974</u>	<u>2,295</u>
Deferred tax	(1,010)	621	(1,010)	621
	<u>964</u>	<u>2,916</u>	<u>964</u>	<u>2,916</u>

21. ADDITIONAL DISCLOSURES

	Current Year Quarter Ended 31/07/2017 RM'000	Current Year To- Date Ended 31/07/2017 RM'000
Interest income	(351)	(351)
Rental income	(104)	(104)
Dividend income	(31)	(31)
Depreciation of:		
- property, plant and equipment	2,303	2,303
- investment properties	53	53
Amortisation of prepaid lease payments for land	9	9
Impairment loss on other investment	-	-
Gain on disposal of:		
- property, plant and equipment	(8)	(8)
- other investments	(1,234)	(1,234)
Property, plant and equipment written off	-	-
(Gain)/Loss on foreign exchange:		
- realised	153	153
- unrealised	<u>(1,190)</u>	<u>(1,190)</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
31 JULY 2017

22. BREAKDOWN OF REALISED AND UNREALISED PROFITS OR LOSSES OF THE GROUP

	Current Quarter Ended 31/07/2017 RM'000	Preceding Quarter Ended 30/04/2017 RM'000
Total retained profits		
Realised	214,585	210,014
Unrealised	(8,891)	(8,080)
	<hr/> 205,694	<hr/> 201,934
Less: Consolidation adjustments	(33,934)	(33,935)
Total retained profits as per statement of financial position	<hr/> <hr/> 171,760	<hr/> <hr/> 167,999

23. CORPORATE PROPOSALS

There were no corporate proposals announced as at the end of the reporting period.

24. GROUP BORROWINGS AND DEBT SECURITIES

There were no group borrowings and debt securities as at the end of the reporting period.

25. DERIVATIVE FINANCIAL INSTRUMENTS

The Group does not have any outstanding derivative financial instruments as at the end of the quarter under review.

26. GAINS/LOSSES ARISING FROM FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

There were no gains or losses arising from fair value changes of any financial liabilities during the quarter and financial period-to-date under review.

27. ON-GOING LITIGATION

On 7 April 2017, Apollo Food Industries (M) Sdn Bhd ("AFI"), a wholly owned subsidiary of Apollo Food Holdings Berhad, received a Writ of Summon from Mondelez Europe GMBH ("Mondelez"), which intends to restrain AFI from selling one of their products on the basis that such product infringes the trademark product of Mondelez.

Currently no court trial date has been fixed. The Directors have consulted with legal opinions, and the Directors are of the view that other than legal professional consultancy fees incurred, the financial impact that may affect to the Group is currently unknown and the Directors are not aware of any contractual obligation, guarantee or otherwise which may affect the Group as a result of this litigation.

28. DIVIDEND

The Board of Directors does not recommend the payment of an interim dividend for the financial quarter under review.

APOLLO FOOD HOLDINGS BERHAD (291471-M)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS
31 JULY 2017

29. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of the parent by the weighted number of ordinary shares in issue for the following periods:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/07/2017 RM'000	Preceding Year Corresponding Quarter 31/07/2016 RM'000	Current Year To Date 31/07/2017 RM'000	Preceding Year Corresponding Period 31/07/2016 RM'000
Profit attributable to owners of the parent	3,761	5,699	3,761	5,699
Weighted average no. of Ordinary shares in issue during the interim period ('000)	80,000	80,000	80,000	80,000
(i) Basic				
Basic earnings per share (sen)	4.70	7.12	4.70	7.12
(ii) Diluted				
Diluted earnings per share (sen)	4.70	7.12	4.70	7.12

By Order of the Board

WONG CHEE YIN
SANTHI A/P SAMINATHAN
Company Secretaries
Johor Bahru
24 August 2017