APEX SPINNING & KNITTING MILLS 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 2016

STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 30TH SEPTEMBER, 2016

Value in Taka '000'

	As at 30.09.2016	As at 30.06.2016	Growth %
ASSETS			
Non-Current Assets:	**273,647**	**271,915**	
Property, Plant and Equipment	244,356	250,630	(3)
Investment	29,291	21,285	38
Current Assets:	**1,105,312**	**1,189,581**	
Inventories	184,498	193,149	(4)
Trade Receivables	220,710	437,866	(50)
Advances, Deposits & Pre- Payments	116,651	148,874	(22)
Other Receivables	6,120	21,763	(72)
Cash & Cash Equivalents	577,333	387,929	49
TOTAL ASSETS	**1,378,959**	**1,461,496**	
EQUITY AND LIABILITIES			
Shareholders' Equity:	**445,124**	**434,056**	
Share Capital	84,000	84,000	0
Share Premium	15,000	15,000	0
Reserve and Surplus	329,251	325,388	1
Fair Valuation Surplus of Investment	16,873	9,668	75
Non-Current Liabilities:	**4,583**	**3,902**	
Deferred Tax Liability	4,583	3,902	17
Current Liabilities:	**929,252**	**1,023,538**	
Working Capital Loan (Secured)	-	83,790	(100)
Short Term Loan	45,269	54,616	(17)
Trade Payables	772,323	745,164	4
Other Payables	111,660	139,968	(20)
Total Liabilities	**933,835**	**1,027,440**	(9)
TOTAL EQUITY AND LIABILITIES	**1,378,959**	**1,461,496**	
Net Asset Value Per Share	**52.99**	**51.67**	

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE 1ST QUARTER ENDED ON 30TH SEPTEMBER, 2016

Value in Taka '000'

	01.07.2016 to 30.09.2016	01.07.2015 to 30.09.2015	Growth %
REVENUE	**716,422**	**679,661**	5
Cost of Goods Sold	(646,989)	(617,911)	5
GROSS PROFIT	**69,433**	**61,750**	12
OPERATING EXPENSES:			
Administrative & Selling Overhead	(57,312)	(52,392)	9
Financial Expenses	(1,781)	(1,033)	72
	(59,093)	(53,425)	11
OPERATING PROFIT	**10,340**	**8,325**	24
Other Income	532	1,313	(59)
PROFIT BEFORE PPF & WF	**10,872**	**9,638**	13
Provision for Contribution to PPF & WF	-	(482)	(100)
PROFIT BEFORE TAX	**10,872**	**9,156**	19
TAX EXPENSES:	(7,009)	(5,209)	35
Current Tax	(7,129)	(5,330)	34
Deferred Tax (Expenses)/Income	120	121	(1)
NET PROFIT AFTER TAX	**3,863**	**3,947**	(2)
OTHER COMPREHENSIVE INCOME:	**7,205**	**6,150**	17
Fair Valuation Surplus / (Deficit) of Investment	8,006	6,833	17
Deferred Tax (Exp.)/Income on share valuation Surplus	(801)	(683)	17
TOTAL COMPREHENSIVE INCOME	**11,068**	**10,097**	10
Earnings Per Share (EPS)	**0.46**	**0.47**	(2)

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE 1ST QUARTER ENDED ON 30TH SEPTEMBER, 2016

Value in Taka '000'

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Fair Valuation Surplus	Capital Gain	Total
As at 30 June, 2016	84,000	15,000	129,701	192,935	9,668	2,752	434,056
Net Profit for the three months ended on 30th September 2016	-	-	-	3,863	-	-	3,863
Fair Valuation Surplus/(deficit) of Investment					7,205		7,205
As at 30th September 2016	84,000	15,000	129,701	196,798	16,873	2,752	445,124

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE 1ST QUARTER ENDED 30TH SEPTEMBER, 2015

Value in Taka '000'

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Fair Valuation Surplus	Capital Gain	Total
As at 30th June 2015	84,000	15,000	129,701	186,698	7,985	2,752	426,136
Net Profit for the three months ended on 30th September 2015	-	-	-	3,947	-	-	3,947
Final dividend for the year 2014-15	-	-	-	(16,800)		-	(16,800)
Fair Valuation Surplus/(deficit) of Investment					6,150		6,150
Previous year adjustment of deferred tax					(798)		(798)
As at 30th September 2015	84,000	15,000	129,701	173,845	13,337	2,752	418,633

STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE 1ST QUARTER ENDED ON 30TH SEPTEMBER, 2016

Value in Taka '000'

	01.07.2016 to 30.09.2016	01.07.2015 to 30.09.2015	Growth %
CASH FLOWS FROM OPERATING ACTIVITIES:			
Collection from revenue	933,578	812,825	15
Other Income	524	1,312	(60)
Interest and financial charges paid	(23,967)	(20,950)	14
Income tax paid	(7,610)	(5,146)	48
Payment for costs and expenses	(615,749)	(889,255)	(31)
Net cash generated from operating activities (a)	**286,776**	**(101,214)**	(383)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property, Plant and Equipment acquired	(4,211)	(8,998)	(53)
Net cash used in investing activities (b)	**(4,211)**	**(8,998)**	(53)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Working Capital Loan received/(repaid)	(83,790)	45,387	(285)
Term loan received/(repaid)	(9,347)	11,141	(184)
Dividend Paid	(24)	(12)	100
Net cash generated from financing activities (c)	**(93,161)**	**56,516**	(265)
Net increase/(decrease) in cash and cash equivalents(a+b+c)	**189,404**	**(53,696)**	453
Cash & cash equivalents on opening	387,929	411,412	(6)
Cash & cash equivalents on closing	**577,333**	**357,716**	61
Net Operating Cash Flow Per Share	**34.14**	**(12.05)**	

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, 2016
(3) No diluted EPS is required to be calculated as there was no dilution during this period.
(4) Figures were rounded-off to the nearest thousand Taka.
(5) Last year's 1st quarter figures have been re-arranged where considered necessary to confirm to current first quarter presentation.
(6) Figures were rounded-off to the nearest thousand Taka.

Note: The details with selective 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.apexknitting.com**

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Zafar Ahmed	**Zahur Ahmed PhD**	**Shahriar Ahmed**	**Kamruzzaman FCA**	**Kamrul Islam**
Chairman	Managing Director	Director	Chief Financial Officer	Assistant Company Secretary

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SELECTIVE NOTES TO THE FINANCIAL STATEMENTS FOR THE 1ST QUARTER ENDED ON SEPTEMBER 30, 2016

Value in Taka '000'

	As at 30.09.2016	As at 30.06.2016
1.Property, Plant and Equipment (WDV):	**244,356**	**250,630**

During the period, fixed assets have been increased by Tk. 4,210,605/- mainly for Plant & Machinery for Tk. 3,896,893/- but depreciation charged during the period is Tk. 10,484,669/-. Depreciation has been charged on additions made during the period from the month in which that assets are ready for used as per BAS 16.

2. Investment:	**29,291**	**21,285**

During the period, investment have been increased due to fair valuation of share.

3. Trade Receivables:	**220,710**	**437,866**

During the period, trade receivables have been decreased due to prompt realization

4. Advance, Deposits & Pre-payments:

Advance Income Tax	81,494	73,885
Securities & Deposits	8,792	5,642
Advance against expenses	26,365	69,347
	116,651	**148,874**

The decrease of 21.64% due to decrease of advance against expenses.

5. Other Receivables:

Cash Incentive Receivable	5,765	21,416
FDRs Interest Receivable	355	347
	6,120	**21,763**

The decrease of 71.88% in Other receivables due to realised of cash incentive.Cash incentive receivable from the Bank which will be received from bank time to time depending on their availability of fund from Bangladesh Bank.

6. Cash and Cash Equivalents:

Cash in hand	**20**	**20**
Cash at Banks:		
CD Account with Eastern Bank Ltd., Dhaka	13	13
CD Account with DBL, Dhaka	28	29
CD Account with SCB,Dhaka	181	181
CD Account with Mutual Trust Bank, Chandora	66	67
CD Account with MTB, Dilkusha, Dhaka	87	87
CD Account with AB Bank, Dhaka	42	42
CD Account with DBBL, Dhaka	1,336	295
Fixed Deposit A/C with EBL	54,571	54,144
Foreign Currency Account with EBL, Dhaka-USD	42,436	15,885
Foreign Currency Account with HSBC-USD	372	489
STD Account with SCB,Dhaka	738	738
STD Account with EBL, Principal Branch, Dhaka	209	209
STD Account with HSBC , Dhaka	1	1
CC Accounts with EBL, Dhaka	27	27
OD Eastern Bank Ltd, Principal Br. Dhaka	38,100	-
OD HSBC, Dhaka	29,411	-
Margin Account with EBL-USD	409,695	315,702
	577,313	**387,909**
	577,333	**387,929**

The increase of cash & cash equivalents due to increase of FCY EBL balance, positive fund in OD accounts & margin balance -USD for payment of BTB Liabilities.

7. Working Capital Loan:

Eastern Bank Ltd, Principal Br. Dhaka	-	69,446
HSBC, Dhaka	-	14,344
	-	**83,790**

The working capital loan decreased to 100% due to repayment of the outstanding balance of the loan.

8. Short Term Loan :

Time loan-EBL	16,616	24,164
Import loan-EBL	28,653	30,452
	45,269	**54,616**

The decrease of short term loan due to repayment of loans on due date as per schedule.

9. Trade Payables:	**772,323**	**745,164**

The increase of trade Payables due to purchase of raw materials under BTB L/C to support export requirement.

10. Other Payables:	**111,660**	**139,968**

The decrease of 20.22% in other payables mainly for provision for salary & wages as compare to last period.

	July to Sep' 2016	July to Sep' 2015
11. Revenue:	**716,422**	**679,661**

Revenue has been increased by 5.41% as compared to the revenue of same period of 2015-16 due to increase of quantity sold during this period.

12. Cost of Goods Sold:

Opening Stock of Finished Goods	47,678	31,180
Add: Cost of Production (note # 12.a)	638,383	604,438
Less: Closing Stock of Finished Goods	(39,072)	(17,707)
	646,989	**617,911**

Value in Taka '000'

	July to Sep' 2016	July to Sep' 2015
12.a. Cost of Production:		
Opening Raw Materials & WIP	145,471	149,954
Add: Raw Materials purchase during the year	373,661	406,839
Add: Factory Overhead (Note # 12.a.a)	264,677	253,608
Less: Closing Raw Materials & WIP	(145,426)	(205,963)
	638,383	**604,438**
12.a.a Factory Overhead:		
Wages & Salaries	215,688	202,321
Central Fund- RMG Sector	272	-
Telephone Charges	6	8
Carriage	258	1,522
Electricity	241	346
Gas, Fuel & Lubricant	14,680	10,870
Insurance	4,566	3,933
Repairs & Maintenance	12,770	17,903
Vehicle Maintenance	681	782
ETP Chemical	1,924	-
Uniform & Liveries	32	12
Fire fighting Expenses	112	116
Testing Bill	2,741	3,130
Depreciation	10,089	11,815
VAT Expenses	617	850
	264,677	**253,608**
13. Administration & Selling Overhead:		
AGM Expenses	36	110
Audit Fees	-	13
Bank Charges & Commission	4,402	3,671
Board Meeting Fees	-	6
Depreciation	396	461
Directors Remuneration	900	900
Entertainment	533	503
Export Processing & Handling Expenses	992	544
F.C. Charges	17,784	16,246
Freight & Forwarding Expenses	3,661	3,557
Insurance Premium	549	442
Legal & Professional Fees	139	129
Newspapers & Periodicals	3	5
Courier ,Postage & Stamp	7	19
Power & Fuel	214	-
Printing & Stationery	789	596
Publicity & Advertisement	-	176
Renewal & Fees	525	981
Rent & Rates	1,283	1,229
Repairs & Maintenance	969	1,178
Salary & Allowances	20,593	17,473
Sales Promotional Expenses	1,116	1,458
Subscription & Donation	24	18
T. A & Conveyance	345	338
Telephone, Fax and Radio Link	162	180
Transportation	1,602	1,855
Vehicles Maintenance	287	304
	57,312	**52,392**
14. Financial Expenses:		
Interest on Time Loan	1,179	650
Interest on Overdraft	602	383
	1,781	**1,033**

The increase of financial expenses due to more utilization time loan & Working capital for the period.

15. Other Income:

Interest earned on FDR Account	482	791
Dividend Income	-	339
Foreign Exchange Gain/(Loss)	50	183
	532	**1,313**

The decrease of 59.48% is mainly for decrease of lower bank interest rate on time deposits.

16. Provision for Tax:	**7,129**	**5,330**

The increased 33.75% for provision for tax is mainly for deduction of TDS on export proceeds from .60% to .70% as compare to last period with effect from 01st July, 2016.

17. Related Party Transactions:

Apex Spinning & Knitting Mills Limited has few transactions with Apex Yarn Dyeing Limited and Matex Bangladesh Limited . These transactions are considered as related party transactions as per BAS 24 "Related Party Transaction" . The transactions are occurred during the period with an arm length transaction as per other normal buying & selling of dyes & chemical and yarn dyeing cost.

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Zafar Ahmed	**Zahur Ahmed PhD**	**Shahriar Ahmed**	**Kamruzzaman FCA**	**Kamrul Islam**
Chairman	Managing Director	Director	Chief Financial Officer	Assistant Company Secretary

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