APEX SPINNING & KNITTING MILLS 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'

	As on 31.03.2017	As on 30.06.2016	Growth %
ASSETS			
Non-Current Assets:	**326,518**	**271,915**	
Property, Plant and Equipment	302,064	250,630	21
Investment	24,454	21,285	15
Current Assets:	**960,978**	**1,189,581**	
Inventories	208,935	193,149	8
Trade Receivables	311,912	437,866	(29)
Advances, Deposits & Pre- Payments	112,435	148,874	(24)
Other Receivables	10,614	21,763	(51)
Cash & Cash Equivalents	317,082	387,929	(18)
TOTAL ASSETS	1,287,496	1,461,496	(12)
EQUITY AND LIABILITIES			
Shareholders' Equity:	**435,325**	**434,056**	
Share Capital	84,000	84,000	0
Share Premium	15,000	15,000	0
Reserve and Surplus	323,806	325,388	(0)
Fair Valuation Surplus of Investment	12,519	9,668	29
Non-Current Liabilities:	**3,793**	**3,902**	
Deferred Tax Liability	3,793	3,902	(3)
Current Liabilities:	**848,378**	**1,023,538**	
Working Capital Loan (Secured)	(52,626)	83,790	(163)
Short Term Loan	82,093	54,616	50
Trade Payables	687,045	745,164	(8)
Other Payables	131,866	139,968	(6)
Total Liabilities	852,171	1,027,440	(17)
TOTAL EQUITY AND LIABILITIES	1,287,496	1,461,496	(12)
Net Asset Value Per Share	51.82	51.67	

STATEMENT OF CASH FLOWS (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	Growth %
CASH FLOWS FROM OPERATING ACTIVITIES:			
Collection from revenue	2,541,982	2,649,321	(4)
Other Income	3,028	3,666	(17)
Interest and financial charges paid	(66,485)	(68,473)	(3)
Income tax paid	(23,191)	(19,218)	21
Payment for costs and expenses	(2,312,688)	(2,604,481)	(11)
Net cash generated from operating activities (a)	**142,646**	**(39,185)**	**(464)**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property, Plant and Equipment acquired	(87,159)	(22,158)	293
Net cash used in investing activities (b)	**(87,159)**	**(22,158)**	**293**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Working Capital Loan received/(repaid)	(136,416)	34,085	(500)
Term loan received/(repaid)	27,477	44,739	(39)
Dividend Paid	(17,395)	(16,074)	8
Net cash used from financing activities (c)	**(126,334)**	**62,750**	**(301)**
Net increase/(decrease) in cash and cash equivalents(a+b+c)	**(70,847)**	**1,407**	**(5,135)**
Cash & cash equivalents on opening	387,929	411,412	(6)
Cash & cash equivalents on closing	**317,082**	**412,819**	**(23)**
Net Operating Cash Flow Per Share	**16.98**	**(4.66)**	

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS ENDED 31ST MARCH, 2017

	Value in Taka '000'			Value in Taka '000'		
	01.07.2016 to 31.03.2017	01.07.2015 to 31.03.2016	Growth %	01.01.2017 to 31.03.2017	01.01.2016 to 31.03.2016	Growth %
REVENUE	**2,416,028**	**2,498,624**	**(3)**	**817,926**	**885,176**	**(8)**
Cost of Goods Sold	2,210,993	2,296,422	(4)	746,595	811,785	(8)
GROSS PROFIT	**205,035**	**202,202**	**1**	**71,331**	**73,391**	**(3)**
OPERATING EXPENSES:	**172,543**	**166,469**	**4**	**58,832**	**57,133**	**3**
Administrative & Selling Overhead	168,184	162,184	4	57,427	55,129	4
Financial Expenses	4,359	4,285	2	1,405	2,004	(30)
OPERATING PROFIT	**32,492**	**35,733**	**(9)**	**12,499**	**16,258**	**(23)**
Other Income	3,369	3,887	(13)	421	1,158	(64)
PROFIT BEFORE PPF & WF	**35,861**	**39,620**	**(9)**	**12,920**	**17,416**	**(26)**
Provision for Contribution to PPF & WF	-	1,981	(100)	-	871	(100)
PROFIT BEFORE TAX	**35,861**	**37,639**	**(5)**	**12,920**	**16,545**	**(22)**
Tax Expenses:	**18,963**	**18,576**	**2**	**6,560**	**9,049**	**(28)**
Provision for tax	19,389	16,702	16	6,750	6,813	(1)
Deferred Tax Expenses/(Income)	(426)	1,874	(123)	(190)	2,236	(108)
NET PROFIT AFTER TAX	**16,898**	**19,063**	**(11)**	**6,360**	**7,496**	**(15)**
OTHER COMPREHENSIVE INCOME:	**2,851**	**2,245**	**27**	**(419)**	**(752)**	**(44)**
Fair Valuation Surplus / (Deficit) of Investment	3,168	2,495	27	(465)	(836)	(44)
Deferred Tax (Exp.)/Income on share valuation Surplus	(317)	(250)	27	46	84	(45)
TOTAL COMPREHENSIVE INCOME	**19,749**	**21,308**	**(7)**	**5,941**	**6,744**	**(12)**
Earnings Per Share (EPS)	**2.01**	**2.27**	**(11)**	**0.76**	**0.89**	**(15)**

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	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 nine months ended on 31st March 2017	-	-	-	16,898	-	-	16,898
Final dividend for 15 months period from 01 April' 2015 to 30th June'2016	-	-	-	(18,480)		-	(18,480)
Fair Valuation Surplus/(deficit) of Investment					2,851		2,851
As at 31st March 2017	84,000	15,000	129,701	191,353	12,519	2,752	435,325

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	Fair Valuation Surplus	Capital Gain	Total
As at 30 June, 2015	84,000	15,000	129,701	186,283	7,985	2,752	425,721
Net Profit for the nine months ended on 31st March 2016	-	-	-	19,063	-	-	19,063
Final dividend for the period 2014-2015	-	-	-	(16,800)		-	(16,800)
Fair Valuation Surplus/(deficit) of Investment					2,245		2,245
Previous year adjustment of deferred tax					(799)		(799)
As at 31st March 2016	84,000	15,000	129,701	188,546	9,431	2,752	429,430

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) No diluted EPS is required to be calculated as there was no dilution during this period.
(4) Last year's 3rd quarter figures have been re-arranged where considered necessary to confirm to current 3rd quarter presentation.
(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.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 NINE MONTHS PERIOD ENDED ON MARCH 31, 2017

Value in Taka '000'

	As on 31.03.2017	As on 30.06.2016
1. Property, Plant and Equipment (WDV):	**302,064**	**250,630**

During the period, fixed assets have been increased by Tk. 8,71,58,867/- mainly for generator import for Tk. 5,31,99,125/- but depreciation charged during the period is Tk. 3,57,24,660/-. 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. Trade Receivables:	**311,912**	**437,866**

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

3. Advance, Deposits & Pre-payments:

Advance Income Tax	97,076	73,885
Securities & Deposits	8,792	5,642
Advance against expenses	6,567	69,347
	112,435	**148,874**

The decrease mainly for adjustment of advance against expenses.

4. Other Receivables:

Cash Incentive Receivable	9,926	21,416
FDRs Interest Receivable	350	347
Dividend Receivable	338	-
	10,614	**21,763**

The decrease mainly for realization of cash incentive receivable.

5. Cash and Cash Equivalents:

Cash in hand	**20**	**20**
CD Account with Eastern Bank Ltd., Dhaka	12	14
CD Account with DBL, Dhaka	29	29
CD Account with SCB,Dhaka	185	181
CD Account with Mutual Trust Bank, Chandora	62	66
CD Account with MTB, Dilkusha, Dhaka	86	87
CD Account with AB Bank, Dhaka	41	42
CD Account with DBBL, Dhaka	540	295
CD Account with HSBC-Dividend, Dhaka	-	0
CD Account with EBL-Dividend, Dhaka	0	0
Fixed Deposit A/C with EBL	55,433	54,144
Foreign Currency Account with EBL, Dhaka-USD	40,675	15,885
Foreign Currency Account with HSBC-USD	380	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	26	27
Margin Account with EBL-USD	218,645	315,702
	317,062	**387,909**
	317,082	**387,929**

The decrease of cash & cash equivalents due to decrease of margin balance -USD for payment of BTB Liabilities in due date.

6. Working Capital Loan:

Eastern Bank Ltd, Principal Br. Dhaka	(42,297)	69,446
HSBC, Dhaka	(10,329)	14,344
	(52,626)	**83,790**

The working capital loan decreased to 163% due to repayment of the outstanding balance of the loan and positive balance for prompt export proceeds realization .

7. Short Term Loan :

Time loan-EBL	35,370	24,164
Import loan-EBL	46,723	30,452
	82,093	**54,616**

The increase of short term loan due to more utilization of loan facility.

8. Trade payables:	**687,045**	**745,164**

The decrease of trade creditors due to payment of BTB liabilities & dues of local suppliers as per shedule.

9. Other Payables:	**131,866**	**139,968**

The decrease of 6% in other payables mainly for provision salary & wages as compared to the same period of 2015-16.

	July'16 to Mar' 2017	July'15 to Mar' 2016
10. Revenue:	**2,416,028**	**2,498,624**

Revenue has been decreased by 3% as compared to the revenue of same period of 2015-16 due to decrease of unit price during this period.

11. Cost of Goods Sold:

Opening Stock of Finished Goods	47,678	31,180
Add: Cost of Production (note # 11.a)	2,205,019	2,308,424
Less: Closing Stock of Finished Goods	(41,704)	(43,182)
	2,210,993	**2,296,422**

11.a. Cost of Production:

Opening Raw Materials & WIP	145,471	149,954
Add: Raw Materials purchase during the year	1,354,355	1,512,421
Add: Factory Overhead (Note # 11.a.a)	872,423	793,218
Less: Closing Raw Materials & WIP	(167,230)	(147,169)
	2,205,019	**2,308,424**

Value in Taka '000'

	July'16 to Mar' 2017	July'15 to Mar' 2016
11.a.a Factory Overhead:		
Wages & Salaries	678,708	634,344
Central Fund-RMG Sector	746	-
Telephone Charges	25	30
Carriage	8,487	5,460
Electricity	744	845
Gas, Fuel & Lubricant	62,045	49,340
Insurance	7,745	6,178
Repairs & Maintenance	61,564	43,116
Vehicle Maintenance	2,994	3,645
ETP Chemical	3,717	5,134
Uniform & Liveries	116	134
Fire fighting Expenses	466	840
Testing Bill	8,013	7,487
Depreciation	34,513	36,665
VAT Expenses	2,540	-
	872,423	**793,218**

12. Administration & Selling Overhead:

AGM Expenses	121	214
Audit Fees	-	173
Bank Charges & Commission	12,234	11,035
Board Meeting Fees	13	19
Depreciation	1,212	1,383
Directors Remuneration	2,700	2,700
Entertainment	930	556
Export Processing & Handling Expenses	4,596	6,264
F.C. Charges	49,892	53,153
Freight & Forwarding Expenses	12,863	14,643
Insurance Premium	926	444
Legal & Professional Fees	411	350
Newspapers & Periodicals	9	10
Courier ,Postage & Stamp	57	82
Power & Fuel	529	590
Printing & Stationery	4,681	6,415
Publicity & Advertisement	281	468
Renewal & Fees	3,330	4,061
Rent & Rates	3,868	3,930
Repairs & Maintenance	2,135	1,639
Salary & Allowances	55,037	33,776
Sales Promotional Expenses	1,939	9,948
Subscription & Donation	246	229
T. A & Conveyance	1,334	1,145
Telephone, Fax and Radio Link	447	512
CSR Expenses	3,450	-
Transportation	4,174	6,844
Vehicles Maintenance	769	1,601
	168,184	**162,184**

13. Financial Expenses:

Interest on Term Loan	3,721	3,476
Interest on Overdraft	638	809
	4,359	**4,285**

The increase of financial expenses due to more utilization of working capital.

14. Other Income:

Interest earned on STD Account	6	20
Interest earned on FDR Account	1,435	2,040
Dividend Income	1,766	1,766
Foreign Exchange Gain/(Loss)	162	61
	3,369	**3,887**

The decrease of 13% is mainly for lower interest rate for time deposit during the period.

15.Non-recognition of Workers' Profit Participation and Welfare Fund (WPPF):

We are a 100% export oriented Readymade Garment Industry(RMG) and as per Labour Rules 2015, Section 214 Gazetted on 15th September 2015, the Government is deducting @0.03% on our export proceeds realization as Central Fund RMG, so we believe that WPPF is not required for our Company.

16. Provision for Tax:	**19,389**	**16,702**

The increased 16% for provision for tax is mainly for deduction of TDS on export proceeds @0.70% from 0.60% as compare to last period with effect from 01st July, 2016.

17. Deferred Tax Expenses/(Income)	**(426)**	**1,874**

The provision for deferred tax expenses/(income) is made to pay/adjust future income tax liability/asset due to accumulated temporary differences of interest income receivable & WDV of fixed assets.

18. Net Operating Cash Flow Per Share:	**16.98**	**(4.66)**

Net operating cash flow was Tk.16.98 per share for the 3rd quarter ended on 31st March 2017 but it was (Tk. 4.66) for the same period of last year, this is mainly for less payment for cost & expenses. This scenario is changeable time to time depending on different issues.

19. Fair Valuation Surplus of Investment:

The increased 29% of Fair valuation surplus of investments represents the difference of market value of the listed Company's share on the closing date and the last audited Balance Sheet price.

20. 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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