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 2017

STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 30TH SEPTEMBER, 2017

Value in Taka '000'

	As at 30.09.2017	As at 30.06.2017	Growth %
ASSETS			
Non-Current Assets:	**319,730**	**331,294**	
Property, Plant and Equipment	285,296	296,161	(4)
Investment	25,642	26,341	(3)
Security Deposits	8,792	8,792	0
Current Assets:	**872,129**	**994,046**	
Inventories	221,750	194,630	14
Trade Receivables	387,176	385,678	0
Advances, Deposits & Pre- Payments	66,696	53,073	26
Other Receivables	13,423	3,916	243
Cash & Cash Equivalents	183,084	356,749	(49)
TOTAL ASSETS	**1,191,859**	**1,325,340**	
EQUITY AND LIABILITIES			
Shareholders' Equity:	**446,385**	**443,289**	
Share Capital	84,000	84,000	0
Share Premium	15,000	15,000	0
Reserve and Surplus	333,796	330,071	1
Fair Valuation Surplus of Investment	13,589	14,218	(4)
Non-Current Liabilities:	**3,695**	**3,838**	
Deferred Tax Liability	3,695	3,838	(4)
Current Liabilities:	**741,779**	**878,213**	
Working Capital Loan (Secured)	(25,008)	16,178	(255)
Short Term Loan	47,495	80,598	(41)
Trade Payables	641,996	703,009	(9)
Other Payables	77,296	78,428	(1)
Total Liabilities	**745,474**	**882,051**	(15)
TOTAL EQUITY AND LIABILITIES	**1,191,859**	**1,325,340**	
Net Asset Value Per Share	**53.14**	**52.77**	

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE 1ST QUARTER ENDED ON 30TH SEPTEMBER, 2017

Value in Taka '000'

	01.07.2017 to 30.09.2017	01.07.2016 to 30.09.2016	Growth %
REVENUE	**669,817**	**716,422**	(7)
Cost of Goods Sold	(606,910)	(649,526)	(7)
GROSS PROFIT	**62,907**	**66,896**	(6)
OPERATING EXPENSES:	**(55,628)**	**(56,556)**	(2)
Administrative & Selling Overhead	(54,375)	(54,775)	(1)
Financial Expenses	(1,253)	(1,781)	(30)
OPERATING PROFIT	**7,279**	**10,340**	(30)
Other Income	931	532	75
PROFIT BEFORE TAX	**8,210**	**10,872**	(24)
TAX EXPENSES:	**(4,485)**	**(7,009)**	(36)
Current Tax	(4,558)	(7,129)	(36)
Deferred Tax (Expenses)/Income	73	120	(39)
NET PROFIT AFTER TAX	**3,725**	**3,863**	(4)
OTHER COMPREHENSIVE INCOME:	**(629)**	**7,205**	(109)
Fair Valuation Surplus / (Deficit) of Investment	(699)	8,006	(109)
Deferred Tax (Exp.)/Income on share valuation Deficit	70	(801)	(109)
TOTAL COMPREHENSIVE INCOME	**3,096**	**11,068**	(72)
Basic Earnings Per Share (EPS)	**0.44**	**0.46**	(4)

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE 1ST QUARTER ENDED ON 30TH SEPTEMBER, 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, 2017	84,000	15,000	129,701	197,618	14,218	2,752	443,289
Net Profit for the three months ended on 30th September 2017	-	-	-	3,725	-	-	3,725
Fair Valuation Surplus/(deficit) of Investment					(629)		(629)
As at 30th September 2017	84,000	15,000	129,701	201,343	13,589	2,752	446,385

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 CASH FLOWS (UN-AUDITED)
FOR THE 1ST QUARTER ENDED ON 30TH SEPTEMBER, 2017

Value in Taka '000'

	01.07.2017 to 30.09.2017	01.07.2016 to 30.09.2016	Growth %
CASH FLOWS FROM OPERATING ACTIVITIES:			
Collection from revenue	668,319	933,578	(28)
Other Income	818	524	56
Interest and financial charges paid	(17,725)	(23,967)	(26)
Income tax paid	(5,939)	(7,610)	(22)
Payment for costs and expenses	(743,702)	(615,749)	21
Net cash generated from/(used in) operating activities (a)	**(98,231)**	**286,776**	(134)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property, Plant and Equipment acquired	(1,113)	(4,211)	(74)
Net cash generated from/(used in) investing activities (b)	**(1,113)**	**(4,211)**	(74)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Working Capital Loan received/(repaid)	(41,186)	(83,790)	(51)
Term loan received/(repaid)	(33,110)	(9,347)	254
Dividend Paid	(26)	(24)	8
Net cash generated from/(used in) financing activities (c)	**(74,322)**	**(93,161)**	(20)
Net increase/(decrease) in cash and cash equivalents(a+b+c)	**(173,665)**	**189,404**	(192)
Cash & cash equivalents on opening	356,749	387,929	(8)
Cash & cash equivalents on closing	**183,084**	**577,333**	(68)
Net Operating Cash Flows Per Share	**(11.69)**	**34.14**	

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, 2017
(3) No diluted EPS is required to be calculated as there was no dilution during this period.
(4) Last year's 1st quarter figures have been re-arranged where considered necessary to confirm to current first quarter presentation.
(5) 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

AMARSTOCK

SELECTIVE NOTES TO THE FINANCIAL STATEMENTS FOR THE 1ST QUARTER ENDED ON SEPTEMBER 30, 2017

Value in Taka '000'

	As at 30.09.2017	As at 30.06.2017
1.Property, Plant and Equipment (WDV):	**285,296**	**296,161**

During the period, fixed assets have been increased by Tk. 11,12,750/- in other equipments & Deep Tubewell but depreciation charged during the period is Tk. 1,19,77,339/-. 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:	**25,642**	**26,341**

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

3. Security Deposits:	**8,792**	**8,792**

Security deposits are made to statutory bodies and hence secured

4. Trade Receivables:	**387,176**	**385,678**

Trade receivables have been increased due to bills are lodged at bank for collection.

5. Advances, Deposits & Pre-payments:

Advance Income Tax	55,441	49,502
Advance against expenses	11,255	3,571
	66,696	**53,073**

The Increase of 25.67% due to increase of advance income tax & advance against expenses.

6. Other Receivables:

Cash Incentive Receivable	12,951	3,558
FDRs Interest Receivable	472	358
	13,423	**3,916**

The increase of 242.77% in Other receivables mainly for outstanding claim of cash incentive receivable.Cash incentive receivable which will be received from bank time to time depending on their availability of fund from Bangladesh Bank.

7. Cash and Cash Equivalents:

Cash in hand	**20**	**20**
CD Account with Eastern Bank Ltd., Dhaka	11	11
CD Account with DBL, Dhaka	29	29
CD Account with SCB,Dhaka	185	185
CD Account with Mutual Trust Bank, Chandora	61	61
CD Account with Mutual Trust Bank, Dilkusha, Dhaka	86	86
CD Account with AB Bank, Dhaka	40	40
CD Account with DBBL, Dhaka	596	676
CD Account with HSBC-Dividend, Dhaka	0	-
CD Account with EBL-Dividend, Dhaka	0	0
Fixed Deposit A/C with EBL	55,310	55,871
Foreign Currency Account with EBL, Dhaka-USD	11,792	32,874
Foreign Currency Account with HSBC, Dhaka-USD	389	381
STD Account with SCB,Dhaka	737	737
STD Account with EBL, Principal Branch, Dhaka	209	209
STD Account with HSBC , Dhaka	1	1
CC Accounts with EBL, Dhaka	25	25
Margin Account with EBL-USD	112,593	265,543
Cash at Bank	**183,064**	**356,729**
	183,084	**356,749**

The decrease of cash & cash equivalents due to decrease of FCY EBL balance & margin balance -USD for payment of raw materials.

8. Working Capital Loan (secured):

Eastern Bank Ltd, Principal Br. Dhaka	4,227	12,396
HSBC, Dhaka	(29,235)	3,782
	(25,008)	**16,178**

The growth of working capital loan due to prompt realization from export.

9. Short Term Loan :

Time loan-EBL	30,227	30,726
Import loan-EBL	17,268	49,872
	47,495	**80,598**

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

10. Trade Payables:	**641,996**	**703,009**

The decrease of trade Payables due to reduce of cost of sales as compare to last period & BTB payment made as per schedule.

Value in Taka '000'

	July to Sep' 2017	July to Sep' 2016
11. Revenue:	**669,817**	**716,422**

Revenue has been decreased by 6.51% as compared to the revenue of same period of 2016-17 due to decrease of quantity sold during this period.

12. Cost of Goods Sold:

Opening Stock of Finished Goods	17,027	47,678
Add: Cost of Production (note # 12.a)	635,916	640,920
Less: Closing Stock of Finished Goods	(46,033)	(39,072)
	606,910	**649,526**

12.a. Cost of Production:

Opening Raw Materials & WIP	177,603	145,471
Add: Raw Materials purchase during the period	379,488	373,679
Add: Factory Overhead (Note # 12.a.a)	254,542	267,196
Less: Closing Raw Materials & WIP	(175,717)	(145,426)
	635,916	**640,920**

Value in Taka '000'

	July to Sep' 2017	July to Sep' 2016
12.a.a Factory Overhead:		
Carriage	856	258
Electricity	314	241
Gas, Fuel & Lubricant	14,607	14,680
Insurance	3,580	4,566
Repairs & Maintenance	4,538	12,822
Telephone Charges	8	6
Wages & Salaries	209,742	215,688
Central Fund - RMG Sector	197	272
Depreciation	11,612	10,089
Fire Fighting Exp.	68	112
Vehicle Maintenance	1,062	831
Testing Bill	4,326	3,138
Uniform & Liveries	53	31
Bank Charges & Commission	1,798	2,538
ETP Chemical	1,781	1,924
	254,542	**267,196**

13. Administrative & Selling Overhead:

AGM Expenses	25	36
Bank Charges & Commission	1,333	1,865
Board Meeting Fees	3	-
Depreciation	365	396
Directors Remuneration	900	900
Entertainment	184	533
Export Processing & Handling Expenses	1,141	992
F.C. Charges	13,348	17,784
Freight & Forwarding Expenses	3,827	3,661
Insurance Premium	572	549
Legal & Professional Fees	58	139
Newspapers & Periodicals	3	4
Postage & Stamp	9	7
Power & Fuel	176	214
Printing & Stationery	870	789
Renewal & Fees	960	525
Rent & Rates	1,674	1,283
Repairs & Maintenance	1,525	969
Salaries & Allowances	24,260	20,593
Sales Promotional Expenses	927	1,116
Subscription & Donation	15	24
T. A & Conveyance	301	345
Telephone, Fax and Radio Link	151	162
Transportation	1,483	1,602
Vehicles Maintenance	265	287
	54,375	**54,775**

14. Financial Expenses:

Interest on Time Loan	1,141	1,179
Interest on Overdraft	112	602
	1,253	**1,781**

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

15. Other Income:

Foreign Exchange Gain/(Loss)	329	50
Interest earned on FDR Account	602	482
	931	**532**

The increase of 75% is mainly for increase interest rate of time deposits & exchange gain.

16. Provision for Tax:	**4,558**	**7,129**

The decreased 36.06% for provision for tax is mainly for AIT on export proceeds due to less realization during the period.

17. Net Operating Cash Flows Per Share:	**(11.69)**	**34.14**

Net operating cash flows was (Tk. 11.69) per share for the 1st quarter ended on 30 September 2017 but it was Tk. 34.14 for the same period of last year, this is mainly for more payment for costs & expenses and less collection from revenue. This scenario is changeable time to time depending on different issues.

18. Deferred Tax (Expenses)/Income:	**73**	**120**

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.

19. Fair Valuation Surplus/deficit of Investment:

The 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 Disclosures" . 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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