APEX SPINNING & KNITTING MILLS LIMITED

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

Un-audited Half Yearly (Q2) Financial Statements for the period ended on 31st December 2017

STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 31ST DECEMBER, 2017

Value in Taka '000'

	As on 31.12.2017	As on 30.06.2017	Growth %
ASSETS			
Non-Current Assets:	**307,573**	**331,294**	
Property, Plant and Equipment	273,297	296,161	(8)
Investment	25,484	26,341	(3)
Security Deposits	8,792	8,792	0
Current Assets:	**1,138,070**	**994,046**	
Inventories	192,137	194,630	(1)
Trade Receivables	439,970	385,678	14
Advances, Deposits & Pre- Payments	68,268	53,073	29
Other Receivables	13,426	3,916	243
Cash & Cash Equivalents	424,269	356,749	19
TOTAL ASSETS	**1,445,643**	**1,325,340**	
EQUITY AND LIABILITIES			
Shareholders' Equity:	**436,738**	**443,289**	
Share Capital	84,000	84,000	0
Share Premium	15,000	15,000	0
Reserve and Surplus	324,291	330,071	(2)
Fair Valuation Surplus of Investment	13,447	14,218	(5)
Non-Current Liabilities:	**3,871**	**3,838**	
Deferred Tax Liability	3,871	3,838	1
Current Liabilities:	**1,005,034**	**878,213**	
Working Capital Loan (Secured)	-	16,178	(100)
Short Term Loan	64,924	80,598	(19)
Trade Payables	809,232	703,009	15
Other Payables	130,878	78,428	67
Total Liabilities	**1,008,905**	**882,051**	
TOTAL EQUITY AND LIABILITIES	**1,445,643**	**1,325,340**	9
Net Asset Value Per Share	**51.99**	**52.77**	

STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED 31ST DECEMBER, 2017

Value in Taka '000'

	01.07.2017 to 31.12.2017	01.07.2016 to 31.12.2016	%
CASH FLOWS FROM OPERATING ACTIVITIES:			
Collection from turnover	1,659,017	1,649,572	1
Other Income	1,635	1,171	40
Interest and financial charges paid	(42,099)	(42,593)	(1)
Income tax paid	(14,450)	(14,361)	1
Payment for costs and expenses	(1,503,576)	(1,546,052)	(3)
Net cash generated from operating activities (a)	**100,527**	**47,737**	111
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property, Plant and Equipment acquired	(1,113)	(63,590)	(98)
Net cash used in investing activities (b)	**(1,113)**	**(63,590)**	(98)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Working Capital Loan received/(repaid)	(16,178)	(74,052)	(78)
Term loan received/(repaid)	(15,674)	(7,672)	104
Dividend Paid	(42)	(27)	56
Net cash used from financing activities (c)	**(31,894)**	**(81,751)**	(61)
Net increase/(decrease) in cash and cash equivalents(a+b+c)	**67,520**	**(97,604)**	(169)
Cash & cash equivalents on opening	356,749	387,929	(8)
Cash & cash equivalents on closing	**424,269**	**290,325**	46
Net Operating Cash Flow Per Share	**11.97**	**5.68**	

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED 31ST DECEMBER, 2017

Value in Taka '000' | Value in Taka '000'

	01.07.2017 to 31.12.2017	01.07.2016 to 31.12.2016	Growth %	01.10.2017 to 31.12.2017	01.10.2016 to 31.12.2016	Growth %
REVENUE	**1,713,309**	**1,598,102**	7	**1,043,492**	**881,680**	18
Cost of Goods Sold	(1,568,644)	(1,464,398)	7	(961,735)	(817,409)	18
GROSS PROFIT	**144,665**	**133,704**	8	**81,757**	**64,271**	27
OPERATING EXPENSES:	**(125,470)**	**(113,710)**		**(69,868)**	**(54,618)**	28
Administrative & Selling Overhead	(123,014)	(110,757)	11	(68,639)	(53,445)	28
Financial Expenses	(2,456)	(2,953)	(17)	(1,229)	(1,173)	5
OPERATING PROFIT	**19,195**	**19,994**	(4)	**11,889**	**9,653**	23
Other Income	3,520	2,948	19	2,614	2,416	8
PROFIT BEFORE TAX	**22,715**	**22,942**	(1)	**14,503**	**12,069**	20
TAX EXPENSES:	**(11,695)**	**(12,403)**	(6)	**(7,216)**	**(5,395)**	34
Current Tax	(11,577)	(12,639)	(8)	(7,025)	(5,511)	27
Deferred Tax (Expenses)/Income	(118)	236	(150)	(191)	116	(264)
NET PROFIT AFTER TAX	**11,020**	**10,539**	5	**7,287**	**6,674**	9
OTHER COMPREHENSIVE INCOME:	**(771)**	**3,271**	(124)	**(141)**	**(3,935)**	(96)
Fair Valuation Surplus / (Deficit) of Investment	(856)	3,634	(124)	(157)	(4,372)	(96)
Deferred Tax (Exp.)/Income on share valuation	85	(363)	(123)	16	437	(96)
TOTAL COMPREHENSIVE INCOME	**10,249**	**13,810**	(26)	**7,146**	**2,739**	161
Earnings Per Share (EPS)	**1.31**	**1.25**	5	**0.87**	**0.79**	9

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED 31ST DECEMBER, 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 six months ended on 31st December 2017	-	-	-	11,020	-	-	11,020
Final dividend for the period 2016-2017	-	-	-	(16,800)		-	(16,800)
Fair Valuation Surplus/(deficit) of Investment					(771)		(771)
As at 31st December 2017	**84,000**	**15,000**	**129,701**	**191,838**	**13,447**	**2,752**	**436,738**

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED 31ST DECEMBER, 2016

Value in Taka '000'

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Fair Valuation Surplus	Capital Gain	Total
As at 30th June 2016	**84,000**	**15,000**	**129,701**	**192,935**	**9,668**	**2,752**	**434,056**
Net Profit for the six months ended on 31st December 2016	-	-	-	10,539	-	-	10,539
Final dividend for the fifteen months period from 1st April'15 to 30th June'201	-	-	-	(18,480)		-	(18,480)
Fair Valuation Surplus/(deficit) of Investment					3,271	-	3,271
As at 31st December 2016	**84,000**	**15,000**	**129,701**	**184,994**	**12,939**	**2,752**	**429,386**

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 December 2017
(3) No diluted EPS is required to be calculated as there was no dilution during this period.
(4) Last year's 2nd quarter figures have been re-arranged where considered necessary to confirm to current 2nd quarter presentation.
(5) Figures were rounded-off to the nearest thousand Taka.

Note: The details of the published half yearly 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 HALF YEAR ENDED ON DECEMBER 31, 2017

Value in Taka '000'

	As on 31.12.2017	As on 30.06.2017
1.Property, Plant and Equipment (WDV):	**273,297**	**296,161**

During the period, fixed assets have been increased by Tk. 11,12,750/- mainly for office equipments for Tk. 6,12,750/- but depreciation charged during the period is Tk. 2,39,76,248/- Depreciation has been charged on additions made during the period when an asset is available for use as per BAS 16.

2. Trade Receivables:	**439,970**	**385,678**

Trade receivables have been increased as the revenue has increased.

3. Advance, Deposits & Pre-payments:

Advance Income Tax	63,952	49,502
Advance against expenses	4,316	3,571
	68,268	**53,073**

The increase mainly for advance income tax on export proceeds realization.

4. Other Receivables:

Cash Incentive Receivable	11,184	3,558
FDRs Interest Receivable	476	358
Dividend Receivable	1,766	-
	13,426	**3,916**

The growth of 243% in Other receivables mainly for cash incentive receivable & dividend receivable. Cash incentive receivable which will be received from bank time to time depending on their availability of fund from Bangladesh Bank.

5. Cash and Cash Equivalents:

Cash in hand	**73**	**20**
CD Account with Eastern Bank Ltd., Dhaka	11	11
CD Account with DBL, Dhaka	28	29
CD Account with SCB,Dhaka	186	185
CD Account with Mutual Trust Bank, Chandora	57	61
CD Account with MTB, Dilkusha, Dhaka	85	86
CD Account with AB Bank, Dhaka	40	40
CD Account with DBBL, Dhaka	12,639	676
CD Account with HSBC-Dividend, Dhaka	-	-
CD Account with EBL-Dividend, Dhaka	0	0
Fixed Deposit A/C with EBL	56,880	55,871
Foreign Currency Account with EBL, Dhaka-USD	2,127	32,874
Foreign Currency Account with HSBC-USD	391	381
STD Account with SCB,Dhaka	736	737
STD Account with EBL, Principal Branch, Dhaka	208	209
OD Account with EBL, Principal Branch, Dhaka	48,432	-
CD Account with HSBC, Dhaka	19,714	-
STD Account with HSBC , Dhaka	1	1
CC Accounts with EBL, Dhaka	25	25
Margin Account with EBL-USD	282,635	265,543
	424,195	**356,729**
	424,269	**356,749**

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

6. Working Capital Loan:

Eastern Bank Ltd, Principal Br. Dhaka	-	12,396
HSBC, Dhaka	-	3,782
	-	**16,178**

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

7. Short Term Loan :

Time loan-EBL	19,536	30,726
Import loan-EBL	45,388	49,872
	64,924	**80,598**

The decrease of short term loan due to repayment as per schedule time.

8. Trade payables:	**809,232**	**703,009**

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

9. Other Payables:	**130,878**	**78,428**

The increase of 66.88% in other payables mainly for provision income tax, provision for salary, wages & overtime and unclaimed dividend (including dividend payable upto 2016-17) which has been approved in the last AGM dated on 21st December'17 but not distributed within this period.

Value in Taka '000'

	July to Dec' 2017	July to Dec' 2016
10. Revenue:	**1,713,309**	**1,598,102**

Revenue has been increased by 7.21% as compared to the revenue of same period of 2016-17 due to increase of quantity sold during this period.

11. Cost of Goods Sold:

Opening Stock of Finished Goods	17,027	47,678
Add: Cost of Production (note # 11.a)	1,567,447	1,464,196
Less: Closing Stock of Finished Goods	(15,830)	(47,476)
	1,568,644	**1,464,398**

11.a. Cost of Production:

Opening Raw Materials & WIP	177,603	145,471
Add: Raw Materials purchase during the year	1,021,021	899,159
Add: Factory Overhead (Note # 11.a.a)	545,130	564,726
Less: Closing Raw Materials & WIP	(176,307)	(145,160)
	1,567,447	**1,464,196**

11.a.a Factory Overhead:

Wages & Salaries	449,316	433,929
Central Fund-RMG Sector	488	483
Telephone Charges	11	12
Carriage	2,782	3,729
Electricity	708	500
Gas, Fuel & Lubricant	32,431	48,729
Insurance	5,085	5,911
Repairs & Maintenance	16,080	39,294
Vehicle Maintenance	2,977	1,847
ETP Chemical	679	3,185
Uniform & Liveries	53	61
Fire fighting Expenses	101	300
Testing Bill	7,565	5,012
Depreciation	23,246	21,734
Bank charges & Commission	3,608	-
	545,130	**564,726**

12. Administration & Selling Overhead:

AGM Expenses	132	36
Bank Charges & Commission	2,833	7,557
Board Meeting Fees	13	5
Depreciation	730	799
Directors Remuneration	1,800	1,800
Entertainment	1,009	643
Export Processing & Handling Expenses	2,959	3,034
F.C. Charges	33,202	32,082
Freight & Forwarding Expenses	9,849	8,168
Insurance Premium	627	763
Legal & Professional Fees	154	353
Newspapers & Periodicals	6	6
Courier ,Postage & Stamp	21	43
Power & Fuel	350	385
Printing & Stationery	3,133	2,766
Publicity & Advertisement	91	144
Renewal & Fees	3,447	2,350
Rent & Rates	3,120	2,576
Repairs & Maintenance	2,696	1,638
Salary & Allowances	49,669	39,368
Sales Promotional Expenses	1,925	1,555
Subscription & Donation	403	108
T. A & Conveyance	638	872
Telephone, Fax and Radio Link	295	297
Transportation	3,091	2,825
Vehicles Maintenance	821	584
	123,014	**110,756**

13. Financial Expenses:

Interest on Term Loan	2,333	2,351
Interest on Overdraft	123	602
	2,456	**2,953**

The decrease of financial expenses due to less utilization of working capital.

14. Other Income:

Interest earned on STD Account	4	6
Interest earned on FDR Account	1,240	962
Dividend Income	1,766	1,766
Foreign Exchange Gain/(Loss)	510	214
	3,520	**2,948**

The increase of 19.40% is mainly for increase of higher bank interest rate on time deposits as compare to same last period.

15. Fair Valuation Surplus/deficit of Investment:	**13,447**	**14,218**

Fair valuation deficit of investments during the period represents the difference of market value of the listed Company's share on the closing date and the last audited Balance Sheet price.

16. Provision for Tax:	**(11,577)**	**(12,639)**

This represents the deduction of TDS on export proceeds and TDS on Dividend realization .

17. Net Operating Cash Flow Per Share:	**11.97**	**5.68**

Net operating cash flow is Tk.11.97 per share for the 2nd quarter ended on 31st December 2017 but it was Tk.5.68 in same period of last year, this is mainly for less payment for cost & expenses as compare to last same period. This scenario is changeable time to time depending on different issues.

18. 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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