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 2018

STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 31ST MARCH, 2018

Value in Taka '000'

	As on 31.03.2018	As on 30.06.2017	Growth %
ASSETS			
Non-Current Assets:	**308,806**	**331,294**	
Property, Plant and Equipment	261,298	296,151	(12)
Investment	37,450	26,341	42
Security Deposits	10,058	8,792	14
Current Assets:	**1,174,770**	**994,046**	
Inventories	191,809	194,630	(1)
Trade Receivables	435,985	385,678	13
Advances, Deposits & Pre- payments	77,402	53,073	46
Other Receivables	17,704	3,916	352
Investment in Fixed Deposit Receipts (FDRs)	60,000	-	100
Cash & Cash Equivalents	391,870	356,749	10
TOTAL ASSETS	**1,483,576**	**1,325,340**	12
EQUITY AND LIABILITIES			
Shareholders' Equity:	**454,914**	**443,289**	
Share Capital	84,000	84,000	0
Share Premium	15,000	15,000	0
Reserve and Surplus	331,697	330,071	0
Fair Valuation Surplus of Investment	24,217	14,218	70
Non-Current Liabilities:	**4,645**	**3,838**	
Deferred Tax Liability	4,645	3,838	21
Current Liabilities:	**1,024,017**	**878,213**	
Working Capital Loan (Secured)	13,347	16,178	(17)
Short Term Loan	52,525	80,598	(35)
Trade Payables	814,137	703,009	16
Other Payables	144,008	78,428	84
Total Liabilities	**1,028,662**	**882,051**	
TOTAL EQUITY AND LIABILITIES	**1,483,576**	**1,325,340**	12
Net Asset Value Per Share	**54.16**	**52.77**	

STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31ST MARCH, 2018

Value in Taka '000'

	01.07.2017 to 31.03.2018	01.07.2016 to 31.03.2017	Growth %
CASH FLOWS FROM OPERATING ACTIVITIES:			
Collection from revenue	2,614,913	2,541,982	3
Other Income	3,194	2,866	11
Other Income from foreign exchange gain/loss	463	162	186
Interest and financial charges paid	(67,001)	(66,485)	1
Income tax paid	(23,434)	(23,191)	1
Payment for costs and expenses	(2,385,372)	(2,312,688)	3
Net cash generated from operating activities (a)	**142,763**	**142,646**	0
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property, Plant and Equipment acquired	(1,113)	(87,159)	(99)
Investment in FDRs	(60,000)	-	100
Net cash used in investing activities (b)	**(61,113)**	**(87,159)**	(30)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Working Capital Loan received/(repaid)	(2,831)	(136,416)	(98)
Term loan received/(repaid)	(28,073)	27,477	(202)
Dividend Paid	(15,625)	(17,395)	(10)
Net cash used in financing activities (c)	**(46,529)**	**(126,334)**	(63)
Net increase/(decrease) in cash and cash equivalents(a+b+c)	**35,121**	**(70,847)**	(150)
Cash & cash equivalents on opening	**356,749**	**387,929**	(8)
Cash & cash equivalents on closing	**391,870**	**317,082**	24
Net Operating Cash Flows Per Share	**17.00**	**16.98**	

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31ST MARCH, 2018

	Value in Taka '000'			Value in Taka '000'		
	01.07.2017 to 31.03.2018	01.07.2016 to 31.03.2017	Growth %	01.01.2018 to 31.03.2018	01.01.2017 to 31.03.2017	Growth %
REVENUE	**2,665,219**	**2,416,028**	**10**	**951,910**	**817,926**	**16**
Cost of Goods Sold	2,445,025	2,218,610	10	876,380	749,360	17
GROSS PROFIT	**220,194**	**197,418**	**12**	**75,530**	**68,566**	**10**
OPERATING EXPENSES:	**187,676**	**164,926**	**14**	**62,205**	**56,067**	**11**
Administrative & Selling Overhead	183,918	160,567	15	60,903	54,662	11
Financial Expenses	3,758	4,359	(14)	1,302	1,405	(7)
OPERATING PROFIT	**32,518**	**32,492**	**0**	**13,325**	**12,499**	**7**
Other Income	4,450	3,369	32	930	421	121
PROFIT BEFORE TAX	**36,968**	**35,861**	**32**	**14,255**	**12,920**	**128**
Tax Expenses:	**18,542**	**18,963**	**(2)**	**6,847**	**6,560**	**4**
Provision for tax	18,846	19,389	(3)	7,269	6,750	8
Deferred Tax Expenses/(Income)	(304)	(426)	(29)	(422)	(190)	122
NET PROFIT AFTER TAX	**18,426**	**16,898**	**9**	**7,408**	**6,360**	**16**
OTHER COMPREHENSIVE INCOME:	**9,999**	**2,851**	**251**	**10,770**	**(419)**	**(2,670)**
Fair Valuation Surplus / (Deficit) of Investment	11,110	3,168	251	11,966	(465)	(2,673)
Deferred Tax (Exp.)/Income on share valuation Surplus	(1,111)	(317)	250	(1,196)	46	(2,700)
TOTAL COMPREHENSIVE INCOME	**28,425**	**19,749**	**44**	**18,178**	**5,941**	**206**
Earnings Per Share (EPS)	**2.19**	**2.01**	**9**	**0.88**	**0.76**	**16**

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31ST MARCH, 2018

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 nine months ended on 31st March 2018	-	-	-	18,426	-	-	18,426
Final dividend for the period 2016-17	-	-	-	(16,800)	-	-	(16,800)
Fair Valuation Surplus/(deficit) of Investmen	-	-	-	-	9,999	-	9,999
As at 31st March 2018	**84,000**	**15,000**	**129,701**	**199,244**	**24,217**	**2,752**	**454,914**

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**

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 2018.
(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 presentatic
(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

SELECTIVE NOTES TO THE FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED ON MARCH 31, 2018

Value in Taka '000'

	As on 31.03.2018	As on 30.06.2017
1. Property, Plant and Equipment:	**261,298**	**296,161**

During the period, Property, Plant and Equipment have been decreased by Tk. 11.77% because of assets addition is less than depreciation charged during the period. Assets addition is Tk. 11,12,750/- but depreciaton charged during the period is Tk. 35,975,156/- Depreciation has been charged on additions made during the period when an asset is ready to use as per BAS 16.

2. Security Deposits:	**10,058**	**8,792**

During the period, security deposit has been given to Titas Gas due to rate increased.

3. Trade Receivables:	**435,985**	**385,678**

Trade receivables have been increased as the revenue has increased.

4. Advances, Deposits & Pre-payments:

Advance Income Tax	72,936	49,502
Advance against expenses	4,466	3,571
	77,402	53,073

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

5. Other Receivables:

Cash Incentive Receivable	16,552	3,558
FDRs Interest Receivable	813	358
Dividend Receivable	339	-
	17,704	3,916

The growth of 352% in Other receivables mainly for cash incentive receivable . Cash incentive receivable which will be received from bank time to time depending on their availability of fund from Bangladesh Bank.

6. Investment in FDRs:	**60,000**	**-**

During the period we have purchased two new FDRs from EBL for 380 days tenor by encashing old two FDRs of 90 days tenor.

7. Cash and Cash Equivalents:

Cash in hand	**20**	**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	51
CD Account with MTB, Dilkusha, Dhaka	85	86
CD Account with AB Bank, Dhaka	40	40
CD Account with DBBL, Dhaka	9,766	676
CD Account with HSBC-Dividend, Dhaka	-	-
CD Account with EBL-Dividend, Dhaka	0	0
Fixed Deposit A/C with EBL	-	55,871
Foreign Currency Account with EBL, Dhaka-USD	13,912	32,874
Foreign Currency Account with HSBC-USD	392	381
STD Account with SCB,Dhaka	736	737
STD Account with EBL, Principal Branch, Dhaka	209	209
OD Account with EBL, Principal Branch, Dhaka	31,386	-
CD Account with HSBC, Dhaka	-	-
STD Account with HSBC , Dhaka	1	1
CC Accounts with EBL, Dhaka	25	25
Margin Account with EBL-USD	335,016	265,543
	391,850	356,729
	391,870	356,749

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

8. Deferred Tax Liability:

a) **Book Value of Depreciable Assets**	261,298	296,161
Tax Base of Depreciable Assets	247,267	278,086
Net Taxable Temporary Difference	14,031	18,075
Effective Tax Rate	12%	12%
Closing Deferred tax (Assets)/Liability arising from assets	1,684	2,169
Opening Deferred Tax Balance	2,169	2,741
Deferred Tax (Income)/Expense	(485)	(572)
b) **Unrealised Bank Interest on FDRs**	813	358
Effective Tax Rate	25%	25%
Closing Deferred tax (Assets)/Liability Arising from Unrealised FDRs Interest	203	90
Opening Deferred Tax Balance	90	87
Deferred Tax (Income)/Expense	113	3
c) **Unrealised Dividend Receivable**	339	-
Effective Tax Rate	20%	20%
Closing Deferred tax (Assets)/Liability arising from Unrealised Dividend Receivable	68	-
Opening Deferred Tax Balance	-	-
Deferred Tax (Income)/Expense	68	-
Deferred Tax (Income)/Expense (a+b+c)	(304)	(569)

Value in Taka '000'

	July'17 to Mar' 2018	July'16 to Mar' 2017
13. Revenue:	**2,665,219**	**2,416,028**

Revenue has been increased by 10.31% as compared to the revenue of same period of 2016-17 due to increase of quantity sold during this period.

14. Cost of Goods Sold:

Opening Stock of Finished Goods	17,027	47,678
Add: Cost of Production (note # 14.a)	2,466,392	2,212,636
Less: Closing Stock of Finished Goods	(38,394)	(41,704)
	2,445,025	2,218,610

14.a. Cost of Production:

Opening Raw Materials & WIP	177,603	145,471
Add: Raw Materials purchase during the period	1,544,615	1,354,355
Add: Factory Overhead (Note # 14.a.a)	897,589	880,040
Less: Closing Raw Materials & WIP	(153,415)	(167,230)
	2,466,392	2,212,636

14.a.a Factory Overhead:

Wages & Salaries	737,927	678,708
Central Fund-RMG Sector	770	746
Telephone Charges	15	25
Carriage	4,776	8,487
Electricity	982	744
Gas, Fuel & Lubricant	47,911	62,045
Insurance	6,110	7,745
Repairs & Maintenance	39,980	64,104
Vehicle Maintenance	4,379	2,994
ETP Chemical	1,170	3,717
Uniform & Liveries	219	116
Fire Fighting Expenses	103	466
Testing Bill	12,297	8,013
Depreciation	34,880	34,513
Bank Charges & Commission	6,070	7,617
	897,589	880,040

15. Administrative & Selling Overhead:

AGM Expenses	132	121
Bank Charges & Commission	4,700	4,617
Board Meeting Fees	15	13
Depreciation	1,095	1,212
Directors Remuneration	2,700	2,700
Entertainment	1,782	930
Export Processing & Handling Expenses	6,104	4,596
F.C. Charges	52,473	49,892
Freight & Forwarding Expenses	17,997	12,863
Insurance Premium	956	926
Legal & Professional Fees	300	411
Newspapers & Periodicals	8	9
Courier ,Postage & Stamp	47	57
Power & Fuel	501	529
Printing & Stationery	4,648	4,681
Publicity & Advertisement	143	281
Renewal & Fees	4,492	3,330
Rent & Rates	4,566	3,868
Repairs & Maintenance	4,144	2,135
Salary & Allowances	65,128	55,037
Sales Promotional Expenses	3,434	1,939
Subscription & Donation	557	246
T. A & Conveyance	990	1,334
Telephone, Fax and Radio Link	426	447
CSR Expenses	-	3,450
Transportation	5,618	4,174
Vehicles Maintenance	1,062	769
	183,918	160,567

16. Financial Expenses:

Interest on Term Loan	3,622	3,721
Interest on Overdraft	136	638
	3,758	4,359

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

17. Other Income:

Interest earned on STD Account	4	6
Dividend Income	1,766	1,766
Interest earned on FDR Account	2,217	1,435
Foreign Exchange Gain/(Loss)	463	162
	4,450	3,369

The increase of 32.09% is mainly for increase of higher bank interest rate on time deposits as compare to same last period.

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

SELECTIVE NOTES TO THE FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED ON MARCH 31, 2018

	Value in Taka '000'	
	As on 31.03.2018	As on 30.06.2017
d) Deferred Tax (Assets)/Liability arising from Other Comprehensive Income:		
Gains on hedging instruments in cash flow hedges	-	-
Tax for (Losses)/gains on available for sale investments @ 10%	2,691	1,580
Revaluation of property	-	-
Foreign exchange gain for foreign operation	-	-
Closing Deferred tax (Assets)/Liability arising from	2,691	1,580
Fair Valuation Surplus of Investment		
Opening Deferred Tax Balance	1,580	1,074
Deferred Tax (Income)/Expense	1,111	506
Deferred Tax Closing Liability (a+b+c+d)	4,845	3,838

9. Working Capital Loan:

Eastern Bank Ltd, Principal Br. Dhaka	-	12,396
HSBC, Dhaka	13,347	3,782
	13,347	16,178

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

10. Short Term Loan :

Time loan-EBL	14,863	30,726
Import loan-EBL	37,662	49,872
	52,525	80,598

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

11. Trade payables:	814,137	703,009

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

12. Other Payables:	144,008	78,428

The increase in other payables mainly for provision income tax, provision for salaries, wages & overtime and unclaimed dividend.

	Value in Taka '000'	
	July'17 to Mar' 2018	July'16 to Mar' 2017

18. Key management personal compensation:

Refer to our Note No.15 of we have shown the Directors Remuneration amount, Board Meeting Fees, Salary and Allowances.

However for your kind information that the Company is paying Remuneration of our Directors who are rendering full time service to the Company and in addition to that there is nothing paid to them. The Company operates a contributory provident fund which is administrates by the Board of Trustee. The Company has also a Group Insurance Scheme. The Company pays its monthly contribution for the Key Management (Senior Employees) to the Provident Fund Trust and the Company has no further liability. Group insurance premium is paid to the Insurance Company once in a year and if there is any claim that will be entertained by the Insurance Company for the Key Management (Senior Employees) and the Company has no liability. In addition to that there is nothing paid to them except salary and allowances.

19. Provision for Tax:	18,846	19,389

The decreased 2.80% for provision for tax is mainly for unrealised cash incentive audited claim as compare to last period.

20. Net Operating Cash Flow Per Share:	17.00	16.98

Net operating cash flow is Tk. 17.00 per share for the 3rd quarter ended on 31st March 2018 but it was 16.98 for the same period of last year, the slightly increased due to more collection from trade receivable during the period. This scenario is changeable time to time depending on different issues.

21. Deferred Tax Expenses/(Income)	(304)	(426)

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, dividend receivable & WDV of fixed assets (refer to note # 08).

22. Fair Valuation Surplus of Investment:	24,217	14,218

The increased 70.33% 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.

23.Disclosure Regarding Rearrangement:

We have rearranged in three heads in the financial statement (ref note #14.a.a & 15) which is that VAT expenses has been included in Repair & Maintenance (under Factory Overhead) due to VAT expense is related to Repair & Maintenance, Bank Charges & Commission (direct) has been been seperated from Administrative & Selling Overhead for same period of 2016-17 and income from foreign exchange gain or loss has been shown as seperately in Statement of Cash Flows in the last period.

24. 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