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 2018

STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 30TH SEPTEMBER, 2018

Value in Taka '000'

	As at 30.09.2018	As at 30.06.2018	Growth %
ASSETS			
Non-Current Assets:	**345,133**	**358,027**	
Property, Plant and Equipment	246,551	250,992	(2)
Investment	28,523	36,976	(23)
Investment in Financial Assets	60,000	60,000	0
Security Deposits	10,059	10,059	0
Current Assets:	**767,707**	**1,103,917**	
Inventories	221,552	196,249	13
Trade Receivables	179,280	592,920	(70)
Advances, Deposits & Pre- Payments	63,023	51,056	23
Other Receivables	36,557	18,932	93
Cash & Cash Equivalents	267,295	244,760	9
TOTAL ASSETS	**1,112,840**	**1,461,944**	
EQUITY AND LIABILITIES			
Shareholders' Equity:	**457,031**	**460,486**	
Share Capital	84,000	84,000	0
Share Premium	15,000	15,000	0
Reserve and Surplus	341,850	337,696	1
Fair Valuation Surplus of Investment	16,181	23,790	(32)
Non-Current Liabilities:	**4,808**	**5,054**	
Deferred Tax Liability	4,808	5,054	(5)
Current Liabilities:	**651,001**	**996,404**	
Working Capital Loan (Secured)	1,696	57,911	(97)
Short Term Loan	61,140	90,058	(32)
Trade Payables	493,706	761,042	(35)
Other Payables	94,459	87,393	8
Total Liabilities	**655,809**	**1,001,458**	(35)
TOTAL EQUITY AND LIABILITIES	**1,112,840**	**1,461,944**	
Net Asset Value Per Share	**54.41**	**54.82**	

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE 1ST QUARTER ENDED ON 30TH SEPTEMBER, 2018

Value in Taka '000'

	01.07.2018 to 30.09.2018	01.07.2017 to 30.09.2017	Growth %
REVENUE	**701,208**	**669,817**	**5**
Cost of Goods Sold	(636,104)	(606,910)	5
GROSS PROFIT	**65,104**	**62,907**	**3**
Other Operating Income	328	329	(0)
Administrative & Selling Overhead	(52,817)	(54,375)	(3)
OPERATING PROFIT/(LOSS)	**12,616**	**8,861**	**42**
Finance Income	1,138	602	89
Financial Expenses	(1,383)	(1,253)	10
PROFIT BEFORE TAX	**12,370**	**8,210**	**51**
TAX EXPENSES:	**(8,217)**	**(4,485)**	**83**
Current Tax	(7,617)	(4,558)	67
Deferred Tax (Expenses)/Income	(600)	73	(926)
NET PROFIT AFTER TAX	**4,154**	**3,725**	**12**
OTHER COMPREHENSIVE INCOME:	**(7,609)**	**(629)**	**1,110**
Fair Valuation Surplus / (Deficit) of Investment	(8,454)	(699)	1,109
Deferred Tax (Exp.)/Income on share valuation Deficit	845	70	1,109
TOTAL COMPREHENSIVE INCOME	**(3,455)**	**3,096**	**(212)**
Basic Earnings Per Share (EPS)	**0.49**	**0.44**	**12**

STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE 1ST QUARTER ENDED ON 30TH SEPTEMBER, 2018

Value in Taka '000'

	01.07.2018 to 30.09.2018	01.07.2017 to 30.09.2017	Growth %
CASH FLOWS FROM OPERATING ACTIVITIES:			
Collection from revenue	1,117,569	670,336	67
Other Operating Income	0.0	0	0
Finance Income	0.0	489	(100)
Other Income from foreign exchange gain/(loss)	(1,953)	(2,000)	(2)
Interest and financial charges paid	(22,559)	(17,725)	27
Income tax paid	(7,617)	(5,939)	28
Payment for costs and expenses	(973,168)	(744,192)	31
Net cash generated from/(used in) operating activities (a)	**112,272**	**(99,032)**	**(213)**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property, Plant and Equipment acquired	(5,650)	(1,113)	408
Net cash generated from/(used in) investing activities (b)	**(5,650)**	**(1,113)**	**408**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Working Capital Loan received/(repaid)	(56,215)	(41,186)	36
Term loan received/(repaid)	(28,918)	(33,110)	(13)
Dividend Paid	(17)	(26)	8
Net cash generated from/(used in) financing activities (c)	**(85,150)**	**(74,322)**	**15**
Net increase/(decrease) in cash and cash equivalents(a+b+c)	**21,471**	**(174,466)**	**(112)**
Cash & cash equivalents on opening	244,760	356,749	(31)
Foreign exchange gain from translation	1,064	802	33
Cash & cash equivalents on closing	**267,295**	**183,084**	**46**
Net Operating Cash Flows Per Share	**13.37**	**(11.79)**	

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE 1ST QUARTER ENDED ON 30TH SEPTEMBER, 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, 2018	84,000	15,000	129,701	205,243	23,790	2,752	460,486
Net Profit for the three months ended on 30th September 2018	-	-	-	4,154	-	-	4,154
Fair Valuation Surplus/(deficit) of Investment					(7,609)		(7,609)
As at 30th September 2018	84,000	15,000	129,701	209,397	16,181	2,752	457,031

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

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, 2018
(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.

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, 2018

Value in Taka '000'

	As at 30.09.2018	As at 30.06.2018
1.Property, Plant and Equipment (WDV):	**246,551**	**250,992**

During the period, fixed assets have been increased by Tk. 5,650/- in factory equipments & Deep Tubewell but depreciation charged during the period is Tk. 10,091/- . Depreciation has been charged on additions made during the period from the month in which that assets are ready to use as per BAS 16.

2. Investment:	**28,523**	**36,976**

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

3. Investment in Financial Assets:	**60,000**	**60,000**

FDR's were purchased from EBL for more than one year (i.e. 360 days.)

4. Security Deposits:	**10,059**	**10,059**

Security deposits are made to statutory bodies and hence secured

5. Trade Receivables:	**179,280**	**592,920**

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

6. Advances, Deposits & Pre-payments:

Advance Income Tax	57,512	49,895
Advance against expenses	5,511	1,161
	63,023	**51,056**

The Increase of 23.44% due to increase of advance income tax & advance against expenses.

7. Other Receivables:

Cash Incentive Receivable	30,415	16,995
FDRs Interest Receivable	3,075	1,938
Excess TDS Receivable from Bank	3,067	-
	36,557	**18,932**

The increase of 93.20% in Other receivables mainly for outstanding claim of cash incentive receivable & excess deduction from export proceeds tax.Cash incentive receivable which will be received from bank time to time depending on their availability of fund from Bangladesh Bank.

8. Cash and Cash Equivalents:

Cash in hand	**20**	**20**
CD Account with Eastern Bank Ltd., Dhaka	10	10
CD Account with DBL, Dhaka	28	28
CD Account with SCB,Dhaka	186	186
CD Account with Mutual Trust Bank, Chandora	55	56
CD Account with Mutual Trust Bank, Dilkusha, Dha	85	85
CD Account with AB Bank, Dhaka	39	39
CD Account with DBBL, Dhaka	6,458	4,495
OD A/C with EBL , Principal Branch , Dhaka .	47,165	-
Foreign Currency Account with EBL, Dhaka-USD	8,290	6,362
Foreign Currency Account with HSBC, Dhaka-USD	393	393
STD Account with SCB,Dhaka	736	736
STD Account with EBL, Principal Branch, Dhaka	208	209
STD Account with HSBC , Dhaka	1	1
CC Accounts with EBL, Dhaka	24	24
Margin Account with EBL-USD	203,597	232,112
Cash at Bank	**267,275**	**244,739**
	267,295	**244,759**

The increase of cash & cash equivalents mainly for positive balance of OD EBL.

9. Deferred Tax Liability:

a) Book Value of Depreciable Assets	246,551	250,992
Tax Base of Depreciable Assets	232,626	236,368
Net Taxable Temporary Difference	13,925	14,624
Effective Tax Rate	12%	12%
Closing Deferred tax (Assets)/Liability arising from assets	1,671	1,755
Opening Deferred Tax Balance	1,755	2,169
Deferred Tax Income/(Expense)	84	414
b) **Unrealised Bank Interest on FDRs**	3,075	1,938
Effective Tax Rate	25%	25%
Closing Deferred tax (Assets)/Liability Arising from Unrealised FDRs Interest	769	484
Opening Deferred Tax Balance	484	89
Deferred Tax Income/(Expense)	(285)	(395)

Value in Taka '000'

	As at 30.09.2018	As at 30.06.2018
c) Unrealised Foreign Exchange Gain from translatio	2,281	684
Effective Tax Rate	25%	25%
Closing Deferred tax (Assets)/Liability Arising from	570	171
Opening Deferred Tax Balance	171	-
Deferred Tax Income/(Expense)	(399)	(171)
Deferred Tax Income/(Expense) (a+b+c)	(600)	(152)
d) **Deferred Tax (Assets)/Liability arising from Other Comprehensive Income:**		
Tax for (Losses)/gains on available for sale investments @ 10%	1,798	2,643
Closing Deferred tax (Assets)/Liability arising from Fair Valuation Surplus of Investment	1,798	2,643
Opening Deferred Tax Balance	2,643	1,580
Deferred Tax Income/(Expense)	845	(1,063)
Deferred Tax Closing Liability (a+b+c+d)	**4,808**	**5,054**

10. Working Capital Loan (secured):

Eastern Bank Ltd, Principal Br. Dhaka	-	55,720
HSBC, Dhaka	1,696	2,192
	1,696	**57,911**

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

11. Short Term Loan :

Time loan-EBL	18,334	19,924
Import loan-EBL	42,806	70,134
	61,140	**90,058**

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

12. Trade Payables:	**493,706**	**761,042**

The decrease of trade Payables due to payment of BTB Liability as per schedule.

13. Other Payables:	**94,459**	**87,393**

The increase in other payables mainly for provision of income tax.

	July to Sep' 2018	July to Sep' 2017
14. Revenue:	**701,208**	**669,817**

Revenue has been increased by 4.69% as compared to the revenue of same period of 2017-18 due to increase of quantity sold during this period.

15. Cost of Goods Sold:

Opening Stock of Finished Goods	32,999	17,027
Add: Cost of Production (note # 15.a)	653,224	635,916
Less: Closing Stock of Finished Goods	(50,119)	(46,033)
	636,104	**606,910**

15.a. Cost of Production:

Opening Raw Materials & WIP	163,250	177,603
Add: Raw Materials purchase during the period	386,728	379,488
Add: Factory Overhead (Note # 15.a.a)	274,679	254,542
Less: Closing Raw Materials & WIP	(171,433)	(175,717)
	653,224	**635,916**

15.a.a Factory Overhead:

Carriage	1,435	856
Electricity	308	314
Gas, Fuel & Lubricant	18,695	14,607
Insurance	3,758	3,580
Repairs & Maintenance	6,727	4,538
Telephone Charges	5	8
Wages & Salaries	227,581	209,742
Bank Charges & Commission	2,035	1,798
Central Fund - RMG Sector	329	197
Depreciation	9,769	11,612
Fire Fighting Exp.	-	68
Vehicle Maintenance	1,666	1,062
Testing Bill	1,968	4,326
Uniform & Liveries	67	53
ETP Chemical	336	1,781
	274,679	**254,542**

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 1ST QUARTER ENDED ON SEPTEMBER 30, 2018

	July to Sep' 2018	July to Sep' 2017
16. Other Operating Income:		
Foreign Exchange Gain:	328	329
Foreign Exchange loss from operations	(1,953)	(2,000)
Foreign Exchange Gain from translation	2,281	2,329
	328	**329**
17. Administrative & Selling Overhead:		
AGM Expenses	-	25
Bank Charges & Commission	1,944	1,333
Board Meeting Fees	-	3
Depreciation	322	365
Directors Remuneration	900	900
Entertainment	103	184
Export Processing & Handling Expenses	1,378	1,141
F.C. Charges	17,198	13,348
Freight & Forwarding Expenses	6,833	3,827
Insurance Premium	158	572
Legal & Professional Fees	81	58
Newspapers & Periodicals	3	3
Postage & Stamp	24	9
Power & Fuel	110	176
Printing & Stationery	539	870
Renewal & Fees	1,681	960
Rent & Rates	1,192	1,674
Repairs & Maintenance	932	1,525
Salaries & Allowances	16,573	24,260
Sales Promotional Expenses	514	927
Subscription & Donation	72	15
T. A & Conveyance	381	301
Telephone, Fax and Radio Link	118	151
Transportation	1,463	1,483
Vehicles Maintenance	298	265
	52,817	**54,375**
18. Finance Income:		
Interest earned on STD Account	0.0	-
Interest earned on FDR Account	1,138	602
	1,138	**602**

a) The increase of 89.04% is mainly for increase interest rate of time deposits.
b) Interest earned on STD Account was Tk. 6/-. As the figures have been shown in thousand Taka in financial statements so the figure is showing "0" Taka .

19. Financial Expenses:		
Interest on Time Loan	1,306	1,141
Interest on Overdraft	77	112
	1,383	**1,253**

The increase of financial expenses due to utilization of time loan for the period.

20. Current Tax:	7,617	4,558

The increased 67.11% in current tax is mainly for AIT on export proceeds due to prompt realization of export proceeds during the period.

21. Deferred Tax (Expenses)/Income:	(600)	73

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.

22. Fair Valuation Surplus/(deficit) of Investment (net of t:	(7,609)	(629)

Fair valuation surplus/(deficit) 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.

	July to Sep' 2018	July to Sep' 2017
23. Net Operating Cash Flows Per Share:	13.37	(11.79)

Net operating cash flows was Tk. 13.37 per share for the 1st quarter ended on 30 September 2018 but it was (Tk. 11.79) for the same period of last year, this is mainly for prompt collection from revenue. This scenario is changeable time to time depending on different issues.

24. Disclosure Regarding Rearrangement:
Income from foreign exchange gain or loss & Other Income have been shown separately in Statement of Cash Flows for the last period to conform current period presentation.

25. Related Party Transactions:

25. (a) Intercompany 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.

25. (b) Key management personal compensation:
Refer to Note # 17; we have provided Directors Remuneration' Board Meeting Fees and Salary and Allowances.

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.

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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