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 2018

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

Value in Taka '000'

	As at 30.12.2018	As at 30.06.2018	Growth %
ASSETS			
Non-Current Assets:	**339,716**	**358,027**	
Property, Plant and Equipment	239,535	250,992	**(4.56)**
Investment	30,122	36,976	**(18.54)**
Investment in Financial Assets	60,000	60,000	**-**
Security Deposits	10,059	10,059	**-**
Current Assets:	**975,888**	**1,103,917**	
Inventories	191,132	196,249	**(2.61)**
Trade Receivables	508,358	592,920	**(14.26)**
Advances, Deposits & Pre- Payments	65,879	51,056	**29.03**
Other Receivables	19,843	18,932	**4.81**
Cash & Cash Equivalents	190,676	244,760	**(22.10)**
TOTAL ASSETS	**1,315,604**	**1,461,944**	
EQUITY AND LIABILITIES			
Shareholders' Equity:	**448,895**	**460,486**	
Share Capital	84,000	84,000	**-**
Share Premium	15,000	15,000	**-**
Reserve and Surplus	332,274	337,696	**(1.61)**
Fair Valuation Surplus of Investments	17,621	23,790	**(25.93)**
Non-Current Liabilities:	**5,085**	**5,054**	
Deferred Tax Liability	5,085	5,054	**0.61**
Current Liabilities:	**861,624**	**996,404**	
Working Capital Loan (Secured)	6,348	57,911	**(89.04)**
Short Term Loan	63,023	90,058	**(30.02)**
Trade Payables	664,160	761,042	**(12.73)**
Other Payables	128,093	87,393	**46.57**
Total Liabilities	**866,709**	**1,001,458**	**(13.46)**
TOTAL EQUITY AND LIABILITIES	**1,315,604**	**1,461,944**	
Net Asset Value Per Share	**53.44**	**54.82**	

STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED 31ST DECEMBER, 2018

Value in Taka '000'

	01.07.2018 to 31.12.2018	01.07.2017 to 31.12.2017	Growth %
CASH FLOWS FROM OPERATING ACTIVITIES:			
Collection from revenue	1,768,298	1,658,970	**6.59**
Other Income from foreign exchange gain/(loss)	(621)	(303)	**104.95**
Bank Charges & Commission	(37,605)	(39,643)	**(5.14)**
Income tax paid	(14,615)	(14,450)	**1.14**
Payment for costs and expenses	(1,679,496)	(1,502,762)	**11.76**
Net cash generated from/(used in) operating activities (a)	**35,961**	**101,812**	**(64.68)**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property, Plant and Equipment acquired	(8,855)	(1,113)	**695.78**
Finance Income	4	1,126	**(99.64)**
Net cash generated from/(used in) investing activities (b)	**(8,851)**	**13**	
CASH FLOWS FROM FINANCING ACTIVITIES:			
Working Capital Loan received/(repaid)	(51,563)	(16,178)	**218.72**
Term loan received/(repaid)	(27,035)	(15,674)	**72.48**
Dividend Paid	(71)	(42)	**69.05**
Interest and financial charges paid	(2,567)	(2,456)	**4.52**
Net cash generated from/(used in) financing activities (c)	**(81,236)**	**(34,350)**	**136.49**
Net increase/(decrease) in cash and cash equivalents(a+b+c)	**(54,126)**	**67,475**	**(180.22)**
Cash & cash equivalents on opening	244,760	356,749	**(31.39)**
Foreign exchange gain/(Loss) from translation	42	45	**(6.67)**
Cash & cash equivalents on closing	**190,676**	**424,269**	**(55.06)**
Net Operating Cash Flows Per Share	**4.28**	**12.12**	

**Please refer to note # 26 for Reconciliation of cashs flow from operating activities under direct method and indirect method as per requirement of BSEC.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED 31ST DECEMBER, 2018

Value in Taka '000'

	01.07.2018 to 31.12.2018	01.07.2017 to 31.12.2017	Growth %	01.10.2018 to 31.12.2018	01.10.2017 to 31.12.2017	Growth %
REVENUE	1,682,847	1,713,309	**(1.78)**	981,639	1,043,492	**(5.93)**
Cost of Goods Sold	(1,539,883)	(1,568,644)	**(1.83)**	(903,779)	(961,735)	**(6.03)**
GROSS PROFIT	**142,964**	**144,665**	**(1.18)**	**77,860**	**81,757**	**(4.77)**
Other Operating Income	(27)	509	**(105.34)**	(355)	180	**(297.72)**
Administrative & Selling Overhead	(119,603)	(123,014)	**(2.77)**	(66,786)	(68,639)	**(2.70)**
OPERATING PROFIT/(LOSS)	**23,334**	**22,160**	**5.30**	**10,718**	**13,298**	**(19.40)**
Finance Income	4,045	3,011	**34.35**	2,908	2,434	**19.46**
Financial Expenses	(2,567)	(2,456)	**4.52**	(1,184)	(1,229)	**(3.66)**
PROFIT BEFORE TAX	**24,812**	**22,715**	**9.23**	**12,442**	**14,503**	**(14.21)**
TAX EXPENSES:	**(13,434)**	**(11,695)**	**14.87**	**(5,218)**	**(7,216)**	**(27.69)**
Current Tax	(12,718)	(11,577)	**9.86**	(5,101)	(7,025)	**(27.39)**
Deferred Tax (Expenses)/Income	(716)	(118)	**506.78**	(117)	(191)	**(38.74)**
NET PROFIT AFTER TAX	**11,378**	**11,020**	**3.24**	**7,224**	**7,287**	**(0.87)**
OTHER COMPREHENSIVE INCOME:	**(6,169)**	**(771)**	**700.13**	**1,439**	**(141)**	**(1,120.57)**
Fair Valuation Surplus / (Deficit) of Investment	(6,854)	(856)	**700.70**	1,599	(157)	**(1,118.47)**
Deferred Tax (Exp.)/Income on share valuation Deficit	685	85	**705.88**	(160)	16	**(1,100.00)**
TOTAL COMPREHENSIVE INCOME	**5,209**	**10,249**	**(49.18)**	**8,663**	**7,146**	**21.23**
Basic Earnings Per Share (EPS)	**1.35**	**1.31**	**3.24**	**0.86**	**0.87**	**(0.87)**

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED 31ST DECEMBER, 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 six months ended on 31st December 2018	-	-	-	11,378	-	-	11,378
Final dividend for the period 2017-2018	-	-	-	(16,800)		-	(16,800)
Fair Valuation Surplus/(deficit) of Investment					(6,169)		(6,169)
As at 31st December 2018	**84,000**	**15,000**	**129,701**	**199,821**	**17,621**	**2,752**	**448,895**

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**

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 2018
(3) No diluted EPS is required to be calculated as there was no dilution during this period.
(4) Last year's half yearly figures have been re-arranged where considered necessary to confirm to current half year's 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**	**Masudur Rahman ACA**
Chairman	Managing Director	Director	Chief Financial Officer	Company Secretary

FAIR STOCK

	Value in Taka '000' As at 31.12.2018	As at 30.06.2018
1.Property, Plant and Equipment (WDV):	**239,535**	**250,992**

During the period, fixed assets have been increased by Tk. 8,855/- in civil construction, factory equipments & Deep Tubewell but depreciation charged during the period is Tk. 20,312/-. 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:	**30,122**	**36,976**

During the period, investment has 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. 380 days.)

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

Security deposits are made to statutory bodies and hence secured.

5. Trade Receivables:	**508,358**	**592,920**

Trade receivables have been decreased due to realize as per schedule.

6. Advances, Deposits & Pre-payments:

Advance Income Tax	64,510	49,895
Advance against expenses	1,369	1,161
	65,879	**51,056**

The Increase of 29.03% due to increase of advance income tax & advance against expenses.

7. Other Receivables:

Cash Incentive Receivable	13,864	16,994
FDRs Interest Receivable	4,213	1,938
Dividend Receivable	1,766	-
	19,843	**18,932**

The increase of 4.81% in Other receivables mainly for dividend receivable from CDBL & Apex Foods Ltd & FDR Interest receivable.

8. Cash and Cash Equivalents:

Cash in hand	**20**	**20**
Cash at Bank		
CD Account with Eastern Bank Ltd., Dhaka	10	10
CD Account with DBL, Dhaka	27	28
CD Account with SCB,Dhaka	188	186
CD Account with Mutual Trust Bank, Chandora	51	56
CD Account with Mutual Trust Bank, Dilkusha, Dhak	84	85
CD Account with AB Bank, Dhaka	39	39
CD Account with DBBL, Dhaka	5,678	4,495
CD Account with EBL-Dividend, Dhaka	0	0
Foreign Currency Account with EBL, Dhaka-USD	8,805	6,363
Foreign Currency Account with HSBC, Dhaka-USD	394	393
CD Account with HSBC-Dividend, Dhaka	0	-
STD Account with SCB,Dhaka	735	736
STD Account with EBL, Principal Branch, Dhaka	209	209
STD Account with HSBC , Dhaka	1	1
CC Account with EBL, Dhaka	23	24
Margin Account with EBL-USD	174,410	232,113
	190,656	**244,740**
	190,676	**244,760**

The decrease of cash & cash equivalents due to reduce of margin balance for payment of BTB liability in schedule time.

9. Deferred Tax Liability:

a Book Value of Depreciable Assets	239,534	250,992
Tax Base of Depreciable Assets	226,434	236,368
Net Taxable Temporary Difference	13,100	14,624
Effective Tax Rate	12%	12%
Closing Deferred tax (Assets)/Liabilities arising from asse	**1,572**	**1,755**
Opening Deferred Tax Balance	1,755	2,169
Deferred Tax Income/(Expense)	**183**	**414**
b **Unrealised Interest on FDRs**	4,213	1,938
Effective Tax Rate	25%	25%
Closing Deferred tax (Assets)/Liabilities arising from		
Unrealised FDRs Interest	**1,053**	**484**
Opening Deferred Tax Balance	484	89
Deferred Tax Income/(Expense)	**(569)**	**(395)**

	Value in Taka '000' As at 31.12.2018	As at 30.06.2018
c) **Unrealised Foreign Exchange Gain/(Loss) from translation**	594	684
Effective Tax Rate	25%	25%
Closing Deferred tax (Assets)/Liabilities arising from Exchange Gain/(Loss) fron	**148**	**171**
Opening Deferred Tax Balance	171	-
Deferred Tax Income/(Expense)	**23**	**(171)**
d) **Dividend Receivable**	**1,766**	-
Effective Tax Rate	20%	20%
Closing Deferred tax (Assets)/Liabilities arising from Dividend Receivabl	**353**	**-**
Opening Deferred Tax Balance	-	-
Deferred Tax Income/(Expense)	**(353)**	**-**
Deferred Tax Income/(Expense) (a+b+c+d)	**(716)**	**(151)**
e) **Deferred Tax (Assets)/Liabilities arising from Other**		
Comprehensive Income- surplus from fair value of share :	**19,579**	**26,434**
Tax for (Losses)/gains on available for sale investments @ 10%	**1,958**	**2,643**
Closing Deferred tax (Assets)/Liability arising from		
Fair Valuation Surplus of Investment	1,958	2,643
Opening Deferred Tax Balance	2,643	1,580
Deferred Tax Income/(Expense)	685	(1,063)
Deferred Tax Closing Liability (a+b+c+d+e)	**5,085**	**5,054**

10. Working Capital Loan (secured):

Eastern Bank Ltd, Principal Br. Dhaka	1,432	55,719
HSBC, Dhaka	4,916	2,192
	6,348	**57,911**

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

11. Short Term Loan :

Time loan-EBL	14,065	19,924
Import loan-EBL	48,958	70,134
	63,023	**90,058**

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

12. Trade Payables:	**664,160**	**761,042**

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

13. Other Payables:	**128,093**	**87,393**

The increase of 46.57% in other payables mainly for provision of income tax, provision for salary, wages & overtime and unclaimed dividend including the dividend payable for 2017-18 which has been approved in the last AGM dated on 20th December'18 but not distributed within this period.

	July to Dec' 2018	July to Dec' 2017
14. Revenue:	**1,682,847**	**1,713,309**

Revenue has been decreased by 1.78% as compared to the revenue of same period of 2017-18 due to decrease of per unit price of quantity export during this period.

15. Cost of Goods Sold:		
Opening Stock of Finished Goods	32,999	17,027
Add: Cost of Production (note # 15.a)	1,535,516	1,567,447
Less: Closing Stock of Finished Goods	(28,632)	(15,830)
	1,539,883	**1,568,644**
15.a. Cost of Production:		
Opening Raw Materials & WIP	163,250	177,603
Add: Raw Materials purchase during the period	968,344	1,021,021
Add: Factory Overhead (Note # 15.a.a)	566,422	545,130
Less: Closing Raw Materials & WIP	(162,500)	(176,307)
	1,535,516	**1,567,447**
15.a.a Factory Overhead:		
Carriage	3,538	2,782
Electricity	741	708
Gas, Fuel & Lubricant	35,735	32,431
Insurance	4,376	5,085
Repairs & Maintenance	25,397	16,080
Telephone Charges	11	11
Wages & Salaries	459,897	449,316
Bank Charges & Commission	3,898	3,608
Central Fund - RMG Sector	520	488
Depreciation	19,668	23,246
Fire Fighting Exp.	248	101
Vehicle Maintenance	3,812	2,977
Testing Bill	7,740	7,565
Uniform & Liveries	159	53
ETP Chemical	682	679
	566,422	**545,130**

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Zafar Ahmed	**Zahur Ahmed PhD**	**Shahriar Ahmed**	**Kamruzzaman FCA**	**Masudur Rahman ACA**
Chairman	Managing Director	Director	Chief Financial Officer	Company Secretary

	Value in Taka '000' July to Dec' 2018	July to Dec' 2017
16. Other Operating Income:		
Foreign Exchange Gain/(Loss):		
Foreign exchange gain/(Loss) from operations	(621)	(303)
Foreign exchange gain/(loss) from translation	594	812
	(27)	**509**
17. Administrative & Selling Overhead:		
AGM Expenses	149	132
Bank Charges & Commission	3,342	2,833
Board Meeting Fees	10	13
Depreciation	644	730
Directors Remuneration	1,800	1,800
Entertainment	1,464	1,009
Export Processing & Handling Expenses	4,920	2,959
F.C. Charges	30,365	33,202
Freight & Forwarding Expenses	16,579	9,849
Insurance Premium	290	627
Legal & Professional Fees	120	154
Newspapers & Periodicals	5	6
Postage & Stamp	43	21
Power & Fuel	303	350
Printing & Stationery	3,603	3,133
Publicity & Advertisement	78	91
Renewal & Fees	4,223	3,447
Rent & Rates	2,611	3,120
Repairs & Maintenance	2,670	2,696
Salary & Allowances	37,454	49,669
Sales Promotional Expenses	2,637	1,925
Subscription & Donation	206	403
T. A & Conveyance	800	638
Telephone, Fax and Radio Link	247	295
Transportation	3,872	3,091
Vehicles Maintenance	1,168	821
	119,603	**123,014**
18. Finance Income:		
Dividend Income	1,766	1,767
Interest earned on STD Account	4	4
Interest earned on FDRs Account	2,275	1,240
	4,045	**3,011**

The increase of 34.39% is mainly for increase interest rate of time deposits.

19. Financial Expenses:		
Interest on Time Loan	2,469	2,333
Interest on Overdraft	98	123
	2,567	**2,456**

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

20. Current Tax:	**12,718**	**11,577**

This represents the deduction of TDS on export proceeds, tax on exchange gain/(Loss) from operation, cash incentive realization,dividend income and tax on Interest Income .

21. Deferred Tax (Expenses)/Income:	**(716)**	**(118)**

The provision for deferred tax (expense)/income is made to pay/adjust future income tax liability/asset due to accumulated temporary differences of interest income receivable Foreign exchange translation gain /(Loss), dividend receivable & WDV of fixed assets.

22. Fair Valuation Surplus/(deficit) of Investment (net):	**(6,169)**	**(771)**

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.

	Value in Taka '000' July to Dec' 2018	July to Dec' 2017
23. Net Operating Cash Flows Per Share:	**4.28**	**12.12**

Net operating cash flows was Tk. 4.28 per share for the 2nd quarter ended on 31st December 2018 but it was Tk. 12.12 for the same period of last year, this is mainly increased of payment for cost and expenses. This scenario is changeable time to time depending on different issues.

24. Disclosure Regarding Rearrangement:

Other Operating Income & Finance Income have been shown separately in Statement of Profit & Loss Account & Other Comprehensive Income and 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 arms length price as per normal business policy for buying & selling of dyes & chemical and yarn dyeing.

25. (b) Key management personal compensation:

Refer to Note # 17; we have provided Directors' Remuneration, Board Meeting Fees and Salaries and Allowances.

The Company is paying Remuneration to the 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 salaries and allowances.

26. Reconciliation of Net Profit with Cash Flows from Operating Activities:

Reconciliation of net income or net profit with cash flows from operating activities making adjustment for non-cash items, for non-operating items and for the net changes in operating accruals has been disclosed as per BSEC notification BSEC/ CMRRCD/2006-158/208/Admin/81 dated 20 June,2018.

CASH FLOW FROM OPERATING ACTIVITIES:	July to Dec' 2018	July to Dec' 2017
Net Profit before Tax	24,812	22,714
Add: Depreciation during the period	20,313	23,976
Less: Unadjusted foreign exchange gain/(Loss) from translation	(42)	(45)
Less: Finance Income adjustment	(4,045)	(3,011)
Add: Interest & Other Financial Charges adjustment	2,567	2,456
(Increase)/Decrease in Inventories	5,117	2,494
(Increase)/Decrease in Trade Receivables	84,562	(54,292)
(Increase)/Decrease in Other Receivables	3,130	(7,626)
(Increase)/Decrease in Advances, Deposits & Prepayments	(208)	(745)
Income Tax Paid during the period	(14,615)	(14,450)
Increase/(Decrease) in Trade Payables	(96,882)	106,224
Increase/(Decrease) in Other Payables	11,253	24,115
Net cash generated from/(used in) operating activities	**35,961**	**101,812**
RECONCILIATION		
Net cash generated from/(used in) operating activities-Indirect Method	35,961	101,812
Net cash generated from/(used in) operating activities-Direct Method	35,961	101,812
Differences	**0.00**	**0.00**

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**	**Sd/-**
Zafar Ahmed	**Zahur Ahmed PhD**	**Shahriar Ahmed**	**Kamruzzaman FCA**	**Masudur Rahman ACA**
Chairman	Managing Director	Director	Chief Financial Officer	Company Secretary