APEX TANNERY LIMITED

STATEMENT OF FINANCIAL POSITION (Un-Audited)

AS OF MARCH 31, 2016

Tk in '000'

	Notes	As of March 31 2016	As of June 30 2015
Assets			
Non Current Assets			
Property, plant and equipment	5	276,568	270,134
Capital work-in-progress	6	431,138	223,074
Advance for Land at Savar		57,431	57,431
Investments	7	47,788	52,764
Deferred tax assets		7,299	5,537
		820,224	**608,940**
Current Assets			
Inventories	8	518,795	525,785
Trade and other receivables	9	129,848	163,829
Advance, deposits and prepayments	10	130,819	120,455
Cash & cash equivalents	11	58,553	333,932
		838,015	**1,144,001**
Total Assets		**1,658,239**	**1,752,941**
Equity and Liabilities			
Shareholders' equity			
Issued, subscribed & paid-up capital			
1,52,40,000 Ordinary Shares @ Tk 10 each		152,400	152,400
Share premium		425,333	425,333
Dividend equalization fund		44,888	44,888
Retained earnings		407,585	451,933
Fair valuation surplus of Investment	12	40,232	45,208
		1,070,438	**1,119,762**
Non current liabilities			
Retirement benefit obligation		98,822	90,790
Government Grant	13	20,081	-
Current Liabilities			
Short Term Loan	14	212,347	-
Working Capital Loan	15	149,237	423,488
Trade payables	16	23,739	42,300
Other payables	17	19,116	19,255
Provision for income-tax		64,459	57,346
		468,898	**542,389**
Total Equity and Liabilities		**1,658,239**	**1,752,941**
Net Asset Value Per Share (NAVPS) Tk.		70.24	73.48

Syed Manzur Elahi
Chairman

Md. Rahmatullah
Managing Director

Faruq Ahmad Siddiqi
Independent Director

Anup Kumar Mukherjee
Chief Financial Officer

Jagadish Kumar Bhanja
Company Secretary

Dated: 28 April 2016

APEX TANNERY LIMITED

STATEMENT OF COMPREHENSIVE INCOME (Un-Audited)

FOR THE 3RD QUARTER ENDED MARCH 31, 2016

Tk in '000'

	July 1, 2015 to March 31, 2016	July 1, 2014 to March 31, 2015	January 1, 2016 to March 31, 2016	January 1, 2015 to March 31, 2015
Sales	**1,555,633**	**2,719,919**	**572,568**	**877,558**
Cost of Sales :				
Cost of goods sold	(1,416,635)	(2,547,519)	(527,600)	(826,936)
Freight & forwarding	(22,952)	(39,425)	(9,097)	(15,090)
	(1,439,587)	(2,586,944)	(536,697)	(842,026)
Gross Profit	**116,046**	**132,975**	**35,871**	**35,532**
Operating Expenses:				
Administrative expenses	(32,225)	(27,572)	(9,707)	(9,157)
Marketing expenses	(46,566)	(73,480)	(12,425)	(25,190)
Directors' remuneration	(7,695)	(7,695)	(2,565)	(2,565)
Legal & audit fees	(270)	(270)	(90)	(90)
Depreciation	(5,273)	(4,384)	(1,665)	(1,824)
	(92,029)	**(113,401)**	**(26,452)**	**(38,826)**
Operating Profit	**24,017**	**19,574**	**9,419**	**(3,294)**
Bank interest & charges	(26,931)	(23,527)	(6,942)	(7,679)
Non operating income:				
Other income	33,975	39,472	11,639	12,681
Profit for the period	**31,061**	**35,519**	**14,116**	**1,708**
Provision for contribution to WPP & WF	(1,478)	(1,690)	(672)	(81)
Profit before income tax	**29,583**	**33,829**	**13,444**	**1,627**
Current tax expenses	(7,113)	(10,311)	(1,600)	(3,045)
Deferred tax (expenses)/income	1,762	1,470	(118)	710
Income tax	(5,351)	(8,841)	(1,718)	(2,335)
Net profit after tax	**24,232**	**24,988**	**11,726**	**(708)**
Other comprehensive income				
Fair valuation surplus of investment (unrealized)	(4,976)	7,477	(5,386)	(6,904)
Total comprehensive income	19,256	32,465	6,340	(7,612)
Earnings per share without fair valuation surplus (Tk.)	**1.59**	**1.64**	**0.77**	**(0.05)**

Syed Manzur Elahi
Chairman

Md. Rahmatullah
Managing Director

F.G. Siddiqe
Faruq Ahmad Siddiq
Independent Director

Anup Kumar Mukherjee
Chief Financial Officer

Jagadish Kumar Bhanja
Company Secretary

Dated: 28 April 2016

APEX TANNERY LIMITED

STATEMENT OF CHANGES IN EQUITY (Un-Audited)

FOR THE 3RD QUARTER ENDED MARCH 31, 2016

Tk in '000

	Share Capital	Share Premium	Dividend Equalization Fund	Retained Earnings	Fair Valuation Surplus	Total
As at June 30, 2015	152,400	425,333	44,888	451,933	45,208	1,119,762
Net profit (July'15 to March 16)				24,232		24,232
Cash dividend (2014-2015)				(68,580)		(68,580)
Fair valuation surplus					(4,976)	(4,976)
As at March 31, 2016	**152,400**	**425,333**	**44,888**	**407,585**	**40,232**	**1,070,438**

FOR THE 3RD QUARTER ENDED MARCH 31, 2015

Tk in '000

	Share Capital	Share Premium	Dividend Equalization Fund	Retained Earnings	Fair Valuation Surplus	Total
As at June 30 2014	152,400	425,333	44,888	425,244	44,401	1,092,266
Net profit (July'14 to March'15)				24,988		24,988
Cash dividend (2013-2014)				(68,580)		(68,580)
Fair valuation surplus					7,477	7,477
As at March 31, 2015	**152,400**	**425,333**	**44,888**	**381,652**	**51,878**	**1,056,151**

Syed Manzur Elahi
Chairman

Md. Rahmatullah
Managing Director

Faruq Ahmad Siddiqi
Independent Director

Anup Kumar Mukherjee
Chief Financial Officer

Jagadish Kumar Bhanja
Company Secretary

Dated: 28 April 2016

APEX TANNERY LIMITED

STATEMENT OF CASH FLOW (Un-Audited)

FOR THE 3RD QUARTER ENDED MARCH 31, 2016

Tk in '000'

	3rd Qtr. Ended March 31 2016	3rd Qtr. Ended March 31 2015
Cash flow from operating activities :	**65,215**	**192,621**
Collections from turnover and other income	1,623,589	2,779,167
Payments for purchase of leather, chemicals, spare parts, creditors and other expenses	(1,516,258)	(2,549,874)
Interest paid	(26,931)	(23,527)
Payments to WPP & WF	(5,837)	-
Income-tax paid and/or deducted	(9,348)	(13,145)
Cash flow from investing activities:	**(230,191)**	**(106,900)**
Acquisition of fixed assets	(22,127)	(15,162)
Advance for Land at Savar	-	(9,423)
Capital work-in-progress	(208,064)	(82,315)
Cash flow from financing activities:	**(110,403)**	**(87,489)**
Loans received/(paid)	(61,904)	(18,909)
Dividend paid	(68,580)	(68,580)
Government Grant	20,081	-
Net cash inflows/(outflows) for the period	**(275,379)**	**(1,768)**
Opening cash and bank balances	333,932	366,897
Closing cash and bank balances	**58,553**	**365,129**
Net Operating Cash Flows Per Share (NOCFPS) Tk.	**4.28**	**12.64**

Syed Manzur Elahi
Chairman

Md. Rahmatullah
Managing Director

Faruq Ahmad Siddiq
Independent Director

Anup Kumar Mukherjee
Chief Financial Officer

Jagadish Kumar Bhanja
Company Secretary

Dated: 28 April 2016

AMARSTOCK

APEX TANNERY LIMITED

SELECTED NOTES TO THE FINANCIAL STATEMENTS

For the 3rd Quarter ended March 31, 2016

1. Company and its activities

a) The Company

Apex Tannery Limited was incorporated as a private limited company on 26th day of July 1976 under Companies Act 1913 and was converted into a public limited company in 1986. The shares of the Company are publicly traded at Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. The address of the registered office is 127 Hazaribagh T/A, Dhaka-1209.

b) Nature of business

The principal activities of Apex Tannery are to produce high quality leather, by using Italian chemicals, technology, complying with world fashion standards and specifications. Its annual capacity is about 26 million Sft. of finished goat and cow leather. Apex exports to Europe, China, South America and all major leather market of the world.

2. Basis of preparation of financial statements

These financial statements have been prepared in accordance with the requirements of Bangladesh Accounting Standard 34-Interim Financial Reporting, Bangladesh Financial Reporting Standards (BFRS), Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations.

3. Same Accounting Policies and Methods are used for preparation and presentation of 3rd Quarter Financial Statements

The same accounting policies and methods of computation are followed for preparation and presentation of 3rd Quarter Financial Statements of the Company for the period from July 01, 2015 to March 31, 2016 as compared to the most recent annual Financial Statements for the year ended June 30, 2015.

4. Seasonality/Cyclicality of interim Operation

The Company exports crust and finished leather to Europe, China, India, Japan and other major leather markets of the World. No significant seasonality/Cyclicality effect in export of finished leather. Insignificant increase in sales volume (5% to 10%) is observed during the Months of June, July and August compare to other months of the year.

	As of March 31, 2016 *Taka*	As of June 30, 2015 *Taka*
5. Property, Plant and Equipment		
Property, Plant and Equipment at cost	**900,804,407**	**878,677,445**
Less: Accumulated Depreciation	624,236,749	608,543,436
Written Down Value	**276,567,658**	**270,134,009**
6. Capital Work-in-Progress		
	431,138,489	**223,073,548**

This represents construction cost of new factory building at Savar and acquiring machineries which are under progress and not put to use during the period. Construction work has been starting from March 2015.

Amount in Tk.

		As of March 31 2016	As of June 30 2015
7	**Investment**		
	Apex Footwear Ltd. (1,36,700 shares @ 307.80)	42,076,260	47,052,140
	CDBL (5,71,181 shares @ 10.00)	5,711,810	5,711,810
		47,788,070	**52,763,950**
8	**Inventories**		
	Goatskins	111,543,430	120,083,851
	Cowhides	257,675,041	251,069,009
	Chemicals	125,698,552	133,621,683
	Spare-parts	23,878,224	21,010,760
		518,795,247	**525,785,303**
9	**Trade and other receivables**		
	Export bills receivable	124,564,260	155,612,462
	Interest Income receivable	283,500	3,216,578
	Rental Income receivable	5,000,000	5,000,000
		129,847,760	**163,829,040**
10	**Advance, deposits & prepayments**		
	L/C accounts (Goods in transit)	9,082,361	9,075,084
	Advance income-tax	110,305,212	100,957,226
	Advance rent	2,154,750	1,566,833
	Advance to staff and workers	1,643,813	559,250
	Advance to Suppliers and Contractors	500,000	1,163,652
	Bank guarantee margin	731,764	731,764
	Security deposit	6,401,200	6,401,200
		130,819,100	**120,455,009**

AMAR STOCK

Amount in Tk.

	As of March 31 2016	As of June 30 2015
11 Cash & cash equivalents		
Cash in hand		
- Head Office	1,337,927	5,439,561
- Factory	408,647	204,544
Cash at banks		
- Agrani Bank Ltd.	34,549,246	34,604,455
- Mercantile Bank Ltd.	3,966,029	17,346
- Mutual Trust Bank Ltd.	5,362,654	3,366,651
- Rupali Bank Ltd.	17,346	325,830
- State Bank of India	7,511,479	4,235,866
FDR	5,400,000	285,737,430
	58,553,328	**333,931,683**

12 Fair Valuation Surplus of Investments		
Investment in Apex Footwear Limited:		
Fair valuation surplus as of 30-06-2015		**45,208,057**
Fair value of 136,700 shares @ 307.80 as of 31-03-2016	42,076,260	
Fair value of 136,700 shares @ 344.20 as of 30-06-2015	47,052,140	(4,975,880)
Fair valuation surplus as of 31-03-2016		**40,232,177**

13 Government Grant	**20,081,073**	**-**

The amount received from Bangladesh Small and Cottage Industries Corporation (BSCIC), Govt. of Bangladesh as first Installment out of total Tk. 10,04,05,367.45 for the purpose of shifting compensation. According to BAS 20 (Bangladesh Accounting Standard 20), when conditions of future performance- (1) Completion of construction work of Factory Building and (2) Starting of commercial production at Savar are met, the amount of grant will be deducted in arriving at the carrying value of the Asset (Factory Building), in which case the grant is recognised in income over the life of the asset by way of a reduced depreciation charge.

14 Short-term Loan	**212,347,349**	**50**

Short-term loan taken from Agrani Bank Ltd., Amin Court Branch, Motijheel C/A, Dhaka-1000 as KORBANI ADVANCE for procurement of raw hides and skins after Korbani. This loan was sanctioned by Agrani Bank Ltd. against existing fixed assets and inventory as securities.

		Amount in Tk.	
		As of March 31 2016	As of June 30 2015
15	**Working Capital Loan**		
	Agrani Bank Ltd.	**149,236,891**	**423,488,039**

The company has taken cash-credit (hypothecation) facilities from Agrani Bank Ltd., Amin Court Corporate Branch, Motijheel C/A, Dhaka-1000 against existing fixed assets and inventories as securities.

16	**Trade payables**		
	Goat and Cow skin suppliers	**23,738,599**	**42,300,011**

17	**Other payables**		
	Workers' profits participation and welfare fund	2,601,712	6,961,012
	Liabilities for freights, spare parts and other expenses	16,514,766	12,140,758
	Audit fees	-	153,333
		19,116,478	**19,255,103**

18 **General**

a) Figures appearing in these financial statements have been rounded off to the nearest Taka in thousand.
b) Figures of previous period have been re-arranged wherever considered necessary for the purpose of current period's presentation.

Syed Manzur Elahi
Chairman

Md. Rahmatullah
Managing Director

Faruq Ahmad Siddiqi
Independent Director

Anup Kumar Mukherjee
Chief Financial Officer

Jagadish Kumar Bhanja
Company Secretary

Dated: 28 April 2016

AMAR STOCK