KDS Accessories Ltd.

BANGLADESH | CHINA | HONG KONG | UK

Financial Statements (Un-Audited)
As at and for the period ended 30 September 2016

AMARSTOCK

CHITTAGONG OFFICE : 191-192 BAIZID BOSTAMI ROAD, NASIRABAD I/A, CHITTAGONG 4210, BANGLADESH
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KDS ACCESSORIES LIMITED

Statement of Financial Position

As at 30 September 2016

		30 Sep 2016	30 June 2016
		Taka	Taka
ASSETS			
Non-current Assets			
Property, plant and equipment		1,194,803,512	1,100,247,638
Intangible assets		2,541,374	2,603,560
Capital work-in-progress		108,098,469	191,195,601
Investment in associate		24,832,682	24,498,060
Other investment		4,504,950	4,504,950
Total Non-current Assets		**1,334,780,987**	**1,323,049,809**
Current Assets			
Inventories		384,540,148	372,552,778
Trade receivables		796,160,426	718,558,677
Other receivables		865,396	1,314,796
Advances, deposits and prepayments		74,619,289	66,330,297
Due from affiliated company		-	25,299,855
Short term investment		8,031,392	8,045,037
Cash and cash equivalents		22,855,659	14,017,276
Total Current Assets		**1,287,072,310**	**1,206,118,716**
Total Assets	**Taka:**	**2,621,853,297**	**2,529,168,525**
EQUITY AND LIABILITIES			
Shareholders' Equity			
Share capital		572,000,000	520,000,000
Share premium		120,000,000	120,000,000
Revaluation reserve		214,391,703	214,391,703
Retained earnings		389,281,925	445,214,773
Total Shareholders' Equity		**1,295,673,628**	**1,299,606,476**
Non-current Liabilities			
Long term borrowings		77,918,343	99,081,534
Lease finance		1,884,664	1,622,770
Defined benefit obligation- gratuity		52,077,382	49,199,971
Deferred tax liability		31,637,285	30,890,702
Total Non-current Liabilities		**163,517,674**	**180,794,977**
Current Liabilities			
Trade and other payables		402,713,237	363,068,522
Current portion of long term borrowings		79,432,976	77,809,882
Current portion of lease finance		9,274,048	2,698,524
Current tax liability		41,579,022	40,923,876
Due to affiliated company		149,550,086	191,197,758
Short term bank loan		428,016,368	323,293,548
Provision for WPPF and Welfare Fund		52,096,259	49,774,962
Total Current Liabilities		**1,162,661,995**	**1,048,767,072**
Total Equity and Liabilities	**Taka:**	**2,621,853,297**	**2,529,168,525**
Net Assets Value Per Share		**22.65**	**24.99**

CHAIRMAN MANAGING DIRECTOR DIRECTOR CFO COMPANY SECRETARY

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Statement of Profit or Loss and Other Comprehensive Income

For the period from 01 July 2016 to 30 September 2016

		01 July 2016 to 30 Sep 2016	01 July 2015 to 30 Sep 2015
		Taka	Taka
Revenue		344,142,609	352,067,846
Cost of goods sold		(268,504,098)	(270,193,869)
Gross Profit		**75,638,511**	**81,873,977**
Operating expenses		(19,835,288)	(17,239,037)
Selling and distribution expenses		(9,136,427)	(13,160,548)
Operating Profit		**46,666,796**	**51,474,392**
Financial expenses		(22,087,472)	(28,143,295)
Profit before Other Income		**24,579,323**	**23,331,097**
Other income		2,692,984	332,197
Income from associates		334,622	102,082
Profit before Income Tax and distribution of WPPF and Welfare Fund		**27,606,930**	**23,765,375**
Workers' Profit Participation and Welfare Fund		(1,380,346)	(1,188,269)
Profit before Income Tax		**26,226,584**	**22,577,106**
Provision for income tax:			
-Current tax		(3,412,849)	(2,012,380)
-Deferred tax		(746,583)	(903,807)
Profit after Income Tax		**22,067,152**	**19,660,919**
Other Comprehensive Income			
Items that will never be reclassified to profit or loss		-	-
Items that are or may be reclassified to profit or loss		-	-
Other Comprehensive Income - net of tax		-	-
Total Comprehensive Income	**Taka:**	**22,067,152**	**19,660,919**
Earnings Per Share (EPS)-Restated		**0.39**	**0.34**
No. of Shares to calculate Earnings Per Share-Restated		**57,200,000**	**57,200,000**

CHAIRMAN MANAGING DIRECTOR DIRECTOR CFO COMPANY SECRETARY

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KDS ACCESSORIES LIMITED

Statement of Changes in Equity

For the period from 01 July 2016 to 30 September 2016

Amount in Taka

Particulars		Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total Equity
Balance as on 01 July 2015		400,000,000	-	214,391,703	322,587,097	936,978,800
Ordinary share issued through Initial Public Offering		120,000,000	-	-	-	120,000,000
Share premium		-	120,000,000	-	-	120,000,000
Net Profit after tax for the period		-	-	-	19,660,919	19,660,919
Balance as at 30 September 2015	**Taka:**	**520,000,000**	**120,000,000**	**214,391,703**	**342,248,016**	**1,196,639,719**
Balance as on 01 July 2016		520,000,000	120,000,000	214,391,703	445,214,773	1,299,606,476
Bonus share for the year 2015		52,000,000	-	-	(52,000,000)	-
Cash dividend for the year 2015					(26,000,000)	(26,000,000)
Net Profit after tax for the period		-	-	-	22,067,152	22,067,152
Balance as at 30 September 2016	**Taka:**	**572,000,000**	**120,000,000**	**214,391,703**	**389,281,925**	**1,295,673,628**

CHAIRMAN , MANAGING DIRECTOR DIRECTOR CFO COMPANY SECRETARY

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KDS ACCESSORIES LIMITED

Statement of Cash Flows

For the period from 01 July 2016 to 30 September 2016

	01 July 2016 to 30 Sep 2016 Taka	01 July 2015 to 30 Sep 2015 Taka
A. Cash flows from operating activities		
Cash received from customers	266,540,860	274,577,044
Cash received from other sources	3,142,384	(369,322)
Cash paid to suppliers	(260,617,510)	(329,448,555)
Cash paid for operating expenses	(14,885,913)	(57,595,217)
Cash paid for financial expenses	(22,087,472)	(28,143,295)
Income tax paid	(2,757,703)	(11,677,047)
Net cash inflow/(outflow) from operating activities	**(30,665,354)**	**(152,656,392)**
B. Cash flows from investing activities		
Acquisition of property, plant and equipment	(28,544,253)	(20,653,447)
Addition to intangible assets	(162,400)	-
Investment	13,645	890,318
Short term loan (paid to)/ received from affiliated companies	25,299,855	(16,379,154)
Net cash inflow/(outflow) from investing activities	**(3,393,153)**	**(36,142,283)**
C. Cash flows from financing activities		
Receipt / (repayment)of long term borrowings	(19,540,097)	19,957,347
Receipt / (repayment) of lease finance	6,837,418	(503,860)
Receipt / (repayment) of short term borrowings	104,722,820	190,653,401
Share Issued through IPO	-	120,000,000
Share premium	-	120,000,000
Share money deposit	-	245,424,794
Dividend paid	(7,475,577)	-
Loan receipt from affiliated companies	(41,647,672)	(4,166,622)
Net cash inflow/(outflow) from financing activities	**42,896,892**	**691,365,060**
D. Net increase of cash and cash equivalents for the period (A+B+C)	8,838,385	502,566,385
E. Cash and cash equivalents at the beginning of the period	14,017,276	8,496,397
F. Cash and cash equivalents at the end of the period (D+E)	**22,855,659**	**511,062,782**
Net operating cash flow per share	**(0.54)**	**(3.73)**

CHAIRMAN MANAGING DIRECTOR DIRECTOR CFO COMPANY SECRETARY

KDS ACCESSORIES LIMITED

Notes to the Interim Financial Statements

For the period from 01 July 2016 to 30 September 2016

1 *Legal Form of Company*

KDS Accessories Limited was incorporated on 21 April 1991 as a private limited company by shares (Registration no- C-H-C-862/154 of 1991) under Companies Act 1913 (since replaced and substituted by the Companies Act 1994) with the Registrar of Joint Stock Companies & Firms. The company was converted from Private Limited Company to Public Limited Company through an Extra-Ordinary General Meeting held on 17 April 2012 and was subsequently approved by RJSC on 26 November 2012. The Company commenced its commercial production on 1 July 1991. Its Registered Office is located at 255, Nasirabad I/A, Chittagong and factory & corporate office is located at 191-192 Baizid Bostami Road, Nasirabad I/A, Chittagong and the Company established its 2nd unit at Mirzapur, Gazipur at Dhaka in the year 2009.

The company refixed the face value of its shares from Tk 100 to Tk 10 each and enhanced its Authorized Share Capital from Tk 200,000,000 to Tk 2,000,000,000 with approval of the shareholders through an Extra-Ordinary General Meeting held on 10 August 2010.

2 *Nature of Business*

The principal activities of the Company are producing different types of standard cartons & display cartons, woven & smart labels and label, offset, silk screen, web, thermal printing, button and cold peel, hot peel, puff, glitter, image & sublimation transfers and marketing thereof.

3 *Reporting*

The first quarter financial report has been prepared based on Bangladesh Accounting Standard (BAS) - 34 "Interim Financial Reporting". This interim financial statements should be read in conjunction with the audited financial statement for the year ended 30 June 2016, as they provide an update to previously reported information.

4 *Accounting policies and method of computations*

The accounting policies and presentation used are consistent with those used in the Audited Financial Statements for the period ended 30 June 2016.

5 *Earnings Per Share*

Earnings Per Share (EPS) has been calculated based on weighted average number of shares outstanding for the period ended 30 September 2016 and profit for the same period .The weighted average number of shares outstanding for the period was 5,72,00,000 and restated for the same period of last year accordingly.

6 *Subsequent events*

No material events occurred after the reporting date, non-disclosure of which could affect the ability of the users of this financial statement to make proper evaluation and decision.

7 *GENERAL*

***7.1** Wherever considered necessary, prior period's figures and phrases have been re-arranged to confirm to this period's*

***7.2** The amounts in these financial statements have been rounded off to the nearest Taka.*

***7.3** Bracket figures denotes negative balance.*

KDS ACCESSORIES LTD. Bangladesh