Matin Spinning Mills Limited

Statement of Financial Position (Unaudited)
as at 31 December 2016

	Amounts in Taka	
	At 31 December 2016	At 30 June 2016
Assets		
Non - current assets		
Property, plant and equipment	3,812,893,609	3,116,051,536
Investment	55,226,293	47,709,792
Capital work-in-process	613,215,672	1,145,589,589
	668,441,965	1,193,299,381
Total non - current assets	4,481,335,573	4,309,350,917
Current assets		
Cash and bank balances	458,350,637	906,210,836
Accounts receivable	680,979,697	213,010,407
Inventories	606,339,535	504,040,074
Advance,deposits and Prepayments	167,513,682	159,443,290
Total current assets	1,913,183,551	1,782,704,607
Total assets	**6,394,519,124**	**6,092,055,524**
Equity and liabilities		
Share capital	974,900,000	974,900,000
Share Premium	920,700,000	920,700,000
Retained earnings	1,039,051,028	1,174,930,278
Revaluation reserve	989,766,218	989,296,816
Total equity	3,924,417,247	4,059,827,094
Non-current liabilities		
Long term bank loan	588,579,657	691,271,084
Deferred tax liability	142,127,685	127,031,508
Total non-current liabilities	730,707,342	818,302,592
Current liabilities		
Accounts payable	315,651,349	97,128,165
Share Application Money	4,582,760	4,582,760
Short term bank loan	1,173,052,550	871,815,763
Current portion of long term loan	121,562,253	120,302,481
Provision & accruals	124,545,624	120,096,669
Total current liabilities	1,739,394,536	1,213,925,838
Total equity and liabilities	**6,394,519,124**	**6,092,055,524**
NAV Per Share (With Revaluation reserves)	**40.25**	**41.64**
NAV Per Share (Without Revaluation reserves)	**30.10**	**31.50**

Chairman | Managing Director | Director

Chief Financial Officer | Company Secretary

Matin Spinning Mills Limited
Income Statement (Unaudited)
for the Half Year ended 31 December 2016

Amounts in Taka

	Half Year ended 31 December 2016	Half Year ended 31 December 2015	Period ended October 2016 to December 2016	Period ended October 2015 to December 2015
Revenue	1,259,955,010	967,753,337	689,161,997	549,104,900
Cost of goods sold	(1,082,497,397)	(731,950,783)	(593,652,720)	(413,905,003)
Gross profit	**177,457,614**	**235,802,554**	**95,509,277**	**135,199,897**
Other income	43,340,612	119,869,350	21,178,924	50,499,929
	220,798,226	**355,671,904**	**116,688,201**	**185,699,827**
Administrative expenses	(84,273,636)	(71,199,018)	(45,065,571)	(44,175,100)
Selling & Distribution expenses	(952,630)	(236,400)	(472,300)	(85,250)
Net profit before finance cost	**135,571,960**	**284,236,486**	**71,150,331**	**141,439,476**
Finance cost	(19,345,268)	(15,732,219)	(10,615,799)	(8,143,789)
Net profit before workers' profit participation funds & tax	**116,226,692**	**268,504,267**	**60,534,532**	**133,295,687**
Contribution to workers' profit participation funds	(5,534,604)	(12,785,917)	(2,882,597)	(6,347,414)
	110,692,088	**255,718,349**	**57,651,935**	**126,948,274**
Income tax	(5,414,350)	(47,660,880)	303,953	(21,973,445)
Deferred tax	(15,565,579)	(2,570,886)	(11,516,506)	(2,356,110)
Net profit after tax	**89,712,159**	**205,486,583**	**46,439,382**	**102,618,719**
Earnings Per Share (EPS)	**0.92**	**2.11**	**0.48**	**1.05**

Chairman | Managing Director | Director

Chief Financial Officer | Company Secretary

Matin Spinning Mills Limited

Statement of Comprehensive Income (Unaudited)
for the Half Year ended 31 December 2016

	Amounts in Taka	
	Half Year ended 31 December 2016	Half Year ended 31 December 2016
Net profit after tax for the period	89,712,159	205,486,583
Deferred tax on other comprehensive income	469,402	(7,114,023)
Foreign currency translation gain/(Loss)	(1,364,410)	(2,328,536)
Total comprehensive income for the period	**88,817,151**	**196,044,025**

Chairman | Managing Director | Director

Chief Financial Officer | Company Secretary

Matin Spinning Mills Limited

Statement of Changes in Equity (Unaudited)
for the Half Year ended 31 December 2016

	Amounts in Taka					
	Share capital	Share Premium	Tax holiday reserves	Retained earnings	Revaluation reserves	Total
Half Year ended 31 December 2016						
Balance at 01 July 2016	974,900,000	920,700,000	-	1,174,930,279	989,296,816	4,059,827,094
Net profit for Half Year ended ,2016	-	-	-	89,712,159	-	89,712,159
Dividend Paid	-	-	-	(224,227,000)	-	(224,227,000)
Other comprehensive income	-	-	-	(1,364,410)	469,402	(895,007)
Balance at 31 December 2016	**974,900,000**	**920,700,000**	**-**	**1,039,051,028**	**989,766,218**	**3,924,417,246**
Half Year ended 31 December 2015						
Balance at 01 July 2015	974,900,000	920,700,000	-	1,146,185,240	996,960,432	4,038,745,672
Net profit for Half Year ended ,2015	-	-	-	100,542,060	-	100,542,060
Dividend Paid				(263,223,000)		(263,223,000)
Other comprehensive income	-	-	-	(2,328,536)	(7,114,023)	(9,442,558)
Balance at 31 December 2015	**974,900,000**	**920,700,000**	**-**	**981,175,764**	**989,846,409**	**3,866,622,173**

Chairman **Managing Director** **Director**

Chief Financial Officer **Company Secretary**

Matin Spinning Mills Limited

Statement of Cash Flows (Unaudited)
for the Half Year ended 31 December 2016

Amounts in Taka

	Second Quarter Ended	
	31 December 2016	31 December 2015
A. Cash flows from operating activities		
Collection from customers	779,115,031	978,210,711
Other Income	20,646,459	30,165,488
Cash generated from operations	**799,761,490**	**1,008,376,199**
Cash paid to suppliers and employees	(829,695,140)	(849,228,804)
Interest paid on loans	(19,345,268)	(15,732,219)
Income tax paid	(6,500,000)	(26,109,619)
Net cash flows from operating activities	**(55,778,918)**	**117,305,557**
B. Cash flow from investing activities		
Acquisition of property, plant and equipment	(127,388,580)	(119,497,006)
Capital work-in-process	(270,265,143)	(693,233,636)
Dividend Income	463,200	-
Interest on FDR	16,796,519	50,426,085
Net cash used in investing activities	**(380,394,004)**	**(762,304,557)**
C. Cash flows from financing activities		
Long term loan received /(repaid)	(101,431,655)	(48,828,750)
Short term loan received/(repaid to) bank	89,772,591	497,507,356
Dividend Paid	(28,213)	(260,111,533)
Share application money refunded	-	(155,400)
Inter-company debts Received/(paid)	-	303,279,452
Net cash from/(used in) financing activities	**(11,687,277)**	**491,691,125**
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	(447,860,198)	(153,307,875)
E. Opening cash and cash equivalents	906,210,836	2,094,338,153
F. **Closing cash and cash equivalents (D+E)**	**458,350,638**	**1,941,030,278**
Net Operating Cash Flow Per Share	**(0.57)**	**1.20**

Chairman | Managing Director | Director

Chief Financial Officer | Company Secretary

Matin Spinning Mills Limited
Selected explanatory notes on the Un-Audited Financial Statements
For the period from 1st July, 2016 to 31st December, 2016

1) **Accounting Policies & Methods used for preparation & presentation of Financial Statements:**
We have followed the similar accounting policies and methods for preparation and presentation of financial statements for the period from 1st July, 2016 to 31st December, 2016 compared to the most recent annual Financial Statements for the year ended June30, 2016.

2) **Seasonality/Cyclicality of Interim Operation:**
Normally there was no significant seasonality/cyclicality effect. However turnover for the period from 1st July, 2016 to 31st December, 2016 increased by 31% compared to same period of last year. The variation in turnover is due to increase in Sales quantity arising out of operation of Mélange unit and partial operation of Synthetic unit.

3) **Changes in Non-Current Assets:**
Total Non-current Assets during the period from 1st July, 2016 to 31st December, 2016 increased by Tk.171.98 Million mainly due to addition of Factory Building and Machineries of expansion project.

4) **Changes in Current Assets:**
Total current Assets during the period from 1st July, 2016 to 31st December, 2016 increased by Tk.130.48 Million covering the following:

Particulars	BDT in Million
Cash & Cash equivalent	(447.86)
Accounts Receivables	467.97
Inventories	102.30
Advance Deposits and Prepayments	8.07
Total	**130.48**

5) **Changes in Shareholder's equity:**
Shareholders' equity changed due to addition of after tax profit for the period and adjustment of dividend approved for the year 2015-2016.

6) **Changes in Non-Current Liabilities:**
Total Non-current Liabilities decreased by Tk.87.60 Million due to repayment of Long Term loan and increase in deferred tax liability.

7) **Changes in Current Liabilities:**
Total Current Liabilities increased by Tk. 525.47 Million covering the following:

Particulars	BDT in Million
Accounts payable	218.52
Share Application Money	-
Short term bank loan	301.24
Current portion of long term loan	1.26
Provision & accruals	4.45
Total	**525.47**

8) Changes in Operating Income :

Sales Revenue increased by 31% compared to same period of last year. The variation in turnover is due to increase in Sales quantity arising out of operation of Mélange unit and partial operation of Synthetic unit.

9) Increase of Cost of Goods Sold:

Cost of goods sold increased from 75.63% in 1st half of last year to 85.92 % during the same period of current year mainly due to the following reasons:

i) Increase in Salary & allowances.
ii) Increase in utility cost.
iii) Increase in depreciation.

10) Changes in Gross Profit:

GP decreased by 10.28% due to increase in Salary & allowances, depreciation, Gas and electricity expenses.

11) Changes in Net Profit:

Net Profit decreased mainly due to the following:

i) Decrease in other income by Tk.76, 528,738.
ii) Increase in utility cost.
iii) Increase in depreciation charges.

12) Other Income:

Other income decreased mainly due to lower interest income on FDR by Tk. 74,989,410. Interest income decreased because of encashment of FDRs for repayment of bank loan against import of Machinery for Mélange Unit. Fixed deposit amount on 31st December 2015 was Tk. 1,839,960,986 compared to fixed deposit amount of Tk. 330,629,867 on 31st December 2016.

13) Significant deviation in EPS:

Earnings per Share decreased mainly due to the following:

i) Decrease in other income.
ii) Increase in utility cost.
iii) Increase in depreciation charges for consideration of operation of Mélange unit and partial operation of Synthetic unit.
iv) General increase of other manufacturing and administrative expenses.
v) Increase in financial expenses.

14) Deviation in Net Operating Cash Flows :

During the period collection from customers was lower compared to same period of last year. Moreover, interest payment increased over the same period of last year. As a result net operating cash flows was negative by (0.57) per share.

15) Disclosure of Key management personnel compensation:

As per the paragraph 17 of BAS-24: **Related Party Disclosure**, there was no payment of benefits during this period on Account of:

a) Short-term employee benefits
b) Postemployment benefits
c) Other long-term benefits
d) Termination benefits
e) Share-based payment.

Chairman	Managing Director	Director	Chief Financial Officer	Company Secretary

AMARSTOCK