Matin Spinning Mills Limited

Statement of Financial Position (Unaudited)
as at December 31, 2018

	Amounts in Taka	
	31 December 2018	30 June 2018
Assets		
Non - current assets		
Property, plant and equipment	4,064,334,013	4,168,868,097
Investment	37,915,949	34,336,067
Capital work-in-process	52,033,909	30,603,751
	89,949,858	64,939,818
Total non - current assets	4,154,283,871	4,233,807,915
Current assets		
Cash and bank balances	102,971,645	106,272,934
Accounts receivable	1,277,561,814	1,079,124,341
Inventories	976,413,095	947,835,529
Materials in transit	126,854,704	147,238,548
Advance,deposits and prepayments	234,987,717	207,967,996
Total current assets	2,718,788,974	2,488,439,348
Total assets	**6,873,072,845**	**6,722,247,263**
Equity and liabilities		
Share capital	974,900,000	974,900,000
Share premium	920,700,000	920,700,000
Retained earnings	1,479,900,870	1,368,406,755
Revaluation reserve	986,724,441	989,192,269
Total equity	4,362,225,311	4,253,199,024
Non-current liabilities		
Long term bank loan	311,217,124	367,459,542
Deferred tax liability	221,002,451	195,416,173
Total non-current liabilities	532,219,574	562,875,715
Current liabilities		
Accounts payable	142,771,849	144,211,228
Share application money	4,553,160	4,553,160
Short term bank loan	1,502,776,378	1,436,478,545
Current portion of long term loan	190,016,508	192,312,780
Provision & accruals	138,510,063	128,616,810
Total current liabilities	1,978,627,958	1,906,172,524
Total equity and liabilities	**6,873,072,845**	**6,722,247,263**
NAV Per Share (With Revaluation reserves)	**44.75**	**43.63**

Managing Director | Director | Director

Chief Financial Officer | Company Secretary

Matin Spinning Mills Limited
Statement of Profit or Loss (Unaudited)
for the 2nd quarter ended 31 December 2018

Amounts in Taka

	Half Year ended 31 December 2018	Half Year ended 31 December 2017	Period ended October 2018 to December 2018	Period ended October 2017 to December 2017
Revenue	2,246,119,789	1,962,290,073	1,096,043,985	1,050,665,786
Cost of goods sold	(1,991,467,328)	(1,704,053,843)	(977,731,629)	(903,607,349)
Gross profit	**254,652,461**	**258,236,231**	**118,312,356**	**147,058,437**
Other income	31,109,934	50,961,474	13,782,397	27,504,466
	285,762,396	**309,197,705**	**132,094,753**	**174,562,904**
Administrative expenses	(87,169,780)	(87,174,119)	(39,174,089)	(43,594,537)
Distribution expenses	(4,082,080)	(3,278,051)	(2,688,030)	(1,950,265)
Net profit before finance cost	**194,510,535**	**218,745,534**	**90,232,634**	**129,018,102**
Finance cost	(50,004,717)	(39,519,030)	(25,060,523)	(16,467,474)
Net profit before workers' profit participation funds & tax	**144,505,818**	**179,226,505**	**65,172,111**	**112,550,627**
Contribution to workers' profit participation funds	(6,881,229)	(8,534,595)	(3,103,434)	(5,359,554)
Net profit before taxation	**137,624,589**	**170,691,909**	**62,068,677**	**107,191,074**
Income tax	(3,012,024)	(18,182,721)	48,157	(13,363,198)
Deferred tax	(23,118,449)	(11,952,609)	(8,398,244)	(5,987,695)
Net profit after tax	**111,494,116**	**140,556,579**	**53,718,590**	**87,840,180**
Earnings Per Share (EPS)	**1.14**	**1.44**	**0.55**	**0.90**

Managing Director | Director | Director

Chief Financial Officer | Company Secretary

Matin Spinning Mills Limited

Statement of Other Comprehensive Income (Unaudited)

for the 2nd quarter ended December 31, 2018

	Notes	Amounts in Taka	
		31 December 2018	31 December 2017
Net profit after tax for the period		111,494,116	140,556,579
Deferred tax on other comprehensive income		(2,467,828)	445,039
Total comprehensive income for the period		**109,026,287**	**141,001,619**

Managing Director | Director | Director

Chief Financial Officer | Company Secretary

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Matin Spinning Mills Limited

Statement of Changes in Equity (Unaudited)
for the 2nd quarter ended December 31, 2018

	Amounts in Taka				
	Share capital	Share Premium	Retained earnings	Revaluation reserves	Total
2nd Quarter ended 31 December 2018					
Balance at 01 July 2018	974,900,000	920,700,000	1,368,406,755	989,192,269	4,253,199,024
Net profit for the period	-	-	111,494,116	-	111,494,116
Dividend Paid	-	-	-	-	-
Other comprehensive income	-	-	-	(2,467,828)	(2,467,828)
Balance at 31 December 2018	**974,900,000**	**920,700,000**	**1,479,900,871**	**986,724,441**	**4,362,225,312**
2nd Quarter ended 31 December2017					
Balance at 01 July 2017	974,900,000	920,700,000	1,212,036,507	985,715,950	4,093,352,457
Net profit for the period	-	-	140,556,580	-	140,556,580
Dividend Paid	-	-	-	-	-
Other comprehensive income	-	-	-	445,039	445,039
Balance at 31 December 2017	**974,900,000**	**920,700,000**	**1,352,593,087**	**986,160,989**	**4,234,354,076**

Managing Director **Director** **Director**

Chief Financial Officer **Company Secretary**

Matin Spinning Mills Limited

Statement of Cash Flows (Unaudited)
for the 2nd quarter ended December 31, 2018

		Amounts in Taka	
		31 December 2018	31 December 2017
A.	**Cash flows from operating activities**		
	Collection from customers	2,048,049,296	2,094,923,046
	Other Income	17,083,912	27,240,878
	Cash generated from operations	**2,065,133,207**	**2,122,163,923**
	Cash paid to employees	(143,342,041)	(126,547,917)
	Cash paid to suppliers	(1,801,748,088)	(1,229,750,484)
	Interest paid on loans	(57,467,654)	(45,892,215)
	Net cash flows from operating activities	**62,575,424**	**719,973,306**
B.	**Cash flow from investing activities**		
	Acquisition of property, plant and equipment	(47,359,992)	(3,125,498)
	Capital work-in-process	(21,430,158)	(20,772,587)
	Dividend Income	50,000	1,579,000
	Investment in marketable securities	(3,579,882)	(7,757,948)
	Net cash used in investing activities	**(72,320,033)**	**(30,077,032)**
C.	**Cash flows from financing activities**		
	Long term loan received	47,885,150	-
	Long term loan (repaid)	(104,465,099)	(144,367,810)
	Short term loan received from bank	1,888,328,248	1,292,138,740
	Short term loan repaid to bank	(1,829,452,592)	(2,085,630,002)
	Share application money refunded	-	(29,600)
	Net cash from/(used in) financing activities	**2,295,707**	**(937,888,673)**
D.	Net increase/(decrease) in cash and cash equivalents (A+B+C)	(7,448,902)	(247,992,398)
E.	Opening cash and cash equivalents	106,272,934	346,387,853
F.	Effects of currency translation on cash and cash equivalents	4,147,613	12,570,403
G.	**Closing cash and cash equivalents (D+E+F)**	**102,971,645**	**110,965,858**
	Net Operating Cash Flow Per Share	**0.64**	**7.39**

Managing Director | **Director** | **Director**

Chief Financial Officer | **Company Secretary**

Matin Spinning Mills Limited
Selected explanatory notes on the Un-Audited Financial Statements
For the period from July 01, 2018 to December 31, 2018

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 July 01, 2018 to December 31, 2018 compared to the most recent annual financial statements for the year ended June 30, 2018.

2) **Seasonality/Cyclicality of Interim Operation:**
There was no significant seasonality/cyclicality effect during this reporting period.

3) **Changes in Non-Current Assets:**
Total non-current assets during the period from July 01, 2018 to December 31, 2018 decreased by Tk.79.52 million mainly due to the effect of depreciation on fixed assets.

4) **Changes in Current Assets:**
Total current assets during the period from July 01, 2018 to December 31, 2018 increased by Tk. 230.35 million covering the following:

Particulars	BDT in Million
Cash & Cash Equivalent	(3.30)
Accounts Receivables	198.44
Inventories	28.58
Materials in transit	(20.38)
Advance Deposits and Prepayments	27.02
Total	**230.35**

5) **Changes in Shareholders' equity:**
Shareholders' equity changed due to addition of after tax profit for the period July 01, 2018 to December 31, 2018.

6) **Changes in Non-Current Liabilities:**
Total non-current liabilities decreased by Tk.30.66 million mainly due to repayment of Long Term loan.

7) **Changes in Current Liabilities:**
Total current liabilities increased by Tk. 72.46 million covering the following:

Particulars	BDT in Million
Accounts payable	(1.44)
Share Application Money	-
Short term bank loan	66.30
Current portion of long term loan	(2.30)
Provision & accruals	9.89
Total	**72.46**

8) **Changes in Operating Income:**
Sales Revenue increased by 14.46 % compared to same period of last year. The variation in turnover is due to increase in sales quantity derived from the full operation of Mélange and Synthetic unit.

9) **Increase of Cost of Goods Sold:**
Cost of goods sold increased by 17.19% compared to same period of last year is mainly due to the impact of incremental sales revenue and significant increase of raw material cost.

10) **Changes in Gross Profit and Net profit ratio:**
GP% and NP % decreased mainly due to increase in raw material cost.

11) **Significant deviation in EPS:**
Earnings per Share decreased mainly due to high raw material cost.

12) **Deviation in Net Operating Cash Flows:**
Net operating cash flows per share decreased to Tk. 0.64 compared to the same period of last year Tk. 7.39 is mainly because of decrease in collection from customers. Main elements of OCF are Customer payments and Supplier payments, both fluctuate quarter over quarter which is very common in the spinning industry.

13) **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) Post-employment benefits
c) Other long-term benefits
d) Termination benefits
e) Share-based payment.

14) **Net cash flows from operating activities – indirect method**

	Amounts in Taka
Cash Flow from Operations	**December 31, 2018**
Net income	111,494,116
Less: Dividend Income transfer to investing activities	(50,000)
Less: Effects of foreign currency translation gain /(loss)	(4,147,613)
Depreciation and amortization	151,894,077
Decrease (increase) in current assets	(233,650,915)
Decrease (increase) in current liabilities	8,453,873
Decrease (increase) in Revaluation Reserve	(2,467,828)
Deferred tax liability	25,586,278
Unrealized gain/(loss)	5,463,436
Cash flow from operating activities	**62,575,424**

16) Related party disclosure

During the year, the Company carried out a numbers of transactions with related parties in the normal course of business. The names of the related parties and nature of these transaction have been set out in accordance with the provisions of BAS-24:

Name of the related party	Relationship	Nature of transaction	Value of transactions (taka)	Closing balance at December 31,2018	Status as at December 31,2018	Closing balance as at June 30,2018	Status as at June 30,2018
Flamingo Fashions Ltd	Sister Concern	Sale of yarn	153,893,869	172,784,909	Debtor	214,776,320	Debtor
Jinnat Fashions Ltd	Sister Concern	Sale of yarn	167,062,131	143,954,705	Debtor	25,831,211	Debtor
Jinnat knitwears Ltd	Sister Concern	Sale of yarn	274,922,716	173,575,665	Debtor	25,226,869	Debtor
Jinnat Apparels Ltd	Sister Concern	Sale of yarn	82,454,893	70,899,091	Debtor	59,417,925	Debtor
		Office Rent	(120,000)	20,000	Creditors	20,000	Creditors
Mawna Fashions Ltd.	Sister Concern	Sale of yarn	40,611,480	20,770,113	Debtor	6,500,953	Debtor
Hamza Textiles Ltd	Sister Concern	Sale of yarn	64,606,042	23,976,007	Debtor	48,798,426	Debtor
Parkway Printing & Packging Ltd.	Sister Concern	Sale of yarn	11,426,908	13,630,172	Debtor	12,034,874	Debtor
		Godown	5,404,816	1,823,599	Debtor	2,805,745	Debtor
DBL Distribution Ltd	Sister Concern	Fuel & Lubricant	50,894,498	5,751,003	Creditor	34,082,171	Creditor

Managing Director | Director | Director | Chief Financial Officer | Company Secretary