

APEX SPINNING & KNITTING MILLS LIMITED

Rupayan Golden Age (5th & 6th Floor), 99 Gulshan Avenue, Gulshan, Dhaka-1212

In compliance with the Notification No:SEC/CMRRCD/2008-183/Admin/03-34 dated September 27, 2009 of the Bangladesh Securities and Exchange Commission, we are pleased to forward herewith the un-audited 1st Quarter (Q1) Financial Statements for the period ended on 30th June, 2014 of the Company.

STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT 30TH JUNE 2014

Value in Taka '000'

	As on 30.06.2014	As on 31.03.2014	Growth %
ASSETS			
Non Current Assets:			
Property, Plant and Equipment Investment	273,703	273,062	0
	22,020	22,020	0
	295,723	295,082	
Current Assets:			
Inventories	196,945	195,969	0
Trade Debtors	350,221	336,933	4
Advance, Deposits & Prepayments	47,303	43,695	8
Other Receivable	20,086	9,588	109
Cash & Cash Equivalents	208,293	254,996	(18)
	822,848	841,181	
TOTAL ASSETS	1,118,571	1,136,263	
EQUITY AND LIABILITIES:			
Shareholders' Equity			
Share Capital	84,000	84,000	0
Share Premium	15,000	15,000	0
Reserve and Surplus	312,471	307,435	2
Fair Valuation Surplus of Investment	11,477	11,477	0
	422,948	417,912	
Non Current Liabilities			
Deferred Tax Liability	1,218	1,218	0
	1,218	1,218	
Current Liabilities			
Working Capital Loan	23,200	3,652	535
Short Term Loan	37,274	78,460	(52)
Trade Creditors	569,733	574,250	(1)
Sundry Creditors	64,198	60,771	6
	694,405	717,133	
Total Liabilities	695,623	718,351	(3)
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,118,571	1,136,263	
Net Assets Value Per Share	50.35	49.75	

STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE 1ST QUARTER ENDED ON 30TH JUNE 2014

Value in Taka '000'

	01.04.2014 to 30.06.2014	01.04.2013 to 30.06.2013	Growth %
TURNOVER			
Cost of Goods Sold	641,262	630,839	2
	586,492	576,671	2
GROSS PROFIT	54,770	54,168	1
OPERATING EXPENSES:			
Administrative & Selling Overhead	45,747	45,425	1
Financial Expenses	1,661	1,566	6
	47,408	46,991	
OPERATING PROFIT	7,362	7,177	3
Other Income	1,350	1,561	(14)
PROFIT BEFORE PPF & WF	8,712	8,738	(0)
Provision for Contribution to PPF & WF	436	437	(0)
PROFIT BEFORE TAX	8,276	8,301	(0)
Provision for tax	3,240	3,683	(12)
NET PROFIT AFTER TAX	5,036	4,618	9
Other comprehensive income	-	-	0
TOTAL COMPREHENSIVE INCOME	5,036	4,618	9
Basic earning per share	0.60	0.55	9

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE 1ST QUARTER ENDED ON 30TH JUNE 2014

Value in Taka '000'

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation Surplus	Total
As at 1st April 2014	84,000	15,000	129,701	174,982	2,752	11,477	417,912
Net Profit for the 1st quarter ended on 30th June 2014	-	-	-	5,036	-	-	5,036
As at 30th June 2014	84,000	15,000	129,701	180,018	2,752	11,477	422,948

STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE 1ST QUARTER ENDED ON 30TH JUNE 2014

Value in Taka '000'

	01.04.2014 to 30.06.2014	01.04.2013 to 30.06.2013	Growth %
CASH FLOWS FROM OPERATING ACTIVITIES:			
Collection from turnover	627,975	627,260	0
Other income	1,350	1,561	(14)
Interest & other financial charges paid	(17,201)	(18,033)	(5)
Income tax paid	(3,320)	(5,544)	(40)
Payment for costs and expenses	(621,438)	(557,373)	11
Net cash generated from operating activities (a)	(12,634)	47,871	(126)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property, Plant and Equipment acquired	(12,429)	(2,714)	358
Net cash used in investing activities (b)	(12,429)	(2,714)	358
CASH FLOWS FROM FINANCING ACTIVITIES:			
Working capital loan received/(repaid)	19,548	(36,509)	(154)
Short term loan received/(repaid)	(41,186)	(31,780)	30
Dividend paid	(2)	(17)	(88)
Net cash generated from financing activities (c)	(21,640)	(68,306)	(68)
Net increase/(decrease) in cash and cash equivalents (a+b+c)	(46,703)	(23,149)	102
Cash and cash equivalents on opening	254,996	300,258	(15)
Cash and cash equivalents on closing	208,293	277,109	(25)
Net Operating Cash Flow Per Share	(1.50)	5.70	

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE 1ST QUARTER ENDED ON 30TH JUNE 2013

Value in Taka '000'

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation Surplus	Total
As at 1st April 2013	84,000	15,000	129,701	180,735	2,752	2,104	414,292
Net Profit for the 1st quarter ended on 30th June 2013	-	-	-	4,618	-	-	4,618
As at 30th June 2013	84,000	15,000	129,701	185,353	2,752	2,104	418,910

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 30th June 2014.
- (3) No diluted EPS is required to be calculated as there was no dilution during this period.
- (4) Figures were rounded-off to the nearest thousand Taka.
- (5) Revaluation surplus/deficit of investment & deferred tax calculation have not been considered because these will be shown in the yearly financial statements

Note: The details with selective notes of the published first quarterly financial statements can be available in the web-site of the Company. The address of the web-site is www.apexknitting.com

Sd/-
Zahur Ahmed Phd
Managing Director

Sd/-
Zafar Ahmed
Director

Sd/-
Kamruzzaman FCA
Chief Financial Officer

SELECTIVE NOTES TO THE FINANCIAL STATEMENTS FOR THE 1ST QUARTER ENDED ON JUNE 30, 2014

	Value in Taka '000'	
	As on 30.06.2014	As on 31.03.2014
1. Property, Plant and Equipment (WDV):	<u>273,703</u>	<u>273,062</u>

During the period, fixed assets have been increased by Tk. 1,24,29,468/- mainly for construction of new Effluent Treatment Plant for Tk. 1,12,25,761/- .

2. Advance, Deposits & Pre-payments:		
Advance Income Tax	35,034	31,714
Staff Advance	20	44
Securities & Deposits	7,122	7,260
Advance against expenses	<u>5,127</u>	<u>4,677</u>
	<u>47,303</u>	<u>43,695</u>

3. Other Receivable:		
Cash Incentive Receivable	20,086	9,588
	<u>20,086</u>	<u>9,588</u>

The growth of 109.50% in Other receivables due to increase in cash incentive receivable from the Bank which will be received from bank time to time depending on their availability of fund from Bangladesh Bank.

4. Working Capital Loan:		
Eastern Bank Ltd, Principal Br. Dhaka	15,462	4,913
HSBC, Dhaka	<u>7,738</u>	<u>(1,261)</u>
	<u>23,200</u>	<u>3,652</u>

The working capital loan increased of 535.27% due to more utilization of working capital loan.

5. Short Term Loan :		
Time loan-EBL	7,249	7,168
Import loan-EBL	<u>30,025</u>	<u>71,292</u>
	<u>37,274</u>	<u>78,460</u>

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

Sd/-
Zahur Ahmed PhD
Managing Director

Sd/-
Zafar Ahmed
Director

Sd/-
Kamruzzaman FCA
Chief Financial Officer

	Value in Taka '000'	
	April to June 2014	April to June 2013
6. Turnover:	<u>641,262</u>	<u>630,839</u>

Turnover has been slightly increased by 1.65% as compared to the turnover of same period of 2012-13.

7. Cost of Goods Sold:	<u>586,492</u>	<u>576,671</u>
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The increase of 1.70% in cost of goods sold mainly due to the increase of factory overhead for worker salary.

8. Financial Expenses:		
Interest on Short Term Loan	1,607	1,056
Interest on Overdraft	54	510
	<u>1,661</u>	<u>1,566</u>

The increase of financial expenses due to more utilization of short term loan.

9. Other Income:		
Interest earned on STD Account	17	6
Foreign Exchange Gain	315	305
FDRs Interest	<u>1,018</u>	<u>1,250</u>
	<u>1,350</u>	<u>1,561</u>

The decrease of 13.52% is mainly due to lower bank interest rate on time deposits as compared to last period.

10. Provision for Tax:	<u>3,240</u>	<u>3,683</u>
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The decreased 12.02% for provision for tax is mainly for reduction of TDS on export proceeds from 0.80% to 0.30% as compared to last period. The 0.30% rate is effective from 22th April, 2014.

11. Related Party Transactions:
Apex Spinning & Knitting Mills Limited has few transactions with ApexTextile Printing Mills Limited, Apex Yarn Dyeing Limited and Matex Bangladesh Limited . These transactions are considered as related party transactions as per BAS 24 "Related Party Transaction" .The transactions are occurred during the period with an arm length transaction as per other normal buying & selling of dyes & chemical and yarn dyeing cost.