

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 Securities and Exchange Commission, in addition to Rule 13 of the Securities & Exchange Rules 1987, we are pleased to forward herewith the un-audited Half Yearly (Q2) Financial Statements for the period ended on 30th September 2013 of the Company.

STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT 30TH SEPTEMBER, 2013

	Value in Taka '000'		
	As on 30.09.2013	As on 31.03.2013	Growth %
ASSETS			
Non-Current Assets:			
Property, Plant and Equipment	286,070	307,546	(7)
Investment	12,647	12,647	0
	298,717	320,193	(7)
Current Assets:			
Inventories	212,214	185,097	15
Trade Debtors	164,706	281,069	(41)
Advances, Deposits & Pre- Payments	107,491	91,467	18
Other Receivables	22,120	3,508	531
Cash & Cash Equivalents	317,840	300,258	6
	824,371	861,399	(4)
TOTAL ASSETS	1,123,088	1,181,592	
EQUITY AND LIABILITIES			
Shareholders' Equity:			
Share Capital	84,000	84,000	0
Share Premium	15,000	15,000	0
Reserve and Surplus	304,930	313,188	(3)
Fair Valuation Surplus of Investment	2,104	2,104	(0)
	406,034	414,292	(2)
Non-Current Liabilities:			
Deferred Tax Liability	1,208	1,208	0
	1,208	1,208	
Current Liabilities:			
Working Capital Loan (Secured)	(2,272)	35,631	(106)
Short Term Loan	26,683	79,523	(66)
Trade Creditors	562,488	553,551	2
Sundry Creditors	128,948	97,387	32
	715,847	766,092	(7)
Total Liabilities	717,054	767,300	(7)
TOTAL EQUITY AND LIABILITIES	1,123,088	1,181,592	
Net Asset Value Per Share	48.34	49.32	

STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2013

	Value in Taka '000'		
	01.04.2013 to 30.09.2013	01.04.2012 to 30.09.2012	Growth %
CASH FLOWS FROM OPERATING ACTIVITIES:			
Collection from turnover	1,276,136	1,241,846	3
Other Income	3,682	1,284	187
Interest and financial charges paid	(10,702)	(10,325)	4
Income tax paid	(12,068)	(12,972)	7
Payment for costs and expenses	(1,143,951)	(1,083,205)	(6)
Net cash generated from operating activities (a)	113,097	136,628	(17)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property, Plant and Equipment acquired	(4,727)	(31,996)	(85)
Investment	-	(352)	-
Net cash used in investing activities (b)	(4,727)	(32,348)	(85)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Working Capital Loan received/(repaid)	(37,902)	6,749	(662)
Term loan received/(repaid)	(52,840)	19,765	(367)
Dividend Payment	(46)	(32)	43
Net cash generated from financing activities (c)	(90,788)	26,482	(443)
Net increase/(decrease) in cash and cash equivalents(a+b+c)	17,582	130,762	(87)
Cash & cash equivalents on opening	300,258	189,300	59
Cash & cash equivalents on closing	317,840	320,062	(1)
Net Operating Cash Flow Per Share	13.46	16.27	

Sd/-
Zahur Ahmed PhD
Managing Director

Sd/-
Shahriar Ahmed
Director

Sd/-
Kamruzzaman, FCA
Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2013

	Value in Taka '000'			Value in Taka '000'		
	01.04.2013 to 30.09.2013	01.04.2012 to 30.09.2012	Growth %	01.07.2013 to 30.09.2013	01.07.2012 to 30.09.2012	Growth %
TURNOVER						
Cost of Goods Sold	1,159,773	1,105,720	5	528,934	455,505	16
	1,050,217	1,009,575	4	473,546	410,884	15
GROSS PROFIT	109,556	96,145	14	55,388	44,621	24
OPERATING EXPENSES:						
Administrative & Selling Overhead	90,936	78,369	16	45,511	36,080	26
Financial Expenses	3,095	3,867	(20)	1,529	2,168	(29)
	94,031	82,236	14	47,040	38,248	23
OPERATING PROFIT	15,525	13,909	12	8,348	6,373	31
Other Income	3,682	1,588	132	2,120	1,194	78
PROFIT BEFORE PPF & WF	19,207	15,497	24	10,468	7,567	38
Provision for Contribution to PPF & WF	960	738	30	523	360	45
PROFIT BEFORE TAX	18,246	14,759	24	9,945	7,207	38
Provision for tax	11,385	8,882	28	7,702	5,129	50
NET PROFIT AFTER TAX	6,862	5,877	17	2,243	2,078	8
Other comprehensive income	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	6,862	5,877	17	2,243	2,078	8
Basic earning per share	0.82	0.70	17	0.27	0.25	8

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2013

Particulars	Value in Taka '000'						Total
	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Fair Valuation Surplus	Capital Gain	
As at 1st April 2013	84,000	15,000	129,701	180,735	2,104	2,752	414,292
Net Profit for the six months ended on 30th September 2013	-	-	-	6,862	-	-	6,862
Final dividend for the year 2012-13	-	-	-	(15,120)	-	-	(15,120)
As at 30th September 2013	84,000	15,000	129,701	172,477	2,104	2,752	406,034

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2012

Particulars	Value in Taka '000'						Total
	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Fair Valuation Surplus	Capital Gain	
As at 1st April 2012	84,000	15,000	129,701	177,368	3,722	2,752	412,543
Net Profit for the six months ended on 30th September 2012	-	-	-	5,877	-	-	5,877
Final dividend for the year 2011-12	-	-	-	(15,120)	-	-	(15,120)
As at 30th September 2012	84,000	15,000	129,701	168,125	3,722	2,752	403,300

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 September 2013.
- (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 of the published half yearly financial statements can be available in the web-site of the Company. The address of the web-site is www.apexknitting.com

SELECTIVE NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED ON SEPTEMBER 30, 2013

	Value in Taka '000'	
	As on 30.09.2013	As on 31.03.2013
1. Property, Plant and Equipment (WDV):	286,070	307,546

During the period, fixed assets have been increased by Tk. 47,27,170/- mainly for factory building Tk. 25,92,501/- for extension of store building & dormitory building but depreciation charged during the period Tk. 26,203,188/-

2. Trade Debtors:	164,706	281,069
--------------------------	----------------	----------------

During the period, trade debtors have been decreased due to prompt realization

3. Advance, Deposits & Pre-payments:		
Advance Income Tax	92,057	79,990
Staff Advance	1,000	1,088
Securities & Deposits	7,369	6,534
Advance against expenses	7,065	3,875
	107,491	91,467

The growth of 17.52% mainly due to deduction of tax at source on export proceeds & bank interest on FDRs & STD account & advance against local purchase.

4. Other Receivable:		
Cash Incentive Receivable	21,815	3,508
Dividend Receivable	305	-
	22,120	3,508

The growth of 530.56% 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 & dividend receivable from AFL.

5. Cash and Bank Balances		
Cash in hand	20	20

CD Account with EBL, Dhaka	16	17
CD Account with DBL, Dhaka	29	29
CD Account with S.C. B-Dhaka	145	133
CD Account with MTB, Chandora	78	80
CD Account with MTB, Dhaka	89	89
CD Account with AB Bank, Dhaka	46	46
CD Account with DBBL, Dhaka	177	178
CD Account with HSBC (Dividened)	0.02	0.02
CD Account with EBL (Dividened)	18	7
FCY Account with EBL, Dhaka-USD	4,437	50,228
FCY Account with HSBC, Dhaka-USD	526	341
STD Account with S.C. B, Dhaka	740	740
STD Account with EBL	195	190
STD Account with HSBC, Dhaka	1	1
Cash Credit A/C With EBL, Dhaka	31	31
Margin Account with EBL-USD	265,541	204,655
Margin Account with HSBC-USD	-	-
Fixed Deposits Accounts with EBL, Dhaka	45,750	43,471
	317,820	300,238
	317,840	300,258

6. Working Capital Loan:		
Eastern Bank Ltd, Principal Br. Dhaka	32,008	50,449
HSBC, Dhaka	(34,280)	(14,818)
	(2,272)	35,631

The working capital loan decreased to 106.38% due to repayment of the outstanding balance of the loan due to more inflow of cash.

7. Short Term Loan :		
Time loan-EBL	5,627	9,029
Import loan-EBL	21,056	25,025
Time loan-HSBC	-	45,468
	26,683	79,523

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

	April to Sep' 2013	April to Sep' 2012
8. Turnover:	1,159,773	1,105,720

Turnover has been increased by 4.89% as compared to the turnover of same period of 2012-13 due to increase of unit sale.

9. Cost of Goods Sold:		
Opening Stock of Finished Goods	3,511	7,348
Add: Cost of Production (note # 9.a)	1,058,026	1,009,489
Less: Closing Stock of Finished Goods	(11,320)	(7,261)
	1,050,217	1,009,575

	Value in Taka '000'	
	April to Sep' 2013	April to Sep' 2012
9.a. Cost of Production:		
Opening Raw Materials & WIP	181,585	176,152
Add: Raw Materials purchase during the year	744,544	754,215
Add: Factory Overhead (Note # 9.a.a)	332,791	279,040
Less: Closing Raw Materials & WIP	(200,894)	(199,919)
	1,058,026	1,009,489

9.a.a Factory Overhead:		
Wages & Salaries	259,379	202,162
Telephone Charges	35	30
Carriage	1,621	1,619
Electricity	1,277	509
Gas, Fuel & Lubricant	19,993	22,465
Insurance	4,579	6,260
Repairs & Maintenance	18,263	18,049
Vehicle Maintenance	1,432	1,190
Tent Rent	180	-
Uniform & Liveries	13	12
Fire fighting Expenses	537	368
Testing Bill	397	879
Depreciation	25,085	25,498
	332,791	279,040

10. Administration & Selling Overhead:		
Bank Charges & Commission	7,607	6,458
Board Meeting Fees	4	8
Depreciation	1,119	1,145
Directors Remuneration	1,800	1,800
Entertainment	744	463
Export Processing & Handling Expenses	1,220	653
F.C. Charges	25,599	25,262
Freight & Forwarding Expenses	8,626	7,676
Insurance Premium	494	297
Legal & Professional Fees	123	93
Newspapers & Periodicals	38	16
Courier, Postage & Stamp	34	326
Power & Fuel	-	155
Printing & Stationery	1,776	3,290
Publicity & Advertisement	182	206
Renewal & Fees	195	95
Rent & Rates	1,857	1,603
Repairs & Maintenance	3,166	3,134
Salary & Allowances	28,248	19,641
Sales Promotional Expenses	3,401	3,004
Subscription & Donation	201	101
T. A & Conveyance	554	452
Telephone, Fax and Radio Link	437	334
Transportation	2,260	1,618
Vehicles Maintenance	1,251	539
	90,936	78,369

11. Financial Expenses:		
Interest on Term Loan	1,936	2,929
Interest on Overdraft	1,159	938
	3,095	3,867

The decrease of financial expenses due to repayment of short term loan.

12. Other Income:		
Interest earned on STD Account	19	141
Interest earned on FDR Account	2,532	1,250
Dividend Income	305	305
Foreign Exchange Gain/(Loss)	826	(107)
	3,682	1,588

The growth of 131.86% is mainly for interest earned on FDRs & Foreign Exchange Gain.

13. Provision for Tax:	11,385	8,882
-------------------------------	---------------	--------------

The increased 28.18% for provision for tax is mainly due to more turnover and deduction at source thereon during this quarter.

14. Related Party Transactions:
Apex Spinning & Knitting Mills Limited has few transactions with 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.

Sd/-
Zahur Ahmed PhD
Managing Director

Sd/-
Shahriar Ahmed
Director

Sd/-
Kamruzzaman FCA
Chief Financial Officer