

APEX SPINNING & KNITTING MILLS LIMITED

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

Un-audited Half Yearly (Q2) Financial Statements for the period ended on 31st December 2019

STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT 31ST DECEMBER, 2019

Value in Taka '000'

| Note # | As at 31.12.2019 | As at 30.06.2019 | Growth % |
|---|---------------------|---------------------|-------------|
| ASSETS | | | |
| Non-Current Assets: | | | |
| | 305,460 | 329,765 | |
| Property, Plant and Equipment | 208,241 | 224,142 | (7.09) |
| Investment | 22,886 | 31,290 | (26.86) |
| Investment in Financial Assets | 64,275 | 64,275 | - |
| Security Deposits | 10,058 | 10,058 | - |
| Current Assets: | | | |
| | 912,526 | 1,053,870 | |
| Inventories | 196,444 | 195,773 | 0.34 |
| Trade Receivables | 416,370 | 510,123 | (18.38) |
| Advances, Deposits & Pre- Payments | 80,833 | 61,807 | 30.78 |
| Other Receivables | 6,065 | 49,679 | (87.79) |
| Cash & Cash Equivalents | 212,814 | 236,488 | (10.01) |
| TOTAL ASSETS | 1,217,986 | 1,383,635 | |
| EQUITY AND LIABILITIES | | | |
| Shareholders' Equity: | | | |
| | 449,421 | 462,671 | |
| Share Capital | 84,000 | 84,000 | - |
| Share Premium | 15,000 | 15,000 | - |
| Reserve & Surplus | 339,312 | 344,999 | (1.65) |
| Fair Valuation Surplus of Investments | 11,109 | 18,672 | (40.50) |
| Non-Current Liabilities: | | | |
| | 2,386 | 8,572 | |
| Deferred Tax Liability | 2,386 | 8,572 | (72.17) |
| Current Liabilities: | | | |
| | 766,179 | 912,392 | |
| Working Capital Loan (Secured) | 42,521 | 38,524 | 10.38 |
| Short Term Loan | 116,727 | 47,877 | 143.80 |
| Trade Payables | 439,481 | 692,939 | (36.58) |
| Other Payables | 167,450 | 133,052 | 25.85 |
| Total Liabilities | 768,565 | 920,964 | (16.55) |
| TOTAL EQUITY AND LIABILITIES | 1,217,986 | 1,383,635 | |
| Net Assets Value (NAV) Per Share | 53.50 | 55.08 | |

**STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED 31ST DECEMBER, 2019**

Value in Taka '000'

| Note # | 01.07.2019 to 31.12.2019 | 01.07.2018 to 31.12.2018 | Growth % |
|--|--------------------------------|--------------------------------|-----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Collection from revenue | 1,607,262 | 1,768,298 | (9.11) |
| Finance Income from SND | 4 | 4 | - |
| Other Income from foreign exchange gain/(loss) | 10,222 | (621) | (1,746) |
| Bank Charges & Commission | (41,572) | (37,605) | 10.55 |
| Income tax paid | (19,019) | (14,615) | 30.14 |
| Payment for costs and expenses | (1,654,346) | (1,679,496) | (1.50) |
| Net cash generated from/(used in) operating activities (a) | (97,450) | 35,965 | (370.96) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Property, Plant and Equipment acquired | (1,453) | (8,855) | (83.59) |
| Finance Income from FDRs | - | - | - |
| Net cash generated from/(used in) investing activities (b) | (1,453) | (8,855) | (83.59) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Working Capital Loan received/(repaid) | 3,997 | (51,563) | (107.75) |
| Term loan received/(repaid) | 68,849 | (27,035) | (354.67) |
| Dividend Paid | (46) | (71) | (34.73) |
| Interest and financial charges paid | (895) | (2,567) | (65.13) |
| Net cash generated from/(used in) financing activities (c) | 71,905 | (81,236) | (188.51) |
| Net increase/(decrease) in cash and cash equivalents(a+b+c) | (26,998) | (54,126) | (50.12) |
| Cash & cash equivalents on opening | 236,488 | 244,760 | (3.38) |
| Foreign exchange gain/(loss) from translation | 3,324 | 42 | 7,814.29 |
| Cash & cash equivalents on closing | 212,814 | 190,676 | 11.61 |
| Net Operating Cash Flows Per Share | (11.60) | 4.28 | |

**Please refer to note # 38 for Reconciliation of cash flows from operating activities under direct method and indirect method as per requirement of BSEC.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE HALF YEAR ENDED 31ST DECEMBER, 2019

Value in Taka '000'

| Note # | 01.07.2019 to 31.12.2019 | 01.07.2018 to 31.12.2018 | Growth % | 01.10.2019 to 31.12.2019 | 01.10.2018 to 31.12.2018 | Growth % |
|---|--------------------------------|--------------------------------|-------------|--------------------------------|--------------------------------|-------------|
| REVENUE | | | | | | |
| | 1,523,271 | 1,682,847 | (9.48) | 921,521 | 981,639 | (6.12) |
| Cost of Goods Sold | (1,388,504) | (1,539,883) | (9.83) | (850,732) | (903,779) | (5.87) |
| GROSS PROFIT | 134,767 | 142,964 | (5.73) | 70,789 | 77,860 | (9.08) |
| Other Operating Income/(Loss) | 4,158 | (27) | (15.401) | 1,398 | (355) | (493.27) |
| Administrative & Selling Overhead | (116,020) | (119,603) | (3.00) | (62,758) | (66,786) | (6.03) |
| OPERATING PROFIT/(LOSS) | 22,905 | 23,334 | (1.84) | 9,429 | 10,718 | (12.03) |
| Finance Income | 4,207 | 4,045 | 4.00 | 2,989 | 2,908 | 2.79 |
| Financial Expenses | (895) | (2,567) | (65.13) | (665) | (1,184) | (43.83) |
| PROFIT BEFORE PPF & WF | 26,217 | 24,812 | 5.66 | 11,753 | 12,442 | (5.54) |
| Provision for Contribution to PPF & WF | (1,248) | - | - | (560) | - | - |
| PROFIT BEFORE TAX | 24,969 | 24,812 | 12.370 | 11,193 | 12,442 | (6) |
| TAX EXPENSES: | | | | | | |
| | (13,856) | (13,340) | 3.87 | (3,570) | (4,721) | (24.38) |
| Current Tax | (19,202) | (12,718) | 50.98 | (6,352) | (5,101) | 24.52 |
| Deferred Tax (Expenses)/Income | 5,346 | (622) | (959.49) | 2,782 | 380 | 632.11 |
| NET PROFIT AFTER TAX | 11,113 | 11,472 | (3.13) | 7,623 | 7,721 | (1.27) |
| OTHER COMPREHENSIVE INCOME: | | | | | | |
| | (7,563) | (6,169) | 22.60 | (3,298) | 1,439 | (329.19) |
| Fair Valuation Surplus / (Deficit) of Investments | (8,403) | (6,854) | 22.60 | (3,664) | 1,599 | (329.14) |
| Deferred Tax (Exp./)Income on share valuation Deficit | 840 | 685 | 22.63 | 366 | (160) | (328.75) |
| TOTAL COMPREHENSIVE INCOME | 3,550 | 5,303 | (33.05) | 4,325 | 9,160 | (52.78) |
| Basic Earnings Per Share (EPS) | 1.32 | 1.37 | (3.13) | 0.91 | 0.92 | (1.27) |

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE HALF YEAR ENDED 31ST DECEMBER, 2019

Value in Taka '000'

| Particulars | Share Capital | Share Premium | Tax Holiday Reserve | Retained Earnings | Fair Valuation Surplus | Capital Gain | Total |
|---|------------------|------------------|---------------------------|----------------------|------------------------------|-----------------|----------------|
| As at 30 June, 2019 | 84,000 | 15,000 | 129,701 | 212,546 | 18,672 | 2,752 | 462,671 |
| Net Profit for the six months ended on 31st December 2019 | - | - | - | 11,113 | - | - | 11,113 |
| Final dividend for the year 2018-2019 | - | - | - | (16,800) | - | - | (16,800) |
| Fair Valuation Surplus/(deficit) of Investment | - | - | - | - | (7,563) | - | (7,563) |
| As at 31st December 2019 | 84,000 | 15,000 | 129,701 | 206,859 | 11,109 | 2,752 | 449,421 |

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE HALF YEAR ENDED 31ST DECEMBER, 2018

Value in Taka '000'

| Particulars | Share Capital | Share Premium | Tax Holiday Reserve | Retained Earnings | Fair Valuation Surplus | Capital Gain | Total |
|---|------------------|------------------|---------------------------|----------------------|------------------------------|-----------------|----------------|
| As at 30 June, 2018 | 84,000 | 15,000 | 129,701 | 205,243 | 23,790 | 2,752 | 460,486 |
| Prior Year Adjustment (Note-34) | - | - | - | (510) | - | - | (510) |
| Restated Retained Earnings | 84,000 | 15,000 | 129,701 | 204,733 | 23,790 | 2,752 | 459,976 |
| Net Profit for the six months ended on 31st December 2018 | - | - | - | 11,472 | - | - | 11,472 |
| Final dividend for the year 2017-2018 | - | - | - | (16,800) | - | - | (16,800) |
| Fair Valuation Surplus/(deficit) of Investment | - | - | - | - | (6,169) | - | (6,169) |
| As at 31st December 2018 | 84,000 | 15,000 | 129,701 | 199,405 | 17,621 | 2,752 | 448,478 |

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

Sd/-
Zafar Ahmed
Chairman

Sd/-
Zahur Ahmed PhD
Managing Director

Sd/-
Shahriar Ahmed
Director

Sd/-
Kamruzzaman FCA
Chief Financial Officer

Sd/-
Md. Delour Hossen
Acting Company Secretary

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31ST DECEMBER, 2019
FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS**

1. The company and its operation:

1.01 Legal Form of the Enterprise:

The Apex Spinning & Knitting Mills Limited is a Public Limited Company registered under the Companies Act, 1913 (repealed in 1994). The Company was incorporated in Bangladesh vide RJSC Registration no. C-20149 dated on 25.11.1990. Shares of the Company are listed in the Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd.

1.02 Address of Registered Office and Factory:

The Registered Office of the Company is located at Rupayan Golden Age, 5th & 6th Floor, 99 Gulshan Avenue, Gulshan, Dhaka-1212 and the Factory is located at Chandora, P.O. Chandora, P.S. Kaliakoir, Dist. Gazipur.

1.03 Nature of Business Activities:

The Company owns and operates a 100% export oriented vertically integrated knitting, dyeing & finishing and garment factory.

2. Basis of the preparation of the Financial Statements:

2.01 Accounting Convention and Basis:

These Financial Statements have been prepared under the Historical Cost Convention, Accrual and Going Concern basis in accordance with applicable International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) which does not vary from the requirements of the Companies Act, 1994 and the Listing Regulations of the Stock Exchanges, The Securities & Exchange Rules, 1987 and other laws and rules applicable in Bangladesh.

2.02 Application of International Accounting Standards (IASs) and International Financial Reporting Standards(IFRSs):

We have complied the following IASs & IFRSs are applicable for the financial statements for the period under review:

| | |
|---|---|
| IAS-1 Presentation of financial statements | IAS-24 Related Party Disclosures |
| IAS-2 Inventories | IAS-33 Earnings Per Share |
| IAS-7 Statement of Cash Flows | IAS-34 Interim Financial Reporting |
| IAS-8 Accounting Policies, Changes in Accounting Estimates and Errors | IAS-36 Impairment of Assets |
| IAS-10 Events after the Reporting Period | IAS-37 Provisions, Contingent Liabilities and Contingent Assets |
| IAS-12 Income Taxes | IAS-39 Financial Instruments: Recognition and Measurement |
| IAS-16 Property, Plant and Equipment | IFRS-07 Financial Instruments: Disclosures |
| IAS-21 The Effects of Changes in Foreign Exchange Rates | IFRS-15 Revenue from Contracts with Customers |
| IAS-23 Borrowing Cost | |

2.03 Compliance with local laws:

The Financial Statements have been prepared in compliance with requirements of the Companies Act 1994, The Securities & Exchange Rules, 1987, the Income Tax Ordinance, 1984, Income Tax Rule 1984, The VAT Act 2012, VAT Rule 2012 and other relevant local laws and rules.

3. Other General Notes:

- (a) No interim dividend paid during the interim period ended on 31st December 2019.
 (b) No diluted EPS is required to be calculated as there was no dilution during this period.
 (c) Last year's half yearly figures have been re-arranged where considered necessary to confirm to current half year's presentation.
 (d) Figures were rounded-off to the nearest thousand Taka.
 (e) Reporting Period: These financial statements cover the period from 01st July 2019 to 31st December 2019.
 (f) Comparative Figure: Comparative information has been disclosed in respect of same period of the year 2018-2019 for income statement and financial position with 30th June 2019.
 (g) Reporting Currency: These financial statements are prepared in Bangladeshi Taka.

| | Value in Taka '000' | |
|--|---------------------|---------------------|
| | As at 31.12.2019 | As at 30.06.2019 |
| 4. Property, Plant and Equipment (WDV): | <u>208,241</u> | <u>224,142</u> |
| During the period, fixed assets have been increased by Tk. 1,453/- in Plant & Machinery, Equipments & Deep Tube well & Furniture but depreciation charged during the period is Tk. 17,355/-. Depreciation has been charged (reducing balance method) on additions made during the period from the month in which that assets are ready to use as per IAS 16. | | |
| 5. Investment: | <u>22,886</u> | <u>31,290</u> |
| During the period, investment has been changed due to fair valuation of share. | | |
| 6. Investment in Financial Assets: | <u>64,275</u> | <u>64,275</u> |
| FDR's were purchased from EBL for more than one year (i.e. 380 days). | | |
| 7. Security Deposits: | <u>10,058</u> | <u>10,058</u> |
| Security deposits are made to statutory bodies and hence secured. | | |
| 8. Inventories: | | |
| Finished Goods (T, Polo, sweat Shirt) | 57,218 | 5,903 |
| Raw Materials (Yarn & Dyes Chemical) | 67,306 | 91,963 |
| WIP (Dyed, Knitted & Garments) | 52,026 | 67,376 |
| Accessories | 19,893 | 30,530 |
| | <u>196,444</u> | <u>195,773</u> |
| 9. Trade Receivables: | <u>416,370</u> | <u>510,123</u> |
| Trade receivables have been decreased due to realize as per schedule. | | |
| 10. Advances, Deposits & Pre-payments: | | |
| Advance Income Tax | 78,783 | 59,764 |
| Advance against expenses | 2,050 | 2,043 |
| | <u>80,833</u> | <u>61,807</u> |

The Increase of 30.78% due to increase of advance income tax & advance against expenses.

| | Value in Taka '000' | |
|---|---------------------|---------------------|
| | As at 31.12.2019 | As at 30.06.2019 |
| 11. Other Receivables: | | |
| Cash Incentive Receivable | - | 47,818 |
| FDRs Interest Receivable | 4,298 | 1,861 |
| Dividend Receivable | 1,767 | - |
| | <u>6,065</u> | <u>49,679</u> |
| The decrease of 87.79% in other receivables mainly for certificate amount of cash incentive receivable already received from Bangladesh Bank. | | |
| 12. Cash & Cash Equivalents: | | |
| Cash in hand | 20 | 20 |
| Cash at Bank | | |
| CD Account with Eastern Bank Ltd., Dhaka | 9 | 9 |
| CD Account with DBL, Dhaka | 26 | 27 |
| CD Account with SCB, Dhaka | 190 | 189 |
| CD Account with Mutual Trust Bank Ltd, Chandora | 346 | 50 |
| CD Account with Mutual Trust Bank Ltd, Dilkusha, Dhaka | 83 | 83 |
| CD Account with AB Bank, Dhaka | 38 | 38 |
| CD Account with DBBL, Dhaka | 4,422 | 4,158 |
| CD Account with EBL-Dividend, Dhaka | 0 | 0 |
| CD Account with HSBC-Dividend, Dhaka | 1 | 0 |
| Foreign Currency Account with EBL, Dhaka-USD | 5,754 | 16,464 |
| Foreign Currency Account with HSBC, Dhaka-USD | 399 | 397 |
| SND Account with SCB, Dhaka | 735 | 735 |
| SND Account with EBL, Principal Branch, Dhaka | 207 | 208 |
| SND Account with HSBC, Dhaka | 1 | 1 |
| CC Accounts with EBL, Dhaka | 22 | 23 |
| Margin Account with EBL-USD | 200,561 | 214,084 |
| | <u>212,794</u> | <u>236,468</u> |
| | <u>212,814</u> | <u>236,488</u> |

Sd/-
Zafar Ahmed
Chairman

Sd/-
Zahur Ahmed PhD
Managing Director

Sd/-
Shahriar Ahmed
Director

Sd/-
Kamruzzaman FCA
Chief Financial Officer

Sd/-
Md. Delour Hossen
Acting Company Secretary

Value in Taka '000'

| | As at <u>31.12.2019</u> | As at <u>30.06.2019</u> |
|--|----------------------------|----------------------------|
| The decrease of cash & cash equivalents due to reduce of margin balance for payment of BTB liability in schedule time. | | |
| Foreign Currency Account balances in USD are given below which has converted in BDT at closing rate @ 83.95 per USD as on 31.12.2019 & as compare to BDT @ 83.50 per USD as on 30.06.2019: | | |
| | In USD | In USD |
| Foreign Currency Account with EBL | \$ 68,542 | \$ 197,179 |
| Foreign Currency Account with HSBC | \$ 4,753 | \$ 4,753 |
| Margin Account with EBL | \$ 2,389,057 | \$ 2,563,883 |

13. Share Capital :

Authorized Capital:
30,000,000 Ordinary Shares of Tk. 10/= each.

| | | |
|--|----------------|----------------|
| | <u>300,000</u> | <u>300,000</u> |
|--|----------------|----------------|

Issued, Subscribed & Paid up Capital:
8,400,000 Ordinary Shares of Tk. 10/= each fully paid
There was no preference share issued by the Com.

| | | |
|--|---------------|---------------|
| | <u>84,000</u> | <u>84,000</u> |
|--|---------------|---------------|

13.a Composition of Shareholdings :

| | No. of Share | % | No. of Share | % |
|----------------------|------------------|---------------|------------------|---------------|
| Sponsors & Directors | 4,603,751 | 54.81 | 4,603,751 | 54.81 |
| Institutions | 1,899,908 | 22.62 | 1,906,525 | 22.70 |
| Public - Local | 1,875,661 | 22.32 | 1,648,557 | 19.62 |
| Foreign Shareholders | 20,680 | 0.25 | 241,167 | 2.87 |
| | <u>8,400,000</u> | <u>100.00</u> | <u>8,400,000</u> | <u>100.00</u> |

14. Share Premium:

This is as per last account and represents premium of Tk. 50/= per Share of 300,000 Ordinary Shares of Tk. 100 each.

| | | |
|--|---------------|---------------|
| | <u>15,000</u> | <u>15,000</u> |
|--|---------------|---------------|

15. Reserve & Surplus :

| | | |
|---------------------------|----------------|----------------|
| Reserve for Re-Investment | 129,701 | 129,701 |
| Retained Earnings | 206,859 | 212,546 |
| Capital Gain | 2,752 | 2,752 |
| | <u>339,312</u> | <u>344,999</u> |

16. Fair valuation surplus of Investments (Net of Tax):

| | | |
|---|---------------|---------------|
| Opening Balance | 18,672 | 23,790 |
| Fair valuation surplus/(deficit) during the period (net of tax) | (7,563) | (5,118) |
| | <u>11,109</u> | <u>18,672</u> |

17. Deferred Tax Liability:

a) **Book Value of Depreciable Assets**

| | | |
|---|------------|------------|
| Tax Base of Depreciable Assets | 208,241 | 224,142 |
| Net Taxable Temporary Difference | 197,907 | 212,315 |
| Effective Tax Rate | 10,334 | 11,827 |
| Closing Deferred tax (Assets)/Liabilities arising from assets | 12% | 12% |
| Opening Deferred Tax Balance | 1,240 | 1,419 |
| Deferred Tax Income/(Expense) | 1,419 | 1,755 |
| | <u>179</u> | <u>336</u> |

b) **Unrealised Interest on FDRs**

| | | |
|---|--------------|------------|
| Effective Tax Rate | 4,298 | 1,861 |
| Closing Deferred tax (Assets)/Liabilities arising from Unrealised FDRs Interest | 25% | 25% |
| | <u>1,075</u> | <u>465</u> |

| | | |
|-------------------------------|-------|-----|
| Opening Deferred Tax Balance | 465 | 484 |
| Deferred Tax Income/(Expense) | (610) | 20 |

c) **Unrealised Foreign Exchange Gain/(Loss) from translation**

| | | |
|--|--------------|------------|
| Effective Tax Rate | (6,064) | (675) |
| Closing Deferred tax (Assets)/Liabilities arising from Exchange Gain/(Loss) from translation | 25% | 25% |
| Opening Deferred Tax Balance | (1516) | (169) |
| Deferred Tax Income/(Expense) | 171 | 340 |
| | <u>1,347</u> | <u>340</u> |

d) **Dividend Receivable**

| | | |
|---|--------------|----------|
| Effective Tax Rate | 1,767 | - |
| Closing Deferred tax (Asst)/Liab. arising from Dividend Receiv. | 20% | 20% |
| Opening Deferred Tax Balance | 353 | - |
| Deferred Tax Income/(Expense) | - | - |
| | <u>(353)</u> | <u>-</u> |

e) **Cash Incentive Receivable**

| | | |
|---|--------------|----------------|
| Effective Tax Rate | - | 47,818 |
| Closing Def. tax (Asst)/Liab. arising from cash incentive Receiv. | 5% | 10% |
| Opening Deferred Tax Balance | - | 4,782 |
| Deferred Tax Income/(Expense) | 4,782 | 510 |
| Total Deferred Tax Income/(Expense) from (a+b+c+d+e) | <u>4,782</u> | <u>(4,272)</u> |

f) **Deferred Tax (Assets)/Liabilities arising from Other**

| | | |
|---|--------------|--------------|
| Comprehensive Income- surplus from fair value of share : Tax for (Losses)/gains on available for sale investments @ 10% | 1,234 | 2,075 |
| Closing deferred tax (assets)/liabilities arising from Fair Valuation Surplus of Investments | 2,075 | 2,643 |
| Opening Deferred Tax Balance | 840 | 568 |
| Deferred Tax Income/(Expense) | 2,386 | 8,572 |
| | <u>2,386</u> | <u>8,572</u> |

Deferred Tax Closing Liability (a+b+c+d+e+f)

| | | |
|--|--------------|--------------|
| | <u>2,386</u> | <u>8,572</u> |
|--|--------------|--------------|

Sd/-
Zafar Ahmed
Chairman

Sd/-
Zahur Ahmed Phd
Managing Director

Sd/-
Shahriar Ahmed
Director

Sd/-
Kamruzzaman FCA
Chief Financial Officer

Sd/-
Md. Delour Hossen
Acting Company Secretary

Value in Taka '000'

| | As at <u>31.12.2019</u> | As at <u>30.06.2019</u> |
|---|----------------------------|----------------------------|
| 18. Working Capital Loan (secured): | | |
| Eastern Bank Ltd, Principal Br. Dhaka | 41,141 | 33,768 |
| HSBC, Dhaka | 1,380 | 4,756 |
| | <u>42,521</u> | <u>38,524</u> |

The working capital loan increased due to utilization of working capital for salaries & wages and regular procurement payment .

19. Short Term Loan :

| | | |
|-----------------|----------------|---------------|
| Time loan-EBL | 18,390 | 11,936 |
| Import loan-EBL | 98,337 | 35,941 |
| | <u>116,727</u> | <u>47,877</u> |

The increase of short term loan due to more utilization of import loan & time loan for import of dyes chemical & other raw materials.

20. Trade Payables:

| | | |
|--|----------------|----------------|
| | <u>439,481</u> | <u>692,939</u> |
|--|----------------|----------------|

The decrease of trade payables due to payment of BTB Liability as per schedule.

21. Other Payables:

| | | |
|--|----------------|----------------|
| Clearing & Forwarding | 4,045 | 6,045 |
| Insurance Premium | 1,393 | 1,113 |
| Power, Fuel and Water | 10,767 | 5,430 |
| Telephone, Telex & Fax | 21 | 9 |
| Salary, Wages and Overtime | 42,875 | 48,099 |
| Audit Fees | 201 | 230 |
| Income Tax Payable | 67,998 | 48,796 |
| Provident Fund Payable | 6,593 | 7,721 |
| Unclaimed Dividend | 25,618 | 8,864 |
| Provision for contribution to PPF & WF | 3,900 | 2,652 |
| Payable for office rent | 482 | 482 |
| Payable for other expenses | 2,257 | 1,352 |
| TDS payable to Govt. | 1,236 | 2,173 |
| VDS payable to Govt. | 64 | 85 |
| | <u>167,450</u> | <u>133,052</u> |

The increase of 25.85% in other payables mainly for provision of income tax and unclaimed dividend including the dividend payable for 2018-19 which has been approved in the last AGM dated on 12th December'19 but not distributed within this period.

22. Net Assets value (NAV) Per Share:

| | | |
|--|--------------|--------------|
| Equity Attributable to the Owners of the Company | 449,421 | 462,671 |
| Number of Ordinary Shares | 8,400 | 8,400 |
| Net Assets value (NAV) Per Share | <u>53.50</u> | <u>55.08</u> |

| | | |
|--|------------------------------|------------------------------|
| | <u>July to Dec' 2019</u> | <u>July to Dec' 2018</u> |
|--|------------------------------|------------------------------|

23. Revenue:

| | | |
|--|------------------|------------------|
| | <u>1,523,271</u> | <u>1,682,847</u> |
|--|------------------|------------------|

Revenue has been decreased by 9.48% due to decrease of export order & quantity export during this period as compared to the same period of 2018-19 .

24. Cost of Goods Sold:

| | | |
|--|------------------|------------------|
| Opening Stock of Finished Goods | 5,903 | 32,999 |
| Add: Cost of Production (note # 24.a) | 1,439,819 | 1,535,516 |
| Less: Closing Stock of Finished Goods | (57,218) | (28,632) |
| | <u>1,388,504</u> | <u>1,539,883</u> |

24.a. Cost of Production:

| | | |
|--|------------------|------------------|
| Opening Raw Materials & WIP | 189,869 | 163,250 |
| Add: Raw Materials purchase during the period | 717,028 | 966,229 |
| Add: Factory Overhead (Note # 24.a.a) | 672,147 | 568,537 |
| Less: Closing Raw Materials, WIP & Accessories | (139,225) | (162,500) |
| | <u>1,439,819</u> | <u>1,535,516</u> |

24.a.a Factory Overhead:

| | | |
|---------------------------|----------------|----------------|
| Carriage | 2,585 | 3,538 |
| Electricity | 1,027 | 741 |
| Gas, Fuel & Lubricant | 60,850 | 35,735 |
| Insurance | 5,047 | 4,376 |
| Repairs & Maintenance | 33,685 | 24,217 |
| Telephone Charges | 19 | 11 |
| Wages & Salaries | 531,283 | 459,897 |
| Bank Charges & Commission | 6,066 | 3,898 |
| Central Fund - RMG Sector | 476 | 520 |
| Depreciation | 16,702 | 19,668 |
| Fire Fighting Exp. | 213 | 248 |
| Travelling & Conveyance | 2,469 | 3,812 |
| Testing Bill | 7,073 | 7,740 |
| Uniform & Liveries | 288 | 159 |
| ETP Chemical | 764 | 682 |
| Entertainment | 995 | 885 |
| UD & UP Expenses | 276 | 295 |
| Printing Expenses | 1,265 | 1,150 |
| Stationeries Expenses | 1,064 | 965 |
| | <u>672,147</u> | <u>568,537</u> |

Sd/-
Shahriar Ahmed
Director

Sd/-
Kamruzzaman FCA
Chief Financial Officer

Sd/-
Md. Delour Hossen
Acting Company Secretary

| | Value in Taka '000' | |
|---|----------------------|----------------------|
| | July to Dec' 2019 | July to Dec' 2018 |
| 25. Other Operating Income/(loss): | | |
| Foreign exchange gain/(loss) from operations | 10,222 | (621) |
| Foreign exchange gain/(loss) from translation | (6,064) | 594 |
| | <u>4,158</u> | <u>(27)</u> |
| 26. Administrative & Selling Overhead: | | |
| AGM Expenses | 117 | 149 |
| Audit Fess (including VAT) | 201 | - |
| Bank Charges & Commission | 3,283 | 3,342 |
| Board Meeting Fees | 5 | 10 |
| Depreciation | 653 | 644 |
| Directors' Remuneration | 1,800 | 1,800 |
| Entertainment | 371 | 1,464 |
| Export Processing & Handling Expenses | 2,343 | 4,920 |
| F.C. Charges | 32,222 | 30,365 |
| Freight & Forwarding Expenses | 14,247 | 16,579 |
| Insurance Premium | 1,303 | 290 |
| Legal & Professional Fees | 704 | 120 |
| Medical Expenses | 43 | - |
| Newspapers & Periodicals | 9 | 5 |
| Postage & Stamp | 36 | 43 |
| Power & Fuel | 430 | 303 |
| Printing Expenses | 236 | 3,191 |
| Stationery Expenses | 391 | 412 |
| Publicity & Advertisement | 93 | 78 |
| Renewal & Fees | 4,210 | 4,223 |
| Rent & Rates | 2,410 | 2,611 |
| Repairs & Maintenance | 2,669 | 2,670 |
| Salary & Allowances | 36,853 | 37,456 |
| Sales Promotional Expenses | 2,224 | 2,637 |
| Subscription & Donation | 10 | 206 |
| Travelling & Conveyance | 3,295 | 800 |
| Telephone, Fax and Radio Link | 261 | 247 |
| Transportation Expenses | 5,601 | 5,039 |
| | <u>116,020</u> | <u>119,603</u> |
| 27. Finance Income: | | |
| Dividend Income | 1,767 | 1,766 |
| Interest earned on SND Account | 4 | 4 |
| Interest earned on FDRs Account | 2,437 | 2,275 |
| | <u>4,207</u> | <u>4,045</u> |

The increase of 4.00% is mainly for increase interest rate of time deposits.

| | July to Dec' 2019 | July to Dec' 2018 |
|--------------------------------|----------------------|----------------------|
| 28. Financial Expenses: | | |
| Interest on Time Loan | 538 | 2,469 |
| Interest on Overdraft | 357 | 98 |
| | <u>895</u> | <u>2,567</u> |

The decrease of financial expenses due to early settlement of import loan for the period.

| | July to Dec' 2019 | July to Dec' 2018 |
|--|----------------------|----------------------|
| 29. Provision for contribution to PPF & WF: | <u>(1,248)</u> | <u>-</u> |

This is being calculated @ 5.00% of the net profit after charging such contribution provided as per provisions of the Bangladesh Labor Law 2006 and Bangladesh Labor Rules 2015 and is payable to Workers' & government as defined in the said Act.

| | July to Dec' 2019 | July to Dec' 2018 |
|-------------------------|----------------------|----------------------|
| 30. Current Tax: | <u>19,202</u> | <u>12,718</u> |

This represents the deduction of TDS on export proceeds, tax on exchange gain/(loss) from operations, TDS on cash incentive realization and tax on finance Income.

Calculation of Current tax:

| | July to Dec' 2019 | July to Dec' 2018 |
|-------------------------------------|----------------------|----------------------|
| a) Regular Tax | | |
| Profit before tax | 24,968 | 24,812 |
| Accounting Depreciation | 17,355 | 20,313 |
| Capital Allowance | (15,862) | (18,404) |
| Other Operating Income/(Loss) | (4,158) | 27 |
| Finance Income | (4,207) | (4,045) |
| Income/(Loss) from Business | <u>18,095</u> | <u>22,703</u> |
| Tax on Business Income @ 12% | <u>2,171</u> | <u>2,724</u> |
| b) Minimum Tax U/S -82c(2) | | |
| TDS on export proceeds | <u>11,301</u> | <u>11,922</u> |
| c) Minimum Tax U/S -82c(4) | | |
| Realized from turnover | 0.288 | 4,629 |
| Relized from other operating Income | 0.600 | 61 |
| Relized from finance Income | 0.600 | 0.02 |
| | <u>4,690</u> | <u>5,093</u> |

So, Current tax

| | July to Dec' 2019 | July to Dec' 2018 |
|--|----------------------|----------------------|
| Business tax- Higher of a,b & c | 11,301 | 11,922 |
| Tax on Finance Income @ 25% | 1 | 443 |
| Tax on other operating Income @ 25% | 2,556 | (155) |
| Tax on Dividend Income @ 20% | - | - |
| Tax on Cash Incentive @ 10% on realised amount | 5,344 | 508 |
| | <u>19,202</u> | <u>12,718</u> |

| | July to Dec' 2019 | July to Dec' 2018 |
|--|----------------------|----------------------|
| 31. Deferred Tax (Expenses)/Income: | <u>5,346</u> | <u>(622)</u> |

The provision for deferred tax (expense)/income is made to pay/adjust future income tax liability/asset due to accumulated temporary differences of interest income receivable, Foreign exchange translation gain/(loss), dividend receivable, cash incentive receivable & WDV of fixed assets. (Please see the details in note # 17 for total deferred tax income/(expense) from above mentioned temporary differences).

Sd/-
Zafar Ahmed
Chairman

Sd/-
Zahur Ahmed PhD
Managing Director

| | July to Dec' 2019 | July to Dec' 2018 |
|---|----------------------|----------------------|
| 32. Fair Valuation Surplus/(deficit) of Investment (net of tax): | <u>(7,563)</u> | <u>(6,169)</u> |

Fair valuation surplus/(deficit) of investments represents the difference of market value of the listed Company's share on the closing date and the last audited Balance Sheet price.

| | July to Dec' 2019 | July to Dec' 2018 |
|--|----------------------|----------------------|
| 33. Basic Earning Per Share (EPS): | | |
| Earnings after tax Attributable to the Owners of the Company | 11,113 | 11,472 |
| Number of Ordinary Shares | 8,400 | 8,400 |
| Basic Earning Per Share (EPS) | <u>1.32</u> | <u>1.37</u> |

EPS for Q2 of 2018-19 has been restated from 1.35 to 1.37 due to accounted for deferred tax on cash incentive receivable as on 31.12.2018 by Tk. 93,906/-.

| | July to Dec' 2019 | July to Dec' 2018 |
|---|----------------------|----------------------|
| 34. Disclosure Regarding Restated: | | |
| Retained earnings as on 30 June 2018 has been restated due to accounted for deferred tax on cash incentive receivable by Tk. 509,847/-. | | |

| | July to Dec' 2019 | July to Dec' 2018 |
|--|----------------------|----------------------|
| 35. Net Operating Cash Flows (NOCF) Per Share: | | |
| Net cash generated from/(used in) operating activities | (97,450) | 35,965 |
| Number of Ordinary Shares | 8,400 | 8,400 |
| Net Operating Cash Flows (NOCF) Per Share | <u>(11.60)</u> | <u>4.28</u> |

Net operating cash flows was Tk. (11.60) per share for the 2nd quarter ended on 31st December 2019 but it was Tk. 4.28 for the same period of last year, this is mainly decreased of collection from revenue. This scenario is changeable time to time depending on different issues.

| | July to Dec' 2019 | July to Dec' 2018 |
|--|----------------------|----------------------|
| 36. Disclosure Regarding Rearrangement: | | |
| a) Finance Income from SND for the 2nd quarter of 2018-19 has been shown in operating activities of Cash Flows statement to conform current period presentation. | | |
| b) Some expenses of factory overhead for the same quarter of 2018-19 have been rearranged due to current period presentation. | | |

| | July to Dec' 2019 | July to Dec' 2018 |
|---|----------------------|----------------------|
| 37. Related Party Transactions: | | |
| (a) Intercompany 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 IAS 24 "Related Party Disclosures". The transactions are occurred during the period with an arms length price as per normal business policy for buying & selling of dyes & chemical and yarn dyeing. | | |

(b) Key management personnel compensation:
Refer to Note # 26; we have provided Directors' Remuneration, Board Meeting Fees and Salaries and Allowances.

The Company is paying Remuneration to the Directors who are rendering full time service to the Company and in addition to that there is nothing paid to them. The Company operates a contributory provident fund which is administrated by the Board of Trustee. The Company has also a Group Insurance Scheme. The Company pays its monthly contribution for the Key Management (Senior Employees) to the Provident Fund Trust and the Company has no further liability. Group insurance premium is paid to the Insurance Company once in a year and if there is any claim that will be entertained by the Insurance Company for the Key Management (Senior Employees) and the Company has no further liability. In addition to that there is nothing paid to them except salaries and allowances.

| | July to Dec' 2019 | July to Dec' 2018 |
|--|----------------------|----------------------|
| 38. Reconciliation of Net Profit with Cash Flows from Operating Activities: ** | | |
| Reconciliation of net income or net profit with cash flows from operating activities making adjustment for non-cash items, for non-operating items and for the net changes in operating accruals has been disclosed as per BSEC notification BSEC/CMRCD/2006-158/208/Admin/81 dated 20 June, 2018. | | |

| | July to Dec' 2019 | July to Dec' 2018 |
|--|----------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net Profit before Tax | 24,969 | 24,812 |
| Add: Depreciation during the period | 17,355 | 20,313 |
| Less: Unadjusted foreign exchange gain/(loss) from translation | (3,324) | (42) |
| Less: Finance Income adjustment | (4,204) | (4,041) |
| Add: Interest & Other Financial Charges adjustment | 895 | 2,567 |
| (Increase)/Decrease in Inventories | (671) | 5,117 |
| (Increase)/Decrease in Trade Receivables | 93,752 | 84,562 |
| (Increase)/Decrease in Other Receivables | 47,818 | 3,130 |
| (Increase)/Decrease in Advances, Deposits & Prepayments | (6) | (208) |
| Income Tax Paid during the period | (19,019) | (14,615) |
| Increase/(Decrease) in Trade Payables | (253,457) | (96,882) |
| Increase/(Decrease) in Other Payables | (1,557) | 11,253 |
| Net cash generated from/(used in) operating activities | <u>(97,450)</u> | <u>35,965</u> |

RECONCILIATION

| | July to Dec' 2019 | July to Dec' 2018 |
|--|----------------------|----------------------|
| Net cash generated from/(used in) operating activities-Indirect Method | (97,450) | 35,965 |
| Net cash generated from/(used in) operating activities-Direct Method | (97,450) | 35,965 |
| Differences | <u>0.00</u> | <u>0.00</u> |

| | July to Dec' 2019 | July to Dec' 2018 |
|---|----------------------|----------------------|
| 39. Contingent Liability: | | |
| There is Tk. 16.07 million as Bank guarantee to "Titas Gas Transmission & Distribution Company Ltd" for which the Company is contingently liable as on 31st December, 2019. | | |

| | July to Dec' 2019 | July to Dec' 2018 |
|---|----------------------|----------------------|
| 40. Events after Reporting Period: | | |
| There is no other significant event that has occurred between the Statement of Financial Position date and the date when the financial statements were authorized for issue by the Board of Directors of the Company. | | |

Sd/-
Shahriar Ahmed
Director

Sd/-
Kamruzzaman FCA
Chief Financial Officer

Sd/-
Md. Delour Hossen
Acting Company Secretary