

APEX SPINNING & KNITTING MILLS LIMITED

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

UN-AUDITED FIRST QUARTER (Q1) FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON SEPTEMBER 30, 2020

STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT SEPTEMBER 30, 2020

Value in Taka '000'

| Notes | As at 30.09.2020 | As at 30.06.2020 | Growth % |
|---|---------------------|---------------------|-------------|
| ASSETS | | | |
| Non-Current Assets: | | | |
| | 311,876 | 316,962 | |
| Property, Plant and Equipment | 210,493 | 216,155 | (3) |
| Investment | 22,472 | 21,896 | 3 |
| Investment in Financial Assets | 68,855 | 68,855 | 0 |
| Security Deposits | 10,056 | 10,056 | 0 |
| Current Assets: | | | |
| | 982,000 | 963,156 | |
| Inventories | 208,222 | 332,108 | (37) |
| Trade Receivables | 416,673 | 422,627 | (1) |
| Advances, Deposits & Pre- Payments | 46,536 | 41,746 | 11 |
| Other Receivables | 5,618 | 6,027 | (7) |
| Margin on Acceptance | 227,052 | 146,052 | 55 |
| Cash & Cash Equivalents | 77,899 | 14,596 | 434 |
| TOTAL ASSETS | 1,293,876 | 1,280,118 | |
| EQUITY AND LIABILITIES | | | |
| Shareholders' Equity: | | | |
| | 461,538 | 455,067 | |
| Share Capital | 84,000 | 84,000 | 0 |
| Share Premium | 15,000 | 15,000 | 0 |
| Reserve and Surplus | 351,802 | 345,849 | 2 |
| Fair Valuation Surplus of Investments | 10,736 | 10,218 | 5 |
| Non-Current Liabilities: | | | |
| | 69,290 | 57,591 | |
| Long Term Loan | 66,251 | 54,077 | 23 |
| Deferred Tax Liability | 3,039 | 3,514 | (14) |
| Current Liabilities: | | | |
| | 763,048 | 767,460 | |
| Working Capital Loan (Secured) | 4,047 | 24,261 | (83) |
| Long Term Loan-Current Maturity | 66,251 | 27,039 | 145 |
| Short Term Loan | 50,055 | 70,228 | (29) |
| Trade Payables | 518,454 | 497,208 | 4 |
| Other Payables | 124,241 | 148,724 | (16) |
| Total Liabilities | 832,338 | 825,051 | 1 |
| TOTAL EQUITY AND LIABILITIES | 1,293,876 | 1,280,118 | |
| Net Assets Value (NAV) Per Share | 54.94 | 54.17 | |

**STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE 1ST QUARTER ENDED ON SEPTEMBER 30, 2020**

Value in Taka '000'

| Notes | 01.07.2020 to 30.09.2020 | 01.07.2019 to 30.09.2019 | Growth % |
|--|--------------------------------|--------------------------------|-------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Collection from revenue | 877,245 | 875,866 | 0 |
| Other income from foreign exchange gain/(loss) | 36 | 4,177 | (99) |
| Bank charges & commission | (4,859) | (4,582) | 6 |
| Income tax paid during the period | (5,062) | (12,761) | (60) |
| Payment for costs and expenses | (792,830) | (858,687) | (8) |
| Net cash generated from/(used in) operating activities (a) | 74,530 | 4,013 | 1,757 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Property, Plant and Equipment acquired | (2,487) | (1,091) | 128 |
| Received from PF Lapses (employer Portion) | 3,805 | - | |
| Net cash generated from/(used in) investing activities (b) | 1,318 | (1,091) | (221) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Working Capital Loan received/(repaid) | (20,215) | 6,070 | (433) |
| Term loan received/(repaid) | 51,387 | - | |
| Short Term loan received/(repaid) | (20,173) | (3,859) | 423 |
| Dividend Paid during the period | (6) | (33) | (82) |
| Interest & other financial charges paid | (23,453) | (17,688) | 33 |
| Net cash generated from/(used in) financing activities (c) | (12,460) | (15,510) | (20) |
| Net increase/(decrease) in cash and cash equivalents(a+b+c) | 63,388 | (12,588) | (604) |
| Cash & cash equivalents on opening | 14,596 | 22,404 | (35) |
| Foreign exchange gain from translation | (85) | 511 | (117) |
| Cash & cash equivalents on closing | 77,899 | 10,326 | 654 |
| Net Operating Cash Flows Per Share | 8.87 | 3.41 | 160 |
| Net Operating Cash Flows Per Share (Restated) | - | 0.48 | |

**Please refer to note # 41 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 1ST QUARTER ENDED ON SEPTEMBER 30, 2020

Value in Taka '000'

| Notes | 01.07.2020 to 30.09.2020 | 01.07.2019 to 30.09.2019 | Growth % |
|---|--------------------------------|--------------------------------|-------------|
| REVENUE | | | |
| | 871,898 | 601,749 | 45 |
| Cost of Goods Sold | (792,742) | (537,513) | 47 |
| GROSS PROFIT | 79,156 | 64,236 | 23 |
| Other Operating Income/(Loss) | (687) | 2,760 | (125) |
| Administrative & Selling Overhead | (45,115) | (35,804) | 26 |
| OPERATING PROFIT/(LOSS) | 33,354 | 31,192 | 7 |
| Financial Expenses | (23,453) | (17,688) | 33 |
| Finance & Other Income | 1,056 | 1,219 | (13) |
| PROFIT BEFORE WPPF | 10,957 | 14,723 | (26) |
| Workers Profit Participation Fund (WPPF) | (256) | (259) | (1) |
| PROFIT BEFORE TAX | 10,701 | 14,464 | (26) |
| TAX EXPENSES: | (4,748) | (10,287) | (54) |
| Current Tax | (5,280) | (12,850) | (59) |
| Deferred Tax (Expenses)/Income | 532 | 2,563 | (79) |
| NET PROFIT AFTER TAX | 5,953 | 4,177 | 43 |
| OTHER COMPREHENSIVE INCOME: | | | |
| | 518 | (4,265) | (112) |
| Fair Valuation Surplus / (Deficit) of Investment | 575 | (4,739) | (112) |
| Deferred Tax (Exp.)/Income on share valuation Surplus | (57) | 474 | (112) |
| TOTAL COMPREHENSIVE INCOME | 6,471 | (88) | (7,453) |
| Basic Earnings Per Share (EPS) | 0.71 | 0.42 | 69 |
| Basic Earnings Per Share (EPS) ** | 0.50 | | |

**Restated

**STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE 1ST QUARTER ENDED ON SEPTEMBER 30, 2020**

Value in Taka '000'

| Particulars | Share Capital | Share Premium | Tax Holiday Reserve | Retained Earnings | Fair Valuation Surplus | Capital Gain | Total |
|---|------------------|------------------|---------------------------|----------------------|------------------------------|-----------------|----------------|
| As at July 01, 2020 | 84,000 | 15,000 | 129,701 | 213,396 | 10,218 | 2,752 | 455,067 |
| Net Profit for the three months ended on 30 September, 2020 | - | - | - | 5,953 | - | - | 5,953 |
| Fair Valuation Surplus/(deficit) of Investment | - | - | - | - | 518 | - | 518 |
| As at September 30, 2020 | 84,000 | 15,000 | 129,701 | 219,349 | 10,736 | 2,752 | 461,538 |

**STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE 1ST QUARTER ENDED ON SEPTEMBER 30, 2019**

Value in Taka '000'

| Particulars | Share Capital | Share Premium | Tax Holiday Reserve | Retained Earnings | Fair Valuation Surplus | Capital Gain | Total |
|---|------------------|------------------|---------------------------|----------------------|------------------------------|-----------------|----------------|
| As at July 01, 2019 | 84,000 | 15,000 | 129,701 | 212,546 | 18,672 | 2,752 | 462,671 |
| Prior Year Adjustment (Note-39) | - | - | - | 5,222 | - | - | 5,222 |
| Adjusted Balance as at July 01, 2019 | 84,000 | 15,000 | 129,701 | 217,768 | 18,672 | 2,752 | 467,893 |
| Net Profit for the three months ended on September 30, 2019 | - | - | - | 4,177 | - | - | 4,177 |
| Fair Valuation Surplus/(deficit) of Investment | - | - | - | - | (4,265) | - | (4,265) |
| As at September 30, 2019 | 84,000 | 15,000 | 129,701 | 221,945 | 14,407 | 2,752 | 467,805 |

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/-
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 THREE MONTHS ENDED SEPTEMBER 30, 2020
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, Bangladesh.

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 Interim 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 as 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 | IFRS-07 Financial Instruments: Disclosures |
| IAS-16 Property, Plant and Equipment | IFRS-09 Financial Instruments |
| IAS-21 The Effects of Changes in Foreign Exchange Rates | IFRS-15 Revenue from Contracts with Customers |
| IAS-23 Borrowing Cost | IFRS-16 Leases |

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, The Income Tax Rule 1984, The VAT & Supplementary Act 2012, The VAT & Supplementary Rule 2016 and other relevant local laws and rules.

3. Other General Notes:

(a) No interim dividend paid during the interim period ended on September 30, 2020. (b) No diluted EPS is required to be calculated as there was no dilution during this period. (c) Last year's 1st quarter figures have been re-arranged where considered necessary to confirm to current 1st quarter presentation. (d) Figures were rounded-off to the nearest thousand Taka. (e) Reporting Period: These financial statements cover the period from July 01, 2020 to September 30, 2020. (f) Reporting Currency: These financial statements are prepared in Bangladeshi Taka. & (g) Comparative Figure: Comparative information has been disclosed in respect of same period of the year 2019-2020 for income statement and financial position with June 30, 2020.

| Value in Taka '000' | | Value in Taka '000' | |
|--|---------------------|---------------------|---------------------|
| As at 30.09.2020 | As at 30.06.2020 | As at 30.09.2020 | As at 30.06.2020 |
| 4. Property, Plant and Equipment (WDV): | | | |
| Details of property, plant & equipment and depreciation at as September 30, 2020 are as follows: | | | |
| Fixed assets at cost: | | | |
| Opening Balance | 1,390,443 | 1,360,371 | |
| Addition during the period | 2,487 | 30,072 | |
| Closing Balance (cost) | 1,392,930 | 1,390,443 | |
| Accumulated Depreciation: | | | |
| Opening Balance | 1,174,288 | 1,136,228 | |
| Charged during the period | 8,149 | 38,060 | |
| Closing Balance (Depreciation) | 1,182,437 | 1,174,288 | |
| Written Down Value (WDV) | 210,493 | 216,155 | |
| 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: | 22,472 | 21,896 | |
| During the period, investment has been changed due to fair valuation of share. | | | |
| 6. Investment in Financial Assets: | 68,855 | 68,855 | |
| FDR's were purchased from EBL for more than one year (i.e. 380 days). | | | |
| 7. Security Deposits: | 10,056 | 10,056 | |
| Security deposits are made to statutory bodies and hence secured. | | | |
| 8. Inventories: | | | |
| Finished Goods (T, Polo, sweat Shirt) | 43,668 | 37,472 | |
| Raw Materials (Yarn & Dyes Chemical) | 61,838 | 127,245 | |
| WIP (Dyed, Knitted, Fabric & Garments) | 75,398 | 134,842 | |
| Accessories | 27,318 | 32,549 | |
| | 208,222 | 332,108 | |
| 9. Trade Receivables: | 416,673 | 422,627 | |
| Trade receivables have been decreased due to realize as per schedule. | | | |
| 10. Advances, Deposits & Pre-payments: | | | |
| Advance Income Tax | 41,230 | 36,167 | |
| Security Deposits to Multi Securities & Services Ltd | 2 | 2 | |
| Advance against expenses | 5,304 | 5,577 | |
| | 46,536 | 41,746 | |
| The Increase of 11.47% due to increase of advance income tax. | | | |
| 11. Other Receivables: | | | |
| Cash Incentive Receivable | 3,128 | 787 | |
| FDRs Interest Receivable | 2,490 | 1,434 | |
| PF Lapse receivable (employer Portion) | - | 3,806 | |
| | 5,618 | 6,027 | |
| The decrease of 6.79% in other receivables is mainly for realisation of PF lapse receivable from PF Trust. | | | |
| 12. Margin on Acceptance: | | 227,052 | 146,052 |
| Margin on acceptance has converted in BDT at closing rate @ 83.95 per USD as on 30.09.2020 & as compare to BDT @ 83.95 per USD as on 30.06.2020 which has retained for BTB liability settlement: | | | |
| 13. Cash & cash Equivalent: | | | |
| Cash in hand | 20 | 20 | |
| Cash at Bank | | | |
| CD Account with Eastern Bank Ltd., Dhaka | 8 | 8 | |
| CD Account with DBL, Dhaka | 26 | 26 | |
| CD Account with SCB, Dhaka | 190 | 190 | |
| CD Account with Mutual Trust Bank, Chandora | 426 | 3,323 | |
| CD Account with Mutual Trust Bank, Diluksha, Dhaka | 83 | 83 | |
| CD Account with AB Bank, Dhaka | 37 | 37 | |
| CD Account with DBBL, Dhaka | 4,006 | 1,481 | |
| CD Account with EBL-Dividend, Dhaka | 0.18 | 0.18 | |
| CD Account with HSBC-Dividend, Dhaka | 477 | 482 | |
| OD Account with Eastern Bank Ltd., Dhaka | 50,656 | - | |
| Foreign Currency Account with EBL, Dhaka-USD | 20,617 | 7,591 | |
| Foreign Currency Account with HSBC, Dhaka-USD | 399 | 399 | |
| STD Account with SCB, Dhaka | 734 | 735 | |
| STD Account with EBL, Principal Branch, Dhaka | 198 | 198 | |
| STD Account with HSBC, Dhaka | 1 | 1 | |
| CC Accounts with EBL, Dhaka | 22 | 22 | |
| | 77,879 | 14,576 | |
| | 77,899 | 14,596 | |
| Foreign Currency Account balances has converted in BDT at closing rate @ 83.95 per USD as on 30.09.2020 & as compare to BDT @ 83.95 per USD as on 30.06.2020. | | | |

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 30.09.2020 | As at 30.06.2020 | | |
| 14. 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 Company | <u>84,000</u> | <u>84,000</u> | | |
| 14.a Composition of Shareholdings : | | | | |
| | No. of Share | % | No. of Share | % |
| Sponsors & Directors | 4,603,751 | 54.81 | 4,603,751 | 54.81 |
| Institutions | 2,053,760 | 24.45 | 1,897,661 | 22.59 |
| Public - Local | 1,721,809 | 20.49 | 1,877,908 | 22.35 |
| Foreign Shareholders | 20,680 | 0.25 | 20,680 | 0.25 |
| | <u>8,400,000</u> | <u>100</u> | <u>8,400,000</u> | <u>100</u> |
| 15. Share Premium: | <u>15,000</u> | <u>15,000</u> | | |
| This is as per previous financial statement and represents premium of Tk. 50/= per Share of 300,000 Ordinary Shares of Tk. 100 each. | | | | |
| 16. Reserve & Surplus : | | | | |
| Reserve for Re-Investment | 129,701 | 129,701 | | |
| Retained Earnings | 219,349 | 213,396 | | |
| Capital Gain | <u>2,752</u> | <u>2,752</u> | | |
| | <u>351,802</u> | <u>345,849</u> | | |
| 17. Fair valuation surplus of Investments (Net of Tax): | | | | |
| Opening Balance | 10,218 | 18,672 | | |
| Fair valuation surplus/(deficit) during the period (net of tax) | <u>518</u> | <u>(8,454)</u> | | |
| | <u>10,736</u> | <u>10,218</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 Balance Sheet price. | | | | |
| 18. Long Term Loan (Stimulus Package): | <u>66,251</u> | <u>54,077</u> | | |
| Company has availed the above loan to meet up salary & wages expenses as per Government declaration of stimulus fund under BRPD Circular no. 07 dated 2 nd April 2020 and subsequent Circular in this regard. Repayment to be made in 18 equal monthly installments including 6 months moratorium period. | | | | |
| 19. Deferred Tax Liability: | | | | |
| a) Book Value of Depreciable Assets | 210,493 | 216,155 | | |
| Tax Base of Depreciable Assets | <u>201,396</u> | <u>206,598</u> | | |
| Net Taxable Temporary Difference | 9,097 | 9,557 | | |
| Effective Tax Rate | 12% | 12% | | |
| Closing Deferred tax (Assets)/Liabilities arising from asse | <u>1,092</u> | <u>1,147</u> | | |
| Opening Deferred Tax Balance | 1,147 | 1,419 | | |
| Deferred Tax Income/(Expense) | <u>55</u> | <u>272</u> | | |
| b) Unrealised Interest on FDRs | 2,490 | 1,434 | | |
| Effective Tax Rate | 25% | 25% | | |
| Closing Deferred tax (Assets)/Liabilities arising from | | | | |
| Unrealised FDRs Interest | <u>623</u> | <u>359</u> | | |
| Opening Deferred Tax Balance | 359 | 465 | | |
| Deferred Tax Income/(Expense) | <u>(264)</u> | <u>107</u> | | |
| c) Unrealised Foreign Exchange Gain/(Loss) from translation | (723) | (627) | | |
| Effective Tax Rate | 25% | 25% | | |
| Closing Deferred tax (Assets)/Liabilities arising | | | | |
| | <u>(181)</u> | <u>(157)</u> | | |
| from Exchange Gain/(Loss) from translation | | | | |
| Opening Deferred Tax Balance | <u>(157)</u> | <u>(169)</u> | | |
| Deferred Tax Income/(Expense) | <u>24</u> | <u>(12)</u> | | |
| d) PF Lapses Receivable | - | 3,805 | | |
| Effective Tax Rate | 25% | 25% | | |
| Closing Deferred tax (Asst)/Liab. arising from PF Lapse Receiv. | <u>-</u> | <u>951</u> | | |
| Opening Deferred Tax Balance | 951 | 857 | | |
| Deferred Tax Income/(Expense) | <u>951</u> | <u>(94)</u> | | |
| e) Cash Incentive Receivable | 3,127 | 787 | | |
| Effective Tax Rate | 10% | 10% | | |
| Closing Def. tax (Asst)/Liab. arising from cash incentive Receiv | <u>313</u> | <u>79</u> | | |
| Opening Deferred Tax Balance | 79 | 4,782 | | |
| Deferred Tax Income/(Expense) | <u>(234)</u> | <u>4,703</u> | | |
| Total Deferred Tax Income/(Expense) from (a+b+c+d+e) | <u>532</u> | <u>4,975</u> | | |
| f) Deferred Tax (Assets)/Liabilities arising from Other | | | | |
| Comprehensive Income- surplus from fair value of share : | <u>11,929</u> | <u>11,353</u> | | |
| Tax for (Losses)/gains on available for sale investments @ 10% | <u>1,193</u> | <u>1,135</u> | | |
| Closing deferred tax (assets)/liabilities arising from | | | | |
| Fair Valuation Surplus of Investments | 1,193 | 1,135 | | |
| Opening Deferred Tax Balance | 1,135 | 2,075 | | |
| Deferred Tax Income/(Expense) | <u>(58)</u> | <u>940</u> | | |
| Deferred Tax Closing Liability (a+b+c+d+e+f) | <u>3,039</u> | <u>3,514</u> | | |

| | Value in Taka '000' | |
|--|------------------------|------------------------|
| | As at 30.09.2020 | As at 30.06.2020 |
| 20. Working Capital Loan (secured): | | |
| Eastern Bank Ltd, Principal Br. Dhaka | - | 19,608 |
| HSBC, Dhaka | <u>4,047</u> | <u>4,653</u> |
| | <u>4,047</u> | <u>24,261</u> |
| The working capital loan decreased due to repayment of the outstanding balance of the loan and prompt export proceeds realization . | | |
| 21. Long Term Loan-Current Maturity: | <u>66,251</u> | <u>27,039</u> |
| This represents the part of stimulus package loan which will pay in next 12 months. | | |
| 22. Short Term Loan : | | |
| Time loan-EBL | 14,137 | 7,685 |
| Import loan-EBL | <u>35,918</u> | <u>62,543</u> |
| | <u>50,055</u> | <u>70,228</u> |
| The decrease of short term loan due to repayment of loans as per schedule date. | | |
| 23. Trade Payables: | <u>518,454</u> | <u>497,208</u> |
| The increase of trade Payables due to purchase of raw materials under BTB L/C to support the export . | | |
| 24. Other Payables: | | |
| Clearing & Forwarding | 13,295 | 6,492 |
| Creditors against Insurance Premium | 1,218 | 22 |
| Power, Fuel and Water | 10,300 | 3,832 |
| Telephone, Telex & Fax | 86 | 30 |
| Salary, Wages and allowance | 52,950 | 98,876 |
| Audit Fees | 403 | 403 |
| Income Tax Payable | 28,528 | 23,248 |
| Provident Fund Payable | 2,600 | 3,625 |
| Unclaimed Dividend | 9,298 | 9,304 |
| Payable for office rent | 1,239 | 973 |
| Payable for other expenses | 1,944 | 520 |
| Tax payable to Govt. | 2,343 | 1,286 |
| VAT payable to Govt. | 37 | 113 |
| | <u>124,241</u> | <u>148,724</u> |
| The decrease of 16.46% in other payables mainly for payable against salary, wages & other allowance in which some allowances was provisioned as on 30.06.2020 and it has paid during the period. | | |
| 25. Net Assets value (NAV) Per Share: | | |
| Equity Attributable to the Owners of the Company | 461,538 | 455,067 |
| Number of Ordinary Shares | <u>8,400</u> | <u>8,400</u> |
| Net Assets value (NAV) Per Share | <u>54.94</u> | <u>54.17</u> |
| | <u>July'20 to</u> | <u>July'19 to</u> |
| | <u>September' 2020</u> | <u>September' 2019</u> |
| 26. Revenue: | <u>871,898</u> | <u>601,749</u> |
| Revenue has been increased by 44.89% as compared to the revenue of same period of July to September 2019 due to increase of quantity sold because of re-order the holding/cancelled shipment during the worldwide lockdown for Covid-19. | | |
| 27. Cost of Goods Sold: | | |
| Opening Stock of Finished Goods | 37,472 | 5,903 |
| Add: Cost of Production (note # 27.a) | 798,938 | 567,955 |
| Less: Closing Stock of Finished Goods | <u>(43,668)</u> | <u>(36,345)</u> |
| | <u>792,742</u> | <u>537,513</u> |
| 27.a. Cost of Production: | | |
| Opening Raw Materials & WIP | 294,635 | 189,870 |
| Add: Raw Materials purchase during the period | 322,232 | 251,763 |
| Add: Factory Overhead (Note # 27.a.a) | 346,625 | 300,576 |
| Less: Closing Raw Materials, WIP & Accessories | <u>(164,554)</u> | <u>(174,254)</u> |
| | <u>798,938</u> | <u>567,955</u> |
| 27.a.a Factory Overhead: | | |
| Carriage in ward | 2,386 | 1,259 |
| Electricity | 384 | 444 |
| Gas, Fuel & Lubricant | 22,589 | 30,515 |
| Insurance Premium | 3,440 | 3,440 |
| Repairs & Maintenance | 26,627 | 5,927 |
| Telephone Charges | 5 | 14 |
| Wages, salaries & Allowance | 272,673 | 244,245 |
| Bank Interest, Charges & Commission | 3,477 | 2,586 |
| Depreciation | 7,828 | 8,346 |
| Fire Fighting Exp. | 8 | 8 |
| Travelling & Conveyance | 1,599 | 772 |
| Testing Bill | 4,442 | 2,025 |
| Uniform & Liveries | 195 | 143 |
| Chemical for Effluent Treatment Plant | 595 | 281 |
| Entertainment | 217 | 462 |
| UD & UP Expenses | 160 | 107 |
| | <u>346,625</u> | <u>300,576</u> |
| The increase of factory overhead mainly for wages, salaries & allowance and testing bill due to increase of export. | | |

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

| 28. Other Operating Income/(loss): | Value in Taka '000' | |
|---|---------------------|-----------------|
| | July'20 to | July'19 to |
| | September' 2020 | September' 2019 |
| Foreign exchange gain/(loss) from operations | 36 | 4,177 |
| Foreign exchange gain/(loss) from translation | (723) | (1,417) |
| | <u>(687)</u> | <u>2,760</u> |

| 29. Administrative & Selling Overhead: | Value in Taka '000' | |
|--|---------------------|-----------------|
| | July'20 to | July'19 to |
| | September' 2020 | September' 2019 |
| Bank Charges & Commission | 1,382 | 1,996 |
| Board Meeting Fees | 2 | - |
| Depreciation | 320 | 324 |
| Directors Remuneration | 900 | 900 |
| Entertainment | 122 | 120 |
| Export Processing & Handling Expenses | 893 | 1,114 |
| Freight & Forwarding Expenses | 9,822 | 6,934 |
| Insurance Premium | 966 | 141 |
| Legal & Professional Fees | 74 | 565 |
| Medical Expense | 30 | 9 |
| Newspapers & Periodicals | 2 | 4 |
| Postage & Stamp | 8 | 18 |
| Power & Fuel | 52 | 205 |
| Printing Expense | 342 | 20 |
| Stationery Expenses | 689 | 408 |
| Publicity & Advertisement | 6 | - |
| Renewal & Fees | 2,047 | 1,682 |
| Rent & Rates | 1,420 | 1,446 |
| Repairs & Maintenance | 2,224 | 511 |
| Salary & Allowances | 19,889 | 16,643 |
| Sales Promotional Expenses | 165 | 512 |
| Travelling & Conveyance | 1,206 | 637 |
| Telephone, Fax and Radio Link | 196 | 111 |
| Transportation Expenses | 2,358 | 1,504 |
| | <u>45,115</u> | <u>35,804</u> |

| 30. Financial Expenses: | Value in Taka '000' | |
|-------------------------|---------------------|-----------------|
| | July'20 to | July'19 to |
| | September' 2020 | September' 2019 |
| Interest on Term loan | 399 | 111 |
| Interest on Overdraft | 145 | 119 |
| Financial Charges | 22,909 | 17,458 |
| | <u>23,453</u> | <u>17,688</u> |

Financial expenses has been increased for FC Charges because of more realization of export proceeds during the period.

| 31. Finance & Other Income: | Value in Taka '000' | |
|---------------------------------|---------------------|-----------------|
| | July'20 to | July'19 to |
| | September' 2020 | September' 2019 |
| Interest earned on FDRs Account | 1,056 | 1,219 |
| | <u>1,056</u> | <u>1,219</u> |

The decrease of 13.36% is mainly for decrease interest rate of time deposits.

| 32. Workers Profit Participation Fund (WPPF) | Value in Taka '000' | |
|--|---------------------|-----------------|
| | July'20 to | July'19 to |
| | September' 2020 | September' 2019 |
| | <u>256</u> | <u>259</u> |

We are 100% export oriented Ready Made Garment Industry, and as per Bangladesh Labor Rule 2015, Chapter XV, section 212-226 provided the rules regarding formation of Central Fund and also provision made in rule 214(1)(Ka) for realization of 0.03% from every letter of credit / work order of 100% export oriented industries and the company is making payment accordingly through bank to the said Central Fund for participation of workers in the profit of company. Therefore the company is performing its lawful duty regarding profit participatory fund and there is no further requirement to maintain the fund separately as required under section 234 of the labor Act 2006.

| 33. Current Tax: | Value in Taka '000' | |
|---|---------------------|-----------------|
| | July'20 to | July'19 to |
| | September' 2020 | September' 2019 |
| 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 & other income received. | 5,280 | 12,850 |

Calculation of Current tax:

| a) Regular Tax | | |
|---|---------------|---------------|
| Profit before tax | 10,701 | 14,464 |
| Other Operating Income/(Loss) | 687 | (2,760) |
| Finance & Other Income | (1,056) | (1,219) |
| Adjusted Income/(Loss) from Business | <u>10,332</u> | <u>10,485</u> |
| Tax on Business Income @ 12% | <u>1,240</u> | <u>1,258</u> |

| b) Minimum Tax U/S -82c(2) | | |
|----------------------------|-------|-------|
| TDS on export proceeds | 4,272 | 8,629 |

| c) Minimum Tax U/S -82c(4) | | |
|--------------------------------------|--------------|--------------|
| Realized from turnover | .288 | 2,526 |
| Realized from other operating Income | .600 | 0.2 |
| Realized from finance & Other Income | .600 | 23 |
| | <u>2,550</u> | <u>2,548</u> |

| So, Current tax | | |
|--|--------------|---------------|
| Business tax- Higher of a, b & c | 4,272 | 8,629 |
| Tax on Finance & Other Income @ 25% | 951 | - |
| Tax on other operating Income @ 25% | 9 | 1,044 |
| Tax on Cash Incentive @ 10% on realised amount | 48 | 3,177 |
| | <u>5,280</u> | <u>12,850</u> |

| 34. Deferred Tax (Expenses)/Income: | Value in Taka '000' | |
|-------------------------------------|---------------------|-----------------|
| | July'20 to | July'19 to |
| | September' 2020 | September' 2019 |
| | <u>532</u> | <u>2,563</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, PF Lapse receivable, Foreign exchange translation gain /(loss), cash incentive receivable & WDV of fixed assets. (Please see the details in note # 19 for total deferred tax income/(expense) from above mentioned temporary differences).

Sd/-
Zafar Ahmed
Chairman

Sd/-
Zahur Ahmed PhD
Managing Director

| Value in Taka '000' | | |
|---------------------|-----------------|--|
| July'20 to | July'19 to | |
| September' 2020 | September' 2019 | |

| 35. Fair Valuation Surplus/(deficit) of Investment (net of tax): | Value in Taka '000' | |
|--|---------------------|-----------------|
| | July'20 to | July'19 to |
| | September' 2020 | September' 2019 |
| | <u>518</u> | <u>(4,265)</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.

| 36. Basic Earning Per Share (EPS): | | |
|--|-------------|-------------|
| Earnings after tax Attributable to the Owners of the Company | 5,953 | 4,177 |
| Number of Ordinary Shares | 8,400 | 8,400 |
| Basic Earning Per Share (EPS) | <u>0.71</u> | <u>0.50</u> |

EPS for Q1 of 2019-20 has been restated from Tk. .42 to Tk. .50 due to adjustment of Provision for Contribution to PPF & WF during the same quarter of 2019-2020 by Tk. 688,728/-.

| 37. Net Operating Cash Flows (NOCF) Per Share: | | |
|--|-------------|-------------|
| Net cash generated from / (used in) operating activities | 74,530 | 4,013 |
| Number of Ordinary Shares | 8,400 | 8,400 |
| Net Operating Cash Flows (NOCF) Per Share | <u>8.87</u> | <u>0.48</u> |

Net operating cash flows was Tk. 8.87 per share for the 1st quarter ended on September 30, 2020 but it was Tk. 3.41 (restated Tk. 0.48) for the same period of last year, this is mainly decreased of payment for cost and expenses. This scenario is changeable time to time depending on different issues.

38. Disclosure Regarding Rearrangement:
Some expenses of factory overhead and administrative & selling overhead for the same quarter of 2019-20 have been rearranged due to nature of transactions & current period presentation.

39. Prior Year Adjustment:
a) As per Financial Reporting Council (FRC) notification no. 179/FRC/FRM/notification/2020/2 dated 7th July 2020 regarding lapse amount of employer's subscription to provident fund have to return to company from 2015 to June 30, 2020 & retained earnings as at July 01, 2019 has been adjusted accordingly by Tk. 25,70,131 (net of tax).

b) According to section 232 (3) Labour Act 2006 (amendment in 2013) & Rules 2015, section 214 Gazetted on 15th September 2015, the Government is deducting @ 0.03% on our export proceeds which participation of the workers on profit of the company as there is no requirement to separate provision of PPF & WF @ 5% on profit, so prior year provisioned of PPF & WF has been adjusted in retained earnings as on July 01, 2019 accordingly by Tk. 26,51,903/-.

40. 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 # 29; 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.

41. 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/ CMRRCD/2006-158/208/Admin/81 dated 20 June, 2018.

| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
|--|---------------|--------------|
| Net Profit before Tax Expenses | 10,701 | 13,775 |
| Add: Depreciation During the Year | 8,149 | 8,669 |
| Add/(Less): Unadjusted FEG from translation | 85 | (511) |
| Less: Finance Income adjustment | (1,056) | (1,219) |
| Add: Interest & Other Financial Charges Paid | 23,453 | 17,688 |
| (Increase)/Decrease in Inventories | 123,885 | (14,827) |
| (Increase)/Decrease in Trade Receivable | 5,954 | 276,232 |
| (Increase)/Decrease in other Receivable | (2,340) | 26,145 |
| (Increase)/Decrease in Advance Deposit & Prepayments | 272 | (2,433) |
| Income tax paid During the Year | (5,062) | (12,761) |
| Increase/(Decrease) in Trade Payables | (59,753) | (292,921) |
| Increase/(Decrease) in Other Payables | (29,757) | (13,824) |
| Net cash generated from/(used in) operating activities | <u>74,530</u> | <u>4,013</u> |
| RECONCILIATION | | |
| Net cash generated from/(used in) operating activities-Indirect Method | 74,530 | 4,013 |
| Net cash generated from/(used in) operating activities-Direct Method | 74,530 | 4,013 |
| Differences | <u>-</u> | <u>-</u> |

42. Contingent Liability:
There is Tk. 17.07 million as Bank guarantee to "Titas Gas Transmission & Distribution Company Ltd" & Reliance Insurance Com. Ltd for which the Company is contingently liable as at September 30, 2020.

43. Events after Reporting Period:
a) Proposed Dividend:
The Board of Directors has recommended cash Dividend of Tk. 1.50/- per Share for the year 2019-20 at the Board meeting held on October 28, 2020. The total amount of Dividend is Tk. 12,600,000/-
b) Other Significant Events:
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