

APEX SPINNING & KNITTING MILLS LIMITED

Shanta Skymark (8th to 13th Floor), 18 Gulshan Avenue, Gulshan, Dhaka-1212.

UN-AUDITED SECOND QUARTER (Q2) FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON DECEMBER 31, 2022

STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT DECEMBER 31, 2022

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

FOR THE 2ND QUARTER ENDED ON DECEMBER 31, 2022

| Value in Taka '000' | | | | Value in Taka '000' | | | | | | | | | |
|---|---------------------|---------------------|------------------|---------------------------------------|--------------------------------|--|----------------|--------------------------------|--------------------------------|---------------|-----------------|----------------|---------------|
| Notes | As at 31.12.2022 | As at 30.06.2022 | Growth % | Notes | 01.07.2022 to 31.12.2022 | 01.07.2021 to 31.12.2021 | Growth % | 01.10.2022 to 31.12.2022 | 01.10.2021 to 31.12.2021 | Growth % | | | |
| ASSETS | | | | | | | | | | | | | |
| Non-Current Assets: | | | | REVENUE | | | | | | | | | |
| Property, Plant and Equipment | 4 | 210,638 | 215,457 | (2.24) | 27 | 1,864,030 | 2,159,539 | (13.68) | 1,143,714 | 1,397,570 | (18.16) | | |
| Investment | 5 | 52,074 | 32,356 | 60.94 | 28 | (1,724,100) | (2,018,647) | (14.59) | (1,075,641) | (1,304,369) | (17.54) | | |
| Investment in Financial Assets | 6 | 74,853 | 74,854 | (0.00) | | 139,930 | 140,892 | (0.68) | 68,073 | 93,201 | (26.96) | | |
| Deferred Tax Assets | 19 | - | 878 | (100.00) | | Other Operating Income/(Loss) | 29 | (3,785) | (1,394) | 171.52 | 17,453 | (2,827) | (717.37) |
| Security Deposits | 7 | 16,369 | 10,056 | 62.77 | 30 | (77,595) | (103,060) | (24.71) | (53,524) | (70,102) | (23.65) | | |
| | | | | | | OPERATING PROFIT/(LOSS) | | 58,550 | 36,438 | 60.68 | 32,002 | 20,272 | 57.86 |
| Current Assets: | | | | Finance & Other Income | | | | | | | | | |
| Inventories | 8 | 256,789 | 359,149 | (28.50) | 31 | 4,642 | 2,882 | 61.07 | 2,723 | 2,324 | 17.17 | | |
| Trade Receivables | 9 | 344,291 | 502,575 | (31.49) | 32 | (17,198) | (8,373) | 105.40 | (10,205) | (3,405) | 199.71 | | |
| Advances, Deposits & Pre- Payments | 10 | 127,812 | 90,960 | 40.51 | | PROFIT BEFORE WPPF | | 45,994 | 30,947 | 48.62 | 24,520 | 19,191 | 27.77 |
| Other Receivables | 11 | 19,104 | 30,163 | (36.66) | | Workers Profit Participation Fund (WPP) | 33 | (608) | (618) | (1.62) | (296) | (299) | (1.00) |
| Margin on Acceptance | 12 | 376,179 | 217,783 | 72.73 | | PROFIT BEFORE TAX | | 45,386 | 30,329 | 49.65 | 24,224 | 18,892 | 28.22 |
| Cash & Cash Equivalents | 13 | 60,064 | 12,092 | 396.73 | | TAX EXPENSES: | | (30,940) | (15,125) | 104.56 | (14,984) | (9,119) | 64.32 |
| TOTAL ASSETS | | 1,538,175 | 1,546,322 | (0.53) | | Current Tax | 34 | (26,795) | (12,912) | 107.52 | (11,268) | (5,883) | 98.28 |
| | | | | | | Deferred Tax (Expenses)/Income | 35 | (4,145) | (2,213) | 87.30 | (3,716) | (3,436) | 8.15 |
| EQUITY AND LIABILITIES | | | | NET PROFIT AFTER TAX | | | | | | | | | |
| Shareholders' Equity: | | | | OTHER COMPREHENSIVE INCOME: | | | | | | | | | |
| Share Capital | 14 | 84,000 | 84,000 | - | 36 | 17,746 | 4,417 | 301.75 | 11,592 | (2,133) | (643.46) | | |
| Share Premium | 15 | 15,000 | 15,000 | - | | Fair Valuation Surplus / (Deficit) of Investment | | 19,718 | 4,908 | 301.75 | 12,880 | (2,370) | (643.46) |
| Reserve and Surplus | 16 | 369,416 | 371,770 | (0.63) | | Deferred Tax (Exp.)/Income on share valuation Surp | | (1,972) | (491) | 301.79 | (1,288) | 237 | (643.46) |
| Fair Valuation Surplus of Investments | 17 | 37,378 | 19,632 | 90.39 | | TOTAL COMPREHENSIVE INCOME | | 32,192 | 19,621 | 64.07 | 20,832 | 7,640 | 172.67 |
| Non-Current Liabilities: | | | | Basic Earnings Per Share (EPS) | | | | | | | | | |
| Long Term Loan | 18 | - | - | - | 37 | 1.72 | 1.81 | (4.99) | 1.10 | 1.16 | (5.45) | | |
| Deferred Tax Liability | 19 | 5,239 | - | - | | | | | | | | | |
| Current Liabilities: | | | | | | | | | | | | | |
| Working Capital Loan (Secured) | 20 | 74,731 | 47,109 | 58.63 | | | | | | | | | |
| Long Term Loan-Current Maturity | 21 | 13,316 | 52,340 | (74.56) | | | | | | | | | |
| Short Term Loan | 22 | 2,817 | 15,548 | (81.88) | | | | | | | | | |
| Trade Payables | 23 | 771,648 | 795,785 | (3.03) | | | | | | | | | |
| Other Payables | 24 | 163,553 | 144,058 | 13.53 | | | | | | | | | |
| Unclaimed Dividend Account | 25 | 1,077 | 1,079 | (0.21) | | | | | | | | | |
| Total Liabilities | | 1,032,382 | 1,055,920 | (2.23) | | | | | | | | | |
| TOTAL EQUITY AND LIABILITIES | | 1,538,175 | 1,546,322 | (0.53) | | | | | | | | | |
| Net Assets Value (NAV) Per Share | 26 | 60.21 | 58.38 | 3.14 | | | | | | | | | |

**STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE 2ND QUARTER ENDED ON DECEMBER 31, 2022**

| Particulars | Value in Taka '000' | | | | | | |
|--|---------------------|---------------|---------------------|-------------------|------------------------|--------------|----------------|
| | Share Capital | Share Premium | Tax Holiday Reserve | Retained Earnings | Fair Valuation Surplus | Capital Gain | Total |
| As at 30 June, 2022 | 84,000 | 15,000 | 129,701 | 239,317 | 19,632 | 2,752 | 490,402 |
| Net Profit for the six months ended on December 31, 2022 | - | - | - | 14,446 | - | - | 14,446 |
| Dividend for the year 2021-2022 | - | - | - | (16,800) | - | - | (16,800) |
| Fair Valuation Surplus/(deficit) of Investment | - | - | - | - | 17,746 | - | 17,746 |
| As at December 31, 2022 | 84,000 | 15,000 | 129,701 | 236,963 | 37,378 | 2,752 | 505,794 |

**STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE 2ND QUARTER ENDED ON DECEMBER 31, 2022**

| Note | Value in Taka '000' | | | Growth % |
|--|--------------------------|--------------------------|-----------------|-----------------|
| | 01.07.2022 to 31.12.2022 | 01.07.2021 to 31.12.2021 | | |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Collection From Revenue | 2,023,806 | 2,062,926 | (1.90) | |
| Finance Income from SND | 0 | 0 | - | |
| Other Income from foreign exchange gain/(loss) from operat | 4,000 | (872) | (558.72) | |
| Received from PF Lapse | 958 | 1,411 | (32.10) | |
| Bank Charges & Commission | (7,793) | (9,894) | (21.24) | |
| Income Tax Paid | (29,774) | (15,562) | 91.33 | |
| Payment for Costs and Expenses | (1,884,725) | (2,035,154) | (7.39) | |
| Net cash generated from/(used in) operating activities (a) | 106,472 | 2,855 | 3,629.22 | |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Property, Plant and Equipment Acquired | (11,592) | (23,715) | (51.12) | |
| Received from Sale of Assets | 1,600 | - | - | |
| Advance against Purchase of Fixed Assets | (7,382) | - | - | |
| Finance Income from FDRs | - | - | - | |
| Net cash generated from/(used in) investing activities | (17,374) | (23,715) | (26.74) | |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | | |
| Working Capital Loan received/(repaid) | 27,622 | 10,735 | 157.31 | |
| Term loan received/(repaid) | (39,024) | (22,445) | 73.87 | |
| Short Term loan received/(repaid) | (12,731) | (6,234) | 104.22 | |
| Dividend Paid during the period | (2) | (7,587) | (99.97) | |
| Payment on Finance Lease for Office Rent | - | (2,123) | (100.00) | |
| Interest & other financial charges paid | (17,198) | (8,307) | 107.03 | |
| Net cash generated from/(used in) financing activities (c) | (41,333) | (35,961) | 14.94 | |
| Net increase/(decrease) in cash and cash equivalents(a+b+c) | 47,765 | (56,821) | (184.06) | |
| Cash & cash equivalents on opening | 12,092 | 158,249 | (92.36) | |
| Foreign exchange gain/(loss) from translation | 207 | 301 | (31.23) | |
| Cash & cash equivalents on closing | 60,064 | 101,729 | (40.96) | |
| Net Operating Cash Flows Per Share | 38 | 12.68 | 0.34 | 3,629.22 |

**STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE 2ND QUARTER ENDED ON DECEMBER 31, 2021**

| Particulars | Value in Taka '000' | | | | | | |
|--|---------------------|---------------|---------------------|-------------------|------------------------|--------------|----------------|
| | Share Capital | Share Premium | Tax Holiday Reserve | Retained Earnings | Fair Valuation Surplus | Capital Gain | Total |
| As at 30 June, 2021 | 84,000 | 15,000 | 129,701 | 226,458 | 10,919 | 2,752 | 468,830 |
| Prior Year Adjustment (Note-40) | - | - | - | 686 | - | - | 686 |
| Restated Retained Earnings | 84,000 | 15,000 | 129,701 | 227,144 | 10,919 | 2,752 | 469,516 |
| Net Profit for the six months ended on December 31, 2021 | - | - | - | 15,204 | - | - | 15,204 |
| Dividend for the year 2020-2021 | - | - | - | (16,800) | - | - | (16,800) |
| Fair Valuation Surplus/(deficit) of Investment | - | - | - | - | 6,550 | - | 6,550 |
| As at December 31, 2021 | 84,000 | 15,000 | 129,701 | 225,548 | 17,469 | 2,752 | 474,470 |

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

**Please refer to the note # 42 for Reconciliation of cash flows from operating activities under direct method and indirect method as per requirement of BSEC.

Sd/-
Shahriar Ahmed
Acting Chairman

Sd/-
Zahur Ahmed PhD
Managing Director

Sd/-
Mahir Ahmed
Director

Sd/-
Eifaz Ahmed
Director

Sd/-
Kamruzzaman FCA
Chief Financial Officer

Sd/-
Md. Delour Hossen
Acting Company Secretary

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 2ND QUARTER ENDED ON DECEMBER 31, 2022
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 in Bangladesh.

1.02 Address of Registered Office and Factory:

The Registered Office of the Company is located at Shanta Skymark (8th to 13th floor), 18 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 Interim Financial Statements:

2.01 Accounting Convention and Basis:

The 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, 2020 and other laws and rules applicable in Bangladesh.

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

We have compiled the following IAS & IFRS as applicable for these interim financial statements for the period under review:

| | |
|---|---------------|
| IAS-1 Presentation of Financial Statements | Complied With |
| IAS-2 Inventories | Complied With |
| IAS-7 Statement of Cash Flows | Complied With |
| IAS-8 Accounting Policies, Changes in Accounting Estimates and Errors | Complied With |
| IAS-10 Events after the Reporting Period | Complied With |
| IAS-12 Income Taxes | Complied With |
| IAS-16 Property, Plant and Equipment | Complied With |
| IAS-21 The Effects of Changes in Foreign Exchange Rates | Complied With |
| IAS-23 Borrowing Cost | Complied With |

| | |
|---|---------------|
| IAS-24 Related Party Disclosures | Complied With |
| IAS-33 Earnings Per Share | Complied With |
| IAS-34 Interim Financial Reporting | Complied With |
| IAS-36 Impairment of Assets | Complied With |
| IAS-37 Provisions, Contingent Liabilities and Contingent Assets | Complied With |
| IFRS-07 Financial Instruments: Disclosures | Complied With |
| IFRS-09 Financial Instruments | Complied With |
| IFRS-15 Revenue from Contracts with Customers | Complied With |
| IFRS-16 Leases | Complied With |

2.03 Compliance with Local Laws:

The Interim Financial Statements have been prepared in compliance with requirements of the Companies Act 1994, The Securities & Exchange Rules, 2020, The Income Tax Ordinance, 1984, The Income Tax Rules 1984, The VAT & Supplementary Duty Act 2012, The VAT & Supplementary Duty Rules, 2016 and other relevant local laws and rules.

3. Other General Notes:

(a) No interim dividend paid during the interim period ended on December 31, 2022.(b) No diluted EPS is required to be calculated as there was no dilution during this period. (c) Last year's 2nd quarter figures have been re-arranged where considered necessary to confirm to current 2nd quarter presentation. (d) Figures were rounded-off to the nearest thousand Taka. (e) Reporting Period: These Interim financial statements cover the period from July 01, 2022 to December 31, 2022. (f) Reporting Currency: These interim financial statements are prepared in Bangladeshi Taka. & (g) Comparative Figure: Comparative information has been disclosed in respect of same period of the financial year 2021-2022 for income statement and financial position with June 30, 2022.

| | Value in Taka '000' | |
|---|---------------------|---------------------|
| | As at 31.12.2022 | As at 30.06.2022 |
| 4. Property, Plant and Equipment (WDV): | | |
| Details of property, plant & equipment and depreciation as at December 31, 2022 are as follows: | | |
| Fixed assets at cost: | | |
| Opening Balance | 1,452,233 | 1,402,345 |
| Addition during the period | 11,592 | 49,888 |
| Disposal during the period | (17,684) | - |
| Closing Balance (cost) | <u>1,446,141</u> | <u>1,452,233</u> |
| Accumulated Depreciation: | | |
| Opening Balance | 1,236,775 | 1,205,314 |
| Charged during the period | 15,771 | 31,462 |
| Disposal during the period | (17,043) | - |
| Closing Balance (Depreciation) | <u>1,235,503</u> | <u>1,236,776</u> |
| Written Down Value (WDV) | <u>210,638</u> | <u>215,457</u> |

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>52,074</u> | <u>32,356</u> |
|-----------------------|---------------|---------------|

During the period, investment has been changed due to convert the share at fair value.

| | | |
|---|---------------|---------------|
| 6. Investment in Financial Assets: | <u>74,853</u> | <u>74,854</u> |
|---|---------------|---------------|

FDR's were purchased from EBL for more than one year (i.e. 380 days).

| | | |
|------------------------------|---------------|---------------|
| 7. Security Deposits: | <u>16,369</u> | <u>10,056</u> |
|------------------------------|---------------|---------------|

Security deposits are made to statutory bodies and hence secured.

| | | |
|--|----------------|----------------|
| 8. Inventories: | | |
| Finished Goods (T, Polo, sweat Shirt) | 8,357 | 48,386 |
| Raw Materials (Yarn & Dyes Chemical) | 70,171 | 108,662 |
| WIP (Dyed,Knitted Fabric & Garments) | 144,090 | 168,188 |
| Accessories | 34,171 | 33,913 |
| | <u>256,789</u> | <u>359,149</u> |

| | | |
|------------------------------|----------------|----------------|
| 9. Trade Receivables: | <u>344,291</u> | <u>502,575</u> |
|------------------------------|----------------|----------------|

Trade receivables have been decreased due to realize as per schedule.

10. Advances, Deposits & Pre-payments:

| | | |
|---|----------------|---------------|
| Advance Income Tax | 115,608 | 85,833 |
| Deposits to Multi Securities & Services Ltd | 2 | 1 |
| Advance against expenses | 12,202 | 5,126 |
| | <u>127,812</u> | <u>90,960</u> |

The Increase of 40.51% due to increase of advance income tax mainly.

11. Other Receivables:

| | | |
|--|---------------|---------------|
| Cash Incentive Receivable | 14,236 | 27,753 |
| FDRs Interest Receivable | 2,921 | 1,006 |
| PF Lapse receivable (employer Portion) | - | 958 |
| Dividend Receivable | 1,766 | - |
| Receivable against interest on stimulus package loan | 181 | 446 |
| | <u>19,104</u> | <u>30,163</u> |

The decrease of 36.66% in other receivables mainly for cash incentive receivable realised. Cash incentive receivable which will be received from bank time to time depending on their availability of fund from Bangladesh Bank.

12. Margin on Acceptance:

| | | |
|--|----------------|----------------|
| | <u>376,179</u> | <u>217,783</u> |
|--|----------------|----------------|

Margin on acceptance-EBL has converted in BDT at closing rate @ 101.00 per USD as on 31.12.2022 & as compare to BDT @ 92.50 per USD as on 30.06.2022 which has retained for settlement of BTB liabilities.

13. Cash & Cash Equivalent:

| | | |
|---|---------------|---------------|
| Cash in hand | 20 | 20 |
| Cash at Bank: | | |
| CD Account with SCB,Dhaka | 188 | 188 |
| CD Account with Mutual Trust Bank Ltd, Chandora | 1,068 | 914 |
| CD Account with DBBL, Dhaka | 9,640 | 2,057 |
| CD Account with HSBC-Dividend, Dhaka | 17,876 | 1,079 |
| Foreign Currency Account with EBL, Dhaka-USD | 30,522 | 7,072 |
| Foreign Currency Account with HSBC, Dhaka-USD | 7 | 13 |
| SND Account with SCB,Dhaka | 733 | 734 |
| SND Account with EBL, Principal Branch, Dhaka | 9 | 14 |
| SND Account with HSBC , Dhaka | 1 | 1 |
| | <u>60,044</u> | <u>12,072</u> |
| | <u>60,064</u> | <u>12,092</u> |

Foreign Currency Account balances has converted in BDT at closing rate @ 101.00 per USD as on 31.12.2022 & as compare to BDT @ 92.50 per USD as on 30.06.2022.

Sd/-
Shahriar Ahmed
Acting Chairman

Sd/-
Zahur Ahmed PhD
Managing Director

Sd/-
Mahir Ahmed
Director

Sd/-
Eifaz Ahmed
Director

Sd/-
Kamruzzaman FCA
Chief Financial Officer

Sd/-
Md. Delour Hossen
Acting Company Secretary

| | Value in Taka '000' | | | |
|--|---------------------|---------------------|------------------|------------|
| | As at 31.12.2022 | As at 30.06.2022 | | |
| 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 | <u>84,000</u> | <u>84,000</u> | | |
| There was no preference share issued by the Company | | | | |
| 14.a Composition of Shareholdings : | | | | |
| | No. of Share | % | No. of Share | % |
| Sponsors & Directors | 4,450,660 | 52.98 | 4,450,660 | 52.98 |
| Institutions | 1,061,380 | 12.64 | 1,103,521 | 13.14 |
| Public - Local | 2,867,280 | 34.12 | 2,825,139 | 33.63 |
| 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 | 236,963 | 239,317 | | |
| Capital Gain | <u>2,752</u> | <u>2,752</u> | | |
| | <u>369,416</u> | <u>371,770</u> | | |
| 17. Fair valuation surplus of Investments (Net of Tax): | | | | |
| Opening Balance | 19,632 | 10,919 | | |
| Fair valuation surplus/(deficit) during the period (net of tax) | <u>17,746</u> | <u>8,713</u> | | |
| | <u>37,378</u> | <u>19,632</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): | | | | |
| Company has availed the above loan from EBL to meet up salaries & 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. During the period, we have already paid fifteen installments out of 20 equal monthly installments. | | | | |
| 19. Deferred Tax Liabilities: | | | | |
| a Book Value of Depreciable Assets | 210,638 | 215,457 | | |
| Tax Base of Depreciable Assets | 208,293 | 213,421 | | |
| Net Taxable Temporary Difference | 2,345 | 2,036 | | |
| Effective Tax Rate | 12.00% | 12.00% | | |
| Closing Deferred tax (Assets)/Liabilities arising from assets | <u>281</u> | <u>244</u> | | |
| Opening Deferred Tax Balance | 244 | 605 | | |
| Deferred Tax Income/(Expense) | <u>(37)</u> | <u>361</u> | | |
| b Unrealised Interest on FDRs | 2,921 | 1,006 | | |
| Effective Tax Rate | 20.00% | 20.00% | | |
| Closing Deferred tax (Assets)/Liabilities arising from Unrealised FDRs Interest | <u>584</u> | <u>201</u> | | |
| Opening Deferred Tax Balance | 201 | 154 | | |
| Deferred Tax Income/(Expense) | <u>(383)</u> | <u>(47)</u> | | |
| c Unrealised Foreign Exchange Gain/(Loss) from translation | (7,785) | (32,357) | | |
| Effective Tax Rate | 20.00% | 20.00% | | |
| Closing Deferred tax (Assets)/Liabilities arising from Exchange | <u>(1,557)</u> | <u>(6,471)</u> | | |
| Opening Deferred Tax Balance | (6,471) | 887 | | |
| Deferred Tax Income/(Expense) | <u>(4,914)</u> | <u>7,358</u> | | |
| d Dividend Receivable | 1,766 | - | | |
| Effective Tax Rate | 20.00% | 20.00% | | |
| Closing Deferred tax (Asst)/Liab. arising from PF Lapse Receiv. | <u>353</u> | - | | |
| Opening Deferred Tax Balance | - | - | | |
| Deferred Tax Income/(Expense) | <u>(353)</u> | - | | |
| e PF Lapse Receivable | - | 958 | | |
| Effective Tax Rate | 20.00% | 20.00% | | |
| Closing Deferred tax (Asst)/Liab. arising from PF Lapse Receiv. | - | <u>192</u> | | |
| Opening Deferred Tax Balance | 192 | 489 | | |
| Deferred Tax Income/(Expense) | <u>192</u> | <u>297</u> | | |
| f Cash Incentive Receivable | 14,236 | 27,753 | | |
| Effective Tax Rate | 10.00% | 10.00% | | |
| Closing Def. tax (Asst)/Liab. arising from cash incentive Receiv. | <u>1,424</u> | <u>2,775</u> | | |
| Opening Deferred Tax Balance | 2,775 | 817 | | |
| Deferred Tax Income/(Expense) | <u>1,352</u> | <u>(1,958)</u> | | |
| Total Deferred Tax Income/(Expense) from (a+b+c+d+e+f) | <u>(4,145)</u> | <u>6,012</u> | | |
| g Deferred Tax (Assets)/Liabilities arising from Other | | | | |
| Comprehensive Income- surplus from fair value of share : | <u>41,531</u> | <u>21,813</u> | | |
| Tax for (Loss)/gain on available for sale investments @ 10% | 4,153 | 2,181 | | |
| Closing deferred tax (assets)/liabilities arising from Fair Valuation Surplus of Investments | 4,153 | 2,181 | | |
| Opening Deferred Tax Balance | 2,181 | 1,213 | | |
| Deferred Tax Income/(Expense) | <u>(1,972)</u> | <u>(968)</u> | | |
| Deferred Tax Closing Liability/(Assets) (a+b+c+d+e+f+g) | <u>5,239</u> | <u>(878)</u> | | |

| | Value in Taka '000' | |
|--|----------------------|----------------------|
| | As at 31.12.2022 | As at 30.06.2022 |
| 20. Working Capital Loan (secured): | | |
| EBL, Dhaka | 54,955 | 33,754 |
| HSBC, Dhaka | 19,776 | 13,355 |
| | <u>74,731</u> | <u>47,109</u> |
| The working capital loan is used for salary & wages and other regular payment . | | |
| 21. Long Term Loan-Current Maturity: | <u>13,316</u> | <u>52,340</u> |
| This represents the part of stimulus package loan which will pay in next 12 months. | | |
| 22. Short Term Loan : | | |
| Time loan-EBL | 2,817 | 15,548 |
| Import loan-EBL | - | - |
| | <u>2,817</u> | <u>15,548</u> |
| The decrease of short term loan due to repayment of loans as per schedule date. | | |
| 23. Trade Payables: | <u>771,648</u> | <u>795,785</u> |
| The decrease of trade Payables due to pay of BTB liability as per schedule . | | |
| 24. Other Payables: | | |
| Clearing & Forwarding | 13,301 | 15,799 |
| Insurance Premium | 228 | 140 |
| Power, Fuel and Water | 10,188 | 12,514 |
| Telephone, Telex & Fax | 42 | 43 |
| Salary, Wages and Overtime | 27,606 | 46,908 |
| Audit Fees Payable | 201 | 403 |
| Income Tax Payable | 89,153 | 62,358 |
| Provident Fund Payable | 2,555 | 2,393 |
| Dividend for the year 2021-2022 | 16,800 | - |
| Payable for Corporate Expenses | 1,010 | 1,292 |
| Payable for other expenses | 189 | 339 |
| Payable for Tax Deducted at Sources | 2,077 | 1,769 |
| Payable for VAT at Source | 203 | 99 |
| | <u>163,553</u> | <u>144,058</u> |
| The increase of 13.53% in other payables mainly for income tax payable & dividend payable for the year 2021-2022. | | |
| 25. Unclaimed Dividend Account: | <u>1,077</u> | <u>1,079</u> |
| According to the Directive of Bangladesh Securities and Exchange Commission (BSEC) dated 14th January, 2021 para 3 (vii) regarding the details information of unpaid or unclaimed dividend shall report in the statement of financial position as separate line item, so we have reported in the statement of financial position as a separate line item "Unclaimed Dividend Account". Breakup as follows: | | |
| Years of Dividend | | |
| 2018-2019 | 425 | 426 |
| 2019-2020 | 265 | 265 |
| 2020-2021 | 387 | 388 |
| Unclaimed Dividend 2018-2019 to 2020-2021 | <u>1,077</u> | <u>1,079</u> |
| 26. Net Assets value (NAV) Per Share: | | |
| Equity Attributable to the Owners of the Company | 505,794 | 490,402 |
| Number of Ordinary Shares | 8,400 | 8,400 |
| Net Assets value (NAV) Per Share | <u>60.21</u> | <u>58.38</u> |
| | <u>July'22 to</u> | <u>July'21 to</u> |
| | <u>December 2022</u> | <u>December 2021</u> |
| 27. Revenue: | <u>1,864,030</u> | <u>2,159,539</u> |
| Revenue has been decreased by 13.68% as compared to the revenue of same period of July 2021 to December 2021 due to decrease of quantity sold during the period. | | |
| 28. Cost of Goods Sold: | | |
| Opening Stock of Finished Goods | 48,386 | 46,371 |
| Add: Cost of Production (note # 28.a) | 1,684,071 | 2,014,103 |
| Less: Closing Stock of Finished Goods | (8,357) | (41,827) |
| | <u>1,724,100</u> | <u>2,018,647</u> |
| 28.a. Cost of Production: | | |
| Opening Raw Materials, WIP & Accessories | 310,763 | 292,096 |
| Add: Raw Materials purchase during the period | 932,252 | 1,237,236 |
| Add: Factory Overhead (Note # 28.a.a) | 689,487 | 720,879 |
| Less: Closing Raw Materials, WIP & Accessories | (248,432) | (236,108) |
| | <u>1,684,071</u> | <u>2,014,103</u> |
| 28.a.a Factory Overhead: | | |
| Carriage inward | 3,219 | 3,987 |
| Electricity | 1,992 | 517 |
| Gas, Fuel & Lubricant | 89,054 | 62,130 |
| Insurance Premium | 4,061 | 3,965 |
| Repairs & Maintenance | 40,049 | 42,268 |
| Telephone Charges | 38 | 36 |
| Wages, Salaries & Allowance | 519,340 | 576,530 |
| Bank Charges & Commission | 3,277 | 5,529 |
| Depreciation | 14,211 | 14,198 |
| Travelling & Conveyance | 4,471 | 2,935 |
| Testing Bill | 7,420 | 6,562 |
| Uniform & Liveries | 78 | 363 |
| Chemical for Effluent Treatment Plant | 1,578 | 835 |
| Entertainment | 501 | 623 |
| UD & UP Expenses | 200 | 400 |
| | <u>689,487</u> | <u>720,879</u> |

Sd/-
Shahriar Ahmed
Acting Chairman

Sd/-
Zahur Ahmed PhD
Managing Director

Sd/-
Mahir Ahmed
Director

Sd/-
Eifaz Ahmed
Director

Sd/-
Kamruzzaman FCA
Chief Financial Officer

Sd/-
Md. Delour Hossen
Acting Company Secretary

| | Value in Taka '000' | |
|--|------------------------|------------------------|
| | July'22-December' 2022 | July'21-December' 2021 |
| 29. Other Operating Income/(loss): | | |
| Foreign exchange gain/(loss) from operations | 4,000 | (872) |
| Foreign exchange gain/(loss) from translation | (7,785) | (522) |
| | <u>(3,785)</u> | <u>(1,394)</u> |
| 30. Administrative & Selling Overhead: | | |
| AGM Expenses | - | - |
| Audit Fee (Including VAT) | 201 | 201 |
| Bank Charges & Commission | 4,516 | 4,365 |
| Board Meeting Fees (Including VAT) | 19 | 18 |
| Depreciation | 1,559 | 816 |
| Depreciation on Right of Use Assets | - | 2,374 |
| Directors Remuneration | 1,800 | 1,800 |
| Entertainment | 1,062 | 640 |
| Export Processing & Handling Expenses | 2,495 | 1,980 |
| Clearing & Forwarding Expenses | 9,307 | 20,880 |
| Insurance Premium | 579 | 2,066 |
| Legal & Professional Fees | 115 | 244 |
| Medical Expense | 30 | 59 |
| Newspapers & Periodicals | 2 | 10 |
| Postage & Stamp | 28 | 27 |
| Power & Fuel | 594 | 435 |
| Printing Expense | 1,021 | 1,494 |
| Stationery Expenses | 1,308 | 1,498 |
| Publicity & Advertisement | 152 | 245 |
| Renewal & Fees | 2,444 | 4,706 |
| Repairs & Maintenance | 4,362 | 370 |
| Salaries & Allowances | 32,587 | 8,232 |
| Sales Promotional Expenses | 3,232 | 34,173 |
| Subscription & Donation | - | 6,191 |
| Travelling & Conveyance | 2,908 | 2,261 |
| Telephone, Fax and Radio Link | 307 | 311 |
| Transportation Expenses | 6,967 | 7,663 |
| | <u>77,595</u> | <u>103,060</u> |
| 31. Finance & Other Income: | | |
| Interest on FDRs | 1,916 | 1,116 |
| Interest on SND Accounts | 0 | 0 |
| Dividend Income | 1,766 | 1,766 |
| Profit from sale of old assets | 960 | - |
| | <u>4,642</u> | <u>2,882</u> |
| The increase of 61.07% are for increase interest rate of time deposits & profit on sale of assets . | | |
| 32. Financial Expenses: | | |
| Interest on Term Loan-Stimulus | 625 | 403 |
| Interest on Time Loan | 304 | 566 |
| Supplier Finance Program Charges(SFP) | 15,494 | 7,204 |
| Interest on Overdraft | 775 | 127 |
| Interest on Finance Lease for Office Rent | - | 66 |
| F.C. Charges | - | 7 |
| | <u>17,198</u> | <u>8,373</u> |
| Financial expenses has been increased due to increase of FC Charges by applying supplier finance program charges (SFP) for early realization of export proceeds. | | |
| 33.Workers Profit Participation Fund (WPPF) | 608 | 618 |
| We are 100% export oriented Readymade 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. | | |
| 34. Current Tax: | 26,795 | 12,912 |
| Current tax consists of tax provision made on business income means higher of below a,b,c i.e. Tax on operating profit basis, Minimum Tax U/S -82c(2) & Minimum Tax U/S -82c(4) and realized amount of finance & other income for the period from 1st July'22 to 31st Dec'22. | | |
| Calculation of Current tax: | Applicable | Applicable |
| a) Tax on Operating profit Basis | Tax Rate % | |
| Profit before tax | 45,386 | 30,329 |
| Other Operating Income/Loss | 3,785 | 1,393 |
| Finance & Other Income | (4,642) | (2,882) |
| Net Operating profit/(Loss) | 44,529 | 28,840 |
| Tax on Operation Profit | 12.00 | 3,461 |
| b) Minimum Tax U/S -82c(2) | | |
| TDS on export proceeds | 1.00 | 20,201 |
| c) Minimum Tax U/S -82c(4) | | |
| Realized from Revenue =(0.60%/20%*12%) | 0.360 | 6,601 |
| Realized from other operating Income | 0.600 | (5) |
| Realized from Cash Incentive | 0.600 | 149 |
| Realized from Dividend Income | 0.600 | - |
| Realized from finance & Other Income | 0.600 | 8 |
| | | <u>7,650</u> |
| | | <u>6,753</u> |
| So, Current tax | | |
| Business tax- Higher of a,b & c ** | above b | 20,201 |
| Tax on Cash Incentive Realised | 10.00 | 5,411 |
| Tax on Dividend Income (Realised) | 20.00 | - |
| Tax on Profit from Sale of Assets | 20.00 | 192 |
| Tax on Finance Income (Realised) | 20.00 | - |
| Tax on other operating Income (Realised) | 20.00 | 800 |
| Tax on PF Lapse Received | 20.00 | 192 |
| | | <u>26,795</u> |
| | | <u>12,912</u> |
| Effective Tax Rate =(Tax Expenses/Profit Before Tax) | 68.17% | 49.87% |

| | Value in Taka '000' | |
|--|----------------------------------|----------------------------------|
| | July'22-December' 2022 | July'21-December' 2021 |
| ** Since the source tax deducted under Income Tax Ordinance 1984 for Tk. 20,201/- is higher than tax on operating profit basis Tk. 5,343/- and minimum tax on gross receipts Tk. 7,650/-, so higher is provided as current tax liability from business for the period ended December 31, 2022. | | |
| 35. Deferred Tax (Expenses)/Income: | (4,145) | (2,213) |
| 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, Dividend receivable, cash incentive receivable, Foreign exchange translation gain /(loss) & WDV of fixed assets. (Please see the details in note # 19 for total deferred tax income/(expense) from above mentioned temporary differences). | | |
| 36. Fair Valuation Surplus/(deficit) of Investment (net of tax): | 17,746 | 4,417 |
| 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 Financial Position price. | | |
| 37. Basic Earning Per Share (EPS): | | |
| Earnings after tax Attributable to the Owners of the Company | 14,446 | 15,204 |
| Number of Ordinary Shares | 8,400 | 8,400 |
| Basic Earning Per Share (EPS) | 1.72 | 1.81 |
| 38. Net Operating Cash Flows (NOCF) Per Share: | | |
| Net cash generated from (used in) operating activities | 106,472 | 2,855 |
| Number of Ordinary Shares | 8,400 | 8,400 |
| Net Operating Cash Flows (NOCF) Per Share | 12.68 | 0.34 |
| Net operating cash flows was Tk. 12.68 per share for the 2nd quarter ended on December 31, 2022 but it was Tk. 0.34 for the same period of last year, this is mainly decrease of payment for cost & expenses as compare to last year's 2nd quarter . | | |
| 39. Disclosure Regarding Rearrangement: | | |
| No rearrangement has been made during the 2nd quarter of 2022-2023. | | |
| 40. 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 2017 to June 30, 2021 & retained earnings as at July 01, 2021 has been adjusted accordingly by Tk. 686/- net of tax (Tk. 857- Tk.171). | | |
| 41. Related Party Transactions: | | |
| (a) Intercompany Transactions: | | |
| Apex Spinning & Knitting Mills Limited has few transactions with Apex Yarn Dyeing Limited, Apex Textile printing Mills Limited, Apex Lingerie Limited, Apex Fashion Wear 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: | | |
| i) Refer to Note # 30; we have provided Directors' Remuneration, Board Meeting Fees and Salaries and Allowances. | | |
| ii)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 administrates 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. | | |
| 42. 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: | July'22 to December' 2022 | July'21 to December' 2021 |
| Profit After Tax | 14,445 | 15,204 |
| Adjustment for non-cash & non operating items: | | |
| Add: Depreciation During the period | 15,771 | 17,389 |
| Add/(Less): Unadjusted Foreign Exchange (Gain)/Loss from Translation | (207) | (301) |
| Less: Finance Income adjustment | (4,642) | (2,882) |
| Add: Interest & Other Financial Charges adjustment | 17,198 | 8,373 |
| Add: Tax Expenses | 30,940 | 15,125 |
| Increases & Decreases: | | |
| (Increase)/Decrease in Inventories | 102,360 | 60,532 |
| (Increase)/Decrease in Trade Receivables | 158,283 | (89,466) |
| (Increase)/Decrease in other Receivables | 14,740 | (29,936) |
| (Increase)/Decrease in Advances, Deposits & Prepayments | (6,009) | (668) |
| (Increase)/Paid) Income tax during the period | (29,774) | (15,562) |
| Increase/(Decrease) in Trade Payables | (182,534) | 31,379 |
| Increase/(Decrease) in Other Payables | (24,100) | (6,333) |
| Net cash generated from/(used in) operating activities | 106,472 | 2,855 |
| RECONCILIATION | | |
| Net cash generated from/(used in) operating activities-Indirect Method | 106,472 | 2,855 |
| Net cash generated from/(used in) operating activities-Direct Method | 106,472 | 2,855 |
| Differences | 0.00 | (0.00) |
| 43. Contingent Liability: | | |
| a)There is Tk. 26.48 million as Bank guarantee to "Titas Gas Transmission & Distribution Company Ltd" & Reliance Insurance Com. Ltd for which the Company is contingently liable as at December 31, 2022. | | |
| b) We have opened L/C with HSBC for import of circular knitting machines value EUR 630,000.00 as per meeting of the Board of Directors held on July 27, 2022 & subsequently approved in AGM. | | |
| 44. Events after Reporting Period: | | |
| a) Approved Dividend: | | |
| The Board of Directors has recommended cash Dividend of Tk. 2.00/- per Share for the year 2021-2022 at the Board meeting held on October 16, 2022 & approved at AGM on 15 December, 2022 and the approved dividend has been disbursed as per BSEC guideline. | | |
| b) Other Significant Event: | | |
| 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. | | |