

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, 2023

STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT DECEMBER 31, 2023

Value in Taka '000'

Notes	As at 31.12.2023	As at 30.06.2023	Growth %
ASSETS			
Non-Current Assets:	443,790	371,911	19.33
Property, Plant and Equipment	277,305	202,989	36.61
Investment in Share	52,869	74,144	(28.69)
Investment in Financial Assets	78,409	78,409	-
Security Deposits	35,206	16,370	115.07
Current Assets:	1,626,304	1,855,280	(12.34)
Inventories	219,259	217,073	1.01
Trade Receivables	439,010	633,844	(30.74)
Advances, Deposits & Pre- Payments	195,262	252,211	(22.58)
Other Receivables	41,600	32,378	28.49
Margin on Acceptance	674,493	629,018	7.23
Cash & Cash Equivalents	56,680	90,756	(37.55)
TOTAL ASSETS	2,070,094	2,227,191	(7.05)
EQUITY AND LIABILITIES			
Shareholders' Equity:	520,790	540,696	(3.68)
Share Capital	84,000	84,000	-
Share Premium	15,000	15,000	-
Reserve and Surplus	383,697	384,455	(0.20)
Fair Valuation Surplus of Investments	38,094	57,241	(33.45)
Non-Current Liabilities:	12,098	13,587	-
Deferred Tax Liability	12,098	13,587	(10.96)
Current Liabilities:	1,537,206	1,672,908	(8.11)
Working Capital Loan (Secured)	27,308	56,938	(52.04)
Short Term Loan	-	-	-
Trade Payables	1,251,138	1,362,700	(8.19)
Other Payables	257,114	252,257	1.93
Unclaimed Dividend Account	1,645	1,012	62.50
Total Liabilities	1,549,304	1,686,495	(8.13)
TOTAL EQUITY AND LIABILITIES	2,070,094	2,227,191	(7.05)
Net Assets Value (NAV) Per Share	62.00	64.37	(3.68)

STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE 2ND QUARTER ENDED ON DECEMBER 31, 2023

Value in Taka '000'

Note	01.07.2023 to 31.12.2023	01.07.2022 to 31.12.2022	Growth %
CASH FLOWS FROM OPERATING ACTIVITIES:			
Collection From Revenue	2,970,164	2,023,806	46.76
Finance Income from SND	0	0	-
Other Income from foreign exchange gain/(loss) from operat	(6,305)	4,000	(257.62)
Received from PF Lapse	0	958	(100.00)
Bank Charges & Commission	(12,827)	(7,793)	64.59
Income Tax Paid	(33,324)	(29,774)	11.92
Payment for Costs and Expenses	(2,697,117)	(1,884,725)	43.10
Net cash generated from/(used in) operating activities (a)	220,591	106,472	107.18
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property, Plant and Equipment Acquired	(97,904)	(11,592)	744.58
Received from Sale of Assets	700	1,600.00	(56.25)
Advance against Purchase of Fixed Assets	-	(7,382.00)	(100.00)
Finance Income from FDRs	0	-	-
Finance Income from Dividend	339	-	-
Net cash generated from/(used in) investing activities	(96,865)	(17,374)	457.53
CASH FLOWS FROM FINANCING ACTIVITIES:			
Working Capital Loan received/(repaid)	(29,630)	27,622	(207.27)
Long Term loan received/(repaid)	0	(39,024)	(100.00)
Short Term loan received/(repaid)	(74,499)	(12,731)	485.17
Dividend Paid during the period	(16,167)	(2)	808,266.85
Interest & other financial charges paid	(40,245)	(17,198)	134.01
Net cash generated from/(used in) financing activities (c)	(160,541)	(41,333)	288.41
Net increase/(decrease) in cash and cash equivalents(a+b+c)	(36,815)	47,765	(177.08)
Cash & cash equivalents on opening	90,756	12,092	650.55
Foreign exchange gain/(loss) from translation	2,739	207	1,223.05
Cash & cash equivalents on closing	56,680	60,064	(5.64)
Net Operating Cash Flows Per Share	26.26	12.68	107.18

**Please refer to the note # 40 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 2ND QUARTER ENDED ON DECEMBER 31, 2023

Value in Taka '000'

Notes	01.07.2023 to 31.12.2023	01.07.2022 to 31.12.2022	Growth %	01.10.2023 to 31.12.2023	01.10.2022 to 31.12.2022	Growth %
REVENUE	2,775,811	1,864,030	48.91	1,466,389	1,143,714	28.21
Cost of Goods Sold	(2,611,488)	(1,724,100)	51.47	(1,361,946)	(1,075,641)	26.62
GROSS PROFIT	164,323	139,930	17.43	104,442	68,073	53.43
Other Operating Income/(Loss)	20,873	(3,785)	(651.47)	150	17,453	(99.14)
Administrative & Selling Overhead	(99,862)	(77,595)	28.70	(64,067)	(53,524)	19.70
OPERATING PROFIT/(LOSS)	85,334	58,550	45.75	40,526	32,002	26.64
Finance & Other Income	5,042	4,642	8.62	2,934	2,723	7.74
Financial Expenses	(40,245)	(17,198)	134.01	(18,112)	(10,205)	77.48
PROFIT BEFORE WPPF	50,131	45,994	9.00	25,348	24,520	3.38
Workers Profit Participation Fund (WPP)	(879)	(608)	44.59	(412)	(296)	39.33
PROFIT BEFORE TAX	49,252	45,386	8.52	24,935	24,224	2.94
TAX EXPENSES:						
Current Tax	(32,573)	(26,795)	21.56	(14,074)	(11,268)	24.90
Deferred Tax (Expenses)/Income	(638)	(4,145)	(84.60)	(2,298)	(3,716)	(38.16)
NET PROFIT AFTER TAX	16,041	14,446	11.04	8,564	9,240	(7.32)
OTHER COMPREHENSIVE INCOME/(LOSS):						
Fair Valuation Surplus / (Deficit) of Investment	(21,275)	19,718	(207.89)	(20,987)	12,880	(262.94)
Deferred Tax (Exp./)Income on share valuation Su	2,127	(1,972)	(207.88)	2,099	(1,288)	(262.94)
TOTAL COMPREHENSIVE INCOME/(LOSS)	(3,106)	32,192	(109.65)	(10,324)	20,832	(149.56)
Basic Earnings Per Share (EPS)	1.91	1.72	11.04	1.02	1.10	(7.32)

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE 2ND QUARTER ENDED ON DECEMBER 31, 2023

Value in Taka '000'

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Fair Valuation Surplus	Capital Gain	Total
As at 30 June, 2023	84,000	15,000	129,701	252,002	57,241	2,752	540,696
Net Profit for the six months ended on December 31, 2023	-	-	-	16,041	-	-	16,041
Dividend for the year 2022-2023	-	-	-	(16,800)	-	-	(16,800)
Fair Valuation Surplus/(deficit) of Investment	-	-	-	-	(19,147)	-	(19,147)
As at December 31, 2023	84,000	15,000	129,701	251,243	38,094	2,752	520,790

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE 2ND QUARTER ENDED ON DECEMBER 31, 2022

Value in Taka '000'

Particulars	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

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

Sd/-
Shahriar Ahmed
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

FOR THE 2ND QUARTER ENDED ON DECEMBER 31, 2023
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 PLC and Chittagong Stock Exchange PLC 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 complied 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-24 Related Party Disclosures	Complied With
IAS-2 Inventories	Complied With	IAS-33 Earnings Per Share	Complied With
IAS-7 Statement of Cash Flows	Complied With	IAS-34 Interim Financial Reporting	Complied With
IAS-8 Accounting Policies, Changes in Accounting Estimates and Errors	Complied With	IAS-36 Impairment of Assets	Complied With
IAS-10 Events after the Reporting Period	Complied With	IAS-37 Provisions, Contingent Liabilities and Contingent Assets	Complied With
IAS-12 Income Taxes	Complied With	IFRS-07 Financial Instruments: Disclosures	Complied With
IAS-16 Property, Plant and Equipment	Complied With	IFRS-09 Financial Instruments	Complied With
IAS-21 The Effects of Changes in Foreign Exchange Rates	Complied With	IFRS-15 Revenue from Contracts with Customers	Complied With
IAS-23 Borrowing Cost	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 ACT, 2023, The Income Tax Rules 2023, 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, 2023.(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, 2023 to December 31, 2023. (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 2022-2023 for income statement and financial position with June 30, 2023.

Value in Taka '000'

As at
31.12.2023

As at
30.06.2023

Value in Taka '000'
As at
31.12.2023

As at
30.06.2023

4. Property, Plant and Equipment (WDV):

Details of property, plant & equipment and depreciation as at December 31, 2023 are as follows:

Fixed assets at cost:

Opening Balance	1,454,910	1,452,233
Addition during the period	97,904	20,361
Disposal during the period	(1,743)	(17,684)
Closing Balance (cost)	1,551,071	1,454,910

Accumulated Depreciation:

Opening Balance	1,251,922	1,236,776
Charged during the period	23,543	32,190
Disposal during the period	(1,699)	(17,043)
Closing Balance (Depreciation)	1,273,766	1,251,922
Written Down Value (WDV)	277,305	202,989

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 in Share:

52,869 **74,144**

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

6. Investment in Financial Assets:

78,409 **78,409**

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

7. Security Deposits:

35,206 **16,370**

Security deposits are made to statutory bodies and hence secured.

8. Inventories:

Finished Goods (T, Polo, sweat Shirt)	46,984	26,190
Raw Materials (Yarn & Dyes Chemical)	75,795	71,632
WIP (Dyed, Knitted Fabric & Garments)	67,895	71,825
Accessories	28,586	47,427
	219,259	217,073

9. Trade Receivables:

439,010 **633,844**

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

10. Advances, Deposits & Pre-payments:

Advance Income Tax	188,719	155,395
Deposits to Multi Securities & Services Ltd	2	2
Advance against expenses	6,541	96,814
	195,262	252,211

The decrease of 22.58% due to adjust of advance against expenses mainly.

11. Other Receivables:

Cash Incentive Receivable	35,290	30,115
FDRs Interest Receivable	4,200	1,295
PF Lapse receivable (employer Portion)	968	968
Dividend Receivable	1,142	-
	41,600	32,378

The increase of 28.49% in other receivables mainly for cash incentive receivable, FRD Interest & Dividend receivable. Receivable of cash incentive will be received from bank time to time depending on their availability of fund from Bangladesh Bank.

12. Margin on Acceptance:

674,493 **629,018**

Margin on acceptance-EBL has converted in BDT at closing rate @ 109.50 per USD as on 31.12.2023 & as compare to BDT @ 107.00 per USD as on 30.06.2023 which has retained for BTB liability settlement.

13. Cash & Cash Equivalents:

20 **20**

Cash in hand

187 **187**

Cash at Bank:

1,094 **179**

10,860 **3,130**

1,644 **1,012**

- **-**

- **-**

39,689 **85,482**

2,447 **7**

732 **732**

8 **8**

0 **0**

56,660 **90,736**

56,680 **90,756**

Foreign Currency Account balances has converted in BDT at closing rate @ 109.50 per USD as on 31.12.2023 & as compare to BDT @ 107.00 per USD as on 30.06.2023.

14. Share Capital :

Authorized Capital:

30,000,000 Ordinary Shares of Tk. 10/= each. **300,000** **300,000**

Issued, Subscribed & Paid up Capital:

8,400,000 Ordinary Shares of Tk. 10/= each fully paid **84,000** **84,000**

There was no preference share issued by the Company

14.a Composition of Shareholdings :

Sponsors & Directors	4,445,651	52.92	4,450,660	52.98
Institutions	999,610	11.90	1,132,608	13.48
Public - Local	2,934,059	34.93	2,796,052	33.29
Foreign Shareholders	20,680	0.25	20,680	0.25
	8,400,000	100	8,400,000	100

15. Share Premium:

15,000 **15,000**

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 251,244 252,002

Capital Gain 2,752 2,752

383,697 **384,455**

Sd/-
Shahriar Ahmed
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 As at

Value in Taka '000'
As at As at

	<u>31.12.2023</u>	<u>30.06.2023</u>
17. Fair valuation surplus of Investments (Net of Tax):		
Opening Balance	57,241	19,632
Fair valuation surplus/(deficit) during the period (net of tax)	(19,147)	37,609
	<u>38,094</u>	<u>57,241</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. Deferred Tax Liabilities:

a Book Value of Depreciable Assets	277,305	202,989
Tax Base of Depreciable Assets	296,829	213,149
Net Taxable Temporary Difference	(19,524)	(10,160)
Effective Tax Rate	12.00%	12.00%
Closing Deferred tax (Assets)/Liabilities arising from assets	<u>(2,343)</u>	<u>(1,219)</u>
Opening Deferred Tax Balance	(1,219)	244
Deferred Tax Income/(Expense)	<u>1,124</u>	<u>1,463</u>

b Unrealised Interest on FDRs	4,200	1,295
Effective Tax Rate	20.00%	20.00%
Closing Deferred tax (Assets)/Liabilities arising from Unrealised FDRs Interest	<u>840</u>	<u>259</u>
Opening Deferred Tax Balance	259	201
Deferred Tax Income/(Expense)	<u>(580)</u>	<u>(58)</u>

c Unrealised Foreign Exchange Gain/(Loss) from translation	27,088	24,913
Effective Tax Rate	20.00%	20.00%
Closing Deferred tax (Assets)/Liabilities arising from	<u>5,418</u>	<u>4,983</u>
Opening Deferred Tax Balance	4,983	(6,471)
Deferred Tax Income/(Expense)	<u>(435)</u>	<u>(11,454)</u>

d Dividend Receivable	1,142	-
Effective Tax Rate	20.00%	20.00%
Closing Deferred tax (Asst)/Liab. arising from dividend Receiv.	<u>228</u>	<u>-</u>
Opening Deferred Tax Balance	-	-
Deferred Tax Income/(Expense)	<u>(228)</u>	<u>-</u>

e PF Lapse Receivable	968	968
Effective Tax Rate	20.00%	20.00%
Closing Deferred tax (Asst)/Liab. arising from PF Lapse Receiv.	<u>194</u>	<u>194</u>
Opening Deferred Tax Balance	194	191
Deferred Tax Income/(Expense)	<u>-</u>	<u>(3)</u>

f Cash Incentive Receivable	35,290	30,115
Effective Tax Rate	10.00%	10.00%
Closing Def. tax (Asst)/Liab. arising from cash incentive Receiv.	<u>3,529</u>	<u>3,011</u>
Opening Deferred Tax Balance	3,011	2,775
Deferred Tax Income/(Expense)	<u>(518)</u>	<u>(236)</u>
Total Deferred Tax Income/(Expense) from (a+b+c+d+e+f)	<u>(638)</u>	<u>(10,286)</u>

g Deferred Tax (Assets)/Liabilities arising from Other		
Comprehensive Income- surplus from fair value of share :	<u>42,326</u>	<u>63,601</u>
Tax for (Loss)/gain on available for sale investments @ 10%	4,233	6,360
Closing deferred tax (assets)/liabilities arising from Fair Valuation Surplus of Investments	4,233	6,360
Opening Deferred Tax Balance	6,360	2,181
Deferred Tax Income/(Expense)	<u>2,127</u>	<u>(4,179)</u>
Deferred Tax Closing Liability (a+b+c+d+e+f+g)	<u>12,098</u>	<u>13,587</u>

19. Working Capital Loan (secured):

EBL, Dhaka	14,082	40,675
HSBC, Dhaka	13,226	16,263
	<u>27,308</u>	<u>56,938</u>

The working capital loan is used for salary & wages and regular payment .

20. Short Term Loan :

Time loan-EBPLC	-	-
Import loan-EBPLC	-	-
UPAS loan with HSBC	-	-
	<u>-</u>	<u>-</u>

The short term loans including UPAS Loan created for machinery import with HSBC & paid early.

21. Trade Payables:

	<u>1,251,138</u>	<u>1,362,700</u>
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The decrease of trade Payables due to pay of BTB liability as per schedule .

22. Other Payables:

Clearing & Forwarding	13,653	32,893
Insurance Premium	295	649
Power, Fuel and Water	19,169	27,397
Telephone, Telex & Fax	23	78
Salary, Wages and Overtime	60,346	58,919
Audit Fees Payable	201	403
Income Tax Payable	157,019	124,446
Provident Fund Payable	3,273	2,816
Payable for Corporate Expenses	465	1,809
Payable for other expenses	1,099	547
Payable for Tax Deducted at Sources	1,423	1,942
Payable for VAT Deducted at Source	148	359
	<u>257,114</u>	<u>252,257</u>

The increase of 1.93% in other payables mainly for tax payable & payable against salaries, wages & other allowances during the period.

23. Unclaimed Dividend Account:

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:

	<u>1,645</u>	<u>1,012</u>
Years of Dividend		
2019-2020	265	265
2020-2021	384	384
2021-2022	364	364
2022-2023	633	-
Unclaimed Dividend 2019-2020 to 2022-2023	<u>1,645</u>	<u>1,012</u>

24. Net Assets value (NAV) Per Share:

Equity Attributable to the Owners of the Company	520,790	540,696
Number of Ordinary Shares	8,400	8,400
Net Assets value (NAV) Per Share	<u>62.00</u>	<u>64.37</u>

July'23 to July'22 to
December' 2023 December' 2022

25. Revenue:

Revenue has been increased by 48.91% as compared to the revenue of same period of July 2022 to December 2022 due to increase of quantity sold during the period.

<u>2,775,811</u>	<u>1,864,030</u>
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26. Cost of Goods Sold:

Opening Stock of Finished Goods	26,190	48,386
Add: Cost of Production (note # 26.a)	2,632,282	1,684,071
Less: Closing Stock of Finished Goods	(46,984)	(8,357)
	<u>2,611,488</u>	<u>1,724,100</u>

26.a. Cost of Production:

Opening Raw Materials, WIP & Accessories	190,883	310,763
Add: Raw Materials purchase during the period	1,678,881	932,253
Add: Factory Overhead (Note # 26.a.a)	934,792	689,487

Less: Closing Raw Materials, WIP & Accessories	(172,275)	(248,432)
	<u>2,632,282</u>	<u>1,684,071</u>

26.a Factory Overhead:

Carriage inward	5,639	3,219
Electricity	3,845	1,992
Gas, Fuel & Lubricant	135,736	89,054
Insurance Premium	4,653	4,061
Repairs & Maintenance	19,765	40,049
Telephone Charges	57	38
Wages, Salaries & Allowance	718,551	519,340
Bank Charges & Commission	4,989	3,277
Depreciation	21,915	14,211
Fire Fighting Exp.	342	-
Travelling & Conveyance	6,027	4,471
Testing Bill	10,806	7,420
Uniform & Liveries	367	78
Chemical for Effluent Treatment Plant	802	1,578
Entertainment	947	501
UD & UP Expenses	351	200
	<u>934,792</u>	<u>689,487</u>

27. Other Operating Income/(loss):

Foreign exchange gain/(loss) from operations	(6,305)	4,000
Foreign exchange gain/(loss) from translation	27,178	(7,785)
	<u>20,873</u>	<u>(3,785)</u>

Sd/-
Shahriar Ahmed
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

28. Administrative & Selling Overhead:

Audit Fee (Including VAT)	201	201
Bank Charges & Commission	7,838	4,516
Board Meeting Fees (Including VAT)	13	19
Depreciation	1,627	1,559
Directors Remuneration	900	1,800
Entertainment	1,678	1,062
Export Processing & Handling Expenses	4,609	2,495
Clearing & Forwarding Expenses	14,305	9,307
Insurance Premium	833	579
Legal & Professional Fees	94	115
Medical Expense	84	30
Newspapers & Periodicals	1	2
Postage & Stamp	138	28
Power & Fuel	722	594
Printing Expense	1,873	1,021
Stationery Expenses	2,036	1,308
Publicity & Advertisement	78	152
Renewal & Fees	7,305	2,444
Repairs & Maintenance	10,706	4,362
Salary & Allowances	24,808	32,587
Sales Promotional Expenses	7,560	3,232
Travelling & Conveyance	1,116	2,908
Telephone, Fax and Radio Link	387	307
Transportation Expenses	10,950	6,967
	<u>99,862</u>	<u>77,595</u>

29. Finance & Other Income:

Dividend Income	1,481	1,766
Interest earned on SND Account	0	0
Interest accrue on FDRs	2,905	1,916
Profit on Sale of old Assets	656	960
	<u>5,042</u>	<u>4,642</u>

The increase of 8.61% due to increase the interest rate of time deposits.

30. Financial Expenses:

Interest on Term Loan-Stimulus	-	625
Interest on Time Loan	1,828	304
Supplier Finance Program Charges(SFP)	37,865	15,495
Interest on Overdraft	552	775
	<u>40,245</u>	<u>17,198</u>

Financial expenses has been increased due to increase of SFP Charges by applying supplier finance program (SFP) for early realization of export proceeds.

31. Workers Profit Participation Fund (WPPF)

879 608

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.

32. Current Tax:

32,573 26,795

Current tax consists the higher of minimum tax U/S 163(2 ka,kha), 163(5-kh-uh) considering below a,b,c ie a) tax on income basis b) TDS on these income U/S 163(2-ka,kha) & c) tax on all gross received U/S -163(5-kh-e) and also others income realised during the period from 1st July 2023 to 31 December 2023. Details as follows:

a) Tax on Income basis**(i) Tax on Business Profit:**

Profit before tax	49,253	45,386
Less: add: Other Operating Income/(Loss) from translation	(27,088)	3,785
Less: Finance & Other Income	(5,042)	(4,642)
Net Operating Profit/(Loss)	<u>17,124</u>	<u>44,528</u>
Tax on Business Profit 12%	<u>2,055</u>	<u>5,343</u>

(ii) Tax on Other Income:

x) Tax on Dividend Income @ 20%	68	-
y) Tax on Cash Incentive realised @ 10.00% **	3,008	5,411
z) Tax on Finance Income (FDRs & Savings Interest)	0	0
** as per SRO # 253-law/income tax-09/23 dated 23.08.23	<u>3,076</u>	<u>5,411</u>
Total (i+ii)	<u>5,131</u>	<u>10,755</u>

b) TDS U/S -163(2-ka,kha)

i) TDS on export proceeds	29,366	20,201
ii) TDS on Dividend Income	68	-
iii) TDS on Cash Incentive realised	3,008	5,411
iv) TDS on Finance Income (Realized)	0	0
	<u>32,441</u>	<u>25,612</u>

c) Tax on gross received U/S -163(5-ka-

10,693 7,286

i) Realized from turnover =(0.60%/20.00%*12%)	0.360	10,693	7,286
ii) Realized from other operating Income	0.360	-	24
iii) Realized from Cash Incentive	0.600	180	325
iv) Realized from Dividend Income	0.600	2	-
v) Realized from finance & Other Income	0.600	0	15
		<u>10,875</u>	<u>7,650</u>

So, Current tax

i) Tax on Business profit- Higher of ai,bi & ci	29,366	20,201
ii) Tax on Dividend Income Higher of a-ii-x,b-ii & c-iv	68	-
iii) Tax on Cash Incentive (**refer the above SRO)	3,008	5,411
iv) Tax on Finance Income (Realized) Higher is a-ii-z	0	0
v) Tax on profit from sale of assets	131	192
vi) Tax on other operating Income (Realized)-business i	-	800
vii) Tax on wastage sale	-	-
viii) Realized from Other Income-PF Lapse realised	-	192
	<u>32,573</u>	<u>26,795</u>

33. Deferred Tax (Expenses)/Income:

(638) (4,145)

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, cash incentive receivable, dividend receivable, Foreign exchange translation gain /(loss) & WDV of fixed assets. (Please see the details in note # 18 for total deferred tax income/(expense) from above mentioned temporary differences).

Effective tax rate= (Tax expenses/Profit before tax) 67.43% 68.17%

34. Fair Valuation Surplus/(deficit) of Investment (net of tax):

(19,147) 17,746

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.

35. Basic Earning Per Share (EPS):

Earnings after tax Attributable to the Owners of the Company	16,041	14,446
Number of Ordinary Shares	8,400	8,400
Basic Earning Per Share (EPS)	<u>1.91</u>	<u>1.72</u>

36. Net Operating Cash Flows (NOCF) Per Share:

Net cash generated from /(used in) operating activities	220,591	106,472
Number of Ordinary Shares	8,400	8,400
Net Operating Cash Flows (NOCF) Per Share	<u>26.26</u>	<u>12.68</u>

Net operating cash flows was Tk. 26.26 per share for the 2nd quarter ended on December 31, 2023 but it was Tk. 12.68 for the same period of last year, this is mainly increase of collection from turnover as compare to last year's same quarter .

37. Disclosure Regarding Rearrangement:

No rearrangement has been made during the 2nd quarter of 2023-2024.

38. Prior Year Adjustment:

No prior year adjustment has been made during the 2nd quarter of 2023-2024.

39. 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 # 28; 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 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.

40. 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.

	July'23 to December' 2023	July'22 to December' 2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit After Tax	16,042	14,445
Adjustment for non-cash & non operating items:		
Add: Depreciation During the period	23,543	15,771
Add/(Less): Unadjusted Foreign Exchange (Gain)/Loss from Translation	(2,829)	(207)
Less: Finance Income adjustment	(5,042)	(4,642)
Add: Interest & Other Financial Charges adjustment	40,245	17,198
Add: Tax Expenses	33,211	30,940
Increases & Decreases:		
(Increase)/Decrease in Inventories	(2,186)	102,360
(Increase)/Decrease in Trade Receivables	194,834	158,283
(Increase)/Decrease in other Receivables	(5,175)	14,740
(Increase)/Decrease in Advances, Deposits & Prepayments	71,437	(6,009)
(Increase)/Paid) Income tax during the period	(33,324)	(29,774)
Increase/(Decrease) in Trade Payables	(82,449)	(182,534)
Increase/(Decrease) in Other Payables	(27,716)	(24,100)
Net cash generated from/(used in) operating activities	<u>220,591</u>	<u>106,472</u>
RECONCILIATION		
Net cash generated from/(used in) operating activities-Indirect Method	220,591	106,472
Net cash generated from/(used in) operating activities-Direct Method	220,591	106,472
Differences	<u>0.0</u>	<u>-</u>

41. Contingent Liability:

There is Tk. 57.91 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, 2023.

42. Events after Reporting Period:**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
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