



LafargeHolcim

INTERIM **FINANCIAL** STATEMENTS

as at and for the
period ended 30 September 2020
(Un-audited)

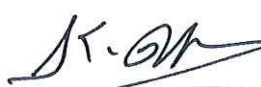
LafargeHolcim Bangladesh Limited


A company of  LafargeHolcim and  CEMENTOS
MOLINS


LAFARGEHOLCIM BANGLADESH LIMITED
Consolidated Statement of Financial Position (Un-audited)
at 30 September 2020


	NOTES	30 Sep 2020 Taka'000	31 Dec 2019 Taka'000
Assets			
Non-current assets			
Property, plant and equipment	7	16,162,900	16,531,389
Goodwill	8	317,776	317,776
Intangible assets	9	2,414,034	2,519,733
Other assets	12	-	140,993
Total non-current assets		18,894,710	19,509,891
Current assets			
Inventories	10	2,203,250	2,678,147
Trade receivables	11	1,764,080	2,188,054
Other assets	12	665,635	694,530
Advance income tax	13	1,193,253	1,547,108
Derivative instruments		4,414	4,903
Cash and cash equivalents	14	765,799	301,659
Total current assets		6,596,431	7,414,401
Total assets		25,491,141	26,924,292
Equity & liabilities			
Share capital	31.3	11,613,735	11,613,735
Retained earnings		4,577,915	4,242,436
Other components of equity		(48,961)	(43,172)
Foreign currency translation		581,421	386,362
Equity attributable to owners of the Company		16,724,110	16,199,361
Non-controlling interests		(139)	(134)
Total equity		16,723,971	16,199,227
Non-current liabilities			
Borrowings	15A	57,523	194,160
Deferred tax liabilities	16	2,288,105	3,066,862
Employee benefits		221,406	180,974
Provision	17	41,328	40,146
Total non-current liabilities		2,608,362	3,482,142
Current liabilities			
Trade payables	18	5,280,043	5,107,790
Other current liabilities	19	709,295	972,340
Borrowings	15B	169,470	1,162,793
Total current liabilities		6,158,808	7,242,923
Total equity and liabilities		25,491,141	26,924,292


The accompanying Notes 1 to 31 form an integral part of these interim financial statements.


 Company Secretary


 Chief Financial Officer


 Director


 Director


 Chief Executive Officer

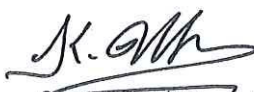



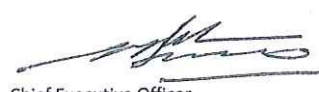




LAFARGEHOLCIM BANGLADESH LIMITED
Consolidated Statement of Profit or Loss (Un-audited)
for the period ended 30 September 2020

	NOTES	Jan-Sep 2020 Taka '000	Jan-Sep 2019 Taka '000	Jul-Sep 2020 Taka '000	Jul-Sep 2019 Taka '000
Revenue	20	11,424,200	13,262,781	3,654,989	3,558,380
Cost of sales	21	(8,451,681)	(10,122,131)	(2,406,992)	(2,517,565)
Gross profit		2,972,519	3,140,650	1,247,997	1,040,815
Other operating income	24A	5,357	17,227	2,339	7,437
General and administrative expenses	22	(880,658)	(810,459)	(313,681)	(276,474)
Sales and marketing expenses	23	(321,905)	(377,146)	(93,129)	(128,379)
Other operating income	24B	-	(1,562)	-	(1,562)
Operating profit		1,775,313	1,968,710	843,526	641,837
Finance cost	25	(83,998)	(196,307)	(38,996)	(66,792)
Finance income	25	9,866	35,602	1,154	14,448
Profit before tax		1,701,181	1,808,005	805,684	589,493
Income tax	26	(204,328)	(632,459)	(151,788)	(208,031)
Profit for the period		1,496,853	1,175,546	653,896	381,462
Earning Per Share					
Basic (Taka)	27A	1.29	1.01	0.56	0.33
Diluted (Taka)	27A	1.29	1.01	0.56	0.33

The accompanying Notes 1 to 31 form an integral part of these interim financial statements.

Company Secretary Chief Financial Officer Director Director Chief Executive Officer



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LAFARGEHOLCIM BANGLADESH LIMITED
Consolidated Statement of Comprehensive Income (Un-audited)
for the period ended 30 September 2020

	Jan-Sep 2020 Taka'000	Jan-Sep 2019 Taka'000	Jul-Sep 2020 Taka'000	Jul-Sep 2019 Taka'000
Profit for the period	<u>1,496,853</u>	<u>1,175,546</u>	<u>653,896</u>	<u>381,462</u>
Items that may be reclassified subsequently to profit or loss				
Cash flow hedge instruments	(5,789)	13,640	219	(762)
Exchange differences on translating foreign operation	195,059	(26,904)	77,196	(60,559)
Non controlling interests- currency translation adjustment	(5)	(3)	4	(11)
Other comprehensive income for the period	<u>189,265</u>	<u>(13,267)</u>	<u>77,419</u>	<u>(61,332)</u>
Total comprehensive income for the period	<u>1,686,118</u>	<u>1,162,279</u>	<u>731,315</u>	<u>320,130</u>
Profit attributable to:				
Owners of the parent Company	1,686,123	1,162,282	731,311	320,141
Non-controlling interests	(5)	(3)	4	(11)
	<u>1,686,118</u>	<u>1,162,279</u>	<u>731,315</u>	<u>320,130</u>


 Company Secretary


 Chief Financial Officer


 Director


 Director


 Chief Executive Officer





LAFARGEHOLCIM BANGLADESH LIMITED
Consolidated Statement of Changes in Equity (Un-audited)
for the period ended 30 September 2020

(All figures are in Tk. '000)

	Share capital	Retained earnings	Other components of equity	Foreign currency translation	Equity for parent company	Non controlling interests	Total equity
Balance at 1 January 2019	11,613,735	3,666,293	(116,930)	415,288	15,578,386	(66)	15,578,320
Total comprehensive income for the period	-	1,175,546	13,640	(26,904)	1,162,282	(3)	1,162,279
Final dividend for 2018	-	(1,161,374)	-	-	(1,161,374)	-	(1,161,374)
Balance at 30 September 2019	11,613,735	3,680,465	(103,290)	388,384	15,579,294	(69)	15,579,225
Balance at 1 January 2020	11,613,735	4,242,436	(43,172)	386,362	16,199,361	(134)	16,199,227
Total comprehensive income for the period	-	1,496,853	(5,789)	195,059	1,686,123	(5)	1,686,118
Final dividend for 2019	-	(1,161,374)	-	-	(1,161,374)	-	(1,161,374)
Balance at 30 September 2020	11,613,735	4,577,915	(48,961)	581,421	16,724,110	(139)	16,723,971


 Company Secretary

Chief Financial Officer


 Director

Director


 Chief Executive Officer





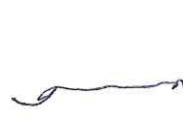
LAFARGEHOLCIM BANGLADESH LIMITED
Consolidated Statement of Cash Flows (Un-audited)
for the period ended 30 September 2020

	Jan-Sep 2020 <u>Taka'000</u>	Jan-Sep 2019 <u>Taka'000</u>
Cash flows from operating activities		
Cash receipts from customers	11,842,932	12,902,316
Cash paid to suppliers and employees	<u>(8,370,776)</u>	<u>(9,911,730)</u>
Cash generated from operations	3,472,156	2,990,586
Income tax paid	(342,481)	(627,086)
Other receipts	5,357	17,227
Net cash generated by operating activities	<u>3,135,032</u>	<u>2,380,727</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(326,776)	(350,234)
Proceeds from property, plant and equipment	-	2,699
Interest income on bank deposits	8,552	8,129
Net cash used in investing activities	<u>(318,224)</u>	<u>(339,406)</u>
Cash flows from financing activities		
Repayment of long-term debt	(800,001)	(777,255)
Repayments of the lease liabilities	(35,691)	-
Decrease in short term debt	(100,000)	(227,620)
Payment of interest and other finance costs	(60,300)	(155,818)
Interest paid on lease liability	(10,500)	-
Dividend payment	(1,151,116)	(1,154,345)
Net cash used in financing activities	<u>(2,157,608)</u>	<u>(2,315,038)</u>
Net effect of foreign currency translation on cash and cash equivalents	(7,427)	(121)
Net increase/(decrease) in cash and cash equivalents	<u>651,773</u>	<u>(273,838)</u>
Cash and cash equivalents at beginning of the period	94,340	246,889
Cash and cash equivalents at end of the period	<u>746,113</u>	<u>(26,949)</u>


 Company Secretary


 Chief Financial Officer


 Director


 Director


 Chief Executive Officer





LAFARGEHOLCIM BANGLADESH LIMITED
Notes to the Condensed Consolidated Financial Statements (Un-audited)
for the period ended 30 September 2020

1 General information

LafargeHolcim Bangladesh Limited (LHBL) - (hereinafter referred to as "the Company") was incorporated on 11 November 1997 as a private limited company in Bangladesh under the Companies Act 1994 having its registered office in Dhaka. At the time of incorporation the name of the Company was "Lafarge Surma Cement Limited". On 07 February 2017 the Registrar of Joint Stock Companies and Firms of Bangladesh (RJSC) approved the name change to "LafargeHolcim Bangladesh Limited" of the Company. The Company has subsequently been converted into a public limited company on 20 January 2003 and went for Initial Public Offering of shares in November 2003 which was fully subscribed and issued. The shares have since been listed and are being traded in Dhaka and Chittagong Stock Exchanges. Presently the Company has two subsidiaries in India. The main objectives of the subsidiaries are to support the holding company. A brief description of each of the subsidiary is given below:

Lum Mawshun Minerals Private Limited (LMMPL) - incorporated under the Indian Companies Act 1956 on 17 November 1994 as a private limited company with its registered office at Shillong in the State of Meghalaya, India.

Lafarge Umiam Mining Private Limited (LUMPL) - incorporated under the Indian Companies Act 1956 on 22 March 1999 as a private limited company with its registered office at Shillong in the State of Meghalaya, India.

2 Nature of business

The Company has established the country's only modern, integrated and state-of-the art cement manufacturing plant at Chhatak under Sunamganj district. The company extracts and processes the basic raw materials limestone from its own quarry in Meghalaya. A 17-kilo metre cross-border belt conveyor links the quarry with the cement plant for transportation of raw materials.

The company is engaged in manufacturing and marketing of building materials in the local market and international market.

3 Basis of preparation

The consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

4 Principles of consolidation

The accounts of all the subsidiaries of the Company have been fully consolidated as the Company directly controls more than 50% of the voting shares of these entities.

The Company has made following investments in its subsidiaries which have been eliminated during consolidation:

Name of subsidiary	30 Sep 2020 Taka'000	31 Dec 2019 Taka'000
Lafarge Umiam Mining Private Limited, India	519,356	519,356
Lum Mawshun Minerals Private Limited, India	537	537
	519,893	519,893

All inter-company balances between the Company and its subsidiaries are eliminated on consolidation.

5 Scope of consolidation

The name of subsidiaries, country of incorporation and proportion of ownership interest are as follows:

Name of subsidiary	Country of incorporation	% of ownership interest
Lafarge Umiam Mining Private Limited	India	100
Lum Mawshun Minerals Private Limited	India	74

6 Significant accounting policies

The same accounting policies, presentation and methods of computation have been followed in these interim financial statements as were applied in the preparation of the Company's financial statements for the year ended 31 December 2019.

Comparative figures and account titles in the financial statements have been rearranged/reclassified where necessary to conform with changes in presentation in the current period.



	30 Sep 2020 Taka'000	31 Dec 2019 Taka'000
11 Trade receivables		
Trade receivables	757,075	1,198,378
Advance payment to trade suppliers	1,007,005	989,676
	<u>1,764,080</u>	<u>2,188,054</u>
12 Other assets		
Prepaid expenses	137,466	79,578
Security and other deposits	231,677	236,530
Other receivables	88,604	94,150
Advance payment to suppliers of fixed assets	200,072	418,763
Accrued interest on bank deposits	7,816	6,502
	<u>665,635</u>	<u>835,523</u>
Current portion	665,635	694,530
Non-current portion	-	140,993
13 Advance income tax- net of tax provision		
Advance income tax	7,342,266	7,099,041
Current tax liabilities	(6,149,013)	(5,551,933)
	<u>1,193,253</u>	<u>1,547,108</u>
14 Cash and cash equivalents		
Cash in hand	2,519	2,341
Cash at banks	763,280	299,318
Cash and cash equivalents in statement of financial position	<u>765,799</u>	<u>301,659</u>
Bank overdrafts*	(19,686)	(207,319)
Cash and cash equivalents for the purpose of the statement of cash flows	<u>746,113</u>	<u>94,340</u>
*Bank overdrafts are repayable on demand and form an integral part of cash management. Bank overdrafts are included in short-term borrowings.		
15 Borrowings		
A. Borrowings-long term		
Non-current portion- Unsecured	-	94,248
Non-current portion- leases liabilities	57,523	99,912
	<u>57,523</u>	<u>194,160</u>
B. Borrowings-short term		
Current portion of long-term borrowing- Unsecured	94,247	800,000
Current portion of long-term leases liabilities	55,474	55,474
Short-term credit facilities	19,686	307,319
Derivative liabilities*	63	-
	<u>169,470</u>	<u>1,162,793</u>
16 Deferred tax liabilities		
The tax effects of temporary differences that resulted in deferred tax liabilities and assets.		
Deferred tax liabilities	2,463,841	3,246,449
Deferred tax assets	175,736	179,587
Net deferred tax liabilities	<u>2,288,105</u>	<u>3,066,862</u>



	30 Sep 2020 Taka'000	31 Dec 2019 Taka'000
17 Provisions		
Site restoration provisions		
Balance at 1 January	40,146	37,428
Provision for the period	2,182	3,225
Translation adjustment	(1,000)	(507)
At September 30/December 31	<u>41,328</u>	<u>40,146</u>
The Company is legally required to restore a quarry site, the estimated costs of site restoration are accrued and recognized to the cost of sales, on the basis of mines closure plan submitted to Indian Bureau of Mines (IBM).		
18 Trade payables		
Payable for goods and services	5,164,467	4,969,643
Contract liabilities	115,576	138,147
	<u>5,280,043</u>	<u>5,107,790</u>
19 Other current liabilities		
Payables to suppliers of fixed assets	81,047	227,718
Income tax and VAT deducted at source	292,871	242,810
Others	246,411	411,347
Accrued interest payable	20,387	32,144
Dividend payable	68,579	58,321
	<u>709,295</u>	<u>972,340</u>
	Jan-Sep 2020 Taka'000	Jan-Sep 2019 Taka'000
20 Revenue		
Sale of gray cement	11,216,283	12,959,403
Sale of cement clinker	207,917	303,378
	<u>11,424,200</u>	<u>13,262,781</u>
21 Cost of sales		
Manufacturing variable cost	5,479,867	6,895,922
Manufacturing fixed cost	1,108,402	1,262,419
Freight cost to customers	190,999	416,712
Depot operating and transportation costs	531,790	788,909
Inventory movement	411,073	22,684
Depreciation and amortization	729,550	735,485
	<u>8,451,681</u>	<u>10,122,131</u>
22 General and administrative expenses		
Salary, allowances and benefits	269,413	237,087
IT maintenance expenses	59,429	71,515
Other office expenses	381,518	326,652
Administrative depreciation and amortization	101,251	110,165
Contribution to Workers' Profit Participation and welfare Fund	69,047	65,040
	<u>880,658</u>	<u>810,459</u>
23 Sales and marketing expenses		
Salary, allowances and benefits	125,347	140,736
Advertisement	136,047	129,871
Other office expenses	60,511	106,539
	<u>321,905</u>	<u>377,146</u>



	Jan-Sep 2020 Taka'000	Jan-Sep 2019 Taka'000
24 A. Other operating income		
Gain on sale of miscellaneous scrap items	5,357	17,227
Gain on sale of property, plant and equipment	-	-
	<u>5,357</u>	<u>17,227</u>
B. Other operating expenses		
Loss on sale of property, plant and equipment	-	(1,562)
Acquisition cost of subsidiary company	-	-
	<u>-</u>	<u>(1,562)</u>
25 Finance costs and income		
Interest expenses	29,214	177,144
Exchange loss	21,087	-
Other finance costs	3,361	8,094
Interest expenses on lease liabilities	15,750	-
Bank charges and commission	14,586	11,069
Finance costs	<u>83,998</u>	<u>196,307</u>
Interest income on Bank Deposits	9,866	13,407
Exchange gain	-	22,195
Finance income	<u>9,866</u>	<u>35,602</u>
Net finance (income)/costs	<u>74,132</u>	<u>160,705</u>
26 Income tax		
Current income tax expenses	597,080	690,154
Deferred income tax income	(392,752)	(57,695)
	<u>204,328</u>	<u>632,459</u>

27 A. Earnings Per Share

The computation of basic earnings per share for the periods ended 2020 and 2019 are as follows:

Numerator (Thousand Taka)		
Profit for the period	1,496,853	1,175,546
Denominator (Thousands of Shares)		
Weighted average number of shares outstanding	1,161,374	1,161,374
Basic Earnings Per Share	Taka 1.29	1.01
Diluted Earnings Per Share	Taka 1.29	1.01

B. Net operating cash flow per share (NOCFPS)

The computation of net operating cash flow per share for the periods ended 2020 and 2019 are as follows:

Numerator (Thousand Taka)		
Net operating cash flow for the period	3,135,032	2,380,727
Denominator (Thousands of Shares)		
Weighted average number of shares outstanding	1,161,374	1,161,374
Net operating cash flow per share	Taka 2.70	2.05

C. Net asset value (NAV) per share

The computation of net asset value per share for the periods ended 2020 and 2019 are as follows:

Numerator (Thousand Taka)	30 Sep 2020	31 Dec 2019
Net asset value for the period/year	16,724,110	16,199,361
Denominator (Thousand Shares)		
Weighted average number of shares outstanding	1,161,374	1,161,374



Net asset value per share	Taka	14.40	13.95
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28 Related Party Transactions

Except for the regular transactions, there were no significant related party transactions during the period.

	Jan-Sep 2020 Taka	Jan-Sep 2019 Taka
29 Comparative Information of the Shareholders (Note- 27)*		
Net Asset Value (NAV) Per Share	14.40	13.95
Earning Per Share (EPS)	1.29	1.01
Net Operating Cash Flow Per Share (NOCFPS)	2.70	2.05
Profit for the period	1,496,853,000	1,175,546,000

*For the period January to September 2020, EPS increased compared to the previous period, mainly due to effective tax rate. But for the quarter July to September 2020, EPS increased compared to the last quarter July to September 2019, mainly due to increased gross profit margin and effective tax rate. NOCFPS also increased compared to same period of last year, due to higher EPS and higher net cash generation from operation.

30 Reconciliation of net profit with cash flows from operating activities

Net profit for the period	1,496,853	1,175,546
Depreciation and amortization	877,939	845,650
Other non-cash items	9,459	(14,655)
Non-operating items	74,132	160,705
Changes in net working capital	676,649	213,481
Cash flows from operating activities	3,135,032	2,380,727

	30 Sep 2020 Taka'000	31 Dec 2019 Taka'000
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31 Share Capital

31.1 Authorized capital

1,400,000,000 ordinary shares of Taka 10 each	14,000,000	14,000,000
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In the year 2011, authorized capital has been increased from Taka 7,000,000,000 to Taka 14,000,000,000. Further, steps have been taken to issue right shares of 58,068,675 ordinary shares of Taka 100 per share at par value amounting to Taka 5,806,867,500 offered on the basis of 1:1, for which approval of Bangladesh Securities and Exchange Commission (BSEC) has been received on 8 September 2011. Moreover, face value of each ordinary share has been denominated from Taka 100 to Taka 10 at 4 December 2011.

31.2 Issued and subscribed capital

1,161,373,500 ordinary shares of Taka 10 each	11,613,735	11,613,735
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31.3 Paid up capital

Fully paid up in cash	5,759,888	5,759,888
Fully paid up in other than cash	46,980	46,980
Fully paid up in cash as rights issue	5,806,867	5,806,867
	11,613,735	11,613,735

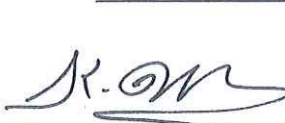
31.4 Composition of shareholders at 30 September/31 December

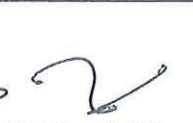
Name of the shareholders	Nationality/Incorporated in	Number of shares	
		30 Sep 2020	31 Dec 2019
Surma Holding B.V.	The Netherlands	683,698,700	683,698,700
Sinha Fashions Limited	Bangladesh	35,100,000	35,100,000
Islam Cement Limited	Bangladesh	31,914,200	31,914,200
Other Shareholders	Bangladesh and NRB	410,660,600	410,660,600
		1,161,373,500	1,161,373,500





31.5 Composition of shareholders at 30 September/31 December

Name of the shareholders	Nationality/Incorporated in	Holding (%)	
		30 Sep 2020	31 Dec 2019
Surma Holding B.V.	The Netherlands	58.87	58.87
Sinha Fashions Limited	Bangladesh	3.02	3.02
Islam Cement Limited	Bangladesh	2.75	2.75
Other Shareholders	Bangladesh and NRB	35.36	35.36
		100.00	100.00


Company Secretary


Chief Financial Officer


Director


Director


Chief Executive Officer





LAFARGEHOLCIM BANGLADESH LIMITED
Statement of financial position (Un-audited)
at 30 September 2020

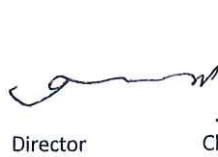
	NOTES	30 Sep 2020 Taka'000	31 Dec 2019 Taka'000
Assets			
Non-current assets			
Property, plant and equipment	5	16,620,402	16,854,211
Goodwill	6A	317,776	317,776
Intangible assets	6B	9,785	39,137
Investment in subsidiaries		519,893	519,893
Total non-current assets		17,467,856	17,731,017
Current assets			
Inventories	7	2,167,982	2,722,492
Trade receivables	8	900,636	1,581,595
Other current assets	9	422,892	440,975
Advance income tax	10	908,263	1,158,412
Cash and cash equivalents	11	592,492	237,374
Total current assets		4,992,265	6,140,848
Total assets		22,460,121	23,871,865
Equity & liabilities			
Equity			
Share capital	27.3	11,613,735	11,613,735
Retained earnings		2,145,634	2,133,175
Other component of equity		(57,812)	(48,129)
Total equity		13,701,557	13,698,781
Non-current liabilities			
Borrowings	12A	44,678	178,997
Deferred tax liabilities	13	2,095,982	2,819,140
Employee benefits		190,653	157,547
Total non-current liabilities		2,331,313	3,155,684
Current liabilities			
Trade payables	14	5,568,705	5,062,866
Other current liabilities	15	726,671	979,560
Borrowings	12B	131,875	974,974
Total current liabilities		6,427,251	7,017,400
Total equity and liabilities		22,460,121	23,871,865

The accompanying Notes 1 to 27 form an integral part of these interim financial statements.


 Company Secretary


 Chief Financial Officer


 Director


 Director


 Chief Executive Officer





LAFARGEHOLCIM BANGLADESH LIMITED
Statement of profit or loss (Un-audited)
for the period ended 30 September 2020

	NOTES	Jan-Sep 2020 Taka '000	Jan-Sep 2019 Taka '000	Jul-Sep 2020 Taka '000	Jul-Sep 2019 Taka '000
Revenue	16	11,424,200	9,897,086	3,654,989	3,109,535
Cost of sales	17	(8,852,838)	(7,672,412)	(2,534,339)	(2,424,128)
Gross profit		2,571,362	2,224,674	1,120,650	685,407
Other operating income	20A	5,357	9,586	2,339	605
General and administrative expenses	18	(880,658)	(607,059)	(313,681)	(201,124)
Sales and marketing expenses	19	(321,905)	(232,729)	(93,129)	(71,565)
Other operating expenses	20B	-	(1,727)	-	(1,727)
Operating profit		1,374,156	1,392,745	716,179	411,596
Finance cost	21	(68,424)	(165,135)	(23,425)	(53,687)
Finance income	21	6,158	8,156	-	55
Profit before tax		1,311,890	1,235,766	692,754	357,964
Income tax	22	(138,057)	(324,559)	(110,181)	(100,251)
Profit for the period		1,173,833	911,207	582,573	257,713
Earnings Per Share					
Basic (Taka)	23A	1.01	0.78	0.50	0.22
Diluted (Taka)	23A	1.01	0.78	0.50	0.22

The accompanying Notes 1 to 27 form an integral part of these interim financial statements.







Company Secretary
Chief Financial Officer
Director
Director
Chief Executive Officer






LAFARGEHOLCIM BANGLADESH LIMITED
Statement of Comprehensive Income (Un-audited)
for the period ended 30 September 2020

	Jan-Sep 2020 Taka '000	Jan-Sep 2019 Taka '000	Jul-Sep 2020 Taka '000	Jul-Sep 2019 Taka '000
Profit for the period	1,173,833	911,207	582,573	257,713
Items that may be reclassified subsequently to profit or loss				
Cash flow hedge instruments	(9,683)	9,160	(9,683)	(650)
Other comprehensive income for the period	(9,683)	9,160	(9,683)	(650)
Total comprehensive income for the period	1,164,150	920,367	572,890	257,063


 Company Secretary


 Chief Financial Officer


 Director


 Director


 Chief Executive Officer





LAFARGEHOLCIM BANGLADESH LIMITED
Statement of Changes in Equity (Un-audited)
for the period ended 30 September 2020

(All figures are in Tk. '000)

	Share capital	Retained earnings	Other component of equity	Total equity
Balance at 1 January 2019	11,613,735	2,298,905	(98,942)	13,813,698
Total comprehensive income for the period	-	911,207	9,160	920,367
Final dividend for 2018	-	(1,161,374)	-	(1,161,374)
Balance at 30 September 2019	11,613,735	2,048,738	(89,782)	13,572,691
Balance at 1 January 2020	11,613,735	2,133,175	(48,129)	13,698,781
Total comprehensive income for the period	-	1,173,833	(9,683)	1,164,150
Final dividend for 2019	-	(1,161,374)	-	(1,161,374)
Balance at 30 September 2020	11,613,735	2,145,634	(57,812)	13,701,557


 Company Secretary


 Chief Financial Officer


 Director


 Director


 Chief Executive Officer






LAFARGEHOLCIM BANGLADESH LIMITED
Statement of Cash Flows (Un-audited)
for the period ended 30 September 2020

	Jan-Sep 2020 <u>Taka'000</u>	Jan-Sep 2019 <u>Taka'000</u>
Cash flows from operating activities		
Cash receipts from customers	11,792,165	8,758,472
Cash paid to suppliers and employees	(8,828,613)	(6,610,950)
Cash generated from operations	<u>2,963,552</u>	<u>2,147,522</u>
Income tax paid	(196,401)	(203,701)
Other receipts	5,357	9,586
Net cash generated by operating activities	<u>2,772,508</u>	<u>1,953,407</u>
 Cash flows from investing activities		
Payments for property, plant and equipment	(264,594)	(182,360)
Proceeds from sale of property, plant and equipment	-	1,051
Interest income on bank deposits	6,158	8,156
Net cash used in investing activities	<u>(258,436)</u>	<u>(173,153)</u>
 Cash flows from financing activities		
Repayment of long-term debt	(800,001)	(700,000)
Repayments of the lease liabilities	(28,359)	-
(Decrease)/increase in short term debt	(100,000)	(58,242)
Payment of interest and other finance costs	(49,958)	(108,814)
Interest paid on lease liability	(11,139)	-
Dividend payment	(1,151,116)	(1,154,345)
Net cash used in financing activities	<u>(2,140,573)</u>	<u>(2,021,401)</u>
 Net increase/(decrease) in cash and cash equivalents	<u>373,499</u>	<u>(241,147)</u>
 Cash and cash equivalents at beginning of the period	199,307	201,900
Cash and cash equivalents at end of the period	<u>572,806</u>	<u>(39,247)</u>


Company Secretary


Chief Financial Officer


Director


Director


Chief Executive Officer





LAFARGEHOLCIM BANGLADESH LIMITED
Notes to the Condensed Financial Statements (Un-audited)
for the period ended 30 September 2020

1 General information

LafargeHolcim Bangladesh Limited (LHBL) - (hereinafter referred to as "the Company") was incorporated on 11 November 1997 as a private limited company in Bangladesh under the Companies Act 1994 having its registered office in Dhaka. At the time of incorporation the name of the Company was "Lafarge Surma Cement Limited". On 07 February 2017 the Registrar of Joint Stock Companies and Firms of Bangladesh (RJSC) approved the name change to "LafargeHolcim Bangladesh Limited" of the Company. The Company has subsequently been converted into a public limited company on 20 January 2003 and went for Initial Public Offering of shares in November 2003 which was fully subscribed and issued. The shares have since been listed and are being traded in Dhaka and Chittagong Stock Exchanges.

2 Nature of business

The Company has established the country's only modern, integrated and state-of-the-art cement manufacturing plant at Chhatak under Sunamganj district. The company extracts and processes the basic raw materials limestone from its own quarry in Meghalaya. A 17-kilo metre cross-border belt conveyor links the quarry with the cement plant for transportation of raw materials.

The company is engaged in manufacturing and marketing of building materials in the local market and international market.

3 Basis of preparation

The interim financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

4 Significant accounting policies

The same accounting policies, presentation and methods of computation have been followed in these interim financial statements as were applied in the preparation of the Company's financial statements for the year ended 31 December 2019.

Comparative figures and account titles in the financial statements have been rearranged/reclassified where necessary to conform with changes in presentation in the current period.

	30 Sep 2020 <u>Taka'000</u>	31 Dec 2019 <u>Taka'000</u>
5 Property, plant and equipment*		
Cost		
At January 1	23,334,068	15,711,212
HBL amalgamation	-	7,240,217
Additions	457,418	462,330
Disposals	-	(79,691)
At September 30/December 31	<u>23,791,486</u>	<u>23,334,068</u>
Depreciation		
At January	6,479,857	5,880,968
Disposals	-	(37,920)
Charge for the period	691,227	636,809
At September 30/December 31	<u>7,171,084</u>	<u>6,479,857</u>
Carrying amount	<u>16,620,402</u>	<u>16,854,211</u>
5.1 *Right-of-use assets (RoUA)		
Cost		
At January 1	130,348	-
Additions	-	130,348
At September 30/December 31	<u>130,348</u>	<u>130,348</u>
Depreciation		
At January	8,916	-
Charge for the period	28,932	8,916
At September 30/December 31	<u>37,848</u>	<u>8,916</u>
Carrying amount	<u>92,500</u>	<u>121,432</u>



	30 Sep 2020 Taka'000	31 Dec 2019 Taka'000
6A Goodwill*		
Acquisition of subsidiary (Holcim Cement Bangladesh Limited)	317,776	317,776
	<u>317,776</u>	<u>317,776</u>
*Goodwill arising on amalgamation of subsidiary is measured at cost less accumulated impairment losses.		
6B Intangible assets		
Cost		
At January 1	158,848	158,848
At September 30/December 31	<u>158,848</u>	<u>158,848</u>
Amortization		
At January	119,711	74,709
Charge for the period	29,352	45,002
At September 30/December 31	<u>149,063</u>	<u>119,711</u>
Carrying amount	<u>9,785</u>	<u>39,137</u>
7 Inventories		
Raw materials	620,941	846,362
Semi-finished and finished products	633,032	941,597
Parts and supplies	914,009	934,533
	<u>2,167,982</u>	<u>2,722,492</u>
8 Trade receivables		
Trade receivables	757,075	1,147,611
Advance payment to trade suppliers	143,561	433,984
	<u>900,636</u>	<u>1,581,595</u>
9 Other current assets		
Prepaid expenses	118,160	66,824
Advance to employees	19,258	8,505
Security and other deposits	89,674	89,674
Other receivables	13,598	28,065
Advance payment to suppliers of fixed assets	182,202	247,907
	<u>422,892</u>	<u>440,975</u>
10 Advance income tax- net of tax provision		
Advance income tax	6,113,517	5,879,943
Current tax liabilities	(5,205,254)	(4,721,531)
	<u>908,263</u>	<u>1,158,412</u>
11 Cash and cash equivalents		
Cash in hand	2,425	2,340
Cash at banks	590,067	235,034
Cash and cash equivalents in statement of financial position	<u>592,492</u>	<u>237,374</u>
Bank overdrafts*	(19,686)	(38,067)
Cash and cash equivalents for the purpose of the statement of cash flows	<u>572,806</u>	<u>199,307</u>
*Bank overdrafts are repayable on demand and form an integral part of cash management. Bank overdrafts are included in short-term borrowings.		
12 Borrowings		
A. Borrowings-long term		
Non-current portion- Unsecured	-	94,248
Non-current portion-lease liabilities	44,678	84,749
	<u>44,678</u>	<u>178,997</u>



B. Borrowings-short term

Current portion of long term -Unsecured	94,247	800,000
Short-term credit facilities	-	138,067
Current portion of lease liabilities	37,628	37,628
Derivative liabilities*	-	(721)
	<u>131,875</u>	<u>974,974</u>

*The Company entered into forward contracts with the commercial bank in order to manage its foreign exchange exposure due to change in exchange rates. The amount is the difference between market prices and prices the Company would pay to settle the foreign exchange liabilities at the end of the period.

	30 Sep 2020 Taka'000	31 Dec 2019 Taka'000
13 Deferred Tax Liabilities		
The tax effects of temporary differences that resulted in deferred tax liabilities and assets.		
Deferred tax liabilities	2,203,314	2,990,572
Deferred tax assets	107,332	171,432
Net deferred tax liabilities	<u>2,095,982</u>	<u>2,819,140</u>
	30 Sep 2020 Taka'000	31 Dec 2019 Taka'000
14 Trade payables		
Payable for goods and services	5,453,129	4,924,719
Contract liabilities	115,576	138,147
	<u>5,568,705</u>	<u>5,062,866</u>
15 Other current liabilities		
Payables to suppliers of fixed assets	103,565	226,533
Income tax and VAT deducted at source	287,729	236,845
Others	246,411	425,717
Accrued interest payable	20,387	32,144
Dividend payable	68,579	58,321
	<u>726,671</u>	<u>979,560</u>
	Jan-Sep 2020 Taka'000	Jan-Sep 2019 Taka'000
16 Revenue*		
Sale of gray cement	11,216,283	8,046,126
Sale of cement clinker	207,917	1,850,960
	<u>11,424,200</u>	<u>9,897,086</u>
	Jan-Sep 2020 Taka'000	Jan-Sep 2019 Taka'000
17 Cost of sales		
Manufacturing variable cost	6,186,792	5,388,331
Manufacturing fixed cost	895,578	755,267
Freight cost to customers	190,999	373,284
Depot operating and transportation costs	531,789	698,538
Inventory movement	411,073	37,607
Depreciation and amortization	636,607	419,385
	<u>8,852,838</u>	<u>7,672,412</u>
18 General and administrative expenses		
Salary, allowances and benefits	269,413	207,222
IT maintenance expenses	59,429	48,552
Other office expenses	398,797	243,752
Administrative depreciation and amortization	83,972	42,493
Contribution to Workers' Profit Participation and welfare Fund	69,047	65,040
	<u>880,658</u>	<u>607,059</u>

*The increase of revenue 6.48% for the period Jan-Sep 2020 compared with the previous period Jan-Sep 2019. This is not like-for-like increase. Main reason of this increase is amalgamation of Holcim Cement (Bangladesh) Limited with LafargeHolcim Bangladesh Limited effective from 26 November 2019.



	Jan-Sep 2020 Taka'000	Jan-Sep 2019 Taka'000
19 Sales and marketing expenses		
Salary, allowances and benefits	125,347	91,668
Advertisement	136,047	104,345
Other office expenses	60,511	36,716
	<u>321,905</u>	<u>232,729</u>
20 A. Other operating income		
Gain on sale of miscellaneous scrap items	5,357	9,586
Gain on sale of property, plant and equipment	-	-
	<u>5,357</u>	<u>9,586</u>
B. Other operating expenses		
Loss on sale of property, plant and equipment	-	(1,727)
	<u>-</u>	<u>(1,727)</u>
21 Finance costs and income		
Interest expenses	28,425	140,304
Exchange loss	20,178	12,255
Other finance costs	3,361	8,066
Interest expenses on lease liabilities	11,139	-
Bank charges and commission	5,321	4,510
Finance costs	<u>68,424</u>	<u>165,135</u>
Interest income on Bank Deposits	6,158	8,156
Exchange gain	-	-
Finance income	<u>6,158</u>	<u>8,156</u>
Net finance costs/(income)	<u>62,266</u>	<u>156,979</u>
22 Income tax		
Current income tax expenses	483,723	395,050
Deferred income tax income	(345,666)	(70,491)
	<u>138,057</u>	<u>324,559</u>

23 A. Earnings Per Share

The computation of basic earnings per share for the periods ended 2020 and 2019 are as follows:

Numerator	(Thousand Taka)		
Profit for the period		1,173,833	911,207
Denominator	(Thousands of Shares)		
Weighted average number of shares outstanding		1,161,374	1,161,374
Basic Earnings Per Share	Taka	1.01	0.78
Diluted Earnings Per Share	Taka	1.01	0.78

B. Net operating cash flow per share (NOCFPS)

The computation of net operating cash flow per share for the periods ended 2020 and 2019 are as follows:

Numerator	(Thousand Taka)		
Net operating cash flow for the period		2,772,508	1,953,407
Denominator	(Thousands of Shares)		
Weighted average number of shares outstanding		1,161,374	1,161,374
Net operating cash flow per share	Taka	2.39	1.68

C. Net asset value (NAV) per share

The computation of net asset value per share for the periods ended 2020 and 2019 are as follows:

Numerator	(Thousand Taka)	30 Sep 2020	31 Dec 2019
Net asset value for the period/year		13,701,557	13,698,781
Denominator	(Thousand Shares)		
Weighted average number of shares outstanding		1,161,374	1,161,374
Net asset value per share	Taka	11.80	11.80



24 Related party transactions

Except for the regular transactions, there were no significant related party transactions during the period.

	2020 Taka	2019 Taka
25 Comparative information of the shareholders (Note- 23)*		
Net Asset Value (NAV) Per Share	11.80	11.80
Earning Per Share (EPS)	1.01	0.78
Net Operating Cash Flow Per Share (NOCFPS)	2.39	1.68
Profit for the period	1,173,833,000	911,207,000

*For the period January to September 2020, EPS is higher than same period of last year, mainly due to high gross profit and operating profit margin and effective tax rate. And also for the quarter July to September 2020, EPS increased compared to the last quarter July to September 2019, mainly due to high gross profit and operating profit margin and effective tax rate. NOCFPS is increased compared to same period of last year, due to higher collection from customers.

26 Reconciliation of net profit with cash flows from operating activities

Net profit for the period	1,173,833	911,207
Depreciation and amortization	720,579	461,878
Other non-cash items	9,459	4,416
Non-operating items	62,266	156,979
Changes in net working capital	806,371	418,927
Cash flows from operating activities	<u>2,772,508</u>	<u>1,953,407</u>

30 Sep 2020
Taka'000

31 Dec 2019
Taka'000

27 Share capital

27.1 Authorized capital

1,400,000,000 ordinary shares of Taka 10 each	<u>14,000,000</u>	<u>14,000,000</u>
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In the year 2011, authorized capital has been increased from Taka 7,000,000,000 to Taka 14,000,000,000. Further, steps have been taken to issue right shares of 58,068,675 ordinary shares of Taka 100 per share at par value amounting to Taka 5,806,867,500 offered on the basis of 1:1, for which approval of Bangladesh Securities and Exchange Commission (BSEC) has been received on 8 September 2011. Moreover, face value of each ordinary share has been denominated from Taka 100 to Taka 10 at 4 December 2011.

27.2 Issued and subscribed capital

1,161,373,500 ordinary shares of Taka 10 each	<u>11,613,735</u>	<u>11,613,735</u>
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27.3 Paid up capital

Fully paid up in cash	5,759,888	5,759,888
Fully paid up in other than cash	46,980	46,980
Fully paid up in cash as rights issue	5,806,867	5,806,867
	<u>11,613,735</u>	<u>11,613,735</u>

27.4 Composition of shareholders at 30 September/31 December

Name of the shareholders	Nationality/Incorporated in	Number of shares	
		30 Sep 2020	31 Dec 2019
Surma Holding B.V.	The Netherlands	683,698,700	683,698,700
Sinha Fashions Limited	Bangladesh	35,100,000	35,100,000
Islam Cement Limited	Bangladesh	31,914,200	31,914,200
Other Shareholders	Bangladesh and NRB	410,660,600	410,660,600
		<u>1,161,373,500</u>	<u>1,161,373,500</u>

Composition of shareholders at 30 September/31 December

Name of the shareholders	Nationality/Incorporated in	Holding (%)	
		30 Sep 2020	31 Dec 2019
Surma Holding B.V.	The Netherlands	58.87	58.87
Sinha Fashions Limited	Bangladesh	3.02	3.02
Islam Cement Limited	Bangladesh	2.75	2.75
Other Shareholders	Bangladesh and NRB	35.36	35.36
		<u>100.00</u>	<u>100.00</u>


Company Secretary


Chief Financial Officer


Director


Chief Executive Officer





LafargeHolcim Bangladesh Limited

A company of  LafargeHolcim and 

NinaKabbo, Level-7, 227/A Bir Uttam Mir Shawkat Sarak
(Gulshan Tejgaon Link Road), Tejgaon, Dhaka -1208, Bangladesh
Phone: +88 02 222281002, +88 02 222286393, Fax: +88 02 222286394,
Email: info.cs@lafargeholcim.com,
Web: www.lafargeholcim.com.bd