



LafargeHolcim

INTERIM **FINANCIAL** STATEMENTS

as at and for the
period ended 30 June 2019
(Un-audited)

LafargeHolcim Bangladesh Limited

A company of  LafargeHolcim and  CEMENTOS
MOLINS

LAFARGEHOLCIM BANGLADESH LIMITED
Consolidated Statement of Financial Position (Un-audited)
at 30 June 2019

	NOTES	30 Jun 2019 Taka'000	31 Dec 2018 Taka'000
Assets			
Non-current assets			
Property, plant and equipment	7	16,781,767	16,665,097
Goodwill	8	317,776	317,776
Intangible assets	9	2,589,992	2,613,994
Other assets	12	144,175	142,176
Total non-current assets		19,833,710	19,739,043
Current assets			
Inventories	10	2,706,755	2,378,070
Trade receivables	11	2,220,430	1,887,838
Other assets	12	383,508	566,487
Advance income tax	13	1,786,961	1,854,576
Derivative instruments		8,322	16,022
Cash and cash equivalents	14	541,297	446,194
Total current assets		7,647,273	7,149,187
Total assets		27,480,983	26,888,230
Equity & liabilities			
Share capital	31.3	11,613,735	11,613,735
Retained earnings		3,299,003	3,666,293
Other components of equity		(102,528)	(116,930)
Foreign currency translation		448,943	415,288
Equity attributable to owners of the Company		15,259,153	15,578,386
Non-controlling interests		(58)	(66)
Total equity		15,259,095	15,578,320
Non-current liabilities			
Borrowings	15A	597,819	984,478
Deferred tax liabilities	16	3,053,562	3,104,680
Employee benefits		234,002	205,623
Provision	17	39,513	37,428
Total non-current liabilities		3,924,896	4,332,209
Current liabilities			
Trade payables	18	4,801,050	4,316,413
Other current liabilities	19	740,881	668,642
Borrowings	15B	2,755,061	1,992,646
Total current liabilities		8,296,992	6,977,701
Total equity and liabilities		27,480,983	26,888,230

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 June 2019

	NOTES	Jan-Jun 2019 Taka '000	Jan-Jun 2018 Taka '000	Apr-Jun 2019 Taka '000	Apr-Jun 2018 Taka '000
Revenue	20	9,704,401	8,477,820	4,497,857	3,856,941
Cost of sales	21	(7,604,566)	(6,505,853)	(3,409,962)	(2,853,408)
Gross profit		2,099,835	1,971,967	1,087,895	1,003,533
Other operating income	24A	9,790	21,326	7,372	(31,660)
General and administrative expenses	22	(533,985)	(622,929)	(256,580)	(303,932)
Sales and marketing expenses	23	(248,767)	(286,984)	(116,338)	(92,038)
Other operating expenses	24B	-	(46,167)	-	-
Operating profit		1,326,873	1,037,213	722,349	575,903
Finance cost	25	(129,515)	(241,510)	(49,013)	(154,239)
Finance income	25	21,154	4,710	16,118	1,127
Profit before tax		1,218,512	800,413	689,454	422,791
Income tax	26	(424,428)	(273,927)	(253,185)	(124,720)
Profit for the period		794,084	526,486	436,269	298,071
Earning Per Share					
Basic (Taka)		0.68	0.45	0.38	0.26
Diluted (Taka)		0.68	0.45	0.38	0.26

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 Comprehensive Income (Un-audited)
for the period ended 30 June 2019

	Jan-Jun 2019 Taka'000	Jan-Jun 2018 Taka'000	Apr-Jun 2019 Taka'000	Apr-Jun 2018 Taka'000
Profit for the period	794,084	526,486	436,269	298,071
Items that may be reclassified subsequently to profit or loss				
Cash flow hedge instruments	14,402	58,763	1,243	19,725
Exchange differences on translating foreign operation	33,655	(147,780)	8,900	(111,707)
Non controlling interests- currency translation adjustment	8	(34)	1	(26)
Other comprehensive income for the period	48,065	(89,051)	10,144	(92,008)
Total comprehensive income for the period	842,149	437,435	446,413	206,063
Profit attributable to:				
Owners of the parent Company	842,141	437,469	446,412	206,089
Non-controlling interests	8	(34)	1	(26)
	842,149	437,435	446,413	206,063


 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 June 2019

(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 2018	11,613,735	3,132,305	(46,737)	574,404	15,273,707	(4)	15,273,703
Total comprehensive income for the period	-	526,486	58,763	(147,780)	437,469	(34)	437,435
Final dividend for 2017	-	(580,687)	-	-	(580,687)	-	(580,687)
Balance at 30 June 2018	11,613,735	3,078,104	12,026	426,624	15,130,489	(38)	15,130,451
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	-	794,084	14,402	33,655	842,141	8	842,149
Final dividend for 2018	-	(1,161,374)	-	-	(1,161,374)	-	(1,161,374)
Balance at 30 June 2019	11,613,735	3,299,003	(102,528)	448,943	15,259,153	(58)	15,259,095


 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 June 2019

	Jan-Jun 2019 <u>Taka'000</u>	Jan-Jun 2018 <u>Taka'000</u>
Cash flows from operating activities		
Cash receipts from customers	9,118,918	8,504,504
Cash paid to suppliers and employees	<u>(7,243,595)</u>	<u>(7,413,692)</u>
Cash generated from operations	1,875,323	1,090,812
Income tax paid	(473,685)	(397,327)
Other receipts	7,933	11,396
Net cash generated from operating activities	<u>1,409,571</u>	<u>704,881</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(182,989)	(167,908)
Acquisition of subsidiary company	-	(5,123,537)
Proceeds from sale of property, plant and equipment	2,622	-
Interest income on bank deposits	-	6,791
Net cash used in investing activities	<u>(180,367)</u>	<u>(5,284,654)</u>
Cash flows from financing activities		
Proceeds from long-term debt	(500,000)	2,025,000
Decrease in short term debt	(20,345)	(261,434)
Payment of interest and other finance costs	(96,022)	(257,843)
Dividend payment	(1,151,851)	(827)
Net cash (used)/generated from financing activities	<u>(1,768,218)</u>	<u>1,504,896</u>
Net effect of foreign currency translation on cash and cash equivalents	2,179	(9,444)
Net decrease in cash and cash equivalents	<u>(536,835)</u>	<u>(3,084,321)</u>
Cash and cash equivalents at beginning of the period	246,889	3,632,655
Cash and cash equivalents at end of the period	<u>(289,946)</u>	<u>548,334</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 June 2019

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 Umiyam 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.

Holcim Cement (Bangladesh) Limited - Holcim Bangladesh Limited ("HBL"), formerly known as Hyundai Cement (Bangladesh) Company Limited, was incorporated in Bangladesh as a private company limited by shares under the Companies Act, 1994. Holcim Bangladesh Limited, United Cement Industries Limited ("UICL") and Saiham Cement Industries Limited ("Saiham") were merged together following an order of the Hon'ble High Court Division of the Supreme Court of Bangladesh in December 2011 and were allowed to carry out its business in the name of United Cement Industries Limited. Subsequently, United Cement Industries Limited was renamed as Holcim Cement (Bangladesh) Limited.

The address of the Company's registered office is NinaKabbo, Tejgaon, Dhaka. The Company is primarily involved in manufacture and sale of portland and composite cement.

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 cement and clinker.

3 Basis of preparation

The consolidated interim financial statements have been prepared in accordance with Bangladesh 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 Jun 2019 Taka'000	31 Dec 2018 Taka'000
Lafarge Umiyam Mining Private Limited, India	519,356	519,356
Lum Mawshun Minerals Private Limited, India	537	537
Holcim Cement (Bangladesh) Limited, Bangladesh	5,047,820	5,047,820
	<u>5,567,713</u>	<u>5,567,713</u>

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:

<i>Name of subsidiary</i>	<i>Country of incorporation</i>	<i>% of ownership interest</i>
Lafarge Umiam Mining Private Limited	India	100
Lum Mawshun Minerals Private Limited	India	74
Holcim Cement (Bangladesh) Limited	Bangladesh	100

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 2018 except lease accounting. The company applied IFRS 16 from 1 January 2019. IFRS 16 requires leases to adopt a uniform approach to the presentation of leases. Correspondingly, assets must be recognised for payment obligations entered into for all leases. The right-of-use asset is generally be measured at the amount of lease liability.

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 Jun 2019 <u>Taka'000</u>	31 Dec 2018 <u>Taka'000</u>
7 Property, plant and equipment		
Cost		
At January 1	23,525,947	17,682,594
Acquisition of HBL	-	5,591,059
Additions	340,748	733,478
Right-of-use assets (RoUA)	281,891	-
Disposals	(14,990)	(325,794)
Translation adjustment	30,438	(155,390)
At June 30/December 31	<u>24,164,034</u>	<u>23,525,947</u>
Depreciation		
At January	6,860,850	6,182,847
Disposals	(13,536)	(150,149)
Charge for the period	460,767	879,236
Charge for right-of-use assets (RoUA)	51,093	-
Translation adjustment	23,093	(51,084)
At June 30/December 31	<u>7,382,267</u>	<u>6,860,850</u>
Carrying amount	<u><u>16,781,767</u></u>	<u><u>16,665,097</u></u>
8 Goodwill*		
Acquisition of HBL	317,776	317,776
	<u><u>317,776</u></u>	<u><u>317,776</u></u>

*As explained in note 7, in the annual report 2018, the excess of the consideration transferred over the fair value of the HBL's identifiable net assets is recorded as goodwill.

9 Intangible assets

Cost		
At January 1	3,046,776	1,323,998
Acquisition of HBL	-	1,804,379
Translation adjustment	33,139	(81,601)
At June 30/December 31	<u>3,079,915</u>	<u>3,046,776</u>
Amortization		
At January	432,782	349,391
Charge for the period	46,173	107,166
Translation adjustment	10,968	(23,775)
At June 30/December 31	<u>489,923</u>	<u>432,782</u>
Carrying amount	<u><u>2,589,992</u></u>	<u><u>2,613,994</u></u>

	30 Jun 2019 Taka'000	31 Dec 2018 Taka'000
10 Inventories		
Raw materials	628,260	582,972
Semi-finished and finished products	891,822	735,729
Parts and supplies	1,186,673	1,059,369
	<u>2,706,755</u>	<u>2,378,070</u>
11 Trade receivables		
Trade receivables	1,631,538	1,331,888
Valuation allowance	(161,797)	(166,231)
Advance payment to trade suppliers	750,689	722,181
	<u>2,220,430</u>	<u>1,887,838</u>
12 Other assets		
Prepaid expenses	104,140	86,339
VAT current account	106,763	319,175
Security and other deposits	236,971	235,123
Other receivables	71,086	62,013
Accrued interest on bank deposits	8,723	6,013
	<u>527,683</u>	<u>708,663</u>
Current portion	383,508	566,487
Non-current portion	144,175	142,176
13 Advance income tax- net of tax provision		
Advance income tax	6,623,360	6,413,267
Current tax liabilities	(4,836,399)	(4,558,691)
	<u>1,786,961</u>	<u>1,854,576</u>
14 Cash and cash equivalents		
Cash in hand	3,387	2,295
Cash at banks	537,910	443,899
Cash and cash equivalents in statement of financial position	<u>541,297</u>	<u>446,194</u>
Bank overdrafts*	(831,243)	(199,305)
Cash and cash equivalents for the purpose of the statement of cash flows	<u>(289,946)</u>	<u>246,889</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	484,479	984,478
Non-current portion- leases liabilities	113,340	-
	<u>597,819</u>	<u>984,478</u>
B. Borrowings-short term		
Current portion of long-term borrowing- Unsecured	800,000	800,000
Current portion of long-term leases liabilities	117,459	-
Short-term credit facilities	1,831,524	1,167,438
Derivative liabilities*	6,078	25,208
	<u>2,755,061</u>	<u>1,992,646</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 Jun 2019 Taka'000	31 Dec 2018 Taka'000
16 Deferred tax liabilities		
The tax effects of temporary differences that resulted in deferred tax liabilities and assets.		
Deferred tax liabilities	3,107,208	3,294,328
Deferred tax assets	53,646	189,648
Net deferred tax liabilities	<u>3,053,562</u>	<u>3,104,680</u>
17 Provisions		
Site restoration provisions		
Balance at 1 January	37,428	36,992
Provision for the period	1,559	3,108
Translation adjustment	526	(2,672)
At June 30/December 31	<u>39,513</u>	<u>37,428</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	4,630,788	3,860,318
Contract liabilities	170,262	456,095
	<u>4,801,050</u>	<u>4,316,413</u>
19 Other current liabilities		
Income tax & VAT deducted at source	143,174	154,604
Other payable	498,469	430,508
Accrued interest payable	38,107	31,922
Dividend payable	61,131	51,608
	<u>740,881</u>	<u>668,642</u>
	Jan-Jun 2019 Taka'000	Jan-Jun 2018 Taka'000
20 Revenue		
Sale of gray cement	9,424,693	8,477,820
Sale of cement clinker	279,708	-
	<u>9,704,401</u>	<u>8,477,820</u>
21 Cost of sales		
Manufacturing variable cost	5,358,907	4,707,290
Manufacturing fixed cost	791,482	716,642
Freight cost to customers	273,473	332,320
Depot operating and transportation costs	584,583	418,857
Inventory movement	74,177	(122,562)
Depreciation and amortization	521,944	453,306
	<u>7,604,566</u>	<u>6,505,853</u>
22 General and administrative expenses		
Salary, allowances and benefits	161,620	165,760
IT maintenance expenses	44,748	82,221
Other office expenses	245,327	303,490
Administrative depreciation and amortization	36,090	40,035
Contribution to Workers' Profit Participation and welfare Fund	46,200	31,423
	<u>533,985</u>	<u>622,929</u>
23 Sales and marketing expenses		
Salary, allowances and benefits	109,511	159,824

	Advertisement	84,958	73,092
	Other office expenses	54,298	54,068
		<u>248,767</u>	<u>286,984</u>
		Jan-Jun 2019	Jan-Jun 2018
		Taka'000	Taka'000
24	A. Other operating income		
	Gain on sale of miscellaneous scrap items	7,933	21,326
	Gain/ (loss) on sale of property, plant and equipment	1,857	-
		<u>9,790</u>	<u>21,326</u>
	B. Other operating expenses		
	Loss on sale of property, plant and equipment	-	(46,167)
		<u>-</u>	<u>(46,167)</u>
25	Finance costs and income		
	Interest expenses	115,411	159,433
	Exchange loss	-	56,890
	Other finance costs	5,366	16,193
	Bank charges and commission	8,738	8,994
	Finance costs	<u>129,515</u>	<u>241,510</u>
	Interest income on Bank Deposits	10,693	4,691
	Other finance income	29	19
	Exchange gain	10,432	-
	Finance income	<u>21,154</u>	<u>4,710</u>
	Net finance (income)/costs	<u>108,361</u>	<u>236,800</u>
26	Income tax		
	Current income tax expenses	478,953	317,210
	Deferred income tax income	(54,525)	(43,283)
		<u>424,428</u>	<u>273,927</u>
27	Earnings per share		
	The computation of basic earnings per share for the periods ended 2019 and 2018 are as follows:		
	Numerator	(Thousand Taka)	
	Income for the period- attributable to the owners of the company	794,084	526,486
	Denominator	(Thousands of Shares)	
	Weighted average number of shares outstanding	1,161,374	1,161,374
	Basic Earnings Per Share	<i>Taka</i> 0.68	0.45
	Diluted Earnings Per Share	<i>Taka</i> 0.68	0.45
28	Related Party Transactions		
	Except for the regular transactions, there were no significant related party transactions during the period.		
29	Comparative Information of the Shareholders*		
		30 Jun 2019	31 Dec 2018
		Taka	Taka
	Net Asset Value (NAV) Per Share	13.14	13.41
		Jan-Jun 2019	Jan-Jun 2018
		Taka	Taka
	Earning Per Share (EPS)	0.68	0.45
	Net Operating Cash Flow Per Share (NOCFPS)	1.21	0.61
	Profit for the period	794,084,000	526,486,000

*For the period January to June 2019, EPS is higher than same period of the last year, mainly due to higher revenue, higher gross profit. NOCFPS also increased compared to same period of last year, due to higher EPS, higher collection from customers and less payment to suppliers.

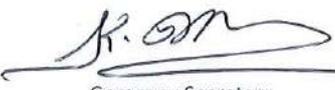
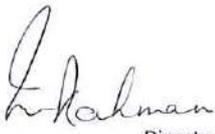
	Jan-Jun 2019 Taka'000	Jan-Jun 2018 Taka'000
30 Reconciliation of net profit with cash flows from operating activities		
Net profit for the period	794,084	526,486
Depreciation and amortization	558,034	493,341
Other non-cash items	4,434	(38,169)
Non-operating items	108,361	236,800
Changes in net working capital	(55,342)	(513,577)
Cash flows from operating activities	1,409,571	704,881
31 Share Capital		
31.1 Authorized capital		
1,400,000,000 ordinary shares of Taka 10 each	<u>14,000,000</u>	<u>14,000,000</u>

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	<u>11,613,735</u>	<u>11,613,735</u>
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
	<u>11,613,735</u>	<u>11,613,735</u>
31.4 Composition of shareholders at 30 June/31 December		

Name of the shareholders	Nationality/Incorporated in	Number of shares	
		30 Jun 2019	31 Dec 2018
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>

31.5 Composition of shareholders at 30 June/31 December			
Name of the shareholders	Nationality/Incorporated in	Holding (%)	
		30 Jun 2019	31 Dec 2018
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
  Director
  Chief Executive Officer



LAFARGEHOLCIM BANGLADESH LIMITED
Statement of financial position (Un-audited)
at 30 June 2019

	NOTES	30 Jun 2019 Taka'000	31 Dec 2018 Taka'000
Assets			
Non-current assets			
Property, plant and equipment	5	9,780,879	9,830,244
Intangible assets	6	59,387	84,139
Investment in subsidiaries		5,567,713	5,567,713
Total non-current assets		15,407,979	15,482,096
Current assets			
Inventories	7	1,652,993	1,501,367
Trade receivables	8	3,270,459	2,907,068
Other current assets	9	207,281	380,641
Advance income tax	10	691,513	849,947
Cash and cash equivalents	11	314,557	201,900
Total current assets		6,136,803	5,840,923
Total assets		21,544,782	21,323,019
Equity & liabilities			
Equity			
Share capital	27.3	11,613,735	11,613,735
Retained earnings		1,791,025	2,298,905
Other component of equity		(89,132)	(98,942)
Total equity		13,315,628	13,813,698
Non-current liabilities			
Borrowings	12A	484,479	984,478
Deferred tax liabilities	13	1,839,471	1,897,124
Employee benefits		115,992	95,558
Total non-current liabilities		2,439,942	2,977,160
Current liabilities			
Trade payables	14	3,073,890	2,528,987
Other current liabilities	15	623,334	594,008
Borrowings	12B	2,091,988	1,409,166
Total current liabilities		5,789,212	4,532,161
Total equity and liabilities		21,544,782	21,323,019

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



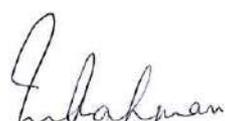
LAFARGEHOLCIM BANGLADESH LIMITED
Statement of profit or loss (Un-audited)
for the period ended 30 June 2019

	NOTES	Jan-Jun 2019 Taka '000	Jan-Jun 2018 Taka '000	Apr-Jun 2019 Taka '000	Apr-Jun 2018 Taka '000
Revenue	16	6,787,551	5,618,118	3,302,109	2,836,155
Cost of sales	17	(5,248,284)	(4,347,423)	(2,474,109)	(2,099,195)
Gross profit		1,539,267	1,270,695	828,000	736,960
Other operating income	20A	8,981	5,500	6,807	5,288
General and administrative expenses	18	(405,935)	(408,742)	(183,505)	(200,664)
Sales and marketing expenses	19	(161,164)	(138,685)	(80,747)	(61,918)
Other operating expenses	20B	-	(49,118)	-	(49,118)
Operating profit		981,149	679,650	570,555	430,548
Finance cost	21	(111,448)	(119,936)	(40,444)	(66,841)
Finance income	21	8,101	2,406	8,101	(717)
Profit before tax		877,802	562,120	538,212	362,990
Income tax	22	(224,308)	(163,933)	(145,838)	(93,622)
Profit for the period		653,494	398,187	392,374	269,368
Earnings Per Share					
Basic (Taka)	23	0.56	0.34	0.34	0.23
Diluted (Taka)	23	0.56	0.34	0.34	0.23

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 June 2019

	Jan-Jun 2019 Taka '000	Jan-Jun 2018 Taka '000	Apr-Jun 2019 Taka '000	Apr-Jun 2018 Taka '000
Profit for the period	653,494	398,187	392,374	269,368
Items that may be reclassified subsequently to profit or loss				
Cash flow hedge instruments	9,810	-	1,240	-
Other comprehensive income for the period	9,810	-	1,240	-
Total comprehensive income for the period	663,304	398,187	393,614	269,368


 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 June 2019

(All figures are in Tk. '000)

	Share capital	Retained earnings	Other component of equity	Total equity
Balance at 1 January 2018	11,613,735	2,034,173	(62,756)	13,585,152
Total comprehensive income for the period	-	398,187	-	398,187
Final dividend for 2017	-	(580,687)	-	(580,687)
Balance at 30 June 2018	11,613,735	1,851,673	(62,756)	13,402,652
Balance at 1 January 2019	11,613,735	2,298,905	(98,942)	13,813,698
Total comprehensive income for the period	-	653,494	9,810	663,304
Final dividend for 2018	-	(1,161,374)	-	(1,161,374)
Balance at 30 June 2019	11,613,735	1,791,025	(89,132)	13,315,628


 Company Secretary


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 Director


 Director


 Chief Executive Officer

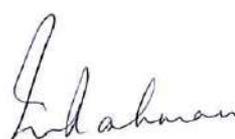


LAFARGEHOLCIM BANGLADESH LIMITED
Statement of Cash Flows (Un-audited)
for the period ended 30 June 2019

	Jan-Jun 2019 <u>Taka'000</u>	Jan-Jun 2018 <u>Taka'000</u>
Cash flows from operating activities		
Cash receipts from customers	6,148,374	5,646,593
Cash paid to suppliers and employees	<u>(4,780,891)</u>	<u>(6,080,488)</u>
Cash generated/(used) in operations	1,367,483	(433,895)
Income tax paid	(123,526)	(161,188)
Other receipts	7,933	5,500
Net cash generated/(used) in operating activities	<u>1,251,890</u>	<u>(589,583)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(109,115)	(143,550)
Proceeds from sale of property, plant and equipment	974	-
Interest income on bank deposits	-	5,733
Acquisition of subsidiary company	-	(5,123,537)
Net cash used by investing activities	<u>(108,141)</u>	<u>(5,261,354)</u>
Cash flows from financing activities		
Proceeds from long-term debt	(500,000)	2,100,000
(Decrease)/increase in short term debt	200,000	580,611
Payment of interest and other finance costs	(70,948)	(125,081)
Dividend payment	(1,151,851)	(827)
Net cash (used)/generated by financing activities	<u>(1,522,799)</u>	<u>2,554,703</u>
Net decrease in cash and cash equivalents	<u>(379,050)</u>	<u>(3,296,234)</u>
Cash and cash equivalents at beginning of the period	201,900	3,315,578
Cash and cash equivalents at end of the period	<u>(177,150)</u>	<u>19,344</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 June 2019

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 cement and clinker in the local market.

3 Basis of preparation

The interim financial statements have been prepared in accordance with Bangladesh 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 2018.

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 Jun 2019 Taka'000	31 Dec 2018 Taka'000
5 Property, plant and equipment		
Cost		
At January 1	15,711,212	15,474,324
Additions	231,251	530,577
Disposals	(6,558)	(293,689)
At June 30/December 31	<u>15,935,905</u>	<u>15,711,212</u>
Depreciation		
At January	5,880,968	5,479,712
Disposals	(6,510)	(132,893)
Charge for the period	280,568	534,149
At June 30/December 31	<u>6,155,026</u>	<u>5,880,968</u>
Carrying amount	<u>9,780,879</u>	<u>9,830,244</u>
6 Intangible assets		
Cost		
At January 1	158,848	158,848
At June 30/December 31	<u>158,848</u>	<u>158,848</u>
Amortization		
At January	74,709	24,166
Charge for the period	24,752	50,543
At June 30/December 31	<u>99,461</u>	<u>74,709</u>
Carrying amount	<u>59,387</u>	<u>84,139</u>

	30 Jun 2019 Taka'000	31 Dec 2018 Taka'000
7 Inventories		
Raw materials	536,063	419,481
Semi-finished and finished products	263,566	315,757
Parts and supplies	853,364	766,129
	<u>1,652,993</u>	<u>1,501,367</u>
8 Trade receivables		
Trade receivables	3,010,525	2,630,730
Valuation allowance	(28,307)	(21,022)
Advance payment to trade suppliers	288,241	297,360
	<u>3,270,459</u>	<u>2,907,068</u>
9 Other current assets		
Prepaid expenses	74,686	55,970
VAT current account	81,025	264,748
Security and other deposits	8,266	8,393
Other receivables	43,304	51,530
	<u>207,281</u>	<u>380,641</u>
10 Advance income tax- net of tax provision		
Advance income tax	2,589,868	2,466,414
Current tax liabilities	(1,898,355)	(1,616,467)
	<u>691,513</u>	<u>849,947</u>
11 Cash and cash equivalents		
Cash in hand	3,214	2,066
Cash at banks	311,343	199,834
Cash and cash equivalents in statement of financial position	<u>314,557</u>	<u>201,900</u>
Bank overdrafts*	(491,707)	-
Cash and cash equivalents for the purpose of the statement of cash flows	<u>(177,150)</u>	<u>201,900</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	484,479	984,478
	<u>484,479</u>	<u>984,478</u>
B. Borrowings-short term		
Current portion of long-term borrowing- Unsecured	800,000	800,000
Short-term credit facilities	1,291,707	600,000
Derivative liabilities*	281	9,166
	<u>2,091,988</u>	<u>1,409,166</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.		
13 Deferred Tax Liabilities		
The tax effects of temporary differences that resulted in deferred tax liabilities and assets.		
Deferred tax liabilities	1,893,117	1,944,052
Deferred tax assets	53,646	46,928
Net deferred tax liabilities	<u>1,839,471</u>	<u>1,897,124</u>

	30 Jun 2019 <u>Taka'000</u>	31 Dec 2018 <u>Taka'000</u>
14 Trade payables		
Payable for goods and services	2,948,833	2,144,548
Contract liabilities	125,057	384,439
	<u>3,073,890</u>	<u>2,528,987</u>
15 Other current liabilities		
Income tax & VAT deducted at source	90,454	111,433
Other payable	433,642	402,383
Accrued interest payable	38,107	28,584
Dividend payable	61,131	51,608
	<u>623,334</u>	<u>594,008</u>
	Jan-Jun 2019	Jan-Jun 2018
	<u>Taka'000</u>	<u>Taka'000</u>
16 Revenue		
Sale of gray cement	5,901,877	4,980,473
Sale of cement clinker	885,674	637,645
	<u>6,787,551</u>	<u>5,618,118</u>
17 Cost of sales		
Manufacturing variable cost	3,640,687	2,985,607
Manufacturing fixed cost	527,272	485,329
Freight cost to customers	239,539	263,973
Depot operating and transportation costs	515,368	421,450
Inventory movement	49,297	(55,717)
Depreciation and amortization	276,121	246,781
	<u>5,248,284</u>	<u>4,347,423</u>
18 General and administrative expenses		
Salary, allowances and benefits	135,911	124,568
IT maintenance expenses	30,321	47,622
Other office expenses	164,304	173,889
Administrative depreciation and amortization	29,199	33,078
Contribution to Workers' Profit Participation and welfare Fund	46,200	29,585
	<u>405,935</u>	<u>408,742</u>
19 Sales and marketing expenses		
Salary, allowances and benefits	60,786	76,662
Advertisement	74,391	32,612
Other office expenses	25,987	29,411
	<u>161,164</u>	<u>138,685</u>
20 A. Other operating income		
Gain on sale of miscellaneous scrap items	7,933	5,500
Gain on sale of property, plant and equipment	1,048	-
	<u>8,981</u>	<u>5,500</u>
B. Other operating expenses		
Loss on sale of property, plant and equipment	-	(49,118)
	<u>-</u>	<u>(49,118)</u>

	Jan-Jun 2019 Taka'000	Jan-Jun 2018 Taka'000
21 Finance costs and income		
Interest expenses	89,740	89,683
Exchange loss	13,202	9,500
Other finance costs	5,366	16,193
Bank charges and commission	3,140	4,560
Finance costs	111,448	119,936
Interest income on Bank Deposits	8,101	2,406
Exchange gain	-	-
Finance income	8,101	2,406
Net finance (income)/costs	103,347	117,530
22 Income tax		
Current income tax expenses	281,960	206,877
Deferred income tax income	(57,652)	(42,944)
	224,308	163,933

23 Earnings Per Share

The computation of basic earnings per share for the periods ended 2019 and 2018 are as follows:

Numerator	<i>(Thousand Taka)</i>	
Income for the period	653,494	398,187
Denominator	<i>(Thousands of Shares)</i>	
Weighted average number of shares outstanding	1,161,374	1,161,374
Basic Earnings Per Share	<i>Taka</i> 0.56	<i>Taka</i> 0.34
Diluted Earnings Per Share	<i>Taka</i> 0.56	<i>Taka</i> 0.34

24 Related party transactions

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

25 Comparative information of the shareholders*

	30 Jun 2019 Taka	31 Dec 2018 Taka
Net Asset Value (NAV) Per Share	11.47	11.89
	Jan-Jun 2019 Taka	Jan-Jun 2018 Taka
Earning Per Share (EPS)	0.56	0.34
Net Operating Cash Flow Per Share (NOCFPS)	1.08	(0.51)
Profit for the period	653,494,000	398,187,000

*For the period January to June 2019, EPS is higher than same period of the last year, mainly due to higher revenue, higher gross profit and improved of effective tax rate. NOCFPS also increased compared to same period of last year, due to higher EPS, higher collection from customers and less payment to suppliers.

26 Reconciliation of net profit with cash flows from operating activities

Net profit for the period	653,494	398,187
Depreciation and amortization	305,320	279,859
Other non-cash items	(7,285)	6,557
Non-operating items	103,347	117,530
Changes in net working capital	197,014	(1,391,716)
Cash flows from operating activities	1,251,890	(589,583)

	30 Jun 2019 Taka'000	31 Dec 2018 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>

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.

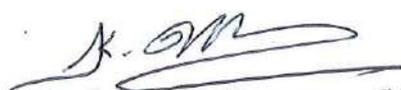
27.2 Issued and subscribed capital		
1,161,373,500 ordinary shares of Taka 10 each	<u>11,613,735</u>	<u>11,613,735</u>
27.3 Paid up capital		
Fully paid up in cash	5,759,888	5,759,888
Fully paid up in other than cash	46,980	46,980
Fully paid up in cash as rights issue	5,806,867	5,806,867
	<u>11,613,735</u>	<u>11,613,735</u>

27.4 Composition of shareholders at 30 June/31 December

Name of the shareholders	Nationality/Incorporated in	Number of shares	
		30 Jun 2019	31 Dec 2018
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 June/31 December

Name of the shareholders	Nationality/Incorporated in	Holding (%)	
		30 Jun 2019	31 Dec 2018
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


Director


Chief Executive Officer



LafargeHolcim Bangladesh Limited

A company of  LafargeHolcim and  CEMENTOS MOLINS

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