



LafargeHolcim

INTERIM **FINANCIAL** STATEMENTS

as at and for the
period ended 30 June 2021
(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 2021

| | NOTES | 30 Jun 2021 Taka'000 | 31 Dec 2020 Taka'000 |
|---|-------|-------------------------|-------------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 7 | 16,351,133 | 16,675,338 |
| Goodwill | 8 | 317,776 | 317,776 |
| Intangible assets | 9 | 2,267,011 | 2,293,293 |
| Total non-current assets | | 18,935,920 | 19,286,407 |
| Current assets | | | |
| Inventories | 10 | 3,022,468 | 2,183,534 |
| Trade receivables | 11 | 1,361,967 | 1,747,990 |
| Other assets | 12A | 962,380 | 615,819 |
| Advance income tax | 13 | 617,693 | 998,139 |
| Derivative instruments | | 2,157 | 14,435 |
| Cash and cash equivalents | 14 | 3,252,681 | 1,372,660 |
| Total current assets | | 9,219,346 | 6,932,577 |
| Total assets | | 28,155,266 | 26,218,984 |
| Equity & liabilities | | | |
| Share capital | 31.3 | 11,613,735 | 11,613,735 |
| Retained earnings | | 6,433,209 | 5,442,469 |
| Other components of equity | | (92,171) | (89,671) |
| Foreign currency translation | | 398,158 | 322,712 |
| Equity attributable to owners of the Company | | 18,352,931 | 17,289,245 |
| Non-controlling interests | | (139) | (170) |
| Total equity | | 18,352,792 | 17,289,075 |
| Non-current liabilities | | | |
| Borrowings | 15A | 29,731 | 65,876 |
| Deferred tax liabilities | 16 | 2,403,123 | 2,587,978 |
| Employee benefits | | 311,990 | 293,689 |
| Provision | 17 | 42,918 | 41,865 |
| Total non-current liabilities | | 2,787,762 | 2,989,408 |
| Current liabilities | | | |
| Trade payables | 18 | 6,247,848 | 5,074,955 |
| Other current liabilities | 19 | 659,723 | 768,700 |
| Borrowings | 15B | 35,710 | 37,099 |
| Unclaimed dividend | | 71,431 | 59,747 |
| Total current liabilities | | 7,014,712 | 5,940,501 |
| Total equity and liabilities | | 28,155,266 | 26,218,984 |
| Net Asset Value (NAV) Per Share | 27C | 15.80 | 14.89 |

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 2021

| | NOTES | Jan-Jun 2021 Taka '000 | Jan-Jun 2020 Taka '000 | Apr-Jun 2021 Taka '000 | Apr-Jun 2020 Taka '000 |
|-------------------------------------|-------|---------------------------|---------------------------|---------------------------|---------------------------|
| Revenue | 20 | 11,054,237 | 7,769,211 | 4,736,516 | 2,640,942 |
| Cost of sales | 21 | (7,571,463) | (6,044,689) | (3,128,029) | (2,065,697) |
| Gross profit | | 3,482,774 | 1,724,522 | 1,608,487 | 575,245 |
| Other operating income | 24 | 42,901 | 3,018 | 32,653 | 1,346 |
| General and administrative expenses | 22 | (724,441) | (566,977) | (335,972) | (228,832) |
| Sales and marketing expenses | 23 | (254,887) | (228,776) | (118,523) | (79,533) |
| Operating profit | | 2,546,347 | 931,787 | 1,186,645 | 268,226 |
| Finance cost | 25 | (12,142) | (45,002) | (4,199) | (11,658) |
| Finance income | 25 | 29,556 | 8,712 | 22,058 | 7,414 |
| Profit before tax | | 2,563,761 | 895,497 | 1,204,504 | 263,982 |
| Income tax | 26A | (411,647) | (52,540) | (87,736) | 56,523 |
| Profit for the period | | 2,152,114 | 842,957 | 1,116,768 | 320,505 |
| Earning Per Share | | | | | |
| Basic (Taka) | 27A | 1.85 | 0.73 | 0.96 | 0.28 |
| Diluted (Taka) | 27A | 1.85 | 0.73 | 0.96 | 0.28 |

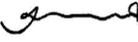
The accompanying Notes 1 to 31 form an integral part of these interim financial statements.




 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 2021

| | Jan-Jun 2021 <u>Taka'000</u> | Jan-Jun 2020 <u>Taka'000</u> | Apr-Jun 2021 <u>Taka'000</u> | Apr-Jun 2020 <u>Taka'000</u> |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Profit for the period | <u>2,152,114</u> | <u>842,957</u> | <u>1,116,768</u> | <u>320,505</u> |
| Items that may be reclassified subsequently to profit or loss | | | | |
| Cash flow hedge instruments | (2,500) | (6,008) | 10,039 | - |
| Exchange differences on translating foreign operation | 75,446 | 117,863 | 86,935 | - |
| Non controlling interests- currency translation adjustment | 31 | (9) | - | - |
| Other comprehensive income for the period | <u>72,977</u> | <u>111,846</u> | <u>96,974</u> | <u>-</u> |
| Total comprehensive income for the period | <u><u>2,225,091</u></u> | <u><u>954,803</u></u> | <u><u>1,213,742</u></u> | <u><u>320,505</u></u> |
| Profit attributable to: | | | | |
| Owners of the parent Company | 2,225,060 | 954,812 | 1,213,742 | 320,505 |
| Non-controlling interests | 31 | (9) | - | - |
| | <u><u>2,225,091</u></u> | <u><u>954,803</u></u> | <u><u>1,213,742</u></u> | <u><u>320,505</u></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 June 2021

(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 2020 | 11,613,735 | 4,242,436 | (43,172) | 386,362 | 16,199,361 | (134) | 16,199,227 |
| Total comprehensive income for the period | - | 842,957 | (6,008) | 117,863 | 954,812 | (9) | 954,803 |
| Final dividend for 2019 | - | (1,161,374) | - | - | (1,161,374) | - | (1,161,374) |
| Balance at 30 June 2020 | 11,613,735 | 3,924,019 | (49,180) | 504,225 | 15,992,799 | (143) | 15,992,656 |
| Balance at 1 January 2021 | 11,613,735 | 5,442,469 | (89,671) | 322,712 | 17,289,245 | (170) | 17,289,075 |
| Total comprehensive income for the period | - | 2,152,114 | (2,500) | 75,446 | 2,225,060 | 31 | 2,225,091 |
| Final dividend for 2020 | - | (1,161,374) | - | - | (1,161,374) | - | (1,161,374) |
| Balance at 30 June 2021 | 11,613,735 | 6,433,209 | (92,171) | 398,158 | 18,352,931 | (139) | 18,352,792 |



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 2021

| | Notes | Jan-Jun 2021 Taka'000 | Jan-Jun 2020 Taka'000 |
|---|-------|---------------------------|---------------------------|
| Cash flows from operating activities | | | |
| Cash receipts from customers | | 11,333,270 | 8,046,812 |
| Cash paid to suppliers and employees | | <u>(7,855,182)</u> | <u>(5,927,585)</u> |
| Cash generated from operations | | 3,478,088 | 2,119,227 |
| Income tax paid | | (227,088) | (159,899) |
| Other receipts | | 18,621 | 3,018 |
| Net cash generated by operating activities | 30 | <u>3,269,621</u> | <u>1,962,346</u> |
| Cash flows from investing activities | | | |
| Payments for property, plant and equipment | | (214,129) | (147,021) |
| Proceeds from property, plant and equipment | | 3,445 | - |
| Interest income on bank deposits | | 15,262 | 6,579 |
| Net cash used in investing activities | | <u>(195,422)</u> | <u>(140,442)</u> |
| Cash flows from financing activities | | | |
| Repayment of long-term debt | | - | (700,001) |
| Repayments of the lease liabilities | | (25,008) | (23,794) |
| Decrease in short term debt | | - | (100,000) |
| Payment of interest and other finance costs | | (5,890) | (32,753) |
| Interest paid on lease liability | | (6,252) | (10,500) |
| Dividend payment | | (1,149,690) | (684,640) |
| Net cash used in financing activities | | <u>(1,186,840)</u> | <u>(1,551,688)</u> |
| Net effect of foreign currency translation on cash and cash equivalents | | (7,338) | (6,683) |
| Net increase in cash and cash equivalents | | <u>1,880,021</u> | <u>263,533</u> |
| Cash and cash equivalents at beginning of the period | | 1,372,660 | 94,340 |
| Cash and cash equivalents at end of the period | 14 | <u>3,252,681</u> | <u>357,873</u> |
| Net Operating Cash Flow Per Share (NOCFPS) | 27B | <u>2.82</u> | <u>1.69</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 2021

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 Jun 2021 | 31 Dec 2020 |
|---|-----------------------|-----------------------|
| | Taka'000 | Taka'000 |
| Lafarge Umiam Mining Private Limited, India | 519,356 | 519,356 |
| Lum Mawshun Minerals Private Limited, India | 537 | 537 |
| | <u>519,893</u> | <u>519,893</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:

| 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 2020.

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 2021 <u>Taka'000</u> | 31 Dec 2020 <u>Taka'000</u> |
|--|--------------------------------|--------------------------------|
| 7 Property, plant and equipment* | | |
| Cost | | |
| At January 1 | 25,508,802 | 24,504,158 |
| Additions | 198,511 | 1,090,221 |
| Disposals | (25,460) | (20,939) |
| Translation adjustment | (23,639) | (64,638) |
| At June 30/December 31 | <u>25,658,214</u> | <u>25,508,802</u> |
| Depreciation | | |
| At January | 8,833,464 | 7,847,509 |
| Disposals | (25,460) | (20,762) |
| Charge for the period | 507,982 | 1,031,038 |
| Translation adjustment | (8,905) | (24,321) |
| At June 30/December 31 | <u>9,307,081</u> | <u>8,833,464</u> |
| Carrying amount | <u>16,351,133</u> | <u>16,675,338</u> |
| 7.1 *Right-of-use assets (RoUA) | | |
| Cost | | |
| At January 1 | 238,954 | 238,954 |
| Disposal | (61,542) | - |
| At June 30/December 31 | <u>177,412</u> | <u>238,954</u> |
| Depreciation | | |
| At January | 151,379 | 98,731 |
| Disposal | (61,542) | - |
| Charge for the period | 25,008 | 52,648 |
| At June 30/December 31 | <u>114,845</u> | <u>151,379</u> |
| Carrying amount | <u>62,567</u> | <u>87,575</u> |
| 8 Goodwill* | | |
| Acquisition of subsidiary (Holcim Cement Bangladesh Limited)** | 317,776 | 317,776 |
| <i>**Now Holcim Cement Bangladesh Limited is amalgamated with the LHBL</i> | <u>317,776</u> | <u>317,776</u> |
| *Goodwill arising on acquisition of subsidiary is measured at cost less accumulated impairment losses. | | |
| 9 Intangible assets | | |
| Cost | | |
| At January 1 | 2,898,442 | 2,930,691 |
| Translation adjustment | (9,888) | (32,249) |
| At June 30/December 31 | <u>2,888,554</u> | <u>2,898,442</u> |
| Amortization | | |
| At January | 605,149 | 536,218 |
| Charge for the period | 20,590 | 80,262 |
| Translation adjustment | (4,196) | (11,331) |
| At June 30/December 31 | <u>621,543</u> | <u>605,149</u> |
| Carrying amount | <u>2,267,011</u> | <u>2,293,293</u> |
| 10 Inventories | | |
| Raw materials | 909,031 | 584,723 |
| Semi-finished and finished products | 1,060,469 | 611,756 |
| Parts and supplies | 1,052,968 | 987,055 |
| | <u>3,022,468</u> | <u>2,183,534</u> |
| | 30 Jun 2021 | 31 Dec 2020 |
| | <u>Taka'000</u> | <u>Taka'000</u> |
| 11 Trade receivables | | |
| Trade receivables | 574,155 | 846,803 |
| Advance payment to trade suppliers | 787,812 | 901,187 |
| | <u>1,361,967</u> | <u>1,747,990</u> |

12 A.Other assets

| | | |
|--|----------------|----------------|
| Prepaid expenses | 100,048 | 73,537 |
| Advance to employees | 8,299 | 9,172 |
| Security and other deposits | 91,712 | 92,651 |
| Other receivables- note B | 426,363 | 79,937 |
| Advance payment to suppliers of fixed assets | 324,076 | 350,148 |
| Accrued interest on bank deposits | 11,882 | 10,374 |
| | <u>962,380</u> | <u>615,819</u> |

B.Gas Sales Agreement with JGTDS

On 3 January 2021, Jalalabad Gas Transmission and Distribution System Limited ("JGTDS") issued a Final Notice instructing the Company to pay for the gas, since September 2015, at the rate fixed by Bangladesh Energy Regulatory Commission (BERC). The Company's position is that the BERC rate is not applicable for the Gas Sales Agreement (GSA), as GSA provides for the Ceiling Price for the gas consumed by the Company under the GSA. However, by letter dated 3 January 2021, JGTDS threatened to discontinue supply of gas under the GSA from 4 March 2021 unless the Company pays at BERC rate. On 3 February 2021, the Company issued an Arbitration Notice on JGTDS as per the terms of the GSA.

To ensure continued supply of gas to the plant during pendency of the Arbitration, the Company filed an application before the High Court Division for interim relief. On 7 February 2021 the High Court Division issued such interim relief in favor of the Company subject to submission of Bank Guarantee of Taka 860 million. Accordingly, the Company submitted the bank guarantee.

However, JGTDS filed an appeal before the Appellate Division, Supreme Court of Bangladesh (the "Appeal") on 8 March 2021. The Appeal was heard on March 18, 2021. The Company received the certified copy of the Interim Order on May 2, 2021. The Appellate Division directed the Company to pay Jalalabad the claimed amount since September 2015, which is Taka 903 million; out of which Taka 100 million shall be paid within 1 (one) month along with regular bills and the balance amount of Taka 803 million shall have to be paid in quarterly installment of Taka 100 million. Furthermore, the Appellate Division also directed the Company to pay monthly gas bills at the rate fixed by BERC, as will be invoiced by JGTDS. The Company is complying with the Court order, and paid Taka 162 million to JGTDS as on 30 June 2021 and accounted for the amount as other receivable.

The interim order of the Appellate Division shall have no impact on the merit of the Arbitration pending before the Tribunal. The Company has a good case before the Arbitration Tribunal. If the Award of the Arbitration is in favor of the Company, the Ceiling Price shall be applicable and the amounts paid to Jalalabad against the order of the Appellate Division shall be refunded.

The Arbitration Tribunal has been formed. The process is presently continuing.

13 Advance income tax- net of tax provision

| | | |
|-------------------------|----------------|----------------|
| Advance income tax | 7,690,477 | 7,476,229 |
| Current tax liabilities | (7,072,784) | (6,478,090) |
| | <u>617,693</u> | <u>998,139</u> |

14 Cash and cash equivalents

| | | |
|---|------------------|------------------|
| Cash in hand | 1,917 | 2,516 |
| Cash at banks | 3,250,764 | 1,370,144 |
| Cash and cash equivalents in statement of financial position | <u>3,252,681</u> | <u>1,372,660</u> |

15 Borrowings**A. Borrowings-long term**

| | | |
|---|---------------|---------------|
| Non-current portion- leases liabilities | 29,731 | 65,876 |
| | <u>29,731</u> | <u>65,876</u> |

30 Jun 2021**Taka'000****31 Dec 2020****Taka'000****B. Borrowings-short term**

| | | |
|---|---------------|---------------|
| Current portion of long-term leases liabilities | 32,836 | 36,862 |
| Derivative liabilities* | 2,874 | 237 |
| | <u>35,710</u> | <u>37,099</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.

| | | |
|---|------------------|------------------|
| 16 Deferred tax liability | | |
| Deferred tax by type of temporary differences that resulted in deferred tax assets and liability | | |
| Property, plant and equipment | 2,499,360 | 2,695,818 |
| Deferred tax liabilities | 2,499,360 | 2,695,818 |
| Provision for gratuity | 33,988 | 45,394 |
| Actuarial loss | 9,583 | 9,583 |
| Provision for doubtful debts | 36,266 | 36,463 |
| Provision for obsolescence of spare parts | 16,400 | 16,400 |
| Deferred tax assets | 96,237 | 107,840 |
| Net deferred tax liability | 2,403,123 | 2,587,978 |

| | | |
|------------------------------------|---------------|---------------|
| 17 Provisions | | |
| Site restoration provisions | | |
| Balance at 1 January | 41,865 | 40,146 |
| Provision for the period | 1,470 | 2,912 |
| Translation adjustment | (417) | (1,193) |
| At June 30/December 31 | 42,918 | 41,865 |

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 | 5,952,982 | 4,786,474 |
| Contract liabilities | 294,866 | 288,481 |
| | 6,247,848 | 5,074,955 |

| | | |
|---------------------------------------|----------------|----------------|
| 19 Other current liabilities | | |
| Payables to suppliers of fixed assets | 63,803 | 118,894 |
| Income tax and VAT deducted at source | 276,667 | 206,971 |
| Others | 319,253 | 442,835 |
| | 659,723 | 768,700 |

| | |
|---------------------|---------------------|
| Jan-Jun 2021 | Jan-Jun 2020 |
| Taka'000 | Taka'000 |

| | | |
|---|--|--|
| 20 A. Revenue | | |
| The company derives its revenue from the transfer of goods at a point in the time in the following product lines. This is consistent with the segment information that is disclosed for each reportable segment under IFRS 8 (note- 20B). | | |

| | | |
|------------------------|-------------------|------------------|
| Segment revenue | | |
| Sale of gray cement | 10,071,374 | 7,605,600 |
| Sale of cement clinker | 262,859 | 163,611 |
| Aggregate | 720,004 | - |
| | 11,054,237 | 7,769,211 |

B. Segment information

| 2021 Taka'000 | Reportable segments | | |
|--|---------------------|----------------|-------------------|
| | Clinker and cement | Aggregates | Total |
| Statement of profit and loss | | | |
| Segment revenue | 10,334,233 | 720,004 | 11,054,237 |
| Operating profit | 2,196,023 | 350,324 | 2,546,347 |
| Statement of financial position | | | |
| Assets | | | |
| Segment assets | 23,886,269 | 396,466 | 24,282,735 |
| Unallocated assets* | - | - | 3,872,531 |
| Total assets | | | 28,155,266 |
| Equity and liabilities | | | |
| Segment liabilities | 7,194,507 | 67,972 | 7,262,479 |
| Unallocated equity and liabilities** | - | - | 20,892,787 |
| Total equity and liabilities | | | 28,155,266 |

| 2020 Taka'000 | Reportable segments | | Total |
|--|---------------------|------------|-------------------|
| | Clinker and cement | Aggregates | |
| Statement of profit and loss | | | |
| Segment revenue | 7,769,211 | - | 7,769,211 |
| Operating profit | 931,787 | - | 931,787 |
| Statement of financial position | | | |
| Assets | | | |
| Segment assets | 23,833,750 | - | 23,833,750 |
| Unallocated assets* | - | - | 2,385,234 |
| Total assets | | | 26,218,984 |
| Equity and liabilities | | | |
| Segment liabilities | 6,179,209 | - | 6,179,209 |
| Unallocated equity and liabilities** | - | - | 20,039,775 |
| Total equity and liabilities | | | 26,218,984 |

*Advance tax, derivatives instruments and cash and cash equivalents

** Borrowings, deferred tax liabilities and unclaimed dividend.

C. Major customers

The Company has no reliance on any of its customers.

| | Jan-Jun 2021 Taka'000 | Jan-Jun 2020 Taka'000 |
|--|--------------------------|--------------------------|
| 21 Cost of sales | | |
| Manufacturing variable cost | 5,408,300 | 3,872,130 |
| Manufacturing fixed cost | 1,354,455 | 1,258,883 |
| Freight cost to customers | 163,292 | 131,984 |
| Depot operating and transportation costs | 512,501 | 382,151 |
| Inventory movement | 132,915 | 399,541 |
| | 7,571,463 | 6,044,689 |
| 22 General and administrative expenses | | |
| Salary, allowances and benefits | 167,023 | 180,980 |
| IT maintenance expenses | 38,921 | 40,764 |
| Other office expenses | 404,544 | 312,647 |
| Contribution to Workers' Profit Participation and welfare Fund | 113,953 | 32,586 |
| | 724,441 | 566,977 |
| 23 Sales and marketing expenses | | |
| Salary, allowances and benefits | 94,684 | 91,610 |
| Advertisement | 136,535 | 108,718 |
| Other office expenses | 23,668 | 28,448 |
| | 254,887 | 228,776 |
| 24 Other operating income | | |
| Sale of miscellaneous scrap items | 39,456 | 3,018 |
| Gain on sale of property, plant and equipment | 3,445 | - |
| | 42,901 | 3,018 |
| 25 Finance costs and income | | |
| Interest expenses | - | 14,116 |
| Exchange loss | - | 7,852 |
| Other finance costs | 3,198 | 2,241 |
| Interest expenses on lease liabilities | 6,252 | 10,500 |
| Bank charges and commission | 2,692 | 10,293 |
| Finance costs | 12,142 | 45,002 |
| Interest income on Bank Deposits | 18,052 | 8,712 |
| Exchange gain | 11,504 | - |
| Finance income | 29,556 | 8,712 |
| Net finance (income)/costs | (17,414) | 36,290 |

26 A. Income tax

| | | |
|-----------------------------|----------------|---------------|
| Current income tax expenses | 594,694 | 325,250 |
| Deferred income tax income | (183,047) | (272,710) |
| | 411,647 | 52,540 |

B. Reconciliation of effective tax rate (%)

| | | |
|--|--------------|--------------|
| Average statutory tax rate | 25.81 | 27.06 |
| Permanent differences | 1.49 | 1.51 |
| Change in structure (HBL amalgamation) | - | -19.5 |
| Effect of change in tax rate | -9.19 | - |
| Effect of foreign tax differentials | -2.05 | -3.2 |
| Effective tax rate | 16.06 | 5.87 |

27 A. Earnings Per Share

The computation of basic earnings per share for the periods ended 2021 and 2020 are as follows:

| | | |
|---|------------------------------|-------------|
| Numerator | <i>(Thousand Taka)</i> | |
| Profit for the period | 2,152,114 | 842,957 |
| Denominator | <i>(Thousands of Shares)</i> | |
| Weighted average number of shares outstanding | 1,161,374 | 1,161,374 |
| Basic Earnings Per Share | Taka | 1.85 |
| Diluted Earnings Per Share | Taka | 1.85 |

B. Net operating cash flow per share (NOCFPS)

The computation of net operating cash flow per share for the periods ended 2021 and 2020 are as follows:

| | | |
|---|------------------------------|-------------|
| Numerator | <i>(Thousand Taka)</i> | |
| Net operating cash flow for the period | 3,269,621 | 1,962,346 |
| Denominator | <i>(Thousands of Shares)</i> | |
| Weighted average number of shares outstanding | 1,161,374 | 1,161,374 |
| Net operating cash flow per share | Taka | 2.82 |

C. Net asset value (NAV) per share

The computation of net asset value per share for the periods ended 2021 and 2020 are as follows:

| | | |
|---|--------------------------|--------------|
| Numerator | <i>(Thousand Taka)</i> | |
| Net asset value for the period/year | 18,352,931 | 17,289,245 |
| Denominator | <i>(Thousand Shares)</i> | |
| Weighted average number of shares outstanding | 1,161,374 | 1,161,374 |
| Net asset value per share | Taka | 15.80 |

28 Related Party Transactions

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

| | | |
|---|---------------------|---------------------|
| | Jan-Jun 2021 | Jan-Jun 2020 |
| | Taka | Taka |
| 29 Comparative Information of the Shareholders (Note- 27)* | | |
| Net Asset Value (NAV) Per Share | 15.80 | 14.89 |
| Earning Per Share (EPS) | 1.85 | 0.73 |
| Net Operating Cash Flow Per Share (NOCFPS) | 2.82 | 1.69 |
| Profit for the period | 2,152,114,000 | 842,957,000 |

*For the period January to June 2021, EPS increased compared to the previous period, mainly due to increased cement sales and new aggregate business. 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 | 2,152,114 | 842,957 |
| Income tax expenses | 411,647 | 52,540 |
| Net profit before tax | 2,563,761 | 895,497 |
| Depreciation and amortization | 528,572 | 522,527 |
| Other non-cash items | 29,644 | 24,677 |
| Non-operating items | (17,414) | 36,290 |
| Income tax paid | (227,088) | (159,899) |
| Changes in net working capital | 392,146 | 643,254 |
| Cash flows from operating activities | 3,269,621 | 1,962,346 |

| | 30 Jun 2020 Taka'000 | 31 Dec 2020 Taka'000 |
|---|-------------------------|-------------------------|
| 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 2021 | 31 Dec 2020 |
| 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 2021 | 31 Dec 2020 |
| 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 2021

| | NOTES | 30 Jun 2021 <u>Taka'000</u> | 31 Dec 2020 <u>Taka'000</u> |
|--|-------|--------------------------------|--------------------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 5 | 16,422,411 | 16,696,730 |
| Goodwill | 6 | 317,776 | 317,776 |
| Investment in subsidiaries | | 519,893 | 519,893 |
| Total non-current assets | | <u>17,260,080</u> | <u>17,534,399</u> |
| Current assets | | | |
| Inventories | 7 | 2,968,568 | 2,187,723 |
| Trade receivables | 8 | 764,513 | 1,083,760 |
| Other current assets | 9A | 689,109 | 380,377 |
| Advance income tax | 10 | 357,496 | 649,343 |
| Cash and cash equivalents | 11 | 2,495,913 | 1,292,660 |
| Total current assets | | <u>7,275,599</u> | <u>5,593,863</u> |
| Total assets | | <u>24,535,679</u> | <u>23,128,262</u> |
| Equity & liabilities | | | |
| Equity | | | |
| Share capital | 27.3 | 11,613,735 | 11,613,735 |
| Retained earnings | | 3,618,098 | 2,955,783 |
| Other component of equity | | (102,231) | (102,614) |
| Total equity | | <u>15,129,602</u> | <u>14,466,904</u> |
| Non-current liabilities | | | |
| Borrowings | 12A | 28,994 | 53,227 |
| Deferred tax liabilities | 13 | 2,222,695 | 2,379,700 |
| Employee benefits | | 298,640 | 267,128 |
| Total non-current liabilities | | <u>2,550,329</u> | <u>2,700,055</u> |
| Current liabilities | | | |
| Trade payables | 14 | 6,111,647 | 5,130,044 |
| Other current liabilities | 15 | 642,790 | 741,422 |
| Borrowings | 12B | 29,880 | 30,090 |
| Unclaimed dividend | | 71,431 | 59,747 |
| Total current liabilities | | <u>6,855,748</u> | <u>5,961,303</u> |
| Total equity and liabilities | | <u>24,535,679</u> | <u>23,128,262</u> |
| Net Asset Value (NAV) Per Share | 23C | <u>13.03</u> | <u>12.46</u> |

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 2021.

| | NOTES | Jan-Jun 2021 Taka '000 | Jan-Jun 2020 Taka '000 | Apr-Jun 2021 Taka '000 | Apr-Jun 2020 Taka '000 |
|-------------------------------------|-------|---------------------------|---------------------------|---------------------------|---------------------------|
| Revenue | 16 | 11,054,237 | 7,769,211 | 4,736,516 | 2,640,942 |
| Cost of sales | 17 | (7,943,350) | (6,318,499) | (3,278,997) | (2,146,629) |
| Gross profit | | 3,110,887 | 1,450,712 | 1,457,519 | 494,313 |
| Other operating income | 20 | 42,122 | 3,018 | 32,658 | 1,346 |
| General and administrative expenses | 18 | (724,441) | (566,977) | (335,972) | (227,295) |
| Sales and marketing expenses | 19 | (254,887) | (228,776) | (118,523) | (79,533) |
| Operating profit | | 2,173,681 | 657,977 | 1,035,682 | 188,831 |
| Finance cost | 21 | (23,281) | (44,999) | (6,868) | 5,275 |
| Finance income | 21 | 15,202 | 6,158 | 9,149 | 6,158 |
| Profit before tax | | 2,165,602 | 619,136 | 1,037,963 | 200,264 |
| Income tax | 22A | (341,913) | (27,876) | (27,075) | 24,058 |
| Profit for the period | | 1,823,689 | 591,260 | 1,010,888 | 224,322 |
| Earnings Per Share | | | | | |
| Basic (Taka) | 23A | 1.57 | 0.51 | 0.87 | 0.19 |
| Diluted (Taka) | 23A | 1.57 | 0.51 | 0.87 | 0.19 |

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 2021

| | Jan-Jun 2021 Taka '000 | Jan-Jun 2020 Taka '000 | Apr-Jun 2021 Taka '000 | Apr-Jun 2020 Taka '000 |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| Profit for the period | <u>1,823,689</u> | <u>591,260</u> | <u>1,010,888</u> | <u>224,322</u> |
| Items that may be reclassified subsequently to profit or loss | | | | |
| Cash flow hedge instruments | 383 | - | 1,019 | - |
| Other comprehensive loss for the period | <u>383</u> | <u>-</u> | <u>1,019</u> | <u>-</u> |
| Total comprehensive income for the period | <u><u>1,824,072</u></u> | <u><u>591,260</u></u> | <u><u>1,011,907</u></u> | <u><u>224,322</u></u> |




 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 2021

(All figures are in Tk. '000)

| | Share capital | Retained earnings | Other component of equity | Total equity |
|---|-------------------|----------------------|---------------------------------|-------------------|
| Balance at 1 January 2020 | 11,613,735 | 2,133,175 | (48,129) | 13,698,781 |
| Total comprehensive income for the period | - | 591,260 | - | 591,260 |
| Final dividend for 2019 | - | (1,161,374) | - | (1,161,374) |
| Balance at 30 June 2020 | 11,613,735 | 1,563,061 | (48,129) | 13,128,667 |
| Balance at 1 January 2021 | 11,613,735 | 2,955,783 | (102,614) | 14,466,904 |
| Total comprehensive income for the period | - | 1,823,689 | 383 | 1,824,072 |
| Final dividend for 2020 | - | (1,161,374) | - | (1,161,374) |
| Balance at 30 June 2021 | 11,613,735 | 3,618,098 | (102,231) | 15,129,602 |




 Company Secretary


 Chief Financial Officer


 Director


 Director


 Chief Executive Officer



LAFARGEHOLCIM BANGLADESH LIMITED
Statement of Cash Flows (Un-audited)
for the period ended 30 June 2021

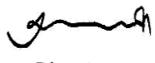
| | Notes | Jan-Jun 2021 <u>Taka'000</u> | Jan-Jun 2020 <u>Taka'000</u> |
|---|-------|---------------------------------|---------------------------------|
| Cash flows from operating activities | | | |
| Cash receipts from customers | | 11,333,270 | 7,996,045 |
| Cash paid to suppliers and employees | | (8,643,532) | (6,103,947) |
| Cash generated from operations | | 2,689,738 | 1,892,098 |
| Income tax paid | | (207,070) | (159,444) |
| Other receipts | | 18,621 | 3,018 |
| Net cash generated by operating activities | 26 | 2,501,289 | 1,735,672 |
| Cash flows from investing activities | | | |
| Payments for property, plant and equipment | | (131,462) | (127,183) |
| Proceeds from sale of property, plant and equipment | | 3,445 | - |
| Interest income on bank deposits | | 15,202 | 6,158 |
| Net cash used in investing activities | | (112,815) | (121,025) |
| Cash flows from financing activities | | | |
| Repayment of long-term debt | | - | (700,001) |
| Repayments of the lease liabilities | | (24,233) | (18,906) |
| Decrease in short term debt | | - | (100,000) |
| Payment of interest and other finance costs | | (5,476) | (50,952) |
| Interest paid on lease liability | | (5,822) | (7,426) |
| Dividend payment | | (1,149,690) | (684,640) |
| Net cash used in financing activities | | (1,185,221) | (1,561,925) |
| Net increase in cash and cash equivalents | | 1,203,253 | 52,722 |
| Cash and cash equivalents at beginning of the period | | 1,292,660 | 199,307 |
| Cash and cash equivalents at end of the period | 11 | 2,495,913 | 252,029 |
| Net Operating Cash Flow Per Share (NOCFPS) | 23B | 2.15 | 1.49 |




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 2021

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 2020.

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 2021 | 31 Dec 2020 |
|--|--------------------------|--------------------------|
| | <u>Taka'000</u> | <u>Taka'000</u> |
| 5 Property, plant and equipment* | | |
| Cost | | |
| At January 1 | 24,084,362 | 23,334,068 |
| Additions | 182,456 | 771,234 |
| Disposals | (25,460) | (20,940) |
| At June 30/December 31 | <u>24,241,358</u> | <u>24,084,362</u> |
| Depreciation | | |
| At January | 7,387,632 | 6,479,857 |
| Disposals | (25,460) | (20,763) |
| Charge for the period | 456,775 | 928,538 |
| At June 30/December 31 | <u>7,818,947</u> | <u>7,387,632</u> |
| Carrying amount | <u>16,422,411</u> | <u>16,696,730</u> |
| 5.1 *Right-of-use assets (RoUA) | | |
| Cost | | |
| At January 1 | 130,348 | 130,348 |
| At June 30/December 31 | <u>130,348</u> | <u>130,348</u> |
| Depreciation | | |
| At January | 48,213 | 8,916 |
| Charge for the period | 23,288 | 39,297 |
| At June 30/December 31 | <u>71,501</u> | <u>48,213</u> |
| Carrying amount | <u>58,847</u> | <u>82,135</u> |
| | 30 Jun 2021 | 31 Dec 2020 |
| | <u>Taka'000</u> | <u>Taka'000</u> |
| 6 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.

| | | |
|--|-------------------------|-------------------------|
| 7 Inventories | | |
| Raw materials | 949,887 | 708,465 |
| Semi-finished and finished products | 1,082,121 | 601,566 |
| Parts and supplies | 936,560 | 877,692 |
| | <u>2,968,568</u> | <u>2,187,723</u> |
| 8 Trade receivables | | |
| Trade receivables | 574,155 | 846,803 |
| Advance payment to trade suppliers | 190,358 | 236,957 |
| | <u>764,513</u> | <u>1,083,760</u> |
| 9 A.Other current assets | | |
| Prepaid expenses | 89,877 | 63,480 |
| Advance to employees | 6,627 | 8,295 |
| Security and other deposits | 89,180 | 90,095 |
| Other receivables- note B | 393,874 | 24,609 |
| Advance payment to suppliers of fixed assets | 109,141 | 193,898 |
| Derivative assets | 410 | - |
| | <u>689,109</u> | <u>380,377</u> |

B.Gas Sales Agreement with JGTDS

On 3 January 2021, Jalalabad Gas Transmission and Distribution System Limited (“JGTDS”) issued a Final Notice instructing the Company to pay for the gas, since September 2015, at the rate fixed by Bangladesh Energy Regulatory Commission (BERC). The Company’s position is that the BERC rate is not applicable for the Gas Sales Agreement (GSA), as GSA provides for the Ceiling Price for the gas consumed by the Company under the GSA. However, by letter dated 3 January 2021, JGTDS threatened to discontinue supply of gas under the GSA from 4 March 2021 unless the Company pays at BERC rate. On 3 February 2021, the Company issued an Arbitration Notice on JGTDS as per the terms of the GSA.

To ensure continued supply of gas to the plant during pendency of the Arbitration, the Company filed an application before the High Court Division for interim relief. On 7 February 2021 the High Court Division issued such interim relief in favor of the Company subject to submission of Bank Guarantee of Taka 860 million. Accordingly, the Company submitted the bank guarantee.

However, JGTDS filed an appeal before the Appellate Division, Supreme Court of Bangladesh (the “Appeal”) on 8 March 2021. The Appeal was heard on March 18, 2021. The Company received the certified copy of the Interim Order on May 2, 2021. The Appellate Division directed the Company to pay Jalalabad the claimed amount since September 2015, which is Taka 903 million; out of which Taka 100 million shall be paid within 1 (one) month along with regular bills and the balance amount of Taka 803 million shall have to be paid in quarterly installment of Taka 100 million. Furthermore, the Appellate Division also directed the Company to pay monthly gas bills at the rate fixed by BERC, as will be invoiced by JGTDS. The Company is complying with the Court order, and paid Taka 162 million to JGTDS as on 30 June 2021 and accounted for the amount as other receivable.

The interim order of the Appellate Division shall have no impact on the merit of the Arbitration pending before the Tribunal. The Company has a good case before the Arbitration Tribunal. If the Award of the Arbitration is in favor of the Company, the Ceiling Price shall be applicable and the amounts paid to Jalalabad against the order of the Appellate Division shall be refunded.

The Arbitration Tribunal has been formed. The process is presently continuing.

| | | |
|---|-------------------------|-------------------------|
| 10 Advance income tax- net of tax provision | | |
| Advance income tax | 6,367,324 | 6,160,254 |
| Current tax liabilities | (6,009,828) | (5,510,911) |
| | <u>357,496</u> | <u>649,343</u> |
| 11 Cash and cash equivalents | | |
| Cash in hand | 1,824 | 2,422 |
| Cash at banks | 2,494,089 | 1,290,238 |
| Cash and cash equivalents in statement of financial position | <u>2,495,913</u> | <u>1,292,660</u> |
| 12 Borrowings | | |
| A. Borrowings-long term | | |
| Non-current portion-lease liabilities | 28,994 | 53,227 |
| | <u>28,994</u> | <u>53,227</u> |
| | 30 Jun 2021 | 31 Dec 2020 |
| | Taka'000 | Taka'000 |
| B. Borrowings-short term | | |
| Current portion of lease liabilities | 29,853 | 29,853 |
| Derivative liabilities* | 27 | 237 |
| | <u>29,880</u> | <u>30,090</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 liability | | |
| | Deferred tax by type of temporary differences that resulted in deferred tax assets and liability | | |
| | Property, plant and equipment | 2,320,392 | 2,479,806 |
| | Deferred tax liabilities | 2,320,392 | 2,479,806 |
| | Provision for gratuity | 35,448 | 37,660 |
| | Actuarial loss | 9,583 | 9,583 |
| | Provision for doubtful debts | 36,266 | 36,463 |
| | Provision for obsolescence of spare parts | 16,400 | 16,400 |
| | Deferred tax assets | 97,697 | 100,106 |
| | Net deferred tax liability | 2,222,695 | 2,379,700 |
| 14 | Trade payables | | |
| | Payable for goods and services | 5,816,781 | 4,841,563 |
| | Contract liabilities | 294,866 | 288,481 |
| | | 6,111,647 | 5,130,044 |
| 15 | Other current liabilities | | |
| | Payables to suppliers of fixed assets | 52,993 | 102,038 |
| | Income tax and VAT deducted at source | 270,544 | 201,760 |
| | Others | 319,253 | 437,624 |
| | | 642,790 | 741,422 |
| | | Jan-Jun 2021 | Jan-Jun 2020 |
| | | Taka'000 | Taka'000 |
| 16 | Revenue* | | |
| | Sale of gray cement | 10,071,374 | 7,605,600 |
| | Sale of cement clinker | 262,859 | 163,611 |
| | Sale of aggregate | 720,004 | - |
| | | 11,054,237 | 7,769,211 |
| 17 | Cost of sales | | |
| | Manufacturing variable cost | 5,952,019 | 4,353,749 |
| | Manufacturing fixed cost | 1,182,623 | 1,051,074 |
| | Freight cost to customers | 163,292 | 131,984 |
| | Depot operating and transportation costs | 512,501 | 382,151 |
| | Inventory movement | 132,915 | 399,541 |
| | | 7,943,350 | 6,318,499 |
| 18 | General and administrative expenses | | |
| | Salary, allowances and benefits | 167,023 | 180,980 |
| | IT maintenance expenses | 38,921 | 40,764 |
| | Other office expenses | 404,544 | 312,647 |
| | Contribution to Workers' Profit Participation and welfare Fund | 113,953 | 32,586 |
| | | 724,441 | 566,977 |
| | | Jan-Jun 2021 | Jan-Jun 2020 |
| | | Taka'000 | Taka'000 |
| 19 | Sales and marketing expenses | | |
| | Salary, allowances and benefits | 94,684 | 91,610 |
| | Advertisement | 136,535 | 108,718 |
| | Other office expenses | 23,668 | 28,448 |
| | | 254,887 | 228,776 |
| 20 | Other operating income | | |
| | Sale of scrap items and others | 38,677 | 3,018 |
| | Gain on sale of property, plant and equipment | 3,445 | - |
| | | 42,122 | 3,018 |

| | | |
|--|------------------------------|---------------------|
| 21 Finance costs and income | | |
| Interest expenses | - | 16,399 |
| Exchange loss | 11,983 | 14,773 |
| Other finance costs | 3,128 | 2,241 |
| Interest expenses on lease liabilities | 5,822 | 7,426 |
| Bank charges and commission | 2,348 | 4,160 |
| Finance costs | 23,281 | 44,999 |
| Interest income on Bank Deposits | 15,202 | 6,158 |
| Finance income | 15,202 | 6,158 |
| Net finance costs/(income) | 8,079 | 38,841 |
| 22 A. Income tax | | |
| Current income tax expenses | 498,917 | 255,816 |
| Deferred income tax income | (157,004) | (227,940) |
| | 341,913 | 27,876 |
| B. Reconciliation of effective tax rate (%) | | |
| Statutory tax rate | 22.50 | 25.00 |
| Permanent difference | 2.48 | 1.00 |
| Effect of change in tax rate | (9.19) | - |
| Change in structure (HBL amalgamation) | - | (21.50) |
| Effective tax rate | 15.79 | 4.50 |
| | Jan-Jun 2021 | Jan-Jun 2020 |
| 23 A. Earnings Per Share | | |
| The computation of basic earnings per share for the periods ended 2021 and 2020 are as follows: | | |
| Numerator | <i>(Thousand Taka)</i> | |
| Profit for the period | 1,823,689 | 591,260 |
| Denominator | <i>(Thousands of Shares)</i> | |
| Weighted average number of shares outstanding | 1,161,374 | 1,161,374 |
| Basic Earnings Per Share | Taka 1.57 | 0.51 |
| Diluted Earnings Per Share | Taka 1.57 | 0.51 |
| B. Net operating cash flow per share (NOCFPS) | | |
| The computation of net operating cash flow per share for the periods ended 2021 and 2020 are as follows: | | |
| Numerator | <i>(Thousand Taka)</i> | |
| Net operating cash flow for the period | 2,501,289 | 1,735,672 |
| Denominator | <i>(Thousands of Shares)</i> | |
| Weighted average number of shares outstanding | 1,161,374 | 1,161,374 |
| Net operating cash flow per share | Taka 2.15 | 1.49 |
| | 31 Mar 2021 | 31 Dec 2020 |
| C. Net asset value (NAV) per share | | |
| The computation of net asset value per share for the periods ended 2021 and 2020 are as follows: | | |
| Numerator | <i>(Thousand Taka)</i> | |
| Net asset value for the period/year | 15,129,602 | 14,466,904 |
| Denominator | <i>(Thousand Shares)</i> | |
| Weighted average number of shares outstanding | 1,161,374 | 1,161,374 |
| Net asset value per share | Taka 13.03 | 12.46 |
| 24 Related party transactions | | |
| Except for the regular transactions, there were no significant related party transactions during the period. | | |
| | Jan-Jun 2021 | Jan-Jun 2020 |
| | Taka | Taka |
| 25 Comparative information of the shareholders (Note- 23)* | | |
| Net Asset Value (NAV) Per Share | 13.03 | 12.46 |
| Earning Per Share (EPS) | 1.57 | 0.51 |
| Net Operating Cash Flow Per Share (NOCFPS) | 2.15 | 1.49 |
| Profit for the period | 1,823,689,000 | 591,260,000 |

*For the period January to June 2021, EPS increased compared to the previous period, mainly due to increased cement sales and new aggregate business. NOCFPS also increased compared to same period of last year, due to higher EPS and higher net cash generation from operation.

26 Reconciliation of net profit with cash flows from operating activities

| | | |
|---|-------------------------|-------------------------|
| Net profit for the period | 1,823,689 | 591,260 |
| Income tax expenses | 341,913 | 27,876 |
| Net profit before tax | <u>2,165,602</u> | <u>619,136</u> |
| Depreciation and amortization | 456,775 | 457,605 |
| Other non-cash items | 22,858 | 21,368 |
| Non-operating items | 8,079 | 38,841 |
| Income tax paid | (207,070) | (159,444) |
| Changes in net working capital | 55,045 | 758,166 |
| Cash flows from operating activities | <u>2,501,289</u> | <u>1,735,672</u> |
| | 30 Jun 2021 | 31 Dec 2020 |
| | Taka'000 | 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 2021 | 31 Dec 2020 |
| 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 2021 | 31 Dec 2020 |
| 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

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