SCANCEMENT HEIDELBERGCEMENT Group

RUBY CEMENT HEIDELBERGCEMENT Group

Ref: C&LA/BSEC/HCBL/2017/4150 **Dated: 10 October 2017**

Fax No.55007106

The Chairman
Bangladesh Securities & Exchange Commission
Securities Commission Bhaban
Plot: E-6/C, Agargaon
Sher-e-Bangla Nagar
Dhaka-1207.

Sub: **Un-audited Financial Statements for the Third Quarter (Q3) Ended 30 September 2017.**

Dear Sir,
We are pleased to enclose herewith the Third Quarter (Q3) Un-audited Financial Statements ended 30 September 2017 of HeidelbergCement Bangladesh Limited as per Notification No.SEC/CMMRRCD/2008-183/Admin/03-34 dated 27 September 2009 of the Bangladesh Securities and Exchange Commission and as per Clause No.17(3) of DSE Listing Regulation 2015.

We are also pleased to inform you the Statement showing comparative figures as per Regulation 16(2) of DSE Listing Regulations 2015:

SL	Particulars	Figures	30-09-2017	30-09-2016
a)	Net Asset Value (NAV) per share	Taka	83.39	96.04
b)	Earnings Per Share (EPS)	Taka	14.43	23.76
c)	Net operating Cash Flow Per Share (NOCFPS)	Taka	5.34	22.28

Thanking you,

Sincerely yours,

Mohammad Mostafizur Rahman
Company Secretary and
Head of Legal

Copy To:

1. The Managing Director
   Dhaka Stock Exchange Ltd.
   DSE Building 9/F Motijheel C/A,
   Dhaka –1000
   Fax Number # 9564727

2. The Managing Director
   Chittagong Stock Exchange Ltd.
   CSE Building,
   1080 Sk. Mujib Road, Agrabad
   Chittagong-4100
   Fax No.031-714101

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HEIDELBERGCEMENT BANGLADESH LIMITED
STATEMENT OF FINANCIAL POSITION (Unaudited)
AS AT 30th September 2017

	Figures in Thousand Taka	
	30-Sep-17	31-Dec-16
ASSETS		
Non-Current Assets		
Property, plant & equipments	3,237,563	3,353,326
Capital work- in-progress	142,938	178,174
Intangible assets	1,333	164
Total non-current assets	**3,381,834**	**3,531,664**
Current Assets		
Inventories	1,452,882	1,495,556
Trade and other receivable	1,272,133	1,144,884
Advance, deposits and prepayments	309,698	156,094
Cash and bank balances	2,449,257	3,860,309
Total current assets	**5,483,970**	**6,656,843**
Total Assets	**8,865,803**	**10,188,507**
EQUITY & LIABILITIES		
Capital and reserve		
Share capital	565,036	565,036
Capital reserves	605,657	605,657
General reserve	15,000	15,000
Dividend equalization fund	8,600	8,600
Retained earnings	3,517,553	4,397,317
	4,711,846	**5,591,610**
Non-Current Liabilities		
Suppliers' credit-blocked	2,565	2,565
Quasi equity loan	122,636	122,636
ADP loan	12,699	12,699
Retirement benefit obligations (gratuity)	-	37,466
Deferred tax liability	544,930	574,980
Total non-current liabilities	**682,830**	**750,346**
Current Liabilities		
Trade and other payables	3,138,886	3,501,862
Provision for other liabilities and charges	57,493	109,234
Provision for income tax	20,425	41,008
Unclaimed dividend	254,323	194,447
Total current liabilities	**3,471,127**	**3,846,551**
Total Liabilities	**4,153,957**	**4,596,897**
Total equity and liabilities	**8,865,803**	**10,188,507**

Mohammad Mostafizur Rahaman
Company Secretary

Jashim Uddin Chowdhury, FCA
Director

Jose Marcelino Ugarte
Managing Director

Kevin Gerard Gluskie
Chairman

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HEIDELBERGCEMENT BANGLADESH LIMITED

STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

For the period from 1st January to 30th September 2017

Figures in Thousand Taka

	Jan' to Sept' 2017	Jan' to Sept' 2016	July' to Sept' 2017	July' to Sept' 2016
Sales	7,654,999	8,490,670	1,769,630	1,812,718
Cost of goods sold	(6,034,883)	(6,325,282)	(1,535,374)	(1,420,412)
Gross profit	1,620,117	2,165,387	234,256	392,305
Other operating income	5,663	13,925	2,430	3,115
Warehousing, distribution and selling expenses	(284,656)	(231,690)	(69,242)	(45,598)
Administrative expenses	(366,083)	(351,476)	(93,302)	(89,307)
Operating profit	975,041	1,596,147	74,141	260,516
Non-operating income	28,359	110,364	(253)	1,551
Net finance income	146,469	182,320	36,611	52,826
Contribution to Employee's Profit Participation Fund	(57,493)	(94,442)	(5,525)	(15,745)
Profit before income tax	1,092,376	1,794,390	104,974	299,148
Income Tax Expenses	(277,033)	(451,673)	(7,971)	(46,616)
Current year	(300,000)	(464,000)	(35,000)	(54,000)
Prior year	(7,083)	(17,052)	-	346
Deferred Tax income	30,050	29,379	27,029	7,038
Profit for the period	**815,344**	**1,342,716**	**97,003**	**252,532**
Earning per share	**14.43**	**23.76**	**1.72**	**4.47**

Mohammad Mostafizur Rahaman	**Jashim Uddin Chowdhury, FCA**	**Jose Marcelino Ugarte**	**Kevin Gerard Gluskie**
Company Secretary	**Director**	**Managing Director**	**Chairman**

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HEIDELBERGCEMENT BANGLADESH LIMITED

STATEMENT OF CHANGES IN EQUITY (Unaudited)

For the period from 1st January to 30th September 2017

Figures in Thousand Taka

	Share Capital	Capital Reserve	General Reserve	Dividend equalisation fund	Accumulated Profit	Total
Balance at January 01 2017	565,036	605,657	15,000	8,600	4,397,317	5,591,610
Net profit for the period (Jan - Sept' 2017)	-	-	-	-	815,344	815,344
Payment of Dividend 2016					(1,695,107)	(1,695,107)
Balance at 30th September 2017	**565,036**	**605,657**	**15,000**	**8,600**	**3,517,553**	**4,711,846**

Mohammad Mostafizur Rahaman
Company Secretary

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Director

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Managing Director

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HEIDELBERGCEMENT BANGLADESH LIMITED

STATEMENT OF CASH FLOWS (Unaudited)

For the period from 1st January to 30th September 2017

	Figures in Thousand Taka	
	3rd Quarter ended 30-Sep-17	3rd Quarter ended 30-Sep-16
Cash flows from operating activities		
Collections from customers	7,527,750	8,231,658
Cash received from other operating income	166,689	188,149
Cash paid to suppliers	(7,061,752)	(6,561,167)
Payment of Financial Expenses	(3,495)	(2,261)
Income Tax Paid	(327,667)	(597,213)
Net cash flow from operating activities (a)	**301,526**	**1,259,166**
Cash flows from investing activities		
Acquisition of non-current assets	(77,347)	(37,592)
Net cash used in investing activities (b)	**(77,347)**	**(37,592)**
Cash flows from financing activities		
Payment of dividend	(1,635,231)	(1,653,618)
Net cash flow used in financing activities (c)	**(1,635,231)**	**(1,653,618)**
Net decrease in cash and cash equivalents (a+b+c)	(1,411,052)	(432,044)
Opening cash and cash equivalents	3,860,309	4,050,381
Closing cash and cash equivalents	**2,449,257**	**3,618,337**

Mohammad Mostafizur Rahaman
Company Secretary

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Director

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HEIDELBERGCEMENT BANGLADESH LIMITED

Notes to the unaudited condensed Financial Statements for the period 30 September 2017

1. **Basis of Preparation:**

   The condensed financial statements have been prepared in accordance with Bangladesh Accounting standard (BAS 34), Interim Financial Reporting.

2. **Significant accounting Policies:**

   The condensed financial statements have been prepared under the historical cost convention except for the revaluation of certain properties. The accounting policies adopted are consistent with those followed in the preparation of the financial statements for the year ended 31 December 2016.

3. **Revenues:**

   Sales revenue during this period decreased BDT 836 million, which is 9.84% lower than the same period of 2016 due to lower volume and price.

4. **Cost of goods sold:**

   The cost of goods sold decreased BDT 290 million, which is 4.59% lower than the same period of 2016 mainly due to lower sales.

5. **Warehouse, distribution & selling expenses:**

   Warehouse, distribution and selling expenses increased by 22.86% compared to the same period of 2016 mainly more promotional and distribution expenses.

6. **Financial Income:**

   Bank interest income decreased by 19.66% compared to the same period of 2016 due to lower bank interest rate.

7. **Income tax expenses:**

   Interim income tax accrued on the estimated average annual income.

8. **Deferred Tax:**

   Deferred tax is recognized on difference between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

9. **Events after the balance sheet date/Other matters**

   As stated in note 44.2 of the audited financial statements of the Company for the year ended 31 December 2016, the Company has decided to acquire 4,056,457 ordinary shares of BDT 100 each in the share capital of Meghna Energy Limited for a total price consideration of BDT 910,750,200 only. The Company has commenced necessary legal formalities stipulated in the related Share Sale Agreement (SSA) to complete the transaction and fulfill the Condition Precedent specified in the SSA. Some of the legal formalities to complete the transaction including approval of certain regulatory authorities are not yet received.

10. **Comparative information for the shareholders :**

	Jan-Sept 2017 Taka	Jan-Sept 2016 Taka
Net Assets value (NAV) per share	83.39	96.09
Earning per share (EPS)	14.43	23.76
Net operating Cash Flow per share (NOCFPS)	5.34	22.28

For the period January to September 2017 compare with same period of last year 2016, **NAV** per share reduced due to charging of regular depreciation. **EPS** declined 42.87%, the major reason is decline in sales revenue, other operating income and lower bank interest rate and increase of sales distribution and promotional expenses. Sales volume declined mainly due to prolonged monsoon and price competition. **NOCFPS** also declined mainly due to decrease in EPS and also the increase in receivables mainly for lower collections against sales.

Mohammad Mostafizur Rahman
Company Secretary

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Director

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Managing Director

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