HEIDELBERGCEMENT BANGLADESH LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Unaudited)
AS AT 30th September 2018

	Figures in Thousand Taka	
	30-Sep-18	**31-Dec-17**
ASSETS		
Non-Current Assets		
Property, plant & equipments	3,288,295	3,264,835
Capital work- in-progress	327,334	176,367
Intangible assets	1,832	2,201
Goodwill	210,275	
	3,827,736	**3,443,403**
Current Assets		
Inventories	1,410,294	1,171,532
Trade and other receivable	705,805	1,140,473
Advance, deposits and prepayments	203,661	184,788
Cash and bank balances	1,869,538	2,790,303
	4,189,297	**5,287,096**
Total Assets	**8,017,034**	**8,730,499**
EQUITY		
Shareholders' Equity		
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	3,318,132	3,505,370
	4,512,425	**4,699,663**
LIABILITIES		
Non-Current Liabilities		
Suppliers' credit-blocked	2,565	2,565
Quasi equity loan	122,636	122,636
ADP loan	12,699	12,699
Deferred tax liability	537,071	568,178
	674,971	**706,078**
Current Liabilities		
Trade and other payables	2,499,577	3,027,598
Provision for other liabilities and charges	44,112	60,816
Provision for income tax	31,886	955
Unclaimed dividend	254,064	235,389
	2,829,638	**3,324,758**
Total Liabilities	**3,504,609**	**4,030,836**
Total Equity and Liabilities	**8,017,034**	**8,730,499**

Md. Emdadul Haque, ACA
Company Secretary

Jashim Uddin Chowdhury, FCA
Director

Jose Marcelino Ugarte
Managing Director

HEIDELBERGCEMENT BANGLADESH LTD.

Corporate Office
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AMARSTOCK

SCAN CEMENT
HEIDELBERGCEMENT Group

RUBY CEMENT
HEIDELBERGCEMENT Group

HEIDELBERGCEMENT BANGLADESH LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

For the period 30th September 2018

Figures in Thousand Taka

	Jan to Sept 2018	Jan to Sept 2017	July to Sept 2018	July to Sept 2017
Sales	8,537,863	7,654,999	2,300,974	1,769,630
Cost of goods sold	(7,094,976)	(6,034,883)	(1,942,719)	(1,535,374)
Gross profit	1,442,886	1,620,117	358,254	234,256
Other operating income	5,317	5,663	1,474	2,430
Warehousing, distribution and selling expenses	(272,902)	(284,656)	(93,882)	(69,242)
Administrative expenses	(349,044)	(366,083)	(97,101)	(93,302)
Operating profit	826,257	975,041	168,745	74,142
Non-operating income	8,547	28,359	4,991	(253)
Net financial income	160,172	146,469	31,618	36,611
Contribution to worker's profit participation fund	(44,112)	(57,493)	(8,420)	(5,525)
Profit before income tax	950,864	1,092,376	196,934	104,975
Income Tax Expenses	(290,548)	(277,033)	(76,213)	(7,971)
Current year	(316,455)	(300,000)	(79,934)	(35,000)
Prior year	(5,200)	(7,083)	(5,200)	-
Deferred Tax income	31,107	30,050	8,921	27,029
Profit for the year	**660,316**	**815,344**	**120,721**	**97,004**
Earning per share	**11.69**	**14.43**	**2.14**	**1.72**

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HEIDELBERGCEMENT BANGLADESH LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)

For the period from 1st January to 30th September 2018

Figures in Thousand Taka

	Share Capital	Capital Reserve	General Reserve	Dividend equalisation fund	Accumulated Profit	Total
Balance at January 01 2018	565,036	605,657	15,000	8,600	3,505,370	4,699,663
Net profit for the period (Jan -Sept 2018)	-	-	-	-	660,316	660,316
Payment of dividend for 2017					(847,554)	(847,554)
Balance at 30th September 2018	**565,036**	**605,657**	**15,000**	**8,600**	**3,318,132**	**4,512,425**

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HEIDELBERGCEMENT BANGLADESH LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)
For the period from 1st January to 30th September 2018

	Figures in Thousand Taka	
	Half year ended 30-Sep-18	Half year ended 30-Sep-17
Cash flows from operating activities		
Collections from customers	8,972,530	7,527,750
Cash received from other operating income	175,281	166,689
Cash paid to suppliers and others	(8,308,390)	(7,061,752)
Payment of Financial Expenses	(3,667)	(3,495)
Income Tax Paid	(310,984)	(327,667)
Net cash flow from operating activities (a)	**524,771**	**301,526**
Cash flows from investing activities		
Investment in MEL	(859,893)	-
Acquisition of non-current assets	(233,583)	(77,347)
Disposal of Fixed Assets	-	
Net cash used in investing activities (b)	**(1,093,476)**	**(77,347)**
Cash flows from financing activities		
Payment of dividend	(833,880)	(1,635,231)
Net cash flow used in financing activities (c)	**(833,880)**	**(1,635,231)**
Net decrease in cash and cash equivalents (a+b+c)	(1,402,585)	(1,411,052)
Opening cash and cash equivalents (Including MEL Cash)	**3,272,123**	**3,860,309**
Closing cash and cash equivalents (Including MEL Cash)	**1,869,538**	**2,449,257**

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HEIDELBERGCEMENT BANGLADESH LIMITED

Notes to the unaudited condensed Consolidated Financial Statements For the period 30th September 2018

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 2017.

3. **Revenues:**

   Sales revenue during this period increased BDT 883 million, which is 11.53% higher than the same period of 2017 due to higher volume and price.

4. **Cost of goods sold:**

   The cost of goods sold increased BDT 1,060 million, which is 17.57% higher than the same period of 2017 mainly due to higher production volume and raw material cost increase.

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

   Warehouse, distribution and selling expenses decreased by BDT 11.7 million (4.13%) compared to the same period of 2017 mainly for lower distribution expenses.

6. **Financial Income**:

   Bank interest income increased BDT 13.7 million (9.36%) compared to the same period of 2017 due to better interest rate & positive cash flow.

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. **Acquisition of Meghna Energy Limited(MEL)**

   As stated in note 46.2 of the audited financial statements of the Company for the year ended 31 December 2017, the Company on 26 October 2016 has executed a share purchase agreement with HeidelbergCement Central Europe East Holding B.V to acquire 4,056,457 (Forty Lac Fifty Six Thousand Four Hundred Fifty Seven) ordinary shares of BDT 100 each (99.99% of total shares) in Meghna Energy Limited ("MEL") at a total consideration of BDT 910,750,200 and at BDT 224.5186378 per share. However, since execution of this transaction involved payment of share sale proceeds to non-resident and subject to the central bank (Bangladesh Bank) approval of MEL's share valuation as well as permission for remittance, such approval was considered as 'condition precedent' and pending this approval of Bangladesh Bank, MEL has not been considered as a controlled entity of the Company at 31 December 2017. Subsequently, on 10 January 2018, the Company has received approval from Bangladesh Bank for remittance of BDT 860,739,610.83 based on per share fair value of BDT 212.19 to the non-resident shareholder of MEL and accordingly effective from 10 January 2018, MEL shall be considered as a controlled entity of the Company. As per approval Bangladesh Bank, the Company has already remitted the approved amount after deduction of capital gain tax to the previous shareholder of MEL and as per instruction of Bangladesh Bank; the remaining amount of BDT 50,010,589.17 has been is in the process of transferring to non-resident blocked taka account. With the acquisition of MEL, a private limited company engaged in generation and supplying electricity as a Small Power Plant (SPP) the Company has ensured uninterrupted electricity supply to its Kanchpur plant.

   As per of the acquisition accounting required by BFRS 3, Business Combination, the Company has calculated fair value MEL's net assets acquired as at 10 January 2018 and determined goodwill on the basis difference between the net assets acquired and consideration paid/payable. As MEL prepares its management account on monthly basis, to determine pre-acquisition

retained earnings by the Company, MEL's results for 10 days period from 1 to 9 January 2018 has been excluded and incorporated in post-acquisition profit by the Company.

10. Comparative information for the shareholders :

	Jan to Sept-2018 Taka	Jan to Sept-2017 Taka
Net Assets value (NAV) per share	79.86	83.39
Earning per share (EPS)	11.69	14.43
Net operating Cash Flow per share (NOCFPS)	9.29	5.34

For the period January to September 2018 compare with same period of last year 2017, **NAV** per share reduced due to charging of regular deprecation. EPS declined by BDT 2.74 due to higher cost of goods sold. **NOCFPS** increased by BDT 3.95 mainly for more sales collection and less tax payment.

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