SINOBANGLA INDUSTRIES LIMITED

Registered Office : Boro Baluakandi, Gazaria, Munshiganj. Head Office: Navana DH Tower, Suite-901 902 (9th Floor), 6 Panthapath, Dhaka-1215

Dear Shareholders

We are pleased to present the unaudited 2nd quarter financial statements of the company containing Statement of Financial Position as at December 31, 2018, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and selected notes to the financial statements for the 2nd quarter ended December 31,2018.

Managing Director
January 29, 2019

STATEMENT OF FINANCIAL POSITION

As at December 31,2018
(Unaudited)

	Notes	31-Dec-18 Tk. In '000'	30-Jun-18 Tk. In '000'
ASSETS:			
Non Current Assets			
Property, Plant & Equipment	3	635,370	627,682
(At cost less accumulated depreciation)			
Capital Work in Progress		15,010	6,916
Investment in Unit-II		245,304	245,304
Investment in Dutch Bangla Pack Ltd.		34,318	34,318
Investment on FDR		2,242	1,481
Total Non Current Assets		**932,244**	**915,701**
Current Assets, Loans & Advances:			
Inventories	4	246,360	238,565
Trade Debtors	5	200,252	170,319
Others Receivable		61,381	60,291
Advance, Deposits & Prepayments	6	177,996	169,447
Inter transfer to Unit-II		76,848	68,856
Cash & Cash Equivalents	7	9,505	49,211
		772,342	**756,689**
TOTAL ASSETS	**TK.**	**1,704,586**	**1,672,390**
EQUITY & LIABILITIES			
Shareholder's Equity			
Share Capital		199,966	199,966
Share Premium		99,983	99,983
General Reserve		43,196	43,196
Reserve for revaluation of Fixed Assets		3,559	3,746
Retained Earnings		205,720	191,685
		552,424	**538,576**
Non-Current Liabilities:			
Investment from Unit-I		245,304	245,304
Dererred Tax Liability/(Assets)		25,989	22,165
Long Term Loan	8	164,156	153,509
		435,449	**420,978**
Current Liabilities and Provisions:			
Long Term Loan - Current Portion	9	49,068	43,582
Short Term Loan - Secured	10	107,169	169,936
Sundry Creditors & Liability for Expenses		390,877	340,693
Advance Against Sales		1,787	5,744
Inter transfer from Unit-I		76,848	68,856
Provision for WPPF		6,130	4,073
Provision for Income Tax		69,396	64,253
Unclaimed Dividend		15,438	15,699
		716,713	**712,836**
TOTAL EQUITY & LIABILITIES	**TK.**	**1,704,586**	**1,672,390**
Net Assets Value Per Share		**27.63**	**26.93**

(Enamul Hoq) Vice Chairman
(Abdur Rashid) Managing Director
(Abul Hasnat Khan) Director
(Md. Habibur Rahman) DGM & Company Secretary
(Foyed Ahmed, ACA) Chief Financial Officer

Dated: Dhaka,January 29, 2019

SINOBANGLA INDUSTRIES LTD. DHAKA

SINOBANGLA INDUSTRIES LIMITED

Registered Office : Boro Baluakandi, Gazaria, Munshiganj. Head Office: Navana DH Tower, Suite-901 902 (9th Floor), 6 Panthapath, Dhaka-1215

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the 2nd quarter ended December 31,2018
(Unaudited)

Tk. In '000'

	Notes	Six Months Ended		Second Quarter Results	
		1-July-18 to 31-Dec-18	1-July-17 to 31-Dec-17	1-Oct-18 to 31-Dec-18	1-Oct-17 to 31-Dec-17
Turnover	11	982,690	793,758	507,613	410,296
Cost of Goods Sold	12	(891,177)	(710,935)	(459,684)	(364,619)
Gross Profit		**91,513**	**82,823**	**47,929**	**45,677**
Operating Expenses:					
Administrative & Selling Expenses	13	(46,779)	(41,534)	(22,173)	(22,214)
Operating Profit		**44,734**	**41,289**	**25,756**	**23,463**
Other Income		131	97	81	60
Financial Expenses	14	(19,994)	(19,882)	(9,974)	(11,502)
		(19,863)	(19,785)	(9,893)	(11,442)
Profit before WPPF		**24,871**	**21,504**	**15,863**	**12,021**
Contribution to WPPF		(2,057)	(1,815)	(1,199)	(841)
Profit before Tax		**22,814**	**19,689**	**14,664**	**11,180**
Income Tax Expenses:					
Current Tax		(5,142)	(4,538)	(2,997)	(2,104)
Deffered Tax		(3,824)	(2,540)	(4,911)	(1,298)
		(8,966)	(7,078)	(7,908)	(3,402)
Profit/(Loss) After Tax		**13,848**	**12,611**	**6,756**	**7,778**
Earning Per Share (EPS)		0.69	0.63	0.34	0.39

(Enamul Hoq)
Vice Chairman

(Abdur Rashid)
Managing Director

(Abul Hasnat Khan)
Director

(Md. Habibur Rahman)
DGM & Company Secretary

(Foyed Ahmed, ACA)
Chief Financial Officer

Dated: Dhaka,January 29, 2019

SINOBANGLA INDUSTRIES LTD. DHAKA

AMARSTOCK

SINOBANGLA INDUSTRIES LIMITED

Registered Office : Boro Baluakandi, Gazaria, Munshiganj. Head Office: Navana DH Tower, Suite-901 902 (9th Floor), 6 Panthapath, Dhaka-1215

STATEMENT OF CHANGES IN EQUITY

For the 2nd quarter ended December 31,2018
(Unaudited)

Tk. In '000

Particulars	Share Capital	Share Premium	Reserve for Reinvestment	Reserve for Revaluation	Retained Earnings	Total
As at July 01,2018	199,966	99,983	43,196	3,746	191,685	538,576
Net Profit after Tax	-	-	-	-	13,848	13,848
Revaluation Reserve	-	-	-	(187)	187	-
Balance as on 31-12-18	**199,966**	**99,983**	**43,196**	**3,559**	**205,720**	**552,424**
As at July 01,2017	199,966	99,983	43,196	4,162	177,141	524,448
Net Profit after Tax	-	-	-	-	12,611	12,611
Revaluation Reserve	-	-	-	(208)	208	-
Balance as on 31-12-17	**199,966**	**99,983**	**43,196**	**3,954**	**189,960**	**537,059**

(Enamul Hoq)	(Abdur Rashid)	(Abul Hasnat Khan)	(Md. Habibur Rahman)	(Foyed Ahmed, ACA)
Vice Chairman	Managing Director	Director	DGM & Company Secretary	Chief Financial Officer

Dated: Dhaka,January 29, 2019

SINOBANGLA INDUSTRIES LTD. DHAKA

AMARSTOCK

SINOBANGLA INDUSTRIES LIMITED

Registered Office : Boro Baluakandi, Gazaria, Munshiganj. Head Office: Navana DH Tower, Suite-901 902 (9th Floor), 6 Panthapath, Dhaka-1215

STATEMENT OF CASH FLOWS

For the 2nd quarter ended December 31,2018
(Unaudited)

	1-Jul-18 to 31-Dec-18 Tk. In '000'	1-Jul-17 to 31- Dec-17 Tk. In '000'
Cash flows from operating activities :		
Collection from turnover and other income	947,841	810,519
Paid to suppliers, employees and others	(880,343)	(747,701)
Cash flows from operating activities	**67,498**	**62,818**
Cash flows from investing activities :		
Investment in FDR	(761)	-
Acquisition of fixed assets	(8,684)	(42,438)
Capital Expenditure-in-progress	(30,870)	(8,033)
Cash flows from investing activities	**(40,315)**	**(50,471)**
Cash flows from financing activities :		
Increase in long term loan	10,647	33,753
Decrease in short term loan	(57,281)	(25,024)
Financial Expenses	(19,994)	(19,882)
Dividend paid	(261)	(122)
Cash flows from financing activities	**(66,889)**	**(11,275)**
Net Cash inflow/(outflow)	**(39,706)**	**1,072**
Opening Cash and Cash Equivalents	**49,211**	**11,895**
Closing Cash and Cash Equivalents	**9,505**	**12,967**
Net Operating Cash Flows Per Share (NOCFPS)	**3.38**	**3.14**

Disclosure as per BAS-7(28)

USD 22,571.83 is held in the closing cash and equivalents which is recorded at an average rate of Tk 83.19. An exchange loss of Tk. 5,460 would have been incurred had those foreign currencies been converted at the end of period exchange rate of Tk. 82.95.

(Enamul Hoq)	(Abdur Rashid)	(Abul Hasnat Khan)	(Md. Habibur Rahman)	(Foyed Ahmed, ACA)
Vice Chairman	Managing Director	Director	DGM & Company Secretary	Chief Financial Officer

Dated: Dhaka,January 29, 2019

SINOBANGLA INDUSTRIES LTD. DHAKA

Sinobangla Industries Ltd.
Selected Notes to the Un-audited Financial Statements
For the Second quarter ended December 31, 2018

1. Reporting Entity:

Sinobangla Industries Ltd. (SBIL), founded in 1996 as a China-Bangladesh joint-venture company, has grown to become the largest manufacturer and exporter of FIBCs and woven polypropylene (WPP) bags in Bangladesh. It is a stock listed company and its shares are traded in both Dhaka Stock Exchange and Chittagong Stock Exchange. Sinobangla is a member of the Dhaka Chamber of Commerce and Industry. It is also an affiliate member of the European Flexible Intermediate Bulk Container Association (EFIBCA) & Flexible Intermediate Bulk Container Association (FIBCA), USA.

The company has a vertically integrated production system starting from polymer extrusion to weaving, coating, printing and sewing. This system provides the needed flexibility to meet varied requirements of the customers. It has a daily production capacity of over 40 tons.

The company has the capability to produce various types of FIBCs including Four loop bags with open/spout/skirt top and closed/spout bottom, single and two loop bags, cross corner loop bag 'Q' bag, dust seam bag, industrial clean bags, tunnel bags, etc. and WPP tubular bags with width up to 210 CM., up to four color flexographic printing on both sides, bags with coating inside or outside of the bag, bags with or without gusset, valve bags, sandwiched bags with Kraft paper lining etc.

The factory is located on the Dhaka-Chittagong highway, about 30 kilometers from Dhaka city. It takes four hours by road to reach Chittagong, the main sea port of Bangladesh. Head Office of the company is located at Dhaka and accessible through phone, fax and E-mail.

The aim of the Company has always been, and still remains, to produce quality products meeting complete customer satisfaction. At every stage of production, stringent quality control measures are adopted to ensure delivery of only quality products. SINOBANGLA's unyielding Quality Control policy has further consolidated the reputation of the company both at home and abroad

2. Basis of Preparation of Interim Financial Statements:

This interim financial statements should be read in conjunction with the Financial Statements for the year ended June 30, 2018 (hereafter referred to as the "Annual Financial Statements"), as it provides an update to previously reported information.

The accounting policies used are consistent with those used in the Annual Financial Statements. The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs) as applicable in Bangladesh. The presentation of the Interim Financial Statements is consistent with the Annual Financial Statements. The preparation of the Interim Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities at the date of the interim Financial Statements. If in the future such estimates and assumptions, which are based on management's best judgment at the date of the Interim Financial Statements, deviate from the actual, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

SINOBANGLA INDUSTRIES LTD. DHAKA

3. PROPERTY, PLANT & EQUIPMENT: Tk. 635,370

Taka '000

		As at 31.12.18	As at 30.06.18
Land & Land Development		49,092	49,023
Building & Civil Construction		287,040	276,875
Office Building		91,516	91,516
Plant & Machinery-Imported		588,058	572,292
Plant & Machinery-Local		14,661	14,661
Funriture & Fixture		19,247	19,035
Office & Factory Equipment		32,411	30,456
Motor Vehicles		41,450	38,341
Office Decoration		7,689	7,689
Electrical Equipment		4,144	3,959
Total Assets		**1,135,308**	**1,103,847**
Less Accumulated Depreciation		(499,938)	(476,165)
Written Down Value	Tk.	**635,370**	**627,682**

4. INVENTORIES: Tk. 246,360

		31.12.18	30.06.18
Raw Materials		128,422	128,469
Work-in-Process		65,191	51,576
Finished Goods		27,869	36,378
Spares & Others		24,878	22,142
	Tk.	**246,360**	**238,565**

5. TRADE DEBTORS: Tk. 200,252

		31.12.18	30.06.18
Local Debtors		27,869	35,531
Overseas Debtors		172,383	134,788
	Tk.	**200,252**	**170,319**

6. ADVANCE, DEPOSITS & PREPAYMENTS: Tk. 177,996

		31.12.18	30.06.18
L/C. Margin for Raw Materials & Others		21,979	21,181
Advance to verious parties		14,223	12,309
Advance against Income Tax		134,748	128,348
Security deposit to verious parties		4,834	4,867
Pre Paid Insurance Premium		2,212	2,742
	Tk.	**177,996**	**169,447**

7. CASH & CASH EQUIVALENTS: Tk. 9,505

		31.12.18	30.06.18
Cash in Hand		2,184	496
Cash at Bank		7,321	48,715
	Tk.	**9,505**	**49,211**

8. LONG TERM LOAN: Tk. 164,156

		31.12.18	30.06.18
EBL Term Loan		27,480	17,753
Loan from Mr. Tsui Ki Lam, Director		57,218	57,218
Bangladesh Bank LTFF (FSSP) through EBL		36,220	41,428
United Finance Ltd.		896	1,644
HSBC Term Loan		16,865	-
IPDC of Bangladesh Ltd.		25,477	35,466
	Tk.	**164,156**	**153,509**

SINOBANGLA INDUSTRIES LTD. DHAKA

AMARSTOCK

9. LONG TERM LOAN - CURRENT PORTION: Tk. 49,068

		31.12.18	30.06.18
Eastern Bank Ltd.		11,631	13,684
Bangladesh Bank LTFF (FSSP) through EBL		10,381	10,069
United Finance Ltd.		1,451	1,365
HSBC Term Loan		6,133	-
IPDC of Bangladesh Ltd.		19,472	18,464
	Tk.	**49,068**	**43,582**

10. SHORT TERM LOAN - SECURED: Tk. 107,169

		31.12.18	30.06.18
Eastern Bank Ltd.		60,830	135,228
The HSBC Ltd.		46,339	34,708
	Tk.	**107,169**	**169,936**

		Second Quarter Ended	
11. TURNOVER: Tk. 982,690		**31.12.18**	**31.12.17**
Local sale		31,648	39,338
Export Sale		955,170	759,551
Less: VAT Adjustment		(4,128)	(5,131)
	Tk.	**982,690**	**793,758**

12. COST OF GOODS SOLD: Tk. 891,177

		31.12.18	31.12.17
Materials consumed		679,133	530,104
Factory Overhead		191,627	162,482
Depreciation		20,417	18,349
	Tk.	**891,177**	**710,935**

13. ADMINISTRATIVE AND SELLING EXPENSES: Tk. 46,779

		31.12.18	31.12.17
Salaries and Remuneration		18,026	15,038
Utility Bill		330	264
Printing & Postage		2,170	2,511
Entertainment & Conveyance		1,287	936
Recreation for Employees & AGM Expenses		68	378
Fees, Forms & Others		-	902
Overseas Travels		1,083	344
Depreciation		3,355	3,370
Selling Expenses		14,701	13,119
Other Expenses		5,759	4,672
	Tk.	**46,779**	**41,534**

14. FINANCIAL EXPENSES: Tk. 19,994

		31.12.18	31.12.17
Interest on Term Loan		7,926	5,534
Interest on Working Capital Loan		10,896	12,978
Interest on Lease Finance		187	145
Bank charges		985	1,225
	Tk.	**19,994**	**19,882**

15. INCOME TAX EXPENSES: Tk. 8,966

		31.12.18	31.12.17
Current Tax		5,142	4,538
Deffered Tax		3,824	- 2,540
	Tk.	**8,966**	**7,078**

SINOBANGLA INDUSTRIES LTD. DHAKA

9. LONG TERM LOAN - CURRENT PORTION: Tk. 49,068

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	Tk.	**8,966**	**7,078**

SINOBANGLA INDUSTRIES LTD. DHAKA

15.a DEFFERED TAX : Tk. 3,824

This is arrived at as follows :

	31.12.18	31.12.17
Fixed Assets as per Book value	641,746	599,656
Fixed Assets as per Tax Base	(355,617)	(347,012)
Temporary difference	286,129	252,644
Applicable Tax Rate	25%	25%
Deffered Tax Liability	71,532	63,161
Opening Deffered Tax Liability	(67,708)	(60,621)
Deffered Tax Liability/Assets	**3,824**	**2,540**

16. DIVIDEND FOR 2018:

The Board of Directors of the company has recommended 10% cash dividend for the year ended 30 June, 2018 in the Board Meeting held on 28 October, 2018.

17. RELATED PARTY DISCLOSURE:

No related party transaction has occurred during the period ended 31 December, 2018.

(Enamul Hoq)	(Abdur Rashid)	(Abul Hasnat Khan)	(Md. Habibur Rahman)	(Foyed Ahmed, ACA)
Vice Chairman	Managing Director	Director	DGM & Company Secretary	Chief Financial Officer

Dated: Dhaka, January 29, 2019

SINOBANGLA INDUSTRIES LTD. DHAKA

AMARSTOCK