

Half Yearly Report

April 30, 2014



SINOBANGLA INDUSTRIES LIMITED
(A China-Bangladesh Joint Venture Company)

Dear Shareholders,

We are pleased to present the unaudited half-yearly financial statements of the company containing Statement of Financial Position as at April 30, 2014 and Statement of Comprehensive Income, Statement of Cash Flow and Statement of Changes in Equity for the half year ended April 30,2014.


Managing Director

May 25,2014

STATEMENT OF FINANCIAL POSITION

As on April 30,2014
(Unaudited)

		Tk. In '000'	
ASSETS:	Notes	30-Apr-14	31-Oct-13
Non Current Assets			
Fixed Assets less accumulated depreciation	3	541,552	498,274
Capital Work-In-Progress		17,004	48,992
Investment in Unit-II		215,553	215,553
Investment to Dutch Bangla Pack Ltd.		34,318	34,318
Total Non Current Assets		808,427	797,137
Current Assets, Loans & Advances:			
Inventories	4	222,977	180,511
Trade Debtors	5	142,407	125,366
Bills Receivable		45,772	42,234
Advance, Deposits & Prepayments	6	199,918	173,147
Inter transfer to Unit-II		128,883	223,525
Cash & Bank Balances	7	31,523	10,349
		771,480	755,132
TOTAL ASSETS	TK.	1,579,907	1,552,269
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		5,811	6,117
Retained Earnings		134,196	123,571
		483,152	472,833
Non-Current Liabilities:			
Investment from Unit-I		215,553	215,553
Deferred Tax Liability/(Assets)		(5,333)	(5,330)
Secured Loan	8	145,932	78,455
		356,152	288,678
Current Liabilities and Provisions:			
Short Term Loan - Secured	9	261,159	367,975
Sundry Creditors & Liability for Expenses		232,388	163,542
Inter transfer from Unit-I		128,883	223,525
Provision for WPPF		2,108	1,509
Provision for Income Tax		29,932	28,253
Advance Against Sales		80,504	246
Unclaimed Dividend		5,629	5,708
		740,603	790,758
TOTAL EQUITY & LIABILITIES	TK.	1,579,907	1,552,269
Net Assets Value (NAV) Per Share		24.16	23.65


Managing Director
May 25, 2014


Executive Director &
Company Secretary


Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

For the half year ended April 30, 2014
(Unaudited)

	Notes	1-Nov-13 to 30-Apr-14	1-Nov-12 to 30-Apr-13	1-Feb-14 to 30-Apr-14	Tk. in '000' 1-Feb-13 to 30-Apr-13
Turnover		604,716	543,241	303,802	252,884
Cost of Goods Sold	10	(527,510)	(471,439)	(264,268)	(220,666)
Gross Profit		77,206	71,802	39,534	32,218
Operating Expenses:					
Administrative & Selling Expenses	11	(34,604)	(44,291)	(16,513)	(21,576)
Operating Profit		42,602	27,511	23,021	10,642
Other Income		627	4,547	422	999
Financial Expenses	12	(30,633)	(25,015)	(13,335)	(12,778)
		(30,006)	(20,468)	(12,913)	(11,779)
Profit before WPPF		12,596	7,043	10,108	(1,137)
Contribution to WPPF		(600)	(1,127)	(482)	32
Profit before Tax		11,996	5,916	9,626	(1,105)
Provision for Income Tax					
Current Tax		(1,679)	(3,099)	(1,350)	89
Deferred Tax		2	-	(1,989)	-
		(1,677)	(3,099)	(3,339)	89
Profit/(Loss) After Tax		10,319	2,817	6,287	(1,016)
Earning Per Share (EPS)		0.52	0.14	0.31	(0.05)


Managing Director
May 25, 2014


Executive Director &
Company Secretary


Chief Financial Officer

STATEMENT OF CASH FLOW
For the Half Year ended April 30,2014
(Unaudited)

	Tk. In '000'	
	1-Nov-13 to 30-Apr-14	1-Nov-12 to 30-Apr-13
Cash flow from operating activities :		
Collection from customers and other income	665,021	558,486
Paid to suppliers, employees and others	(543,074)	(612,495)
Cash flow from operating activities	121,947	(54,009)
Cash flow from investing activities :		
Acquisition of fixed assets	(63,945)	(63,611)
Capital Expenditure-in-progress	31,988	35
Cash flow from investing activities	(31,957)	(63,576)
Cash flow from financing activities :		
Proceeds from/Payment of loan	(39,339)	103,030
Interest paid	(29,397)	(24,189)
Dividend paid	(80)	(103)
Cash flow from financing activities	(68,816)	78,738
Net Cash inflow/(outflow)	21,174	(38,847)
Opening cash and bank balance	10,349	98,916
Closing cash and bank balance	31,523	60,069
Net Operating Cash Flow Per Share (NOCFPS)	6.10	(2.70)

Statement of Changes in Equity
For the Half Year ended April 30,2014
(Unaudited)

	Tk. In '000					
Particulars	Share Capital	Share Premium	General Reserve	Reserve for Revaluation	Retained Earnings	Total
As at 31 October, 2013	199,966	99,983	43,196	6,117	123,571	472,833
Profit before Tax	-	-	-	-	11,996	11,996
Provision for Income Tax	-	-	-	-	(1,679)	(1,679)
Deferred Tax Liability/(Assets)	-	-	-	-	2	2
Reserve for Revaluation for prior year	-	-	-	(306)	306	-
Balance as on 30 April, 2014	199,966	99,983	43,196	5,811	134,196	483,152
As at 31 October, 2012	199,966	99,983	43,196	6,796	110,209	460,150
Net Profit before tax	-	-	-	-	5,916	5,916
Provision for Income Tax	-	-	-	-	(3,099)	(3,099)
Reserve for Revaluation for prior year	-	-	-	(340)	-	(340)
Balance as on 30 April, 2013	199,966	99,983	43,196	6,456	113,026	462,627


Managing Director
May 25, 2014


Executive Director &
Company Secretary


Chief Financial Officer

SINOBANGLA INDUSTRIES LTD.

SELECTED NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE HALF YEAR ENDED APRIL, 30, 2014

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:

These interim financial statements should be read in conjunction with the Financial Statements for the year ended October 31, 2013 (hereafter referred to as the "Annual Financial Statements"), as they provide 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). 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.

3. FIXED ASSETS : Taka '000

	As at <u>30.04.14</u>	As at <u>31.10.13</u>
Land & Land Development	51,869	48,162
Building & Civil Construction	253,671	219,317
Plant & Machinery-Imported	439,097	421,140
Plant & Machinery-Local	13,527	13,469
Furniture & Fixture	15,266	15,104
Office & Factory Equipment	21,283	20,459
Motor Vehicles	36,265	29,758
Office Decoration	5,914	5,914
Electrical Equipment	4,298	3,921
Total Assets	841,190	777,244
Less Accumulated Depreciation	(299,638)	(278,970)
Written Down Value	Tk. 541,552	498,274

4. INVENTORIES :

	<u>30.04.14</u>	<u>31.10.13</u>
Raw Materials	98,932	106,670
Raw Materials in Transit	-	2,022
Work-in-Process	78,363	42,186
Finished Goods	24,999	7,175
Spares & Others	20,683	22,458
Tk.	222,977	180,511

5. TRADE DEBTORS :

	<u>30.04.14</u>	<u>31.10.13</u>
Local Debtors	69,000	66,401
Overseas Debtors	73,407	58,965
Tk.	142,407	125,366

6. ADVANCE, DEPOSITS & PREPAYMENTS :

	<u>30.04.14</u>	<u>31.10.13</u>
L/C. Margin for Raw Materials	12,368	10,095
Advance to various parties	98,031	82,161
Advance against Income Tax	82,520	75,265
Security deposit to various parties	3,340	3,427
Pre Paid Insurance Premium	3,659	2,199
Tk.	199,918	173,147

7. CASH & BANK BALANCE :

	<u>30.04.14</u>	<u>31.10.13</u>
Cash in Hand	2,342	443
Cash at Bank	29,181	9,906
Tk.	31,523	10,349

8. SECURED LOAN :

	<u>30.04.14</u>	<u>31.10.13</u>
EBL Term Loan	80,030	17,897
Loan from Mr. Tsui Ki Lam, Director	57,218	57,218
Union Capital Ltd.	5,344	-
United Leasing Company Ltd.	3,340	3,340
Tk.	145,932	78,455

9. SHORT TERM LOAN - SECURED:

	30.04.14	31.10.13
Eastern Bank Ltd.	173,272	278,287
Eastern Bank Ltd -Term Loan	-	12,251
The Hongkong and Shanghai Banking Corp. Ltd.	75,114	71,251
Shahjalal Islami Bank	9,000	-
Union Capital Ltd.	566	-
United Leasing Company Ltd.	3,207	6,186
Tk.	261,159	367,975

10. COST OF GOODS SOLD :

	Half Year Ended 30.04.14	Half Year Ended 30.04.13
Materials consumed	399,876	364,262
Factory Overhead	108,091	87,927
Depreciation	19,543	19,250
Tk.	527,510	471,439

11. ADMINISTRATIVE AND SELLING EXPENSES :

	30.04.14	30.04.13
Salaries and Remuneration	6,996	10,890
Office Rent	1,694	1,581
Utility Bill	650	703
Printing & Postage	1,938	1,837
Entertainment & Conveyance	1,193	701
Recreation for Employees & AGM Expenses	962	782
Fees, Forms & Others	316	302
Overseas Travels	792	1,455
Depreciation	1,124	1,069
Selling Expenses	13,826	20,967
Other Expenses	5,113	4,004
Tk.	34,604	44,291

12. FINANCIAL EXPENSES :

	30.04.14	30.04.13
Interest on Loan	28,703	23,167
Interest on Lease Finance	694	1,022
Bank charges	1,236	826
Tk.	30,633	25,015

13. DIVIDEND FOR 2013 :

The Shareholders of the company has approved 10% cash dividend for the year ended 31 October, 2013 in the Annual General Meeting held on 22 May, 2014.


Managing Director
 May 25, 2014


**Executive Director &
 Company Secretary**


Chief Financial Officer



SINOBANGLA INDUSTRIES LIMITED
(A China-Bangladesh Joint Venture Company)

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