



# Half Yearly Report

April 30 2015



**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, 2015 and Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the half year ended April 30, 2015.

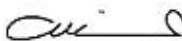
  
Managing Director  
May 26, 2015


### STATEMENT OF FINANCIAL POSITION

As on April 30, 2015

(Unaudited)

		Tk. In '000'	
	Notes	30-Apr-15	31-Oct-14
<b>ASSETS:</b>			
<b>Non Current Assets</b>			
Fixed Assets less accumulated depreciation	3	518,848	532,273
Capital Work-in-Progress		17,494	17,433
Investment in Unit-II		245,304	245,304
Investment to Dutch Bangla Pack Ltd.		34,318	34,318
Investment on FDR		1,481	12,057
<b>Total Non Current Assets</b>		<b>817,445</b>	<b>841,385</b>
<b>Current Assets, Loans &amp; Advances:</b>			
Inventories	4	140,953	163,365
Trade Debtors	5	177,639	177,282
Bills Receivable		44,256	43,662
Advance, Deposits & Prepayments	6	206,501	199,190
Inter transfer to Unit-II		58,875	93,864
Cash & Bank Balances	7	15,905	9,972
		<b>644,129</b>	<b>687,335</b>
<b>TOTAL ASSETS</b>	<b>TK.</b>	<b>1,461,574</b>	<b>1,528,720</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholder's Equity</b>			
Share Capital		199,966	199,966
Share Premium		99,983	99,983
General Reserve		43,196	43,196
Reserve for revaluation of Fixed Assets		5,230	5,505
Retained Earnings		144,517	138,080
		<b>492,892</b>	<b>486,730</b>
<b>Non-Current Liabilities:</b>			
Investment from Unit-I		245,304	245,304
Deferred Tax Liability/(Assets)		5,035	2,486
Long Term Loan	8	103,771	110,229
		<b>354,110</b>	<b>358,019</b>
<b>Current Liabilities and Provisions:</b>			
Long Term Loan - Current Portion		28,474	32,120
Short Term Loan - Secured	9	239,514	307,289
Sundry Creditors & Liability for Expenses		210,836	175,507
Inter transfer from Unit-I		58,875	93,864
Provision for WPPF		2,472	1,936
Provision for Income Tax		35,144	33,677
Advance Against Sales		26,387	26,311
Unclaimed Dividend		12,870	13,267
		<b>614,572</b>	<b>683,971</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>TK.</b>	<b>1,461,574</b>	<b>1,528,720</b>
<b>Net Assets Value (NAV) Per Share</b>		<b>24.65</b>	<b>24.34</b>

  
Managing Director  
May 26, 2015

  
Executive Director &  
Company Secretary

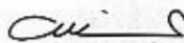
  
Chief Financial Officer

## STATEMENT OF COMPREHENSIVE INCOME

For the Half Year ended April 30, 2015

(Unaudited)

	Notes	1-Nov-14 to 30-Apr-15	1-Nov-13 to 30-Apr-14	1-Feb-15 to 30-Apr-15	Tk. in '000' 1-Feb-14 to 30-Apr-14
Turnover		631,865	604,716	310,216	303,802
Cost of Goods Sold	10	(546,808)	(527,510)	(268,325)	(264,268)
<b>Gross Profit</b>		<b>85,057</b>	<b>77,206</b>	<b>41,891</b>	<b>39,534</b>
<b>Operating Expenses:</b>					
Administrative & Selling Expenses	11	(45,577)	(34,604)	(23,562)	(16,513)
<b>Operating Profit</b>		<b>39,480</b>	<b>42,602</b>	<b>18,329</b>	<b>23,021</b>
Other Income		318	627	1	422
Financial Expenses	12	(29,084)	(30,633)	(14,933)	(13,335)
		(28,766)	(30,006)	(14,932)	(12,913)
<b>Profit before WPPF</b>		<b>10,714</b>	<b>12,596</b>	<b>3,397</b>	<b>10,108</b>
Contribution to WPPF		(536)	(600)	(188)	(482)
<b>Profit before Tax</b>		<b>10,178</b>	<b>11,996</b>	<b>3,209</b>	<b>9,626</b>
Provision for Income Tax					
Current Tax		(1,467)	(1,679)	(363)	(1,350)
Deferred Tax		(2,549)	2	(1,286)	(1,989)
		(4,016)	(1,677)	(1,649)	(3,339)
<b>Profit/(Loss) After Tax</b>		<b>6,162</b>	<b>10,319</b>	<b>1,560</b>	<b>6,287</b>
<b>Earning Per Share (EPS)</b>		<b>0.31</b>	<b>0.52</b>	<b>0.08</b>	<b>0.31</b>



**Managing Director**  
May 26, 2015



**Executive Director &  
Company Secretary**



**Chief Financial Officer**





## STATEMENT OF CASH FLOWS

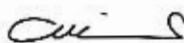
For the Half Year ended April 30, 2015  
(Unaudited)


	1-Nov-14 to 30-Apr-15	Tk. In '000' 1-Nov-13 to 30-Apr-14
<b>Cash flows from operating activities :</b>		
Collection from customers and other income	631,308	665,021
Paid to suppliers, employees and others	(521,753)	(543,074)
<b>Cash flows from operating activities</b>	<b>109,555</b>	<b>121,947</b>
<b>Cash flows from investing activities :</b>		
Investment on FDR	10,576	-
Acquisition of fixed assets	(4,449)	(63,945)
Capital Expenditure-in-progress	(2,390)	31,988
<b>Cash flows from investing activities</b>	<b>3,737</b>	<b>(31,957)</b>
<b>Cash flows from financing activities :</b>		
Increase/Decrease in long term loan	(6,458)	(39,339)
Increase/Decrease in short term loan	(71,421)	-
Financial Expenses	(29,084)	(29,397)
Dividend paid	(396)	(80)
<b>Cash flows from financing activities</b>	<b>(107,359)</b>	<b>(68,816)</b>
<b>Net Cash Inflow/(outflow)</b>	<b>5,933</b>	<b>21,174</b>
<b>Opening cash and bank balance</b>	<b>9,972</b>	<b>10,349</b>
<b>Closing cash and bank balance</b>	<b>15,905</b>	<b>31,523</b>
<b>Net Operating Cash Flows Per Share (NOCFPS)</b>	<b>5.48</b>	<b>6.10</b>

## Statement of Changes in Equity

For the Half Year ended April 30, 2015  
(Unaudited)

	Tk. In '000					
Particulars	Share Capital	Share Premium	General Reserve	Reserve for Revaluation	Retained Earnings	Total
As at 1 November, 2014	199,966	99,983	43,196	5,505	138,080	486,730
Net Profit after Tax	-	-	-	-	6,162	6,162
Reserve for Revaluation for prior year	-	-	-	(275)	275	-
<b>Balance as on 30 April, 2015</b>	<b>199,966</b>	<b>99,983</b>	<b>43,196</b>	<b>5,230</b>	<b>144,517</b>	<b>492,892</b>
As at 1 November, 2013	199,966	99,983	43,196	6,117	123,571	472,833
Net Profit after Tax	-	-	-	-	10,319	10,319
Reserve for Revaluation for prior year	-	-	-	(306)	306	-
<b>Balance as on 30 April, 2014</b>	<b>199,966</b>	<b>99,983</b>	<b>43,196</b>	<b>5,811</b>	<b>134,196</b>	<b>483,152</b>

  
Managing Director  
May 26, 2015

  
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, 2015**

#### **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, 2014 (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 30.04.15	As at 31.10.14
Land & Land Development	49,027	48,692
Building & Civil Construction	256,836	255,824
Plant & Machinery-Imported	457,011	454,400
Plant & Machinery-Local	13,542	13,542
Furniture & Fixture	17,027	16,003
Office & Factory Equipment	22,976	22,443
Motor Vehicles	33,994	33,994
Office Decoration	7,176	5,914
Electrical Equipment	3,921	3,921
<b>Total Assets</b>	<b>861,510</b>	<b>854,733</b>
Less Accumulated Depreciation	(342,662)	(322,460)
<b>Written Down Value</b>	<b>518,848</b>	<b>532,273</b>

Tk.

**4. INVENTORIES :**

	30.04.15	31.10.14
Raw Materials	46,560	57,708
Work-in-Process	55,716	65,332
Finished Goods	14,289	17,405
Spares & Others	24,388	22,920
<b>Total</b>	<b>140,953</b>	<b>163,365</b>

Tk.

**5. TRADE DEBTORS :**

	30.04.15	31.10.14
Local Debtors	72,895	70,125
Overseas Debtors	104,744	107,157
<b>Total</b>	<b>177,639</b>	<b>177,282</b>

Tk.

**6. ADVANCE, DEPOSITS & PREPAYMENTS :**

	30.04.15	31.10.14
L/C. Margin for Raw Materials	15,079	16,308
Advance to various parties	91,574	88,404
Advance against Income Tax	93,465	88,257
Security deposit to various parties	3,162	3,155
Pre Paid Insurance Premium	3,221	3,066
<b>Total</b>	<b>206,501</b>	<b>199,190</b>

Tk.

**7. CASH & BANK BALANCE :**

	30.04.15	31.10.14
Cash in Hand	3,639	232
Cash at Bank	12,266	9,740
<b>Total</b>	<b>15,905</b>	<b>9,972</b>

Tk.

**8. LONG TERM LOAN :**

	30.04.15	31.10.14
EBL Term Loan	43,204	48,944
Loan from Mr. Tsui Ki Lam, Director Union Capital Ltd.	57,218	57,218
	3,349	4,067
<b>Total</b>	<b>103,771</b>	<b>110,229</b>

Tk.



**9. SHORT TERM LOAN - SECURED:**

	30.04.15	31.10.14
Eastern Bank Ltd.	184,333	180,333
The Hongkong and Shanghai Banking Corp. Ltd.	55,181	117,956
Shahjalal Islami Bank	-	9,000
<b>Tk.</b>	<b>239,514</b>	<b>307,289</b>

**10. COST OF GOODS SOLD :****Half Year Ended Half Year Ended**

	30.04.15	30.04.14
Materials consumed	406,201	399,876
Factory Overhead	121,644	108,091
Depreciation	18,963	19,543
<b>Tk.</b>	<b>546,808</b>	<b>527,510</b>

**11. ADMINISTRATIVE AND SELLING EXPENSES :**

	30.04.15	30.04.14
Salaries and Remuneration	13,059	6,996
Office Rent	-	1,694
Utility Bill	156	650
Printing & Postage	2,848	1,938
Entertainment & Conveyance	1,273	1,193
Recreation for Employees & AGM Expenses	807	962
Fees, Forms & Others	320	316
Overseas Travels	279	792
Depreciation	1,239	1,124
Selling Expenses	19,383	13,826
Other Expenses	6,213	5,113
<b>Tk.</b>	<b>45,577</b>	<b>34,604</b>

**12. FINANCIAL EXPENSES :**

	30.04.15	30.04.14
Interest on Loan	27,138	28,703
Interest on Lease Finance	520	694
Bank charges	1,426	1,236
<b>Tk.</b>	<b>29,084</b>	<b>30,633</b>

**13. DIVIDEND FOR 2014:**

The Shareholders of the company has approved 10% cash dividend for the year ended 31 October, 2014 in the Annual General Meeting held on 21 May, 2015.



[www.sinobangla.com](http://www.sinobangla.com)



Source of quality bags and reliable service since 1996



**SINOBANGLA INDUSTRIES LIMITED**

A China-Bangladesh Joint Venture Company

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**Factory:** Boro Baluakandi, Gazaria, Munshiganj, Bangladesh.