

SINOBANGLA INDUSTRIES LIMITED

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

We herewith forward the Un-audited financial statements of the Company for the third quarter ended March 31, 2019 as per Notification No. SEC/CMRRDC/2008-183/Admin/03-34 dated September 27, 2009 of the Bangladesh Securities and Exchange Commission. Copies of the Financial Position as at March 31, 2019, 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 have also been dispatched to BSEC, DSE and CSE.

STATEMENT OF FINANCIAL POSITION

As at March 31, 2019
(Unaudited)

ASSETS:	Notes	31-Mar-19	30-Jun-18
		Tk. In '000'	Tk. In '000'
Non Current Assets			
Property, Plant & Equipment (At cost less accumulated depreciation)	3	676,424	627,682
Capital Work in Progress		11,073	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		969,361	915,701
Current Assets, Loans & Advances:			
Inventories	4	253,844	238,565
Trade Debtors	5	175,726	170,319
Others Receivable		63,312	60,291
Advance, Deposits & Prepayments	6	193,427	169,447
Inter transfer to Unit-I		95,246	68,856
Cash & Cash Equivalents	7	49,962	49,211
		831,517	756,689
TOTAL ASSETS	TK.	1,800,878	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		3,465	3,746
Retained Earnings		198,726	191,685
		545,336	538,576
Non-Current Liabilities:			
Investment from Unit-I		245,304	245,304
Deferred Tax Liability/(Assets)		27,217	22,165
Long Term Loan	8	142,744	153,509
		415,265	420,978
Current Liabilities and Provisions:			
Long Term Loan - Current Portion	9	47,438	43,582
Short Term Loan - Secured	10	186,980	169,936
Sundry Creditors & Liability for Expenses		397,101	340,693
Advance Against Sales		9,638	5,744
Inter transfer from Unit-II		95,246	68,856
Provision for WPPF		3,445	4,073
Provision for Income Tax		72,867	64,253
Unclaimed Dividend		27,562	15,699
		840,277	712,836
TOTAL EQUITY & LIABILITIES	TK.	1,800,878	1,672,390
Net Assets Value Per Share		27.27	26.93

(Enamul Hoq)
Vice Chairman

(Abdur Rashid)
Managing Director

(Abul Hasnat Khan)
Director

(Md. Habibur Rahmat)
GM & Company Secretary

(Foyed Ahmed, FCA)
Chief Financial Officer

Dated: Dhaka, April 29, 2019



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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the 3rd quarter ended March 31,2019
(Unaudited)

Tk. In '000'

	Notes	Nine Months Ended		Third Quarter Results	
		1-July-18 to 31-Mar-19	1-July-17 to 31-Mar-18	1-Jan-19 to 31-Mar-19	1-Jan-18 to 31-Mar-18
Turnover	11	1,477,280	1,218,307	494,590	424,549
Cost of Goods Sold	12	(1,330,161)	(1,076,681)	(438,984)	(365,746)
Gross Profit		147,119	141,626	55,606	58,803
Operating Expenses:					
Administrative & Selling Expenses	13	(74,698)	(73,150)	(27,919)	(31,616)
Operating Profit		72,421	68,476	27,687	27,187
Other Income		1,046	135	915	38
Financial Expenses	14	(29,600)	(28,511)	(9,606)	(8,629)
		(28,554)	(28,376)	(8,691)	(8,591)
Profit before WPPF		43,867	40,100	18,996	18,596
Contribution to WPPF		(3,446)	(3,169)	(1,389)	(1,354)
Profit before Tax		40,421	36,931	17,607	17,242
Income Tax Expenses:					
Current Tax		(8,613)	(7,923)	(3,471)	(3,385)
Deferred Tax	15.a	(5,051)	(4,064)	(1,227)	(1,524)
		(13,664)	(11,987)	(4,698)	(4,909)
Profit/(Loss) After Tax		26,757	24,944	12,909	12,333
Earning Per Share (EPS)		1.34	1.25	0.65	0.62


(Enamul Hoq)
Vice Chairman


(Abdur Rashid)
Managing Director


(Abul Hasnat Khan)
Director


(Md. Habibur Rahman)
GM & Company Secretary


(Foyed Ahmed, FCA)
Chief Financial Officer

Dated: Dhaka, April 29, 2019



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STATEMENT OF CHANGES IN EQUITY

For the 3rd quarter ended March 31,2019
(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	-	-	-	-	26,757	26,757
Dividend for 2017-18	-	-	-	-	(19,997)	(19,997)
Revaluation Reserve	-	-	-	(281)	281	-
Balance as on 31-03-19	199,966	99,983	43,196	3,465	198,726	545,336
As at July 01,2017	199,966	99,983	43,196	4,162	177,141	524,448
Net Profit after Tax	-	-	-	-	24,944	24,944
Dividend for 2016-17	-	-	-	-	(19,996)	(19,996)
valuation Reserve	-	-	-	(312)	312	-
Balance as on 31-03-18	199,966	99,983	43,196	3,850	182,401	529,396

(Enamul Hoq)
Vice Chairman

(Abdur Rashid)
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STATEMENT OF CASH FLOWS

For the 3rd quarter ended March 31,2019

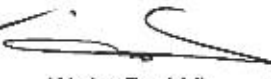
(Unaudited)

	1-Jul-18 to 31-Mar-19 Tk. In '000'	1-Jul-17 to 31-Mar-18 Tk. In '000'
Cash flows from operating activities :		
Collection from turnover and other income	1,473,792	1,245,176
Paid to suppliers, employees and others	(1,355,023)	(1,154,203)
Cash flows from operating activities	118,769	90,973
Cash flows from investing activities :		
Investment in FDR	(761)	-
Acquisition of fixed assets	(16,807)	(8,648)
Capital Expenditure-in-progress	(72,851)	(63,962)
Cash flows from investing activities	(90,419)	(72,610)
Cash flows from financing activities :		
Decrease in long term loan	(10,765)	30,212
Increase in short term loan	20,900	4,122
Financial Expenses	(29,600)	(28,511)
Dividend paid	(8,134)	(13,233)
Cash flows from financing activities	(27,599)	(7,410)
Net Cash inflow/(outflow)	751	10,953
Opening Cash and Cash Equivalents	49,211	11,895
Closing Cash and Cash Equivalents	49,962	22,848
Net Operating Cash Flows Per Share (NOCFPS)	5.94	4.55

Disclosure as per BAS-7(28)

USD 89,604.06 is held in the closing cash and equivalents which is recorded at an average rate of Tk 83.47245. An exchange loss of Tk. 15,452 would have been incurred had those foreign currencies been converted at the end of period exchange rate of Tk. 83.30.


(Kamul Hoq)
Vice Chairman


(Abdur Rashid)
Managing Director


(Abul Hasnat Khan)
Director


(Md. Habibur Rahman)
GM & Company Secretary


(Foyed Ahmed, FCA)
Chief Financial Officer

Dated: Dhaka, April 29, 2019



Sinobangla Industries Ltd.

Selected Notes to the Un-audited Financial Statements

For the Second quarter ended March 31, 2019

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.



3. PROPERTY, PLANT & EQUIPMENT: Tk. 676,424

Taka '000

	As at 31.03.19	As at 30.06.18
Land & Land Development	49,091	49,023
Building & Civil Construction	288,075	276,875
Office Building	91,516	91,516
Plant & Machinery-Imported	638,682	572,292
Plant & Machinery-Local	14,661	14,661
Furniture & Fixture	20,853	19,035
Office & Factory Equipment	33,188	30,456
Motor Vehicles	41,451	38,341
Office Decoration	7,689	7,689
Electrical Equipment	4,144	3,959
Total Assets	1,189,350	1,103,847
Less Accumulated Depreciation	(512,926)	(476,165)
Written Down Value	676,424	627,682

4. INVENTORIES: Tk. 253,844

	31.03.19	30.06.18
Raw Materials	147,268	128,469
Work-in-Process	57,962	51,576
Finished Goods	13,776	36,378
Spares & Others	34,838	22,142
Tk.	253,844	238,565

5. TRADE DEBTORS: Tk. 175,726

	31.03.19	30.06.18
Local Debtors	19,988	35,531
Overseas Debtors	155,738	134,788
Tk.	175,726	170,319

6. ADVANCE, DEPOSITS & PREPAYMENTS: Tk. 193,427

	31.03.19	30.06.18
L/C. Margin for Raw Materials & Others	25,462	21,181
Advance to various parties	20,789	12,309
Advance against Income Tax	137,056	128,348
Security deposit to various parties	4,877	4,867
Pre Paid Insurance Premium	5,243	2,742
Tk.	193,427	169,447

7. CASH & CASH EQUIVALENTS: Tk. 49,962

	31.03.19	30.06.18
Cash in Hand	2,714	496
Cash at Bank	47,248	48,715
Tk.	49,962	49,211

8. LONG TERM LOAN: Tk. 142,744

	31.03.19	30.06.18
EBL Term Loan	15,877	17,753
Loan from Mr. Tsui Ki Lam, Director	57,218	57,218
Bangladesh Bank LTFF (FSSP) through EBL	33,534	41,428
United Finance Ltd.	505	1,644
HSBC Term Loan	15,332	-
IPDC of Bangladesh Ltd.	20,278	35,466
Tk.	142,744	153,509



9. LONG TERM LOAN - CURRENT PORTION: Tk. 47,438

	<u>31.03.19</u>	<u>30.06.18</u>
Eastern Bank Ltd.	9,278	13,684
Bangladesh Bank LTFF (FSSP) through EBL	10,550	10,069
United Finance Ltd.	1,496	1,365
HSBC Term Loan	6,133	-
IPDC of Bangladesh Ltd.	19,981	18,464
Tk.	<u>47,438</u>	<u>43,582</u>

10. SHORT TERM LOAN - SECURED: Tk. 186,980

	<u>31.03.19</u>	<u>30.06.18</u>
Eastern Bank Ltd.	107,864	135,228
The HSBC Ltd.	79,116	34,708
Tk.	<u>186,980</u>	<u>169,936</u>

Third Quarter Ended**11. TURNOVER: Tk. 1,477,280**

	<u>31.03.19</u>	<u>31.03.18</u>
Local sale	43,385	55,437
Export Sale	1,439,554	1,170,101
Less: VAT Adjustment	(5,659)	(7,231)
Tk.	<u>1,477,280</u>	<u>1,218,307</u>

12. COST OF GOODS SOLD: Tk. 1,330,161

	<u>31.03.19</u>	<u>31.03.18</u>
Materials consumed	999,011	794,320
Factory Overhead	299,600	254,176
Depreciation	31,550	28,185
Tk.	<u>1,330,161</u>	<u>1,076,681</u>

13. ADMINISTRATIVE AND SELLING EXPENSES: Tk. 74,698

	<u>31.03.19</u>	<u>31.03.18</u>
Salaries and Remuneration	27,464	23,587
Utility Bill	414	361
Printing & Postage	4,168	4,230
Entertainment & Conveyance	2,024	1,435
Recreation for Employees & AGM Expenses	1,462	2,033
Fees, Forms & Others	286	1,194
Overseas Travels	1,372	485
Depreciation	5,210	5,161
Selling Expenses	22,832	25,838
Other Expenses	9,466	8,826
Tk.	<u>74,698</u>	<u>73,150</u>

14. FINANCIAL EXPENSES: Tk. 29,600

	<u>31.03.19</u>	<u>31.03.18</u>
Interest on Term Loan	11,632	7,964
Interest on Working Capital Loan	16,188	18,560
Interest on Lease Finance	257	217
Bank charges	1,523	1,770
Tk.	<u>29,600</u>	<u>28,511</u>

15. INCOME TAX EXPENSES: Tk. 13,664

	<u>31.03.19</u>	<u>31.03.18</u>
Current Tax	8,613	7,923
Deferred Tax	5,051	4,064
Tk.	<u>13,664</u>	<u>11,987</u>



15.a DEFERRED TAX : Tk. 5,051

This is arrived at as follows :

Fixed Assets as per Book value
Fixed Assets as per Tax Base
Temporary difference
Applicable Tax Rate
Deferred Tax Liability
Opening Deferred Tax Liability
Deferred Tax Liability/Assets


	31.03.19	31.03.18
	676,424	600,781
	(385,385)	(342,042)
	291,039	258,739
	25%	25%
	72,759	64,685
	(67,708)	(60,621)
	<u>5,051</u>	<u>4,064</u>

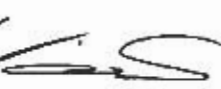
16. DIVIDEND FOR 2018:

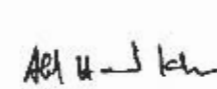
The shareholders of the company approved 10% cash dividend for the year ended 30 June, 2018 at the 22nd AGM held on February 03, 2019.


17. RELATED PARTY DISCLOSURE:

No related party transaction has occurred during the period ended 31 March, 2019 except Dividend Received from Dutch Bangla Pack Ltd. of Tk. 875,058.-


(Enamul Hoq)
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