SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Unaudited)
As At 31 December 2016

Perticulars	31-12-2016 Taka	30-06-2016 Taka
ASSETS:		
Non-Current Assets:	**28,165,102,919**	**27,240,402,799**
Property, Plant and Equipment-Carrying Value	18,864,803,619	18,848,282,139
Investment - Long Term (at Cost)	500,981,164	555,873,893
Investment - Associates Undertaking	6,960,127,595	6,764,511,325
Investment in Marketable Securities (Fair Value)	1,839,190,541	1,071,735,442
Current Assets:	**21,105,751,976**	**17,063,366,651**
Inventories	3,414,880,434	3,694,711,088
Trade Debtors	1,320,518,044	1,335,829,914
Advances,Deposits and Prepayments	1,256,796,467	1,131,340,560
Short Term Loan	2,539,159,698	2,378,929,958
Cash and Cash Equivalents	12,574,397,333	8,522,555,131
TOTAL ASSETS	**49,270,854,895**	**44,303,769,450**
SHAREHOLDERS' EQUITY AND LIABILITIES:		
Shareholders' Equity:	**43,214,109,446**	**40,557,494,698**
Share Capital	6,859,452,000	6,235,865,460
Share Premium	2,035,465,000	2,035,465,000
General Reserve	105,878,200	105,878,200
Tax Exemption Reserve	627,007,011	301,826,665
Gain on Marketable Securities (Unrealized)	538,479,222	266,786,579
Retained Earnings	33,047,828,013	31,611,672,794
Non Controlling Interest	4,658,590	593,836
Non-Current Liabilities:	**1,078,515,922**	**1,054,498,262**
Deffered Tax Liability	1,078,515,922	1,054,498,262
Current Liabilities:	**4,973,570,937**	**2,691,182,654**
Short Term Loan	164,313,005	2,693,932
Trade Creditors	1,204,602,176	693,982,698
Liabilities for Expenses	110,574,815	42,871,218
Liabilities for Other Finance	3,494,080,941	1,951,634,806
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**49,270,854,895**	**44,303,769,450**
Net Assets Value (NAV) per Share	63.00	59.13
Number of Shares used to compute NAV	685,945,200	685,945,200

Sd/-
Samuel S Chowdhury
Chairman

Sd/-
Ratna Patra
Vice Chairman

Sd/-
Tapan Chowdhury
Managing Director

Sd/-
Md. Kabir Reza
Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Unaudited)
For the 2nd Quarter Ended 31 December 2016

Particulars	Six Months Results		2nd Quarter Results	
	July-December 2016 Taka	July-December 2015 Taka	October-December 2016 Taka	October-December 2015 Taka
GROSS TURNOVER	19,901,081,303	18,222,330,758	10,083,328,398	8,856,975,638
Less: Value Added Tax	2,768,435,771	2,549,539,330	1,383,497,252	1,242,837,962
NET TURNOVER	**17,132,645,532**	**15,672,791,428**	**8,699,831,146**	**7,614,137,676**
Cost of Goods Sold	(8,524,056,028)	(7,826,439,714)	(4,257,234,414)	(3,716,691,983)
GROSS PROFIT	**8,608,589,504**	**7,846,351,714**	**4,442,596,732**	**3,897,445,693**
OPERATING EXPENSES:	**(2,865,945,831)**	**(2,802,387,966)**	**(1,507,078,783)**	**(1,362,701,681)**
Selling & Distribution Expenses	(2,447,622,616)	(2,267,683,869)	(1,287,867,437)	(1,042,588,319)
Administrative Expenses	(418,174,627)	(529,591,489)	(219,068,902)	(319,962,186)
Finance Cost	(148,588)	(5,112,608)	(142,444)	(151,176)
PROFIT FROM OPERATIONS	**5,742,643,673**	**5,043,963,748**	**2,935,517,949**	**2,534,744,012**
Other Income	438,222,054	271,225,304	221,425,354	156,144,364
PROFIT BEFORE WPPF	6,180,865,727	5,315,189,052	3,156,943,303	2,690,888,376
Allocation for WPPF	(303,302,675)	(252,169,362)	(159,306,369)	(128,077,519)
PROFIT BEFORE TAX	5,877,563,052	5,063,019,690	2,997,636,934	2,562,810,857
Income Tax Expenses-Current	(1,354,319,063)	(1,155,358,337)	(732,446,055)	(526,522,486)
Income Tax Expenses-Deferred	(24,017,660)	(61,006,509)	13,061,589	(31,634,266)
PROFIT AFTER TAX	**4,499,226,329**	**3,846,654,844**	**2,278,252,468**	**2,004,654,105**
Profit/(Loss) from Associates Undertaking	384,106,714	339,010,482	179,782,499	197,647,336
PROFIT FOR THE PERIOD	**4,883,333,043**	**4,185,665,326**	**2,458,034,967**	**2,202,301,441**
Other Comprehensive Income:				
Gain/(Loss) on Marketable Securities (Unrealized)	271,692,643	18,295,236	119,203,417	(29,521,511)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**5,155,025,686**	**4,203,960,562**	**2,577,238,384**	**2,172,779,930**
Profit Attibutable to:				
Owners of the Company	4,879,268,289	4,184,896,312	2,455,119,679	2,201,588,603
Non Controlling Interest	4,064,754	769,014	2,915,288	712,838
	4,883,333,043	**4,185,665,326**	**2,458,034,967**	**2,202,301,441**
Total Comprehensive Income Attributable to:				
Owners of the Company	5,150,960,932	4,203,191,548	2,574,323,096	2,172,067,092
Non Controlling Interest	4,064,754	769,014	2,915,288	712,838
	5,155,025,686	**4,203,960,562**	**2,577,238,384**	**2,172,779,930**
Earnings Per Share (EPS)	7.11	6.10	3.58	3.21
Number of Shares used to compute EPS	685,945,200	685,945,200	685,945,200	685,945,200

Sd/-
Samuel S. Chowdhury
Chairman

Sd/-
Ratna Patra
Vice Chairman

Sd/-
Tapan Chowdhury
Managing Director

Sd/-
Md. Kabir Reza
Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)
For the 2nd Quarter Ended 31 December 2016

Particulars	Share Capital	Share Premium	General Reserve	Tax Exemption Reserve	Gain/(Loss) on Marketable Securities (Unrealized)	Retained Earnings	Non Controlling Interest	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
At 30 June 2016	6,235,865,460	2,035,465,000	105,878,200	301,826,665	266,786,579	31,611,672,794	593,836	40,558,088,534
Total Comprehensive Income (Jul-Dec'2016)	-	-	-	-	271,692,643	4,879,268,289	4,064,754	5,155,025,686
Transfer to Tax Exe,ption Reserve	-	-	-	325,180,346	-	(325,180,346)	-	-
Cash Dividend (2015-2016)	-	-	-	-	-	(2,494,346,184)	-	(2,494,346,184)
Stock Dividend (2015-2016)	623,586,540	-	-	-	-	(623,586,540)	-	-
At 31 December 2016	6,859,452,000	2,035,465,000	105,878,200	627,007,011	538,479,222	33,047,828,013	4,658,590	43,218,768,036
At 31 December 2015	6,235,865,460	2,035,465,000	105,878,200	87,437,586	288,251,329	26,701,589,945	(1,014,082)	35,453,473,438

Sd/-
Samuel S. Chowdhury
Chairman

Sd/-
Ratna Patra
Vice Chairman

Sd/-
Tapan Chowdhury
Managing Director

Sd/-
Md. Kabir Reza
Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)
For the 2nd Quarter Ended 31 December 2016

Perticulars	2nd Quarter Ended 31 December 2016 Taka	2nd Quarter Ended 31 December 2015 Taka
Cash Flows From Operating Activities:		
RECEIPTS:		
Collections from Sales	19,968,862,411	18,344,628,814
Others	146,292,108	68,759,749
	20,115,154,519	18,413,388,563
PAYMENTS:		
Purchase of Raw and Packing Materials	5,100,928,495	5,257,432,621
Manufacturing and Operating Expenses	4,687,737,474	3,440,389,511
Value Added Tax	2,768,435,771	2,549,539,330
Finance Cost	148,588	5,112,608
Income Tax	1,125,292,480	874,732,919
Workers Profit Participation Fund	576,993,416	159,809,136
Others	-	3,066,309
	14,259,536,224	12,290,082,434
Net cash provided by operating activities	5,855,618,295	6,123,306,129
Cash Flows From Investing Activities:		
Purchase of Fixed Assets	(972,843,279)	(1,185,988,950)
Capital Work-in-Progress	-	(142,413,943)
Disposal of Assets	794,060	-
Investment	(440,869,726)	(30,365,939)
Short Term Loan	1,389,333	(10,211,329)
Gain on Sale of Marketable Securities	9,934,486	6,109,084
Interest Received	332,859,866	186,058,561
Dividend Received	205,549,668	10,297,910
Net cash used in investing activities	(863,185,592)	(1,166,514,606)
Cash Flows From Financing Activities:		
Long Term Loan Repaid	-	(309,810,998)
Short Term Bank Loan Decrease	-	(2,297,884)
Dividend Paid	(940,590,501)	(1,662,897,456)
Net cash used in financing activities	(940,590,501)	(1,975,006,338)
Increase in Cash and Cash Equivalents	4,051,842,202	2,981,785,185
Cash and Cash Equivalents at the Opening	8,522,555,131	4,523,522,906
Cash and Cash Equivalents at the Closing	12,574,397,333	7,505,308,091
Net Operating Cash Flow per Share (NOCF)	8.54	8.93
Number of Shares used to compute NOCF	685,945,200	685,945,200

Sd/-
Samuel S. Chowdhury
Chairman

Sd/-
Ratna Patra
Vice Chairman

Sd/-
Tapan Chowdhury
Managing Director

Sd/-
Md. Kabir Reza
Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LTD.

STATEMENT OF FINANCIAL POSITION (Unaudited)
As At 31 December 2016

Particulars	31-12-2016 Taka	30-06-2016 Taka
ASSETS:		
Non-Current Assets:	**22,777,394,069**	**22,121,390,658**
Property, Plant and Equipment-Carrying Value	16,301,614,970	16,269,701,528
Investment - Long Term (at Cost)	4,725,060,958	4,779,953,688
Investment in Marketable Securities (Fair Value)	1,750,718,141	1,071,735,442
Current Assets:	**20,466,755,381**	**17,053,294,946**
Inventories	2,900,936,418	2,947,663,942
Trade Debtors	1,311,104,417	1,329,754,444
Advances,Deposits and Prepayments	1,211,394,654	1,050,060,488
Short Term Loan	2,539,159,698	3,280,174,547
Cash and Cash Equivalents	12,504,160,194	8,445,641,525
TOTAL ASSETS	**43,244,149,450**	**39,174,685,604**
SHAREHOLDERS' EQUITY AND LIABILITIES:		
Shareholders' Equity:	**37,240,693,416**	**35,597,063,091**
Share Capital	6,859,452,000	6,235,865,460
Share Premium	2,035,465,000	2,035,465,000
General Reserve	105,878,200	105,878,200
Gain on Marketable Securities (Unrealized)	529,997,179	266,786,579
Retained Earnings	27,709,901,037	26,953,067,852
Non-Current Liabilities:	**1,013,391,326**	**995,800,939**
Deffered Tax Liability	1,013,391,326	995,800,939
Current Liabilities:	**4,990,064,708**	**2,581,821,574**
Short Term Loan	519,785,525	2,693,932
Trade Creditors	1,100,019,578	648,412,068
Liabilities for Expenses	110,517,208	42,789,106
Liabilities for Other Finance	3,259,742,397	1,887,926,468
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**43,244,149,450**	**39,174,685,604**
Net Assets Value per Share (NAV)	54.29	51.89
Number of Shares used to compute NAV	685,945,200	685,945,200

Sd/-
Samuel S Chowdhury
Chairman

Sd/-
Ratna Patra
Vice Chairman

Sd/-
Tapan Chowdhury
Managing Director

Sd/-
Md. Kabir Reza
Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

AMARSTOCK

SQUARE PHARMACEUTICALS LTD.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Unaudited)
For the 2nd Quarter Ended 31 December 2016

Particulars	Six Months Results		2nd Quarter Results	
	July-December 2016 Taka	July-December 2015 Taka	October-December 2016 Taka	October-December 2015 Taka
GROSS TURNOVER	**15,682,846,301**	**16,723,608,387**	**7,901,411,228**	**8,062,677,203**
Less: Value Added Tax	2,145,140,103	2,327,395,429	**1,061,456,345**	**1,125,100,288**
NET TURNOVER	**13,537,706,198**	**14,396,212,958**	**6,839,954,883**	**6,937,576,915**
COST OF GOODS SOLD	(6,662,996,892)	(7,247,350,917)	(3,296,954,324)	(3,520,675,245)
GROSS PROFIT	**6,874,709,306**	**7,148,862,041**	**3,543,000,559**	**3,416,901,670**
Operating Expenses:	**(2,817,496,481)**	**(2,693,716,157)**	**(1,477,487,380)**	**(1,262,455,682)**
Selling & Distribution Expenses	(2,400,003,748)	(2,249,335,914)	(1,258,763,831)	(1,031,464,107)
Administative Expenses	(417,350,142)	(439,671,368)	(218,582,409)	(230,840,399)
Financial Cost	(142,591)	(4,708,875)	(141,140)	(151,176)
PROFIT FROM OPERATIONS	**4,057,212,825**	**4,455,145,884**	**2,065,513,179**	**2,154,445,988**
Other Income	1,311,739,806	587,982,860	751,076,220	282,754,036
PROFIT BEFORE WPPF & WF	**5,368,952,631**	**5,043,128,744**	**2,816,589,399**	**2,437,200,024**
Allocation for WPPF & WF	(255,664,411)	(240,148,987)	(134,123,305)	(116,057,144)
PROFIT BEFORE TAX	**5,113,288,220**	**4,802,979,757**	**2,682,466,094**	**2,321,142,880**
Income Tax Expenses-Current	(1,220,931,924)	(1,155,358,337)	(661,933,475)	(526,522,486)
Income Tax Expenses-Deferred	(17,590,387)	(42,206,978)	16,414,801	(23,831,775)
PROFIT AFTER TAX FOR THE PERIOD	**3,874,765,909**	**3,605,414,442**	**2,036,947,420**	**1,770,788,619**
Other Comprehensive Income:				
Gain/(Loss) on Marketable Securities (Unrealized)	263,210,600	18,295,236	113,389,017	(29,521,511)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**4,137,976,509**	**3,623,709,678**	**2,150,336,437**	**1,741,267,108**
Earnings Per Share (EPS)	**5.65**	**5.26**	**2.97**	**2.58**
Number of Shares used to compute EPS	685,945,200	685,945,200	685,945,200	685,945,200

Sd/-
Samuel S. Chowdhury
Chairman

Sd/-
Ratna Patra
Vice Chairman

Sd/-
Tapan Chowdhury
Managing Director

Sd/-
Md. Kabir Reza
Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LTD.

STATEMENT OF CHANGES IN EQUITY (Unaudited)
For the 2nd Quarter Ended 31 December 2016

Perticulars	Share Capital	Share Premium	General Reserve	Gain/(Loss) on Marketable Securities (Unrealized)	Retained Earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka
At 30 June 2016	**6,235,865,460**	**2,035,465,000**	**105,878,200**	**266,786,579**	**26,953,067,852**	**35,597,063,091**
Total Comprehensive Income (Jul-Dec'2016)	-	-	-	263,210,600	3,874,765,909	4,137,976,509
Cash Dividend (2015-2016)	-	-	-	-	(2,494,346,184)	(2,494,346,184)
Stock Dividend (2015-2016)	623,586,540	-	-	-	(623,586,540)	-
At 31 December 2016	**6,859,452,000**	**2,035,465,000**	**105,878,200**	**529,997,179**	**27,709,901,037**	**37,240,693,416**
At 31 December 2015	**6,235,865,460**	**2,035,465,000**	**105,878,200**	**288,251,329**	**23,048,216,961**	**31,713,676,950**

Sd/-
Samuel S. Chowdhury
Chairman

Sd/-
Ratna Patra
Vice Chairman

Sd/-
Tapan Chowdhury
Managing Director

Sd/-
Md. Kabir Reza
Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LTD.

STATEMENT OF CASH FLOWS (Unaudited)
For the 2nd Quarter Ended 31 December 2016

Perticulars	2nd Quarter Ended 31 December 2016 Taka	2nd Quarter Ended 31 December 2015 Taka
Cash Flows From Operating Activities:		
RECEIPTS:		
Collections from Sales	15,716,395,305	16,839,063,247
Others	811,649,488	315,559,577
	16,528,044,793	17,154,622,824
PAYMENTS:		
Purchase of Raw and Packing Materials	3,959,461,962	4,977,485,082
Manufacturing and Operating Expenses	4,397,395,622	3,134,409,442
Value Added Tax	2,145,140,103	2,327,395,429
Financial Cost	142,591	4,708,875
Income Tax	1,114,365,930	854,162,710
Workers Profit Participation Fund	570,935,774	159,809,136
Others	-	3,066,309
	12,187,441,982	11,461,036,983
Net cash provided by operating activities	4,340,602,811	5,693,585,841
Cash Flows From Investing Activities:		
Purchase of Fixed Assets	(807,528,722)	(787,872,826)
Disposal of Assets	794,060	-
Investment	(360,879,369)	(30,365,939)
Short Term Loan	1,258,106,442	(432,569,599)
Gain on Sale of Marketable Securities	9,934,486	6,109,084
Interest Received	352,529,794	256,016,289
Dividend Received	205,549,668	10,297,910
Net cash used in investing activities	658,506,359	(978,385,081)
Cash Flows From Financing Activities:		
Long Term Loan Repaid	-	(95,947,106)
Dividend Paid	(940,590,501)	(1,662,897,456)
Net cash used in financing activities	(940,590,501)	(1,758,844,562)
Increase in Cash and Cash Equivalents	4,058,518,669	2,956,356,198
Cash and Cash Equivalents at the Opening	8,445,641,525	4,443,806,872
Cash and Cash Equivalents at the Closing	12,504,160,194	7,400,163,070
Net Operating Cash Flow per Share (NOCF)	6.33	8.30
Number of Shares used to compute NOCF	685,945,200	685,945,200

Sd/-
Samuel S. Chowdhury
Chairman

Sd/-
Ratna Patra
Vice Chairman

Sd/-
Tapan Chowdhury
Managing Director

Sd/-
Md. Kabir Reza
Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

AMARSTOCK

SQUARE PHARMACEUTICALS LTD.

and its subsidiary

Notes to the Interim Financial Statements
For the Second Quarter Ended December 31, 2016

Basis of Preparation of the Interim Financial Statements:

These Financial Statements (They) are the unaudited interim financial statement (here after 'the Interim Financial Statements') of Square Pharmaceuticals Limited and Square Formulations Limited, Companies incorporated in Bangladesh under companies act, for the Second Quarter Ended on December 31, 2016 (here after' the interim period'). They are prepared in accordance with the Bangladesh Accounting Standard (BAS-34) 'Interim Financial Reporting'. These financial statements should read in conjunction with the Annual Financial Statements as of June 30, 2016, as they provide an update of previously reported information.

The accounting policies and presentation used are consistent with those used in the Annual Financials, except where noted below. Where necessary, the comparative figures have been reclassified or extended from the previously reported Interim Financial Statements to take into account any presentational changes made in the Annual Financial Statements or in these Interim Financial Statements.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and disclosure of contingent liabilities at the date of the Interim Financial Statement. 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 circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

During the period, the company made investments in the form of fixed assets are as follows:

-	Land	Tk. 36,225,876
-	Building	Tk. 235,835,812
-	Plant & Machinery	Tk. 339,998,516
-	Laboratory Equipment	Tk. 21,067,140
-	Furniture & Fixture	Tk. 28,685,010
-	Others	Tk. 145,716,368

The company operates in industries where significant seasonal or cyclical variations in total sales are not experienced during the reporting period.

Income tax expense is recognized based upon the best estimate of the weighted average income tax are expected for the reporting period.

Deferred Income Tax Expense is raised for the group of Tk. 24,017,660 for the adjustable temporary difference upto December 31, 2016, out of which Tk. 17,590,387 for Square Pharmaceuticals Ltd. and Tk. 6,427,273 for Square Formulations Ltd.

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Cash Dividend for the period 2015-2016 (Apr'2015-Jun'2016) amounting to Tk. 940,590,501 have been paid/released to the Shareholders out of Tk. 2,494,346,184 and also Bonus Shares have been accounted for which was approved by the shareholders in the AGM held on December 13, 2016.

The company has no reportable operating segments as per BFRS-8.

There is no significant event after the end of the interim period that has to be reflected in the financial statements for the interim period.

The company did not carry out any related party transaction other than Square Textiles Limited, Square Fashions Limited, Square InformatiX Limited, Square Denims Limited, Square Apparels Limited, Square Securities Management Limited, Square Formulations Limited, Square Hospitals Limited, and AEGIS Services Ltd. balance as of reporting date is given below:

	Receivable
- Square Textiles Ltd.	17,491,531
- Square Fashions Ltd.	274,477,850
- Square InformatiX Ltd.	134,983,330
- Square Denims Ltd.	1,257,857,180
- Square Apparels Ltd.	154,349,807
- Square Securities Management Ltd.	87,865,587
	Payable
- Square Formulations Ltd.	655,472,520
- Square Hospitals Ltd.	164,313,005
- AEGIS Services Ltd.	176,503

Figures have been rounded off to the nearest Taka.

The contingent liabilities of the companies as of December 31, 2016 were as follows;

For Sight and deferred LC for the group Tk. 174.32 Crore only. Out of which Tk. 1,580,086,862 crore for Square Pharmaceuticals Limited and Tk. 163,112,864 for Square Formulations Limited.