SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Unaudited)

As At 30 September 2017

	30-09-2017 Taka	30-06-2017 Taka
ASSETS:		
Non-Current Assets:	**30,508,868,755**	**29,355,222,227**
Property, Plant and Equipment-Carrying Value	19,533,150,244	19,323,568,164
Investment - Long Term (at Cost)	571,228,937	588,808,565
Investment - Associates Undertaking	7,705,457,752	7,504,636,420
Investment in Marketable Securities (Fair Value)	2,684,926,915	1,938,209,078
Preoperating Expenses	14,104,907	-
Current Assets:	**25,869,931,251**	**23,175,830,022**
Inventories	3,919,590,581	3,730,808,243
Trade Debtors	1,521,557,962	2,204,014,900
Advances,Deposits and Prepayments	1,453,434,958	1,450,936,735
Short Term Loan	218,134,218	21,386,290
Cash and Cash Equivalents	18,757,213,532	15,768,683,854
TOTAL ASSETS	**56,378,800,006**	**52,531,052,249**
SHAREHOLDERS' EQUITY AND LIABILITIES:		
Shareholders' Equity:	**52,282,697,915**	**49,027,700,210**
Share Capital	6,859,452,000	6,859,452,000
Share Premium	2,035,465,000	2,035,465,000
General Reserve	105,878,200	105,878,200
Tax Exemption Reserve	987,992,867	852,508,043
Gain on Marketable Securities (Unrealized)	843,127,238	596,561,713
Retained Earnings	41,450,782,610	38,577,835,254
Non Controlling Interest	16,010,786	12,674,141
Non-Current Liabilities:	1,124,247,330	1,129,233,846
Deferred Tax Liability	1,124,247,330	1,129,233,846
Current Liabilities:	**2,955,843,975**	**2,361,444,052**
Short Term Loan	306,393,544	-
Trade Creditors	1,004,938,337	843,937,277
Liabilities for Expenses	14,112,272	27,576,542
Liabilities for Other Finance	1,630,399,822	1,489,930,233
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**56,378,800,006**	**52,531,052,249**
Net Assets Value per Share	**76.22**	**71.47**
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 1st Quarter Ended 30 September 2017

	July-September 2017 Taka	July-September 2016 Taka
GROSS TURNOVER	11,438,191,515	9,817,752,905
Less: Value Added Tax	1,570,241,018	1,384,938,519
NET TURNOVER	**9,867,950,497**	**8,432,814,386**
Cost of Goods Sold	(4,884,326,533)	(4,266,821,614)
GROSS PROFIT	**4,983,623,964**	**4,165,992,772**
OPERATING EXPENSES:	**(1,566,326,073)**	**(1,358,867,048)**
Selling & Distribution Expenses	(1,341,519,729)	(1,159,755,179)
Administrative Expenses	(224,805,873)	(199,105,725)
Finance Cost	(471)	(6,144)
PROFIT FROM OPERATIONS	**3,417,297,891**	**2,807,125,724**
Other Income	429,591,646	216,796,700
PROFIT BEFORE WPPF	3,846,889,537	3,023,922,424
Allocation for WPPF	(183,185,216)	(143,996,306)
PROFIT BEFORE TAX	3,663,704,321	2,879,926,118
Income Tax Expenses-Current	(857,743,344)	(621,873,008)
Income Tax Assets/(Expenses)-Deferred	4,986,516	(37,079,249)
PROFIT AFTER TAX	**2,810,947,493**	**2,220,973,861**
Profit/(Loss) from Associates Undertaking	200,821,332	204,324,215
PROFIT FOR THE PERIOD	**3,011,768,825**	**2,425,298,076**
Other Comprehensive Income:		
Gain/(Loss) on Marketable Securities (Unrealized)	246,565,525	152,489,226
Total Comprehensive Income for the Period	**3,258,334,350**	**2,577,787,302**
Profit Attibutable to:		
Owners of the Company	3,008,432,180	2,423,382,299
Non Controlling Interest	3,336,645	1,915,777
	3,011,768,825	**2,425,298,076**
Total Comprehensive Income Attributable to:		
Owners of the Company	**3,254,770,123**	**2,575,858,187**
Non Controlling Interest	**3,564,227**	**1,929,115**
	3,258,334,350	**2,577,787,302**
Earnings Per Share (EPS)	**4.39**	**3.53**
Number of Shares used to compute EPS	685,945,200	685,945,200

Sd/-
Samuel S. Chowdhu
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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)

For the 1st Quarter Ended 30 September 2017

	Share Capital Taka	Share Premium Taka	General Reserve Taka	Tax Exemption Reserve Taka	Gain on Marketable Securities (Unrealized) Taka	Retained Earnings Taka	Non Controlling Interest Taka	Total Taka
At 30 June 2017	6,859,452,000	2,035,465,000	105,878,200	852,508,043	596,561,713	38,577,835,254	12,674,141	49,040,374,351
Transfer to Tax Exemption Reserve	-	-	-	135,484,824	-	(135,484,824)	-	-
Total Comprehensive Income (Jul'17-Sep'17)	-	-	-	-	246,565,525	3,008,432,180	3,336,645	3,258,334,350
At 30 September 2017	6,859,452,000	2,035,465,000	105,878,200	987,992,867	843,127,238	41,450,782,610	16,010,786	52,298,708,701
At 30 September 2016	6,235,865,460	2,035,465,000	105,878,200	455,088,814	513,352,104	34,266,021,493	3,930,481	43,615,601,552

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

CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)

For the 1st Quarter Ended 30 September 2017

	2017 (Jul'2017-Sep'2017) Taka	2016 (Jul'2016-Sep'2016) Taka
Cash Flows From Operating Activities:		
RECEIPTS:		
Collection from Sales	12,071,314,495	10,110,055,898
Others	63,498,237	82,821,337
	12,134,812,732	10,192,877,235
PAYMENTS:		
Purchase of Raw and Packing Materials	3,377,169,152	2,445,823,203
Manufacturing and Operating Expenses	2,581,951,076	2,251,864,554
Value Added Tax	1,570,241,018	1,384,938,519
Finance Cost	471	6,144
Income Tax Expenses	862,928,752	551,898,452
Workers Profit Participation Fund	23,166,357	22,184,171
Others	5,477,820	-
	8,420,934,646	6,656,715,043
Net cash provided by operating activities	3,713,878,086	3,536,162,192
Cash Flows From Investing Activities:		
Purchase of Fixed Assets	(644,288,475)	(611,992,855)
Preoperating Expenses	(14,104,907)	-
Investment in IDLC Finance Ltd.	17,579,628	16,098,192
Investment in Marketable Securities	(500,152,312)	(418,470,337)
Short Term Loan	109,645,616	167,048,186
Gain on Sale of Marketable Securities	94,117,313	1,711,399
Interest Received	205,640,193	223,789,795
Dividend Received	6,214,536	16,678,135
Net cash used in investing activities	(725,348,408)	(605,137,485)
Cash Flows From Financing Activities	-	-
Increase in Cash and Cash Equivalents	2,988,529,678	2,931,024,707
Cash and Cash Equivalents at the Opening	15,768,683,854	8,522,555,131
Cash and Cash Equivalents at the Closing	18,757,213,532	11,453,579,838
Net Operating Cash Flow per Share (NOCFPS)	**5.41**	**5.16**
Number of Shares used to compute NOCFPS	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 FINANCIAL POSITION (Unaudited)
As At 30 September 2017

	30-09-2017 Taka	30-06-2017 Taka
ASSETS:		
Non-Current Assets:	**24,515,947,739**	**23,494,648,133**
Property, Plant and Equipment-Carrying Value	17,137,768,343	16,846,568,295
Investment - Long Term (at Cost)	5,001,730,481	4,812,888,360
Investment in Marketable Securities (Fair Value)	2,376,448,915	1,835,191,478
Current Assets:	**24,654,013,207**	**22,268,597,918**
Inventories	3,131,947,044	2,988,121,604
Trade Debtors	1,495,961,170	2,188,447,720
Advances,Deposits and Prepayments	1,364,659,622	1,381,066,856
Short Term Loan	218,134,218	21,386,290
Cash and Cash Equivalents	18,443,311,153	15,689,575,448
TOTAL ASSETS	**49,169,960,946**	**45,763,246,051**
SHAREHOLDERS' EQUITY AND LIABILITIES:		
Shareholders' Equity:	**43,546,629,875**	**41,201,962,311**
Share Capital	6,859,452,000	6,859,452,000
Share Premium	2,035,465,000	2,035,465,000
General Reserve	105,878,200	105,878,200
Gain on Marketable Securities (Unrealized)	774,583,564	573,534,470
Retained Earnings	33,771,251,111	31,627,632,641
Non-Current Liabilities:	**1,047,465,656**	**1,055,679,469**
Deferred Tax Liability	1,047,465,656	1,055,679,469
Current Liabilities:	**4,575,865,415**	**3,505,604,271**
Short Term Loan	2,507,913,248	1,700,295,979
Trade Creditors	847,827,452	720,284,653
Liabilities for Expenses	13,549,404	21,937,186
Liabilities for Other Finance	1,206,575,311	1,063,086,453
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**49,169,960,946**	**45,763,246,051**
	-	-
Net Assets Value Per Share (NAV)	**63.48**	**60.07**
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 1st Quarter Ended 30 September 2017

	July-September 2017 Taka	July-September 2016 Taka
GROSS TURNOVER	8,602,416,905	7,781,435,073
Less: Value Added Tax	1,152,787,801	1,083,683,758
NET TURNOVER	**7,449,629,104**	**6,697,751,315**
Cost of Goods Sold	(3,817,015,940)	(3,366,042,568)
GROSS PROFIT	**3,632,613,164**	**3,331,708,747**
OPERATING EXPENSES:	**(1,545,701,629)**	**(1,340,009,101)**
Selling & Distribution Expenses	(1,321,379,556)	(1,141,239,917)
Administrative Expenses	(224,321,602)	(198,767,733)
Finance Cost	(471)	(1,451)
PROFIT FROM OPERATIONS	**2,086,911,535**	**1,991,699,646**
Other Income	868,758,842	560,663,586
PROFIT BEFORE WPPF & WF	2,955,670,377	2,552,363,232
Allocation for WPPF & WF	(140,746,208)	(121,541,106)
PROFIT BEFORE TAX	**2,814,924,169**	**2,430,822,126**
Income Tax Exepenses-Current	(679,519,512)	(558,998,449)
Income Tax Assets/(Expenses)-Deferred	8,213,813	(34,005,188)
PROFIT AFTER TAX FOR THE PERIOD	**2,143,618,470**	**1,837,818,489**
Other Comprehensive Income :		
Gain/(Loss) on Marketable Securities (Unrealized)	201,049,094	149,821,583
Total Comprehensive Income for the Period	**2,344,667,564**	**1,987,640,072**
Earnings Per Share (EPS)	**3.13**	**2.68**
Number of Shares used to compute EPS	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 CHANGES IN EQUITY (Unaudited)
For the 1st Quarter Ended 30 September 2017

	Share Capital Taka	Share Premium Taka	General Reserve Taka	Gain on Marketable Securities (Unrealized) Taka	Retained Earnings Taka	Total Taka
At 30 June 2017	**6,859,452,000**	**2,035,465,000**	**105,878,200**	**573,534,470**	**31,627,632,641**	**41,201,962,311**
Total Comprehensive Income (Jul'2017-Sep'2017)	-	-	-	201,049,094	2,143,618,470	2,344,667,564
At 30 September 2017	**6,859,452,000**	**2,035,465,000**	**105,878,200**	**774,583,564**	**33,771,251,111**	**43,546,629,875**
At 30 September 2016	**6,235,865,460**	**2,035,465,000**	**105,878,200**	**416,608,162**	**28,790,886,341**	**37,584,703,163**

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 CASH FLOWS (Unaudited)

For the 1st Quarter Ended 30 September 2017

	2017 (Jul'2017-Sep'2017) Taka	2016 (Jul'2016-Sep'2016) Taka
Cash Flows From Operating Activities:		
RECEIPTS:		
Collection from Sales	9,264,056,035	8,040,114,019
Others	504,665,433	405,401,154
	9,768,721,468	8,445,515,173
PAYMENTS:		
Purchase of Raw and Packing Materials	2,559,927,704	1,953,838,457
Manufacturing and Operating Expenses	2,419,642,697	2,119,732,539
Value Added Tax	1,152,787,801	1,083,683,758
Finance Cost	471	1,451
Income Tax Expenses	598,748,890	544,508,067
Workers Profit Participation Fund	23,166,357	22,184,169
Others	4,484,040	-
	6,758,757,960	5,723,948,441
Net cash provided by operating activities	3,009,963,508	2,721,566,732
Cash Flows From Investing Activities:		
Purchase of Fixed Assets	(642,018,721)	(455,383,538)
Investment in IDLC Finance Ltd.	17,579,628	16,098,192
Investment in Square Pharmaceuticals Kenya EPZ Ltd.	(206,421,750)	-
Investment in Marketable Securities	(340,208,343)	(338,479,981)
Short Term Loan	610,869,341	731,223,164
Gain on Sale of Marketable Securities	94,117,313	1,711,399
Interest Received	205,640,193	245,076,864
Dividend Received	4,214,536	16,678,135
Net cash used in investing activities	(256,227,803)	216,924,235
Cash Flows From Financing Activities	-	-
Increase in Cash and Cash Equivalents	2,753,735,705	2,938,490,967
Cash and Cash Equivalents at the Opening	15,689,575,448	8,445,641,525
Cash and Cash Equivalents at the Closing	18,443,311,153	11,384,132,492
Net Operating Cash Flow per Share (NOCFPS)	**4.39**	**3.97**
Number of Shares used to compute NOCFPS	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 1st Quarter Ended September 30, 2017

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 and Square Pharmaceuticals Kenya EPZ Limited incorporated in Kenya under companies act 2015, Kenya, for the 1st Quarter Ended on September 30, 2017 (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, 2017, 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. 62,345,694
-	Building	Tk. 89,706,797
-	Plant & Machinery	Tk. 356,194,047
-	Laboratory Equipment	Tk. 8,783,256
-	Furniture & Fixture	Tk. 5,872,830
-	Others	Tk. 154,817,536

Square Pharmaceuticals Ltd. Bangladesh has invested USD 2.255 Million equivalent to BDT 206.42 Million in the share of Square Pharmaceuticals Kenya EPZ Limited, Nairobi, Kenya.

We understand that our business is growing every year that means our assets are performing according to intension of procurement and in sum up the discounted future cash flow from the operation of the assets would be positive if we dispose those assets at the date of financial reporting. But presently we have no intension to dispose these assets, so it is not required to record the impairment gain as provisions of BAS-36.

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

Contd..P-02

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

Deferred Income Tax (Net Off) is raised for the group of Tk. (4,986,516) for the deductible and taxable temporary differences up to September 30, 2017, out of which Adjustment for deductible differences of Tk. (8,213,813) for Square Pharmaceuticals Ltd. and taxable temporary difference of Tk. 3,227,297 for Square Formulations Ltd.

The Board of Directors has recommended dividend for the year ended Jun 30, 2017 @ 35% cash of par value of share and 7.50% stock dividend (Bonus Shares) which will be approved by the shareholders in the AGM to be held on December 04, 2017.

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 Ltd., Square Fashions Ltd., Square Hospitals Ltd., Square InformatiX Ltd., Square Formulations Ltd., Square Denims Ltd., Square Apparels Ltd. Square Securities Management Ltd. and Aegis Services Limited during the period of reporting.

		Receivable
-	Square Textiles Ltd.	21,807,192
-	Square Fashions Ltd.	4,608,950
-	Square Hospitals Ltd.	18,771,241
-	Square InformatiX Ltd.	8,403,597
-	Square Denims Ltd.	85,991,534
-	Square Apparels Ltd.	78,551,704
-	Square Securities Management Ltd.	248,196,492
-	AEGIS Services Ltd.	233,887
		Payable
-	Square Formulations Ltd.	2,507,913,248

Figures have been rounded off to the nearest Taka.

The financials of Square Pharmaceuticals Kenya EPZ Limited is reported in Kenyan Shilling (KSH). It is converted into BDT as reporting currency of Square Pharmaceuticals Ltd. Bangladesh.

The contingent liabilities of the companies as of September 30, 2017 were as follows;

For Sight and deferred LC for the group Tk. 240.86 crore only, out of which Tk.205.63 crore for Square Pharmaceuticals Ltd. and Tk. 35.23 crore for Square Formulations Ltd. There is no contingent liability for Square Pharmaceuticals Kenya EPZ Limited.