

SQUARE TEXTILES LIMITED

and its subsidiaries

Consolidated Statement of Financial Position (Unaudited) as at December 31, 2016

Particulars	31-12-2016 Taka	30-06-2016 Taka
ASSETS:		
Non-Current Assets	4,654,006,458	4,119,628,602
Property, Plant & Equipment- Carrying Value	4,597,722,698	4,063,344,842
Goodwill	56,283,760	56,283,760
Current Assets	4,801,380,083	5,230,290,269
Inventories	1,775,164,200	1,737,965,686
Accounts Receivable	1,668,402,007	1,644,721,245
Advances, Deposits & Prepayments	622,319,177	568,831,880
Cash & Cash Equivalents	735,494,699	1,278,771,458
TOTAL ASSETS	9,455,386,541	9,349,918,871
SHAREHOLDERS' EQUITY & LIABILITIES:		
Shareholders' Equity	7,207,961,680	7,340,419,294
Share Capital	1,789,133,790	1,626,485,270
Retained Earnings	5,418,827,890	5,713,934,024
Non controlling Interest	20,681,618	19,159,898
Non-Current Liabilities		
Deferred Tax Liability	217,289,235	223,826,935
Current Liabilities & Provisions	2,009,454,008	1,766,512,744
Short Term Bank Loan (Secured)	1,148,558,522	1,091,534,090
Creditors & Others Payable	140,411,543	65,241,389
Liabilities for Other Finance	318,632,066	237,963,511
Short Term Loan	17,491,532	42,781,579
Provision for Income Tax	384,360,345	328,992,175
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES	9,455,386,541	9,349,918,871
Net Asset Value Per Share (Restated)	40.29	41.03

Sd/-
Samuel S Chowdhury
Chairman

Sd/-
Md. Alamgir Hossain
Chief Financial Officer

Sd/-
Mrs. Ratna Patra
Vice Chairman

Sd/-
Khandaker Habibuzzaman
Company Secretary

Sd/-
Tapan Chowdhury
Managing Director

SQUARE TEXTILES LIMITED

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Consolidated Statement of Profit or Loss and other Comprehensive Income (Unaudited) For the 2nd Quarter Ended December 31, 2016

Particulars	Six Months ended		2nd Quarter	
	July to Dec 2016	July to Dec 2015	Oct to Dec 2016	Oct to Dec 2015
Sales Revenue	3,794,383,265	4,009,314,536	1,953,879,116	2,079,446,801
Cost of Goods Sold	3,324,005,222	3,411,983,522	1,765,961,265	1,797,829,237
Gross Profit	470,378,043	597,331,014	187,917,851	281,617,564
Operating Expenses	115,953,853	116,871,895	60,397,609	59,552,563
Finance Cost	13,807,108	8,891,479	9,789,212	5,734,173
Profit from Operations	340,617,082	471,567,640	117,731,030	216,330,828
Other Income	124,614	85,843	76,605	29,562
Profit Before W.P.P.F & W.F	340,741,696	471,653,483	117,807,635	216,360,390
Allocation for W.P.P.F & W.F	16,225,795	22,459,690	5,609,887	10,302,876
Profit Before Tax	324,515,901	449,193,793	112,197,748	206,057,514
Provision for Tax (Current)	46,765,710	60,721,599	16,184,072	25,627,781
Provision for Tax (Deferred)	2,064,760	7,315,063	728,350	5,503,923
Profit After Tax for The Period	275,685,431	381,157,131	95,285,326	174,925,810
Non-Controlling Interest	1,521,720	1,968,488	824,997	1,069,795
Net Income for the Period	274,163,711	379,188,643	94,460,329	173,856,015

(Transferred to the Statement of Changes in Equity)

Earnings Per Share (EPS)- Restated	1.53	2.12	0.53	0.97
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Sd/-
Samuel S Chowdhury
Chairman

Sd/-
Mrs. Ratna Patra
Vice Chairman

Sd/-
Tapan Chowdhury
Managing Director

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Md. Alamgir Hossain
Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

SQUARE TEXTILES LIMITED

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Consolidated Statement of Changes in Equity (Unaudited) For the 2nd Quarter Ended December 31, 2016

Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2016	1,626,485,270	5,713,934,024	7,340,419,294
Net Profit for 2nd Quarter Ended December 31, 2016	-	274,163,711	274,163,711
Cash Dividend for 2015	-	406,621,325	406,621,325
Stock Dividend for 2015	162,648,520	162,648,520	-
Balance As at December 31, 2016	1,789,133,790	5,418,827,890	7,207,961,680

Consolidated Statement of Changes in Equity (Unaudited) For the 2nd Quarter Ended December 31, 2015

Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2015	1,626,485,270	4,973,241,525	6,599,726,795
Net Profit for 2nd Quarter Ended December 31, 2015	-	379,188,643	379,188,643
Cash Dividend for 2014	-	-	-
Stock Dividend for 2014	-	-	-
Balance as at December 31, 2015	1,626,485,270	5,352,430,168	6,978,915,438

Sd/-
Samuel S Chowdhury
Chairman

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Mrs. Ratna Patra
Vice Chirman

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Tapan Chowdhury
Managing Director

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Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

SQUARE TEXTILES LIMITED

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Statement of Consolidated Cash flows (Unaudited) For the 2nd Quarter Ended December 31, 2016

Particulars	2nd Quarter Ended	
	July-Dec' 2016	July-Dec' 2015
Cash Flows from Operating Activities:		
Receipts from Sales Revenue	3,770,702,503	4,287,384,239
Receipts from Other Income	124,614	85,843
Total Receipts	3,770,827,117	4,287,470,082
Payments to Suppliers	(2,226,079,921)	(2,564,429,345)
Paid for Operating & Non-operating Expenses	(932,024,289)	(801,143,497)
Interest Expenses Paid	(12,971,406)	(5,946,472)
Income Tax Paid	(50,280,835)	(61,434,116)
Paid for Workers Profit Participation & Welfare Fund	(18,521,237)	(21,628,278)
Total Payments	(3,239,877,688)	(3,454,581,708)
Net Cash Generated (Used in) from Operating Activities	530,949,429	832,888,374
Cash Flows from Investing Activities:		
Sales (Purchase) of Property, Plant & Equipment	(696,130,355)	(325,645,538)
Net Cash Generated (Used in) from Investing Activities	(696,130,355)	(325,645,538)
Cash Flows from Financing Activities:		
Short Term Bank Loan Received/ (Repaid)	57,024,432	426,166,995
Short Term Loan from/ (To) Sister Company	(28,498,940)	(344,927,301)
Payment of Dividend	(406,621,325)	(295,724,596)
Net Cash Generated (Used in) from Financing Activities	(378,095,833)	(214,484,902)
Increase/ (Decrease) in Cash & Cash Equivalents	(543,276,759)	292,757,934
Opening Cash & Cash Equivalents	1,278,771,458	1,005,999,421
Closing Cash & Cash Equivalents	735,494,699	1,298,757,355
Net Operating Cash Flows Per Share(Restated)	2.97	4.66

Sd/-
Samuel S Chowdhury
Chairman

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Mrs. Ratna Patra
Vice Chairman

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Tapan Chowdhury
Managing Director

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Md. Alamgir Hossain
Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

SQUARE TEXTILES LIMITED

Statement of Financial Position (Unaudited) As at December 31, 2016

	31-12-2016 Taka	30-06-2016 Taka
ASSETS:		
Non-Current Assets	3,760,634,928	3,147,296,521
Property, Plant & Equipment- Carrying Value	3,176,301,049	2,562,962,642
Investment - Long Term (At Cost)	160,783,760	160,783,760
Share Money Deposits	423,550,119	423,550,119
Current Assets	3,124,252,745	3,547,892,593
Inventories	1,148,581,070	1,181,000,058
Accounts Receivable	1,169,712,472	1,213,702,218
Advances, Deposits & Prepayments	412,498,697	399,240,261
Short Term Loan	34,590,099	104,042,349
Cash & Cash Equivalents	358,870,407	649,907,707
TOTAL ASSETS	6,884,887,673	6,695,189,114
SHAREHOLDERS' EQUITY & LIABILITIES:		
Shareholders' Equity	5,364,116,423	5,607,074,119
Share Capital	1,789,133,790	1,626,485,270
Retained Earnings	3,574,982,633	3,980,588,849
Non-Current Liabilities		
Deferred Tax Liability	119,301,409	122,571,004
Current Liabilities & Provisions	1,401,469,841	965,543,991
Short Term Bank Loan (Secured)	870,588,429	599,135,811
Creditors & Others Payable	110,705,662	49,999,072
Liabilities for Other Finance	222,930,231	148,818,262
Short Term Loan	40,104,741	42,781,579
Provision for Income Tax	157,140,778	124,809,267
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES	6,884,887,673	6,695,189,114
Net Asset Value Per Share (Restated)	29.98	31.34

Sd/-
Samuel S Chowdhury
Chairman

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Mrs. Ratna Patra
Vice Chirman

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Tapan Chowdhury
Managing Director

Sd/-
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Chief Financial Officer

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Khandaker Habibuzzaman
Company Secretary

SQUARE TEXTILES LIMITED

Statement of Profit or Loss and other Comprehensive Income (Unaudited) For the 2nd Quarter Ended December 31, 2016

Particulars	Six Months ended		2nd Quarter	
	July to Dec 2016	July to Dec 2015	Oct to Dec 2016	Oct to Dec 2015
Sales Revenue	2,360,031,102	2,468,293,920	1,172,201,692	1,238,911,274
Cost of Goods Sold	2,056,747,481	2,052,160,275	1,050,908,424	1,021,987,308
Gross Profit	303,283,621	416,133,645	121,293,268	216,923,966
Operating Expenses	92,453,688	90,310,875	49,104,780	45,242,545
Finance Cost	9,998,957	6,288,237	7,961,651	3,545,587
Profit from Operations	200,830,976	319,534,533	64,226,837	168,135,834
Other Income	1,530,846	5,991,156	827,595	2,515,021
Profit Before W.P.P.F & W.F	202,361,822	325,525,689	65,054,432	170,650,855
Allocation for W.P.P.F & W.F	9,636,277	15,501,223	3,097,830	8,126,231
Profit Before Tax	192,725,545	310,024,466	61,956,602	162,524,624
Provision for Tax (Current)	28,469,704	43,235,529	9,376,249	21,505,891
Provision for Tax (Deferred)	592,212	4,017,035	-	3,187,180
Profit After Tax for The Period	163,663,629	262,771,902	52,580,353	137,831,553

(Transferred to the Statement of Changes in Equity)

Earnings Per Share (EPS)- Restated	0.91	1.47	0.29	0.77
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Sd/-
Samuel S Chowdhury
Chairman

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Mrs. Ratna Patra
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Tapan Chowdhury
Managing Director

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Chief Financial Officer

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Company Secretary

SQUARE TEXTILES LIMITED

Statement of Changes in Equity (Unaudited) For the 2nd Quarter Ended December 31, 2016

Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2016	1,626,485,270	3,980,588,849	5,607,074,119
Net Profit for 2nd Quarter Ended December 31, 2016	-	163,663,629	163,663,629
Cash Dividend for 2015	-	406,621,325	406,621,325
Stock Dividend for 2015	162,648,520	162,648,520	-
Balance As at December 31, 2016	1,789,133,790	3,574,982,633	5,364,116,423

Statement of Changes in Equity (Unaudited) For the 2nd Quarter Ended December 31, 2015

Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2015	1,626,485,270	3,494,352,948	5,120,838,218
Net Profit for 2nd Quarter Ended December 31, 2015	-	262,771,902	262,771,902
Cash Dividend for 2014	-	-	-
Stock Dividend for 2014	-	-	-
Balance as at December 31, 2015	1,626,485,270	3,757,124,850	5,383,610,120

Sd/-
Samuel S Chowdhury
Chairman

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Company Secretary

SQUARE TEXTILES LIMITED

Statement of Cash flows (Unaudited) For the 2nd Quarter Ended December 31, 2016

Particulars	2nd Quarter Ended	
	July-Dec' 2016	July-Dec' 2015
Cash Flows from Operating Activities:		
Receipts from Sales Revenue	2,404,020,848	2,493,483,011
Receipts from Other Income	124,614	85,843
Total Receipts	2,404,145,462	2,493,568,854
Payments to Suppliers	(1,235,362,994)	(1,430,252,206)
Paid for Operating & Non-operating Expenses	(632,416,412)	(550,241,535)
Interest Expenses Paid	(6,157,223)	(2,859,480)
Income Tax Paid	(44,528,945)	(34,144,503)
Paid for Workers Profit Participation & Welfare Fund	(15,962,140)	(17,212,216)
Total Payments	(1,934,427,714)	(2,034,709,940)
Net Cash Generated (Used in) from Operating Activities	469,717,748	458,858,914
Cash Flows from Investing Activities:		
Sales (Purchase) of Property, Plant & Equipment	(690,559,092)	(203,622,886)
Net Cash Generated (Used in) from Investing Activities	(690,559,092)	(203,622,886)
Cash Flows from Financing Activities:		
Short Term Bank Loan Received/ (Repaid)	271,452,618	267,588,929
Short Term Loan from/ (To) Sister Company	64,972,751	(126,366,640)
Payment of Dividend	(406,621,325)	(295,724,596)
Net Cash Generated (Used in) from Financing Activities	(70,195,956)	(154,502,307)
Increase/ (Decrease) in Cash & Cash Equivalents	(291,037,300)	100,733,721
Opening Cash & Cash Equivalents	649,907,707	519,155,096
Closing Cash & Cash Equivalents	358,870,407	619,888,817
Net Operating Cash flows per Share(Restated)	2.63	2.56

Sd/-
Samuel S Chowdhury
Chairman

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Mrs. Ratna Patra
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Managing Director

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Company Secretary

SQUARE TEXTILES LIMITED

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Notes to the Interim Financial Statements For the 2nd Quarter ended December 31, 2016

Basis of preparation of the Interim Financial Statements:

These Financial Statements (They) are the unaudited interim financial statements (hereafter 'the Interim Financial Statements') of Square Textiles Limited, Square Yarns limited & Square Texcom Limited, Companies incorporated in Bangladesh under Companies Act 1913 & 1994, for the half year ended December 31, 2016 (hereafter 'the interim period'). They are prepared in accordance with the International Accounting Standard (BAS 34) 'Interim Financial reporting'. These financial statements should read in conjunction with the Annual Financial Statements as on 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 Financial Statements, except where noted below. Where necessary, the comparatives 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 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 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. 1.89 crore
➤ Work In Progress	Tk. 49.84 crore
➤ Plant & Machinery	Tk. 14.21 crore
➤ Motor Vehicles	Tk. 3.07 crore
➤ Others	Tk. 0.20 crore

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 rate expected for the reporting period.

Dividend for the 18 months period ended June 30, 2016 have been paid to the shareholders @ 25% cash of par value of Share and 10% stock (10 shares for every 100 shares) that approved by the shareholders in the AGM held on September 08, 2016.

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The Company has no reportable operating segments as per requirement of BFRS-8, "Operating Segment".

There is no significant event to 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 Pharmaceuticals Limited, Square Yarns Limited & Square Texcom Limited. Net balance of Receivable from/ (Payable to) as on reporting date is given below:

➤ Square Pharmaceuticals Ltd.	Tk. (1.75) crore
➤ Square Yarns Ltd.	Tk. (2.26) crore
➤ Square Texcom Ltd.	Tk. 3.46 crore
➤ Square InformatiX Ltd.	Tk. 0.00
➤ AEGIS Services Ltd.	Tk. 0.00

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

For Sight and Deferred LCs for the group Tk. 49.43 crore only. Out of which Tk. 30.60 crore for Square Textiles Limited, Tk. 11.74 crore only for Square Yarns Limited and Tk. 7.09 crore only for Square Texcom Limited.

Deferred Income Tax Expense is raised for Tk. 20.65 Lac for the adjustable temporary difference of Accounting depreciation and Tax base depreciation up to December 31, 2016.

Impairment of Asset: Revenue and Profitability of the company is Consistent and net worth of the company is growing every year, that indicates our assets are performing at their highest as per our intended procurement and the summation of the discounted future cash flow from the operation of the assets would be positive if we dispose-off those assets at the date of financial reporting. But presently we have no intension to dispose off these assets; As such we did not consider to recording the impairment loss/gain.