

SQUARE TEXTILES LIMITED

Square Centre, 48 Mohakhali C.A., Dhaka

Balance Sheet (Unaudited)

As of June 30, 2010

	June 30, 2010	December 31, 2009
	Tk,000	Tk,000
NET ASSETS:		
Fixed Asset :	2,341,863	2,283,553
At Cost Less Depreciation	1,320,363	1,378,553
Investment-Long Term(At Cost)	163,881	105,000
Share Money Deposit	857,619	800,000
Current Assets :		
	2,980,729	3,224,730
Stocks	762,637	942,568
Trade Debtors	1,498,460	1,683,329
Short Term Loan	397,372	431,849
Advance , Deposit & Prepayments	213,796	120,652
Cash & Bank Balance	108,464	46,332
Less : Current Liabilities :		
	1,934,137	2,276,603
Short Term Bank Loan	250,140	573,802
Short Term Loan	624,476	552,993
Sundry Creditors	620,943	870,758
Other Current Liabilities	282,254	170,321
Provision for income Tax	156,324	108,729
Net Current Assets	1,046,592	948,127
Deferred Tax Liability	112,276	112,276
	<u>3,276,179</u>	<u>3,119,404</u>
FINANCED BY :		
Share Holders Equity :	3,276,179	3,119,404
Share Capital	811,717	705,841
General Reserve and Surplus	2,464,462	2,413,563
	<u>3,276,179</u>	<u>3,119,404</u>

Attached notes of page no. 5 forms part of these financial statements.

Sd-
Tapan Chowdhury
Managing Director

Sd-
Md. Alamgir Hossain
Chief Financial Office

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SQUARE TEXTILES LIMITED

Square Centre, 48 Mohakhali C.A., Dhaka

Income Statement (Unaudited)

For the period ended June 30, 2010

	Six Month Ended		2nd Quarter Ended	
	June 30, 2010	June 30, 2009	April 01, 2010-June 30, 2010	April 01, 2009-June 30, 2009
	Tk. '000	Tk. '000	Tk. '000	Tk. '000
Sales	1,782,233	1,997,288	892,110	892,779
Cost of Goods Sold	1,376,360	1,751,292	668,873	738,245
Gross Profit	405,873	245,996	223,237	154,534
Operating Expenses	50,233	50,683	25,969	27,104
Finance Cost	42,522	81,006	17,175	41,532
Operating Income	313,118	114,307	180,093	85,898
Other Income	20,051	11,848	20,035	11,689
Net Income before W.P.P & W.F	333,169	126,155	200,128	97,587
Allocation for W.P.P & W.F	(15,865)	(6,007)	(9,530)	(4,647)
Net Income before Tax	317,304	120,148	190,598	92,940
Provision for Income Tax	(47,595)	(18,000)	(30,187)	(13,919)
Net Income for the period	269,709	102,148	160,411	79,021

(Transferred to the Statement of Changes in Equity)

Earning Per Share (EPS)	3.32	1.26	1.98	0.97
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Attached notes of page no. 5 forms part of these financial statements.

Sd-
Tapan Chowdhury
Managing Director

Sd-
Md. Alamgir Hossain
Chief Financial Office

SQUARE TEXTILES LIMITED

Cashflow Statement(Unaudited)

For the period ended June 30, 2010

	Amount 6/30/2010 Tk. '000	Amount 6/30/2009 Tk. '000
Cash Flow From Operating Activities:		
Receipts		
Cash From Sales Revenue	1,967,104	2,116,086
Cash from Other Income	51	228
Total Cash Receipts	1,967,155	2,116,314
Payments		
Purchase for Raw & Packing Materials	(1,141,430)	(1,486,126)
Manufacturing and Operating Exp.	(346,585)	(312,790)
Bank Interest	(29,893)	(68,846)
Workers Profit Participation Fund	(18,093)	(6,760)
Total Payments	(1,536,001)	(1,874,522)
Net Cash Flow From Operating Activities	431,154	241,792
Cash Flow From Investing Activities		
Profit from sale of Fixed assets	-	295
Purchase of Fixed Assets	(41,811)	(59,750)
Net Cash Flow From Investing Activities	(41,811)	(59,455)
Cash Flow From Financing Activity		
Short term Loan	112,951	(65,083)
Share Money Deposit Mithapur Tex	(57,619)	-
Investment in Mithapur Tex	(58,881)	-
Shorterm Loan Payment	(323,662)	(126,345)
Net Cash Flow From Financing Activities	(327,211)	(191,428)
Net Cash Position	62,132	9,091
Opening Cash & Bank Balance	46,332	(44,691)
Closing Cash & Bank Balance	108,464	(35,600)

Attached notes of page no. 5 forms part of these financial statements.

Sd-
Tapan Chowdhury
Managing Director

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Chief Financial Office

SQUARE TEXTILES LIMITED

Statement of Changes in Equity(Unaudited)

For the period ended June 30, 2010

Tk' 000

	Share Capital	General Reserve and Surplus	Total
As at Dec.31, 2009	705,841	2,413,563	3,119,404
Net Profit (Jan'10 - June'10)		269,709	269,709
Cash Dividend for 2009		(112,934)	(112,934)
Stock Dividend for 2009	105,876	(105,876)	-
As at June 30, 2010	811,717	2,464,462	3,276,179

Statement of Changes in Equity(Unaudited)

For the period ended June 30, 2009

Tk' 000

	Share Capital	General Reserve and Surplus	Total
As at Dec.31, 2008	588,200	2,376,446	2,964,646
Net Profit (Jan'09 - June'09)		102,148	102,148
Cash Dividend for 2008		(105,877)	(105,877)
Stock Dividend for 2008	117,640	(117,640)	-
As at June 30, 2009	705,840	2,255,077	2,960,917

Attached notes of page no. 5 forms part of these financial statements.

Sd-
Tapan Chowdhury
Managing Director

Sd-
Md. Alamgir Hossain
Chief Financial Office

Square Textiles Limited and Its subsidiaries

Notes to the Interim Financial Statements

For the period ended June. 30, 2010

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 and Mithapur Textiles Limited., its subsidiaries, companies incorporated in Bangladesh under Companies Act 1994 for the period ended June 30, 2010. They are prepared in accordance with the International Accounting Standard (IAS 34) 'Interim Financial reporting'. These financial statements should read in conjunction with the Annual Financial Statements as of December 31, 2009, 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, exempt 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 consolidated Financials of previous half year (January 09 to June 09) present the financial position of Square Textiles Limited & Square Yarns Limited before purchase of 95% shares of Mithapur Textiles Limited.

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.

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 payment for the year ended December 31, 2009 is in process @ 16% cash dividend of par value of share and 15% stock dividend for holding 100(One Hundred) that approved by the shareholders in AGM held on June 16, 2010.

The Company has no reportable segments as per requirement of IAS 14, segment reporting.

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 and Mithapur Textiles Limited. During the reporting period the total received and payment was Tk. 36.23 Crore and Tk. 29.88 Crore from/to Square Pharmaceuticals Limited, Tk. 24.15 Crore and Tk 18.75 Crore from/to Square Yarns Limited and Tk.4.08 Crore paid to Mithapur Textiles Limited.

Figures have been rounded off to the nearest Tk.'000.

The contingent liabilities of the company as on June 30, 2010 is as follows;

For Sight and Deferred LCs for the group Tk. 81.26 Crore only. Out of which Tk. 59.16 Crore for Square Textiles Limited and Tk. 22.10 Crore only for Square Yarns Limited.

SQUARE TEXTILES LIMITED

Consolidated Balance Sheet(Unaudited)

As of June 30, 2010

	June 30, 2010	December 31, 2009
	Tk,000	Tk,000
NET ASSETS:		
Fixed Asset :	2,500,017	2,517,420
At Cost Less Depreciation	2,500,017	2,507,420
Investment	-	10,000
 Current Assets :		
	3,697,051	3,785,335
Stocks	1,137,017	1,367,504
Trade Debtors	2,130,443	2,188,554
Advance , Deposit & Prepayments	269,175	138,164
Cash & Bank Balance	160,416	91,113
 Less : Current Liabilities :		
	2,462,227	2,784,133
Short Term Bank Loan	282,734	613,478
Sundry Creditors	987,130	1,270,465
Other Current Liabilities	304,145	187,920
Short Term Loan	669,729	552,993
Provision for income Tax	218,489	159,277
 Net Current Assets	1,234,824	1,001,202
 Deferred Tax Liability	176,911	170,482
	3,557,930	3,348,140
 FINANCED BY :		
Share Holders Equity :	3,555,429	3,346,445
Share Capital	811,717	705,841
General Reserve and Surplus	2,743,712	2,640,604
 Non controlling Interest	2,501	1,695
	3,557,930	3,348,140
 Asset Per Share	44	47

Attached notes of page no. 5 forms part of these financial statements.

Sd-
Tapan Chowdhury
Managing Director

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Md. Alamgir Hossain
Chief Financial Office

SQUARE TEXTILES LIMITED

Consolidated Income Statement(Unaudited) For the Period Ended on June 30, 2010

	Six Month Ended		2nd Quarter Ended	
	June 30, 2010	June 30, 2009	April 01, 2010- June 30, 2010	April 01, 2009-June 30, 2009
	Tk. '000	Tk. '000	Tk. '000	Tk. '000
Sales	2,559,790	2,584,066	1,334,296	1,173,209
Cost of Goods Sold	(2,041,936)	(2,256,510)	(1,051,259)	(978,099)
Gross Profit	517,854	327,556	283,037	195,110
Operating Expenses	(56,308)	(55,984)	(30,199)	(30,673)
Finance Cost	(47,110)	(120,237)	(7,986)	(53,762)
Operating Income	414,436	151,335	244,852	110,675
Other Income	51	523	50	514
Net Income before W.P.P & W.F	414,487	151,858	244,902	111,189
Allocation for W.P.P & W.F	(19,737)	(7,231)	(11,697)	(5,295)
Net Income before Tax	394,750	144,627	233,205	105,894
Provision for Income Tax	(59,213)	(21,673)	(36,691)	(15,863)
Provision for Deferred Income Tax	(6,428)	(4,808)	(3,214)	(2,001)
Net Profit after Tax	329,109	118,146	193,300	88,030
Minority Interest	(659)	(83)	(434)	(47)
Net Income for the Year	<u>328,450</u>	<u>118,063</u>	<u>192,866</u>	<u>87,983</u>
(Transferred to the Statement of Changes in Equity)				
Earning Per Share	4.05	1.45	2.38	1.08

Attached notes of page no. 5 forms part of these financial statements.

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SQUARE TEXTILES LIMITED

Consolidated Cashflow Statement(Unaudited)
For the period ended June 30, 2010

	Amount 6/30/2010 Tk. '000	Amount 6/30/2009 Tk. '000
Cash Flow From Operating Activities:		
Receipts		
Cash From Sales Revenue	2,617,901	2,817,257
Cash from Other Income	51	228
Total Cash Receipts	2,617,952	2,817,485
Payments		
Purchase for Raw & Packing Materials	(1,640,068)	(1,814,790)
Manufacturing and Operating Exp.	(465,840)	(386,955)
Finance Cost	(33,087)	(106,781)
Workers Profit Participation Fund	(20,728)	(7,113)
Total Payments	(2,159,723)	(2,315,639)
Net Cash Flow From Operating Activities	458,229	501,846
Cash Flow From Investing Activities		
Profit from Disposal of Fixed assets	-	295
Purchase of Fixed Assets	(48,236)	(62,868)
Net Cash Flow From Investing Activities	(48,236)	(62,573)
Cash Flow From Financing Activity		
Short term Loan Received/(Payment)	103,726	(78,521)
Investment in Mithapur Tex	(58,881)	-
Long Term Loan Payment	-	(94,885)
Shorterm Bank Loan Received/(Payment)	(385,535)	(263,741)
Net Cash Flow From Financing Activities	(340,690)	(437,147)
Net Cash Position	69,303	2,126
Opening Cash & Bank Balance	91,113	68,113
Closing Cash & Bank Balance	160,416	70,239

Attached notes of page no. 5 forms part of these financial statements.

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Managing Director

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Chief Financial Office

SQUARE TEXTILES LIMITED

Consolidated Statement of Changes in Equity(Unaudited)
For the period ended June 30, 2010

Tk. '000

	Share Capital	General Reserve and Surplus	Total
As at December 31, 2009	705,840.00	2,634,071	3,339,912
Net Profit the Peiod ended June 30, 2010	-	328,450	328,450
Cash Dividend for 2009	-	(112,933)	(112,933)
Stock Dividend for 2009	105,877	(105,876)	-
As at June 30, 2010	811,717.00	2,743,712	3,555,429

Consolidated Statement of Changes in Equity(Unaudited)
For the period ended June 30, 2009

Tk. '000

	Share Capital	General Reserve and Surplus	Total
As at December 31, 2008	588,200.00	2,511,149.00	3,099,349.00
Net Profit the Peiod ended June 30, 2009	-	118,064.00	118,064.00
Cash Dividend for 2008	-	(105,876)	(105,876.00)
Stock Dividend for 2008	117,640	(117,640)	-
As at June 30, 2009	705,840.00	2,405,697.00	3,111,537.00

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Managing Director

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