

Malek Spinning Mills Limited

Registered Office: 117/A, Tejgaon I/A, Dhaka-1215
Corporate & Share Office: Mehnaj Monsur Tower
House No-11/A, Road No-130, Gulshan-1, Dhaka-1212

PRICE SENSITIVE INFORMATION

This is for information of all concerned that the Board of Directors of the Company (MSML) in its meeting held on 16th January, 2013 at 3.00 pm to 3.45 pm decided to restructure the Authorised/Paid-up Capital and repayment of liabilities of its following subsidiary companies:

(1) Salek Textile Limited (STL):

The Company's Authorised Capital is Tk.500 million consisting of 5 (five) million ordinary shares of Tk.100 each out of which Tk.289.82 million is paid up as on 31-12-2012 of which 96.55% is held by MSML. Board of Directors of STL has proposed to increase the paid up capital by Tk.110.18 million to Tk.400 million. Since the minority shareholders (3.45%) have refused to subscribe to their part of the increased paid up capital, the Board of Directors of STL has offered the entire additional shares of Tk.110.18 million to MSML raising its shareholding to 97.50%. The Board of Directors of MSML has approved the proposal, subject to consent of Bangladesh Securities & Exchange Commission (BSEC).

(2) J.M. Fabrics Limited (JMFL):

The Company's Authorised Capital is Tk.500 million consisting of 5 (five) million ordinary shares of Tk.100 each out of which Tk.62.50 million is paid up as on 31-12-2012 of which 99.98% is held by MSML. The Board of Directors of JMFL has proposed to increase the paid up capital by Tk.337.50 million to Tk.400 million. Since the minority shareholders (.02%) have refused to subscribe to their part of the increased paid up capital, the Board of Directors of JMFL has offered the entire additional shares of Tk. 337.50 million to MSML. Since Board of Directors of MSML have approved the proposal of JMFL, its shareholding will stand at 99.99%. The proposal would be subject to consent of Bangladesh Securities & Exchange Commission (BSEC).

(3) Titas Spinning & Denim Company Ltd. (TSDCL):

The Company's existing Authorised Capital is Tk.100 million consisting of 1 (one) million ordinary shares of Tk.100 each of which the paid up capital is Tk.1.00 million. The Board of Directors of TSDCL has proposed to increase the Authorised Capital to Tk1,000 million and simultaneously raise the paid up capital by Tk.379 million to Tk.380 million. At present, MSML holds 90% shares of TSDCL. Since the minority shareholders (10%) have refused to subscribe to their part of the increased paid up capital, the Board of Directors of TSDCL has offered the entire additional shares of Tk.379.00 million to MSML. Since Board of Directors of MSML have approved the proposal of TSDCL, its shareholding will stand at 99.97%. The proposal would be subject to consent of Bangladesh Securities & Exchange Commission (BSEC).

(4) MSML shall subscribe to the proposed additional share issues of all the above named 3 (three) subsidiaries from its internal generation of funds.

(5) The proposed Capital Restructuring of the subsidiaries and liquidation of their loans/advances/liabilities, as the case may be, are expected to result in financial discipline and economic operations of the respective subsidiary company.

Dated, Dhaka
January 16, 2013

By order of the Board

Sd/-
(Syed Saiful Haque)
Company Secretary