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MALEK SPINNING MILLS LIMITED

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PRICE SENSITIVE INFORMATION

This is for information of all concerned that the Board of Directors of the Company (MSML) in its meeting held on 19th June, 2013 at 2.30 pm to 3.15 p.m. approved the proposal of the Board of Directors of New Asia Synthetics Limited (NSL) to raise the paid up capital from existing Tk. 93,715,000/- to Tk.500,000,000/- consisting of 5,000,000 ordinary shares of Tk.100/- each. The funds so raised would be utilized for repayment of liabilities and payment for purchase of additional strategic lands and ancilliary investments by NSL. Since the minority shareholders (3.77%) have refused to subscribe to their part of the increased paid up capital, the Board of Directors of NSL has offered the entire additional shares of Tk. 406,285,000/- to MSML. The Board of Directors of MSML have approved the proposal of NSL. As a result the shareholding will stand at 99.30% from existing 96.23%. The proposal would be subject to approval of Bangladesh Securities & Exchange Commission (BSEC).

MSML shall subscribe to the proposed additional share issues of the above subsidiary from its internal generation of funds.

The proposed Capital Restructuring of the subsidiary and liquidation of their loans/advances/liabilities and payment for additional land and ancilliary investments as the case may be, are expected to result in financial discipline and economic operations of the respective company.

It may be mentioned that the implementation of NSL project was shelved, as approved by the shareholders of MSML in its AGM held on 27th December, 2010 due to non-availability of gas from Titas Gas Transmission & Distribution Company Ltd. and the balance of the IPO funds was invested in acquisition of two operating Companies namely J.M. Fabrics Limited and Titas Spinning & Denim Company Limited. However NSL had to continue to purchase certain contracted strategic lands due to geographical contiguity, location and security positions which would require additional funds for implementation of the project in due course of time.

Dated, Dhaka
June 19, 2013

By order of the Board

Sd/-
(Syed Saiful Haque)
Company Secretary