

Dear Shareholders,

We forward herewith the unaudited Financial Statements for the Half Year ended 31st December 2012 of the Company as per Rule 13 of the Securities and Exchange Rules 1987.

sd/-  
**A.Matin Chowdhury**  
Managing Director

**MALEK SPINNING MILLS LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31<sup>ST</sup> DECEMBER 2012**  
**Un-Audited**

	<u>DEC'12</u> <u>Taka</u>	<u>JUNE'12</u> <u>Taka</u>
<b>ASSETS :</b>		
<b>Non-Current Assets:</b>	<b>3,326,444,790</b>	<b>3,386,837,289</b>
Property, Plant and Equipment	2,480,087,890	2,540,480,389
Investment in Subsidiary Company	433,406,900	433,406,900
Share Money Deposit to Subsidiary Company	412,950,000	412,950,000
<b>Current Assets :</b>	<b>3,655,104,062</b>	<b>4,540,220,359</b>
Inventories	1,293,543,720	1,526,179,837
Accounts Receivable	1,075,691,667	1,133,737,602
Advances, Deposits and Pre-payments	1,114,147,015	1,721,014,240
Cash and Cash Equivalents	171,721,660	159,288,680
<b>TOTAL ASSETS :</b>	<b><u>6,981,548,852</u></b>	<b><u>7,927,057,648</u></b>
<b>SHAREHOLDER'S EQUITY AND LIABILITIES :</b>		
<b>Shareholder's Equity :</b>	<b>5,299,613,746</b>	<b>5,402,999,606</b>
Share Capital	1,936,000,000	1,760,000,000
Share Premium	1,500,000,000	1,500,000,000
Retained Earnings	1,677,651	242,573,526
Re-valuation Surplus of Fixed Assets	1,861,936,095	1,900,426,080
<b>Non-Current Liabilities:</b>	<b>424,625,020</b>	<b>648,356,389</b>
Long Term Loan	246,311,589	648,356,389
Deferred Tax Liabilities	178,313,431	-
<b>Current Liabilities :</b>	<b>1,257,310,086</b>	<b>1,875,701,652</b>
Short Term Loan	341,464,392	108,067,213
Current Portion of Long Term Loan	355,552,258	561,964,674
Bank Acceptance Liabilities	423,604,525	1,095,840,753
Creditors and Accruals	136,688,912	109,829,013
<b>TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES :</b>	<b><u>6,981,548,852</u></b>	<b><u>7,927,057,648</u></b>
<b>Net Assets Value Per Share (NAV)</b>	<b>27.37</b>	<b>30.70</b>
Par Value Tk.10		

sd/-  
**A. Matin Chowdhury**  
Managing Director

sd/-  
**Azizur Rahim Chowdhury**  
Director

sd/-  
**B.K. Chaki**  
Chief Financial Officer

**MALEK SPINNING MILLS LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD FROM 1<sup>ST</sup> JULY 2012 TO 31<sup>ST</sup> DECEMBER 2012**  
**Un-Audited**

	<u>JUL'12-DEC'12</u>	<u>JUL'11-DEC'11</u>	<u>OCT'12- DEC'12</u>	<u>OCT'11- DEC'11</u>
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Sales	1,740,359,272	1,309,506,445	828,545,149	748,166,284
Cost of Goods Sold	1,497,695,856	1,678,526,313	704,810,009	1,031,323,065
<b>Gross Profit/(Loss) :</b>	<b>242,663,416</b>	<b>(369,019,868)</b>	<b>123,735,140</b>	<b>(283,156,781)</b>
Operating Expenses	29,101,243	24,283,794	13,663,838	13,945,873
Financial Expenses	118,228,028	64,532,042	78,611,973	44,594,474
Loss on Sale of Assets	53,258	-	53,258	-
<b>Operating Profit/(Loss) :</b>	<b>95,280,888</b>	<b>(457,835,704)</b>	<b>31,406,071</b>	<b>(341,697,128)</b>
Add: Other Income	5,511,724	4,377,694	4,710,360	4,377,694
<b>Net Operating Profit/(Loss) :</b>	<b>100,792,612</b>	<b>(453,458,010)</b>	<b>36,116,430</b>	<b>(337,319,434)</b>
Provision for Contribution to WPPF	5,039,631	-	1,805,822	-
<b>Profit/(Loss) before Tax :</b>	<b>95,752,981</b>	<b>(453,458,010)</b>	<b>34,310,609</b>	<b>(337,319,434)</b>
<b>Provision for Income Tax :</b>	<b>199,138,841</b>	<b>-</b>	<b>186,935,566</b>	<b>-</b>
Current Tax	20,825,410	-	8,622,135	-
Deferred Tax	178,313,431	-	178,313,431	-
<b>Net Profit/(Loss) for this period</b>	<b>(103,385,860)</b>	<b>(453,458,010)</b>	<b>(152,624,957)</b>	<b>(337,319,434)</b>
(Transferred to the Statement of Changes in Equity)				
<b>Earnings Per Share (EPS)</b>	<b>(0.53)</b>	<b>(2.58)</b>	<b>(0.79)</b>	<b>(1.92)</b>
Par Value Tk.10				

sd/-  
**A. Matin Chowdhury**  
Managing Director

sd/-  
**Azizur Rahim Chowdhury**  
Director

sd/-  
**B.K. Chaki**  
Chief Financial Officer

# MALEK SPINNING MILLS LIMITED

## STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM 1<sup>ST</sup> JULY 2012 TO 31<sup>ST</sup> DECEMBER 2012

### Un-Audited

	<u>DEC'12</u> <u>Taka</u>	<u>DEC'11</u> <u>Taka</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Collection from Turnover & Accounts Receivable	1,798,405,207	1,239,860,651
Payment for Raw Materials, Indirect Materials and other expenses	(1,876,943,801)	(2,135,085,261)
Collection from Other Income	5,511,724	4,377,694
Payment for Operating Expenses	(28,039,759)	(22,699,581)
Payment for Income Tax	-	(29,667,317)
Payment for Financial Expenses	(118,228,028)	(64,532,042)
<b>Net Cash provided/(used) by Operating Activities</b>	<b>(219,294,656)</b>	<b>(1,007,745,856)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Acquisition of Fixed Assets	(166,400)	(702,260)
Disposal of Fixed Assets	403,258	-
Loss on Sale of Fixed Assets	(53,258)	-
<b>Net cash used in Investing Activities</b>	<b>183,600</b>	<b>(702,260)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Bank Loan Increase/(Decrease)	(375,060,037)	916,353,017
Refundable IPO Share Money payment	(237,501)	(855,703)
Dividend Payment	(25,650)	(517,050)
Advance, Deposit and Prepayments.	606,867,225	(105,405,807)
<b>Net Cash provided/(used) by Financing Activities</b>	<b>231,544,036</b>	<b>809,574,457</b>
<b>Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>12,432,980</b>	<b>(198,873,658)</b>
Cash & Cash Equivalents at 1 <sup>st</sup> July 2012	159,288,680	575,484,695
<b>Cash and Cash Equivalents at 31<sup>st</sup> December 2012</b>	<b>171,721,660</b>	<b>376,611,036</b>
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	<b>(1.13)</b>	<b>(5.73)</b>
Par Value Tk.10		

sd/-  
**A. Matin Chowdhury**  
Managing Director

sd/-  
**Azizur Rahim Chowdhury**  
Director

sd/-  
**B.K. Chaki**  
Chief Financial Officer

**MALEK SPINNING MILLS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**Un-Audited**

**FOR THE PERIOD FROM 1<sup>ST</sup> JULY 2012 TO 31<sup>ST</sup> DECEMBER 2012**

Particulars	Share Capital	Share Premium	Revaluation Surplus of Fixed Assets	Retained Earnings	Total
Balance as at 1 <sup>st</sup> July 2012	1,760,000,000	1,500,000,000	1,900,426,080	242,573,526	5,402,999,606
Net Profit/(Loss) during the period			-	(103,385,860)	(103,385,860)
Adjustment of Revaluation surplus of Fixed Assets			(38,489,985)	38,489,985	-
Issuance of Stock Dividend for 2011-2012	176,000,000			(176,000,000)	-
<b>As at 31st December 2012</b>	<b>1,936,000,000</b>	<b>1,500,000,000</b>	<b>1,861,936,095</b>	<b>1,677,651</b>	<b>5,299,613,746</b>

**FOR THE PERIOD FROM 1<sup>ST</sup> JULY 2011 TO 31<sup>ST</sup> DECEMBER 2011**

Particulars	Share Capital	Share Premium	Revaluation Surplus of Fixed Assets	Retained Earnings	Total
Balance as at 1st July 2011	1,600,000,000	1,500,000,000	1,000,353,737	705,897,385	4,806,251,122
Net Profit during the period	-	-		(453,458,010)	(453,458,010)
Adjustment of Revaluation surplus of Fixed Assets			(23,264,860)	23,264,860	-
Issuance of Stock Dividend for 2010-2011	160,000,000			(160,000,000)	-
<b>As at 31st December 2011</b>	<b>1,760,000,000</b>	<b>1,500,000,000</b>	<b>977,088,877</b>	<b>115,704,235</b>	<b>4,352,793,112</b>

sd/-  
**A. Matin Chowdhury**  
 Managing Director

sd/-  
**Azizur Rahim Chowdhury**  
 Director

sd/-  
**B.K. Chaki**  
 Chief Financial Officer

**MALEK SPINNING MILLS LIMITED**  
**STATEMENT OF CONSOLIDATED FINANCIAL POSITION**  
**AS AT 31<sup>ST</sup> DECEMBER 2012**  
**Un-Audited**

	<u>DEC'12</u> <u>Taka</u>	<u>JUNE'12</u> <u>Taka</u>
<b>ASSETS :</b>		
<b>Non-Current Assets :</b>	<b>8,707,786,565</b>	<b>8,719,172,418</b>
Property, Plant and Equipment	8,431,908,301	8,505,011,378
Capital Work-in-Progress	237,527,194	177,072,526
Pre-operating Expenses	27,967,527	25,551,245
Trial and operation Loss	10,383,542	11,537,269
<b>Current Assets :</b>	<b>5,765,058,914</b>	<b>5,420,319,613</b>
Inventories	2,479,411,886	2,425,403,143
Accounts Receivable	2,503,913,986	2,450,941,611
Advances, Deposits and Pre-payments	354,541,630	160,573,736
Cash and Cash Equivalents	427,191,412	383,401,123
<b>TOTAL ASSETS :</b>	<b><u>14,472,845,479</u></b>	<b><u>14,139,492,031</u></b>
<b>SHAREHOLDER'S EQUITY AND LIABILITIES:</b>		
<b>Shareholder's Equity :</b>	<b>8,035,910,008</b>	<b>8,248,265,786</b>
Share Capital	1,936,000,000	1,760,000,000
Share Premium	1,500,000,000	1,500,000,000
Retained Earnings	72,981,737	279,602,328
Tax Holiday Reserve	149,263,753	142,176,637
Re-valuation Surplus of Fixed Assets	4,377,664,518	4,566,486,822
<b>Minority Interest</b>	<b>112,359,494</b>	<b>(8,610,136)</b>
<b>Non Current Liabilities:</b>	<b>2,643,763,381</b>	<b>2,082,895,400</b>
Long Term Loan	2,374,139,179	2,082,895,400
Deferred Tax Liabilities	269,624,202	-
<b>Current Liabilities :</b>	<b>3,680,812,596</b>	<b>3,816,940,980</b>
Short Term Loan	812,472,563	468,629,755
Current Portion of Long Term Loan	567,904,460	887,018,688
Security Deposit against Sales	1,500,000	1,500,000
Bank Acceptance Liabilities	1,479,402,197	1,728,970,941
Credirors and Accruals	799,338,208	730,821,596
Loan from Directors	20,195,168	-
<b>TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES :</b>	<b><u>14,472,845,479</u></b>	<b><u>14,139,492,031</u></b>
<b>Net Assets Value Per Share (NAV)</b>	<b>41.51</b>	<b>46.87</b>
Par Value Tk.10		

sd/-  
**A. Matin Chowdhury**  
 Managing Director

sd/-  
**Azizur Rahim Chowdhury**  
 Director

sd/-  
**B.K. Chaki**  
 Chief Financial Officer

**MALEK SPINNING MILLS LIMITED**  
**STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME**  
**FOR THE PERIOD FROM 1<sup>ST</sup> JULY 2012 TO 31<sup>ST</sup> DECEMBER 2012**  
**Un-Audited**

	<u>JUL'12-DEC'12</u>	<u>JUL'11-DEC'11</u>	<u>OCT'12-DEC'12</u>	<u>OCT'11-DEC'11</u>
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Sales	4,029,101,260	2,330,147,813	2,061,312,082	1,374,657,854
Cost of Goods Sold	<u>3,416,166,505</u>	<u>2,673,710,362</u>	<u>1,689,568,736</u>	<u>1,601,268,003</u>
<b>Gross Profit :</b>	<b>612,934,755</b>	<b>(343,562,549)</b>	<b>371,743,346</b>	<b>(226,610,149)</b>
Operating Expenses	90,645,630	46,370,495	51,068,211	25,453,360
Financial Expenses	309,193,827	175,787,128	200,105,409	116,354,726
Amortization of Trial and Operation loss	1,153,727	1,442,159	576,863	721,079
Loss on Sale of Fixed Assets	<u>53,258</u>	<u>-</u>	<u>53,258</u>	<u>-</u>
<b>Operating Profit/(Loss) :</b>	<b>211,888,313</b>	<b>(567,162,331)</b>	<b>119,939,606</b>	<b>(369,139,315)</b>
Add : Other Income	6,314,330	4,377,694	5,512,966	4,377,694
<b>Net Operating Profit/(Loss) :</b>	<b>218,202,643</b>	<b>(562,784,637)</b>	<b>125,452,571</b>	<b>(364,761,621)</b>
Provision for Contribution to WPPF	<u>10,870,002</u>	<u>1,067,924</u>	<u>6,232,498</u>	<u>929,966</u>
<b>Profit/(Loss) before Tax :</b>	<b>207,332,641</b>	<b>(563,852,561)</b>	<b>119,220,073</b>	<b>(365,691,587)</b>
<b>Provision for Income Tax :</b>	<b>303,267,600</b>	<b>2,242,641</b>	<b>287,103,024</b>	<b>1,952,929</b>
Current Tax	<u>33,643,398</u>	<u>2,242,641</u>	<u>17,478,822</u>	<u>1,952,929</u>
Deferred Tax	<u>269,624,202</u>	<u>-</u>	<u>269,624,202</u>	<u>-</u>
<b>Net Profit/(Loss) for this period:</b>	<b>(95,934,959)</b>	<b>(566,095,202)</b>	<b>(167,882,951)</b>	<b>(367,644,516)</b>
Transferred to Tax Holiday Reserve	<u>7,087,116</u>	<u>-</u>	<u>2,100,945</u>	<u>-</u>
<b>Net Profit/(Loss) after Tax Holiday Reserve:</b>	<b>(103,022,075)</b>	<b>(566,095,202)</b>	<b>(169,983,896)</b>	<b>(367,644,516)</b>
Minority Interest	<u>219,463</u>	<u>(13,172,245)</u>	<u>(1,515,356)</u>	<u>(4,867,664)</u>
<b>Net Profit/(Loss) Balance:</b>	<b>(103,241,539)</b>	<b>(552,922,957)</b>	<b>(168,468,540)</b>	<b>(362,776,851)</b>
(Transferred to the Statement of Changes in Equity)				
<b>Earnings per Share (EPS)</b>	<b>(0.50)</b>	<b>(3.14)</b>	<b>(0.86)</b>	<b>(2.06)</b>
Par Value Tk.10				

sd/-  
**A. Matin Chowdhury**  
Managing Director

sd/-  
**Azizur Rahim Chowdhury**  
Director

sd/-  
**B.K. Chaki**  
Chief Financial Officer

**MALEK SPINNING MILLS LIMITED**  
**STATEMENT OF CONSOLIDATED CASH FLOWS**  
FOR THE PERIOD FROM 1<sup>ST</sup> JULY 2012 TO 31<sup>ST</sup> DECEMBER 2012

**Un-Audited**

	<b><u>DEC'12</u></b>	<b><u>DEC'11</u></b>
	<b><u>Taka</u></b>	<b><u>Taka</u></b>
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Collection from Turnover & Bills Receivable	3,976,128,885	2,787,966,018
Collection from Other Income	6,314,330	4,377,694
Payment for Raw Materials, Indirect Materials and other expenses	(3,473,163,065)	(3,679,221,044)
Payment for Operating Expenses	(87,841,693)	(42,949,112)
Payment of Financial Expenses	(304,645,017)	(175,787,128)
Payment for Income Tax	(7,096,325)	(32,061,335)
<b>Net Cash provided/(used) by Operating Activities</b>	<b><u>109,697,116</u></b>	<b><u>(1,137,674,907)</u></b>
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Acquisition of Fixed Assets	(145,320,355)	(19,558,989)
Acquisition of Capital work in progress	(60,454,668)	(179,022,213)
Disposal of Fixed Assets	403,258	-
Loss on Sale of Fixed Assets	(53,258)	-
Pre-operating expenses	(2,418,285)	(1,645,008)
<b>Net cash used in Investing Activities</b>	<b><u>(207,843,308)</u></b>	<b><u>(200,226,210)</u></b>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Bank Loan Increase/(Decrease)	315,972,358	1,123,892,521
Loan from Directors	20,195,168	1,700,000
Advance Deposit & Prepayments	(193,967,894)	(49,853,815)
Refundable IPO Share Money payment	(237,501)	(855,703)
Dividend Payment	(25,650)	(517,050)
<b>Net cash provided/(used) in Financing Activities</b>	<b><u>141,936,481</u></b>	<b><u>1,074,365,953</u></b>
<b>Increase/(Decrease) in Cash and Cash Equivalents</b>	<b><u>43,790,289</u></b>	<b><u>(263,535,164)</u></b>
Cash & Cash Equivalents at 1 <sup>st</sup> July 2012	383,401,123	759,366,510
<b>Cash and Cash Equivalents at 31<sup>st</sup> December 2012</b>	<b><u>427,191,412</u></b>	<b><u>495,831,346</u></b>
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	<b>0.57</b>	<b>(6.46)</b>
Par Value Tk.10		

sd/-  
**A. Matin Chowdhury**  
 Managing Director

sd/-  
**Azizur Rahim Chowdhury**  
 Director

sd/-  
**B.K. Chaki**  
 Chief Financial Officer

**MALEK SPINNING MILLS LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**Un-Audited**

**FOR THE PERIOD FROM 1<sup>ST</sup> JULY 2012 TO 31<sup>ST</sup> DECEMBER 2012**

Particulars	Share Capital	Share Premium	Revaluation Surplus of Fixed Assets	Tax holiday Reserve	Retained Earnings	Total
Balance as at 1 <sup>st</sup> July 2012	1,760,000,000	1,500,000,000	4,566,486,822	142,176,636	279,602,328	8,248,265,786
Net Profit/(Loss) during the year					(103,241,539)	(103,241,539)
Profit & Loss appropriation A/c (Adjustment)					4,093,929	4,093,929
Revaluation Surplus of Fixed Assets			(68,527,019)		68,527,019	-
Tax Holiday Reserve				7,087,116		7,087,116
Minority Interest			(120,295,285)			(120,295,285)
Issuance of Stock Dividend for 2011-2012	176,000,000				(176,000,000)	-
<b>As at 31st December 2012</b>	<b>1,936,000,000</b>	<b>1,500,000,000</b>	<b>4,377,664,518</b>	<b>149,263,753</b>	<b>72,981,737</b>	<b>8,035,910,008</b>

**FOR THE PERIOD FROM 1<sup>ST</sup> JULY 2011 TO 31<sup>ST</sup> DECEMBER 2011**

Particulars	Share Capital	Share Premium	Revaluation Surplus of Fixed Assets	Tax holiday Reserve	Retained Earnings	Total
Balance as at 1 <sup>st</sup> July 2011	1,600,000,000	1,500,000,000	1,000,353,737	117,942,221	640,273,871	4,858,569,829
Net Profit during the period					(552,922,957)	(552,922,957)
Revaluation Surplus of Fixed Assets			(23,264,860)		23,264,860	-
Issuance of Stock Dividend for 2010-2011	160,000,000				(160,000,000)	-
<b>As at 31st December 2011</b>	<b>1,760,000,000</b>	<b>1,500,000,000</b>	<b>977,088,877</b>	<b>117,942,221</b>	<b>(49,384,226)</b>	<b>4,305,646,872</b>

sd/-  
**A. Matin Chowdhury**  
 Managing Director

sd/-  
**Azizur Rahim Chowdhury**  
 Director

sd/-  
**B.K. Chaki**  
 Chief Financial Officer