MALEK SPINNING MILLS PLC.

ANNUAL REPORT

2024-2025

WWW.MALEKSPINNING.COM

IDEA CAPABILITY ENERGY PARTNERSHIP

36^{th} ANNUAL REPORT 2024-2025

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36^{th} ANNUAL REPORT 2024-2025

Malek Spinning Mills PLC.

Registered Office: 117/A, Tejgaon Industrial Area, Dhaka-1208, Bangladesh

Corporate Head Office: Tower One One Seven, 117/A, Tejgaon Industrial Area, Dhaka-1208

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E-mail: allabj@newasiabd.com, Website: www.malekspinning.com

MALEK SPINNING MILLS PLC.

TRANSMITTAL LETTER

The Shareholders
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange PLC.
Chittagong Stock Exchange PLC.

Sub: Annual Report for the year ended 30th June, 2025

Dear Sir(s),

We are pleased to enclose a copy of the Annual Report of Malek Spinning Mills PLC. containing Directors' Report, Auditors' Report along with the Audited Financial Statements comprising Statement of Financial Position as at June 30, 2025, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended June 30, 2025 along with notes thereon and all related Consolidated and Subsidiaries Financial Statements, Corporate Governance Compliances and others for your kind information and records.

Thanking you,

Yours sincerely,

Syed Saiful Haque
Company Secretary

Dated: November 19, 2025

MALEK SPINNING MILLS PLC.

Registered Office: 117/A, Tejgaon Industrial Area, Dhaka-1208, Bangladesh

Corporate Head Office: Tower One One Seven, 117/A, Tejgaon Industrial Area, Dhaka-1208

NOTICE OF THE 36th ANNUAL GENERAL MEETING

Notice is hereby given that the **36th ANNUAL GENERAL MEETING** of the shareholders of the Company will be held on **Monday, 15th December, 2025 at 11:00 a.m.** by using Digital (Virtual) Platform through the link **https://www.digitalagmbd.net/malekspin** to transact the following businesses:

Agenda-1. To receive and adopt the Audited Financial Statements of the company for the year ended 30th June, 2025 together with the Report of the Directors' and the Auditors' thereon.

Agenda-2. To declare dividend for the year ended 30th June, 2025.

Agenda-3. To elect Directors in terms of the relevant provision of Articles of Association of the Company.

Agenda-4. To appoint Statutory Auditors for the year 2025-2026 and to fix their remuneration.

Agenda-5. To approve appointment of the Independent Directors.

Agenda-6. To confirm the re-appointment of the Managing Director.

Agenda-7. To appoint Corporate Governance Compliance Auditors for the year 2025-2026 and to fix their remuneration.

Agenda-8. To consider approval of sale of yarn (finished goods) to subsidiary/associate/sister companies, if any.

By order of the Board

Syed Saiful Haque

Company Secretary

Dated: November 19, 2025

Notes:

(i) The shareholders whose names appeared in the Share Register of the Company and/or Depository Register of CDBL on the **record date i.e. November 17, 2025** are eligible to attend in the AGM and be entitled to the dividend.

(ii) Pursuant to the Bangladesh Securities and Exchange Commission's Directive No. BSEC/CMRRCD/2009-193/08 dated March 10, 2021 and BSEC/ICAD/SRIC/2024/318/87 dated March 27, 2024, the AGM will be virtual meeting, which will be conducted via live webcast by using digital platform.

(iii) **The shareholders are requested to participate at the AGM by login to the following link: https://www.digitalagmbd.net/malekspin**

(iv) The Shareholders will be able to submit their questions/comments and vote electronically **24 hours before** commencement of the AGM and during the AGM. For logging into the system, the Shareholders need to put their 16-digit Beneficial Owner (BO) ID number/Folio number and other credential as proof of their identity.

(v) A Shareholder entitled to attend and vote at the AGM may appoint any person as his/her proxy to attend & vote in his/her place. The Proxy form must be affixed with requisite revenue stamp and be deposited at the Corporate Head Office of the Company not less than 72 hours before the time fixed for the meeting.

(vi) Pursuant to the BSEC Notification, the soft copy of the Annual Report 2024-25 will be sent to the email addresses of the Shareholders available in their BO accounts maintained with the Depository and this Report will also be available in the Company's website at **www.malekspinning.com**

(vii) The shareholders are requested to login to the system prior to starting of the meeting **at 11:00 A.M. on Monday, 15 December 2025.** Please contract at +8801709998861 for any queries in accessing the virtual meeting.

CORPORATE GOVERNANCE:

Corporate Governance is a discipline by which a Company is controlled and directed. Governance is the path to identify and ensure the ethics, rights and responsibilities among different participants in the Company. Good Corporate Governance is key to its successful sustenance. Corporate Governance of Malek Spinning Mills PLC. is as follows:

Board of Directors

In line with the concept of Good Corporate Management Practice and the provisions of Articles of Association, The Board of Directors, the top Management tier is responsible for overall control and supervision of the entire affairs of the Company primarily through strategic planning & budgetary control mechanisms. To this end, The Board of Directors hold periodic meetings to resolve issues of policies and strategies, recording the minutes/decisions for implementation by the Executive Management.

During the year under review the Board of Directors of Malek Spinning Mills PLC. held 06 (Six) meetings to transact various agenda. The intervening gap between the meetings was within the period prescribed under the Companies Act.

The present Board of Directors consist of Nine (9) members including three Independent Directors with varied education and experience which provides a balancing character in decision making process.

The present Board of Directors are comprised by the following owners/persons:

Mr. A.F.M. Zubair	Chairman
Mr. A. Matin Chowdhury	Managing Director
Dr. Shamim Matin Chowdhury	Director
Mr. Azizur Rahim Chowdhury	Director
Ms. Saima Matin Chowdhury	Director
Mr. Mahir Rahman	Director (Nominee of Paragon Poultry Ltd.)
Mr. Syed Rafiqul Haq	Independent Director
Mr. Rahel Ahmed	Independent Director
Ms. Dalia Rahman, FCMA	Independent Director

The Board is re-constituted every year by the Members (shareholders) of the Company in the Annual General Meeting through retirement/re-election/election of one-third members.

Separate Role of the Chairman and Managing Director

The positions of Chairman and Managing Director are held by separate persons. Mr. A.F.M. Zubair is the Chairman of the Company and responsible for the functions of the Board while Mr. A. Matin Chowdhury is the Managing Director serves as the Chief Executive Officer (CEO) of the Company.

Independent Director

In compliance of the BSEC Regulations on Good Governance, the Board of Directors as empowered by the Regulations, appointed:

(1) Mr. Syed Rafiqul Haq former Additional Managing Director & Chief Business Officer of Mutual Trust Bank Ltd., obtained Master of Business Administration (MBA) from the Institute of Business Administration (IBA), University of Dhaka, having 38 (Thirty-eight) years' experience in banking industry. Mr. Haq served as an Independent Director in NRB Bank PLC and in Padma Bank PLC. and also serving as Financial Advisor in Energy Pac Engineering Ltd. He has been appointed as an Independent Director of the company for a period of 03 (Three) years with effect from 24-05-2025 and

(2) Mr. Rahel Ahmed former Managing Director & CEO of Prime Bank Limited and Kori Digital Bank PLC, completed Master of Business Administration (MBA) in International Business from Maastricht School of Management, Netherlands and Bachelor of Commerce having 29 (Twenty-nine) years' experience in Multi-National and Local Banks at home and abroad. Mr. Ahmed currently serving as Strategic Partner (Bangladesh) in CustIntCo (formerly Bizbaz) and Advisor in Healthcare Information System Limited (Daktarbhai). He has been appointed as an Independent Director of the company for a period of 3 (three) years with effect from 23-07-2025 and

(3) Ms. Dalia Rahman FCMA, a seasoned finance professional with extensive experience in financial management, budgeting, costing, risk management & compliance and a Fellow Member of the Institute of Cost and Management Accountants of Bangladesh (ICMAB), also qualified in International Public Sector Accounting Standards (IPSAS) under ACCA, completed Masters of Business Studies (MBS) in Accounting from National University. Currently serving as Provident Fund Officer at the Finance Department at International Centre for Diarrheal Diseases Research, Bangladesh (icddr,b) has been appointed as an Independent Director of the company for a period of 03 (Three) years with effect from 26-10-2025.

It is expected that their expertise would help contribute to the further disclosure and protect the interest of all investors in general and smaller investors in particular.

Role & Responsibilities of the Board of Directors

The main role of the Board of Directors, which is the highest level of authority, is to provide general superintendence, oversee the operations and control the affairs of the Company through appropriate delegation and accountability processes via the lines of command.

However, the Board of Directors hold the ultimate responsibility & accountability with due diligence for conducting the activities of the Company as per provisions of law in the interest of the shareholders, the stakeholders, the state and the society.

The Board of Directors, in fulfillment of its responsibility hold periodic meetings, at least once a quarter and provide appropriate decisions/directions to the Executive Management. Such meetings usually consider operational performance, financial results, review of budgets, capital expenditure, proposals for BMRE or new projects/divisions/product lines, procurement of funds by issue of shares or borrowing, procurement of raw materials, plant & machinery, pricing of products/discounts, constitution of the Audit Committee and Nomination & Remuneration Committee, recruitment, training and promotion of officers, approval of annual audited accounts, appropriation of profit and recommendation of dividends and other interest of the stakeholders including the employees and workers.

The Board of Directors take special care in designing and articulating productivity and compensation plans of employees and workers and rewarding them appropriately on the basis of quality and quantity of performance as an incentive. Board also remains responsible for removal of operational hazards to life and health of workers, friendly environmental work condition and social relationship as demanded of good citizen in a country.

Chief Financial Officer, Head of Internal Audit and Company Secretary

The Company has appointed Mr. B. K. Chaki, as Chief Financial Officer, Md. Rakibul Islam, as Head of Internal Audit and Compliance and Mr. Syed Saiful Haque, as Company Secretary of the Company as per requirement of the Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission.

Audit Committee of Board

The Board of Directors has re-constituted the Audit Committee after completion of tenure of the Independent Director and Chairman of the audit committee. The audit committee consisting of three Non-Executive Directors. The members of the Audit Committee are (1) Mr. Syed Rafiqul Haq, Independent Director-Chairman (2) Dr. Shamim Matin Chowdhury, Director- Member and (3) Mr. Mahir Rahman, Director-Member.

The Audit Committee carries out its responsibilities as per the provisions of law and submits its report to the Board of Directors from time to time. The Audit Committee shall also co-ordinate with the Internal and External Auditors as and when required. The Audit Committee ensures that adequate internal checks & balances supported by adequate MIS are in place for detection of errors, frauds and other deficiencies. The other responsibilities include inter alia, not being limited to, the prevention of conflict of interest between the Company and its Directors, officials, customers, suppliers, government and any other interest groups and detect or remove any scope of insider trading in the company’s stock. The Audit Committee also ensures compliance of requirements of BSEC and other agencies. The Audit Committee of the Board held 4 (four) Meetings during the year 2024-2025.

Nomination and Remuneration Committee of Board

The Board of Directors has re-constituted the Nomination and Remuneration Committee (NRC) after completion of tenure of the Independent Director and Chairman of the Nomination and Remuneration Committee (NRC). The Nomination and Remuneration Committee (NRC) consisting of three Non-Executive Directors. The Members of Nomination and Remuneration Committee (NRC) are (1) Mr. Syed Rafiqul Haq, Independent Director- Chairman, (2) Dr. Shamim Matin Chowdhury, Director- Member and (3) Mr. Mahir Rahman, Director- Member. The Nomination and Remuneration Committee (NRC) held 2 (two) meeting during the year 2024-2025.

The terms of reference of the Nomination and Remuneration Committee inter alia include to determine the Company’s policy on specific remuneration packages for executive directors, to review, recommend and/or approve remuneration to whole-time Directors, to review and approve the Remuneration policy of the Company, to formulate criteria for evaluation of Independent Directors and the Board, to devise a policy on Board Diversity, to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board the appointment or removal of such persons and to discharge such other functions and exercise such other powers as may be delegated/directed by the Board of Directors from time to time.

Executive Management

The Executive Management is led by the Managing Director (CEO) who is appointed by the Board of Directors for a term of 5 years (renewable) with the approval of shareholders in the Annual General Meeting. The Managing Director is supported by professional, well educated, trained and experienced team consisting of Mr. Azizur Rahim Chowdhury, Director, Mr. Ghaus Mohammad, Director-HR & Admin, Mr. Arup Kumar Podder, Senior General Manager, Mr. Nazrul Islam, General Manager and Mr. B. K. Chaki, Chief Financial Officer and a host of Senior Executives in the hierarchy of management.

Shareholders' Relationship

Corporate Governance issues include how major policy decisions are made in business corporations, how various stakeholders can influence the process, who is held accountable for performance and what performance standards are applied. In a nutshell power and influence are crucial in corporate governance. As shareholders belong to the most important stakeholders, ownership structure has an impact on the balance of power among shareholders. Though sponsors usually hold majority shares required for ordinary resolutions, public shareholders have a definite role and influence in the passing of special resolutions required for changes in the business object, sale of business/productive assets, merger and amalgamation, winding up or dissolution and amendments to Memorandum and Articles of Association for protection of minority interest up to 49.9% of the shareholdings.

The position of shareholders as on 30th June 2025 indicates that the Sponsors of the Company do not hold the required shareholdings (75%) for passing special resolutions. This allows the Public Shareholders (individual & institutions) to play an effective role in protecting their legal corporate rights.

Shareholders Group	Holding
Sponsors/Directors	47.34%
Institutions	11.15%
General Public	41.51%
Foreigners	0
Government	0

The Company holds regularly the Annual General Meeting [Members (Shareholders) Meeting] as per law with adequate Notice and Disclosures in the Directors' Report and the Auditors' Report on Accounts/Notes and Resolutions are passed with consensus and unanimity. All reasonable and practicable suggestions are implemented with good grace.

All enquiries are attended by the Company Secretary, where necessary. Internal Audit team investigates matters of significant merit for consideration by the Management Committee/Managing Director/Audit Committee of Board/Board of Directors as the case may be.

The shareholders as owners, are provided with material information on the Company's operation quarterly and annually. They are also provided routine services by the Company Affairs Division headed by Company Secretary in any company matters which is permissible. The Board is however, responsible to the Members (Shareholders) as well as investors for publication of Price Sensitive Information as per BSEC Regulation. A qualified & experienced person is in charge for all these responsibilities as Company Secretary. The Company has also a web site to provide permissible information/notices/price sensitive information/financial reports and others for the Shareholders and interested investors.

Summary of Unclaimed/Unsettled Dividend (cash):

Financial Year	Unclaimed/Unsettled cash Dividend Amount (Tk.)
2020-2021	2,044,631.35
Less: Paid to Shareholders	(406,973.15)
Balance of unclaimed cash dividend 2020-21	**1,637,658.20**
Deposited to Capital Market Stabilization Fund (CMSF)	**(1,637,658.20)**
Balance	**Nil**
Bank interest on dividend account upto 31-12-2024	846,051.00
Bank Interest deposited to Capital Market Stabilization Fund (CMSF)	**(846,051.00)**
Balance of bank interest upto 31-12-2024	**Nil**
2021-2022	1,464,588.55
Less: Paid to Shareholders	(31,445.75)
Balance of unclaimed cash dividend 2021-22 (a)	**1,433,142.80**
2022-2023	No Dividend
2023-2024	2,627,750.85
Less: Paid to Shareholders	(325,741.95)
Balance of unclaimed cash dividend 2023-24 (b)	**2,302,008.90**
Total unclaimed cash dividend as on 30-06-2025 (a+b)	**3,735,151.70**
Bank interest as on 30-06-2025 (c)	40,408.70
Total unclaimed cash Dividend & bank interest lying with the Company as on 30-06-2025 (a+b+c)	**3,775,560.40**

Financial/Statutory Auditors

The role of the Financial/Statutory Auditors in certification of the financial statement is the most significant aspect of Corporate Governance and protection of interest of the investors. As evident from the Annual Reports, the company rigidly follows the Companies Act, Rules of Bangladesh Securities and Exchange

Commission, Listing Regulations, Code of International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and International Standard of Auditing (ISA) with legally required disclosures of Accounts and Financial Statements.

This has been possible due to the high-level capability and integrity of the Financial/Statutory Auditor of the Company, M/s. Zoha Zaman Kabir Rashid & Co., Chartered Accountants, whose performances have played a very trustworthy role in the protection of interest of the stakeholders of the Company.

Compliance Auditors

The Compliance Auditors is responsible in "Certification on Compliance of Conditions of Corporate Governance Code 2018" and any modification thereon of Bangladesh Securities and Exchange Commission as well as the provisions of relevant "Bangladesh Secretarial Standards" of Institute of Chartered Secretaries of Bangladesh (ICSB). M/s. Das Chowdhury Dutta & Co., Chartered Accountants is the Compliance Auditors of Malek Spinning Mills PLC. appointed by its Members (shareholders) in their Annual General Meeting.

Dividend Policy

To comply the Directive of Bangladesh Securities and Exchange Commission (BSEC) Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January, 2021 and Directive No. BSEC/CMRRCD/2009-193 (part-07)/91 dated 13 July, 2025 the Company formulated a Dividend Distribution Policy which have been posted in the official website of the company and disclosed in the Annual Report 2024-25.

Segment Report

As there is a single business and geographic segment within the company operates as such no segment reporting is felt necessary for Malek Spinning Mills PLC. But its subsidiaries Salek Textile Ltd. has geographic and product segment by Spinning and Fabrics unit and the financial statement has reported showing result and Financial Position each segment according to IFRS-8. The disclosure of segment reporting is also disclosed in financial of Salek Textile Ltd.

Risk Perception

The Company Management perceives investment risk within the national and international economic situation in relation to legal and moral requirements involving inter alia, intellectual property rights, scientific invention, WTO Regulations etc. and monetary and fiscal investment policies and has prepared its production & marketing strategies to meet the challenges from these risks. The Company Management also perceives Financial Risk including Credit Risk, Liquidity Risk, Market Risk, Price Risk, Interest Risk and Currency Risk.

Compliances

The company has an established procedure to ensure compliance with all applicable statutory and regulatory requirements. Respective officers are responsible for ensuring proper compliance with applicable laws and regulations.

Corporate Social Responsibilities (CSR)

The Board of Directors is also aware of the Corporate Social Responsibilities (CSR) especially in the areas of gender equality, race-religion- regional equality, non- employment of child labor, human rights, environmental pollution, social - marketing and social-activities.

WE STRIVE FOR

- We in Malek Spinning Mills PLC., strive, above all, for top quality products at an appropriate cost.
- We owe our shareholders and strive for protection of their capital as well as ensure highest return and growth of their assets.
- We strive for best compensation to all the employees who constitute the back-bone of the management and operational strength of the Company.
- We strive for the best co-operation of the creditors and debtors the banks & financial institutions who provide financial support when we need them, the suppliers of raw materials & suppliers who offer them at the best prices at the opportune moments, the providers of utilities- power, gas & water etc. and the customers who buy our products and services by redeeming their claim in time by making prompt payment and by distributing proper product on due dates to our customers.
- We strive for fulfillment of our responsibility to the Government through payment of entire range of due taxes, duties and claims by various public agencies like municipalities etc.
- We strive, as responsible citizen, for a social order devoid of malpractices, anti-environmental behaviors, unethical and immoral activities and corruptive dealings.
- We strive for practicing good-governance in every sphere of activities covering inter alia not being limited to, disclosure & reporting to shareholders, holding AGM in time, distribution of dividends and other benefits to shareholders, reporting/dissemination of price sensitive information etc.
- We strive for equality between sexes, races, religions and regions in all sphere of operation without any discriminatory treatment.
- We strive for an environment free from pollution and poisoning.

CORPORATE REVIEW

I. MANAGEMENT APPARATUS:

(a) BOARD OF DIRECTORS:

Mr. A.F.M. Zubair	Chairman
Mr. A. Matin Chowdhury	Managing Director
Dr. Shamim Matin Chowdhury	Director
Mr. Azizur Rahim Chowdhury	Director
Ms. Saima Matin Chowdhury	Director
Mr. Mahir Rahman	Director (Nominee of Paragon Poultry Ltd.)
Mr. Syed Rafiqul Haq	Independent Director
Mr. Rahel Ahmed	Independent Director
Ms. Dalia Rahman, FCMA	Independent Director

(b) AUDIT COMMITTEE:

Mr. Syed Rafiqul Haq	Chairman
Dr. Shamim Matin Chowdhury	Member
Mr. Mahir Rahman	Member
Syed Saiful Haque	Secretary

(c) NOMINATION AND REMUNERATION COMMITTEE:

Mr. Syed Rafiqul Haq	Chairman
Dr. Shamim Matin Chowdhury	Member
Mr. Mahir Rahman	Member
Syed Saiful Haque	Secretary

(d) MANAGEMENT COMMITTEE:

Mr. A. Matin Chowdhury	Chairman
Mr. Azizur Rahim Chowdhury	Member
Mr. Ghaus Mohammad	Member
Mr. Arup Kumar Podder	Member
Mr. Nazrul Islam	Member
Mr. B. K. Chaki	Member

(e) SENIOR CORPORATE OFFICIALS:

Mr. Ghaus Mohammad	Director HR & Admin
Mr. Arup Kumar Podder	Senior General Manager
Mr. Nazrul Islam	General Manager
Mr. B. K. Chaki	Chief Financial Officer
Mr. Syed Saiful Haque	Company Secretary
Md. Rakibul Islam	Head of Internal Audit & Compliance

(f) STATUTORY AUDITORS: M/s Zoha Zaman Kabir Rashid & Co., Chartered Accountants

(g) COMPLIANCE AUDITORS: M/s. Das Chowdhury Dutta & Co., Chartered Accountants

(h) BANKERS:

i. Eastern Bank PLC.	Principal Br, Dhaka
ii. Dhaka Bank PLC.	Karwan Bazar Br, Dhaka
iii. The Trust Bank PLC.	Sena Kalyan Br, Dhaka
iv. HSBC	Main Br, Dhaka
v. One Bank PLC.	Principal Br, Dhaka
vi. BRAC Bank PLC.	Gulshan Br, Dhaka
vii. IDLC Finance PLC.	Gulshan Br, Dhaka

(i) INSURERS:

i. Bangladesh General Insurance Co. Ltd.
iii. Sena Insurance Co. Ltd.
ii. Asia Pacific General Insurance Co. Ltd.

(j) LISTING:

(a) Dhaka Stock Exchange PLC.
(b) Chittagong Stock Exchange PLC

(k) REGISTERED OFFICE: 117/A, Tejgaon Industrial Area, Dhaka-1208.

(l) CORPORATE HEAD OFFICE: Tower One One Seven, 117/A, Tejgaon Industrial Area, Dhaka-1208.

(m) INVESTORS' RELATION DEPARTMENT: Md. Kamruzzaman,
Fax No-880-2-8878064, Email: cs@malekspinning.com,
Tel: 880-2-8878065, Cell: 88-01709998863

(n) FACTORY: Shafipur, Kaliakoir, Gazipur.

II. CORPORATE HISTORY:

• Year of Incorporation	:	02 November, 1989
• Year of Commencement of Production	:	01 January, 1991
• Year of Conversion to Public Ltd. Co.	:	14 September, 2008
• Year of Initial Public Offering (IPO)	:	2010
• Stock Exchange Listing date	:	2nd August, 2010 (DSE & CSE)
• Authorized Capital	:	Tk.3,000 Million
• Paid Up Capital	:	Tk.1,936 Million
• Product Lines	:	Combed and carded yarn of various counts (100% export-oriented company)
• Number of Employees (30th June 2025)	:	a. Executive & staff : 181 b. Workers : 981
• Subsidiary Companies	:	a. Salek Textile Ltd. b. Newasia Synthetics Ltd. c. J.M. Fabrics Ltd.

III. FIVE YEARS OPERATIONAL RESULTS:

Malek Spinning Mills PLC. (Standalone)

(Figures in thousand Tk.)

Particulars	**2024-25**	**2023-24**	**2022-23**	**2021-22**	**2020-21**
Turnover	4,638,217	3,733,429	3,845,154	4,044,427	2,976,287
Gross Profit	594,017	610,844	(273,450)	442,678	450,858
Net Profit/Loss (Before Tax)	311,812	273,771	(463,264)	280,777	294,271
Net Profit/Loss (After Tax)	233,439	212,953	(499,577)	242,019	250,230
Shareholder's Equity	4,719,381	4,587,898	4,455,407	5,148,584	5,115,349
Total Assets	9,158,965	9,672,644	7,914,917	7,933,975	7,817,684
Total Current Assets	4,480,475	4,972,148	3,811,995	3,887,575	3,844,116
Total Current Liabilities	3,074,404	3,389,889	2,310,690	2,324,713	2,231,747
Current Ratio	1.46	1.47	1.65	1.67	1.72
Number of shares (Nos.)	193,600,000	193,600,000	193,600,000	193,600,000	193,600,000
Face Value per share	10	10	10	10	10
Shareholder's Equity per Share	**24.38**	**23.70**	**23.01**	**26.59**	**26.42**
Earnings per share (MSM)	**1.21**	**1.10**	**(2.58)**	**1.25**	**1.29**
Earnings per share (Consolidated)	**7.41**	**7.38**	**(1.14)**	**3.72**	**3.36**
Dividend Declared Per Share (Stock)	Nil	Nil	Nil	Nil	Nil
Dividend Declared Per Share (Cash)	**1.00**	**1.00**	**Nil**	**1.00**	**1.00**
Net Asset Value Per Share (MSM)	**24.38**	**23.70**	**23.01**	**26.59**	**26.42**
Net Operating Cash Flow per Share (MSM)	**1.13**	**(0.70)**	**(4.23)**	**2.19**	**1.75**
Number of Shareholders	16,746	17,022	15,562	14,781	13,365
Executives & Staff	181	172	166	195	189
Workers	981	977	1,020	1,032	1,025

* Number of shareholders considered as on 30th June, 2025.

MESSAGE
FROM THE CHAIRMAN

Dear Shareholders,

It is my privilege to welcome you to the 36th Annual General Meeting of Malek Spinning Mills PLC. On behalf of the Board of Directors, I present to you the Directors' Report, which includes the Audited Financial Statements and the Auditors' Report for the fiscal year ending June 30, 2025.

Performance Overview

The global economy, which had demonstrated a strong recovery from the COVID-19 pandemic and the prolonged Russia-Ukraine conflict, has once again come under strain due to renewed geopolitical tensions. The ongoing geopolitical/economic tension, coupled with persistent instability and economic uncertainty in various regions, have weakened the pace of global economic growth, especially in the developing countries.

Despite these challenges, the company succeeded to earn a net profit of Tk. 233,438,855 during FY 2024-2025, a significant improvement compared to the previous year when the net profit of Tk.212,953,141 was earned. This achievement is primarily attributed due to increase of sales volume of Tk.4,638,216,523 in FY 2024-2025 compared to Tk.3,733,429,250 in FY 2023-2024. Additionally, dividend income of Tk. 119,997,000 from a subsidiary company contributed to the performance.

The Board of Directors declared a 10% cash dividend for general shareholders only as the Sponsors Shareholders & Directors opted to forgo their rights to the dividends for the fiscal year 2023-2024 and 2024-2025 to ensure desirable level of liquidity and debt servicing,

Operational Developments

In line with our commitment to efficiency and sustainability and as per earlier decision of the Board of Directors Meeting, the replacement of old machinery and generator have been installed, and these upgradations enabled us to improve operational efficiency, resulting increased level of utilization of production capacity by 9.59% (85.31% in FY 2024-2025 and 75.72% in FY 2023-2024) compared to last FY 2023-2024.

Challenges

The company continues to navigate through multiple challenges, including an extra 20% US trade tariff, a fragile banking sector, a financial account deficit, currency volatility, and declining foreign exchange reserves. Rising commodity prices and inflationary pressures are compounding these difficulties. The textile and RMG sectors, in particular, face heightened compliance requirements, increased labor costs, and challenges in the supply and higher costs of power and gas, all of which have direct impact on production costs, pricing, and export revenues.

Recognition and Governance

Despite these hurdles, our factories have been recognized by buyers as safe and compliant, enabling us to maintain production and export levels. The Board of Directors is firmly committed to upholding corporate governance and adhering to the Bangladesh Securities and Exchange Commission's Corporate Governance Code. Transparency, accountability, and compliance remain at the core of our business philosophy.

While the current macroeconomic environment presents challenges, Bangladesh's export sector remains on a positive trajectory, and the economy is expected to return to its robust growth path. The company's recent investments in modernization and efficiency place us in a strong position to seize future opportunities.

Acknowledgments

I extend my sincere gratitude to our shareholders, regulators, bankers, insurers, and other stakeholders for their continued trust and support. I would also like to acknowledge the cooperation of the Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange PLC., Chittagong Stock Exchange PLC., Central Depository Bangladesh Limited, and the Registrar of Joint Stock Companies & Firms. Your unwavering commitment has been instrumental in our journey, and we look forward to your continued partnership in the years ahead.

A.F.M. Zubair
Chairman

MALEK SPINNING MILLS PLC.
DIRECTORS' REPORT
TO THE SHAREHOLDERS FOR THE YEAR 2024-2025

Dear Shareholders,

In terms of provisions of section 184 of the Companies Act 1994, Bangladesh Securities and Exchange Rules 2020, BSEC Notification on CGC dated 03 June, 2018 & any modification thereon and International Financial Reporting Standards (IFRS's), it is the pleasure of the Board of Directors to submit its Report to the Shareholders of the Company for the year ended 30 June, 2025 in the following paragraphs:

Background

Malek Spinning Mills PLC. (herein after referred to as "MSM" or "the Company" was incorporated with the Registrar of Joint Stock Companies and Firms (RJSC) vide registration no. C-19018 (872)/89 dated 02 November, 1989 as a Private Limited Company. The status of the Company was converted into Public Limited Company in the year 2008. The company was listed with Dhaka Stock Exchange PLC. and Chittagong Stock Exchange PLC. in the year 2010.

The company has 3 (three) subsidiaries as follows:

1. **Salek Textile Limited-** A composite mill of the Textile sector with two operational units. The rotor unit produces open end yarn of various counts having a capacity of 12,070,000 kgs. yarn per annum. The fabric unit produces denim fabric of various size and grade having capacity of 18,000,000 yards per annum.
2. **J.M. Fabrics Limited-** A Composite Knitting, Dyeing, Finishing and Garments factory located at South Nayapara, 6 No. Dogri, P.O. Bhawal, Mirzapur, Gazipur with a capacity of 55.33 million pcs. T-Shirt, Intimate garments & Seamless product per annum. Previous year 2023-2024 production capacity was 54.73 million. During the reporting year production capacity stood at 55.33 million because of increase of production capacity of Seamless Unit and Cut & Sewing Unit to meet the market demand and order.
3. **Newasia Synthetics Limited-** A project promoted for setting up a polyester staple fiber and chips plant the implementation of which has since been kept in abeyance due to non-availability of energy/fuel & gas.

1. (5) (i) Industry outlook and possible future developments in the industry:

Our Company falls within the primary textile sector producing world class yarn of various counts. Bangladesh does not produce raw cotton, the basic raw materials of our company. So, we have to import 100% raw materials from outside. The success of the industry also depends on availability of raw materials, power & gas, world economy, international price trend, market situation of end product of export i.e. RMG export. Spinning mill is also a labor-oriented industry.

The growth & challenges of the company depends on:

(a) Labor relations
(b) Labor productivity
(c) Energy
(d) Other infrastructures
(e) Law and order
(f) Financial costs

If these issues are appropriately addressed in time, the growth is expected to improve substantially as Bangladesh has already attained the name for being a quality manufacturer with a very reasonably priced supplier.

1. (5) (ii) Segment-wise or product wise performance:

Our company produces 100% export oriented high-quality cotton hosiery yarn. The present installed production capacity of the company is 12,425,000 kg. yarn per annum with 59,964 Spindles.

Comparative position of its operating/financial performance for the year 2024-2025 and 2023-2024 are given below:

Sl. No.	Description	2024-2025	2023-2024
01	Production capacity (Kg)	12,425,000	12,600,000
02	Actual Production (Kg)	10,599,383	9,540,356
03	Capacity Utilization	85.31%	75.72%
04	Quantity Sold (Kg)	12,834,017	9,693,851
05	Sales Revenue (Tk.)	4,638,216,523	3,733,429,250
06	Average selling price (Tk.)	361.40	385.13

1.(5)(iii) Risk and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any:

All sectors of the textile industry face many of the similar challenges. These are lack of power, uncertain fiscal & monetary policies, labor unrest causing disruption of production, Buyers; dominance, international trade barriers and increased cost of fund. Since a Spinning Mill has to depend on imported raw materials and local supply of labour. Price variation of raw material and increased cost of labour are the main risk for this type of industry. Uninterrupted power supply due to irregular gas supply and price variation also affects this type of industry. The Company is also aware of Financial Risk including Credit Risk, Liquidity Risk, Market Risk, Price Risk, Interest Risk and Currency Risk and is prepared to meet those by systematic control which are elaborately described in the notes of financial statement.

1. (5) (iv) Discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin (Solo):

(a) **Cost of Goods Sold:** The cost of goods sold was 87.19% on sales during the year 2024-2025 compared to 83.64% during the previous year, a significant increase of 3.55% was due to decrease of sales price compared to the last year.

(b) **Export:** The company had achieved an export turnover of Tk.4,638.22 million during the year ended 30th June 2025. Last year's export turnover was Tk. 3,733.43 million. The turnover had increased by 24.23% over the last year due to increase of sales quantity.

(c) **Gross Profit/Loss:** Gross Profit earned during the financial year Tk.594.02 million as against previous year Gross Profit of Tk.610.84 million. Due to increase in cost of goods sold percentage on sales compared to the last year resulting in decrease of gross profit.

(d) **Net Profit/(Loss):** The company had earned Net Profit of Tk.233.44 million compared to last year's Net Profit of Tk. 212.95 million. During the reporting year Net Profit increased due to increase of sales volume and decrease of operating expenses.

1. (5) (v) Discussion on continuity of any extraordinary activities and their implications (gain or loss):

During the year extra-ordinary profit was Tk.119,633,781 which were earned from dividend income of J.M. Fabrics Ltd. a subsidiary company of Malek Spinning Mills PLC. and interest received from Bank Accounts after adjustment of foreign currency translation loss, which has been shown as Other Income/(Loss) in the Statement of Profit or Loss and other Comprehensive Income and in the note no.26.1 in the Notes of Account.

1. (5) (vi) Detailed discussion on related party transactions:

The company, in normal course of business, carried out a number of transactions with other entities that fall within the definition of related party contained in International Accounting Standard 24: Related Party Disclosures. All transactions involving related parties arising in normal course of business are conducted on an arm's length basis at commercial rates, on the same terms and conditions as applicable to the third parties. Separate agenda presented for sale of yarn (finished goods) to subsidiary/associate/sister companies exceeding sale of amounting 10% or above of total revenue or turnover for the immediately preceding financial year. Details of Related party transactions are depicted in Note no.34.1 in the Notes of Solo Accounts and Note No.39 of Consolidated Accounts.

1. (5) (vii) Statement of utilization of proceeds raised through public issues, right issues and/or any other instruments:

There were no public issues and/or right issues during the year.

1.(5) (viii) Explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.:

Initial Public Offering was made on the year 2010. There were no Repeat Public Offering, Rights Offer, Direct Listing, etc. in the history of the company.

1.(5)(ix) Explanation on any significant variance occurs between Quarterly Financial performance and Annual Financial Statements:

The company's earnings per share (EPS) in 1st quarter was Tk.0.33 per share, 2nd quarter was stood at Tk.0.63 per share, 3rd quarter was stood at Tk.0.79 per share and in annual financial statements it stood at Tk.1.21 per share. EPS were gradually increased due to increase of net profit.

1.(5) (x) Statement of remuneration paid to the directors including independent directors is stated below:

Name of Directors	Designation	Remuneration paid from 1st July 2024 to 30th June 2025 (Tk.)
Mr. A. F. M. Zubair	Chairman	Nil
Mr. A. Matin Chowdhury	Managing Director	Nil
Dr. Shamim Matin Chowdhury	Director	Nil
Ms. Saima Matin Chowdhury	Director	Nil
Mr. Azizur Rahim Chowdhury	Director	Nil
Mr. Mahir Rahman	Director	Nil
Mr. Muhammad Abul Hossain	Independent Director	Nil
Mr. Syed Rafiqul Haq	Independent Director	Nil
*Mr. Rahel Ahmed	Independent Director	Nil
Total		**Nil**

*Mr. Rahel Ahmed appointed as an Independent Director on 23-07-2025

Independent Directors paid only Board Meeting attendance fees.

1.(5) (xi) to (xvii) Statement of Directors on Financial Reports:

The above reports are depicted in **Annexure-I.**

1.(5) (xviii) Explanation that significant deviations from the last year's operating results of the company:

During the year 2024-2025 the company's Operating Profit earned Tk.207,768,955 as against last year Operating Profit of Tk.232,877,752. The significant decrease in operating results due to increase of percentage of cost of goods sold on sales and increase of financial expenses compared to the last year, resulting decrease in operating profit during the year 2024-2025.

1.(5) (xix) Key operating and financial data of last preceding 5 (five) years have been presented in summarized form in page no. 09

1.(5) (xx) Dividend:

For the year 2024-2025 the Board of Directors recommended 10% Cash Dividend Only for the General Shareholders excluding Sponsors and Directors i.e. Tk. 1.00 per share of Tk. 10.00 each for every 01 (One) Ordinary Share held by the shareholders on the record date.

1.(5) (xxi) Board's statement to the effect that no bonus shares or stock dividend has been or shall be declared as interim dividend:

No bonus shares or stock dividend has been declared during the year 2024-2025 as interim dividend.

1.(5) (xxii) The total number of Board Meetings held during the year 2024-2025 and attendance by each director, stated in Annexure-I.

1.(5) (xxiii) Report on the pattern of shareholding as required by clause 1.(5) (xxiii) of the BSEC Notification dated 03 June 2018, stated in Annexure-II.

1.(5) (xxiv) Appointment/re-appointment of the directors:

Brief resume and other required information of the directors who seek re-appointment and appointment in the ensuing AGM are stated in **Annexure-III.**

1.(5) (xxv) Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements:

Management's Discussion and analysis signed by CEO or MD are stated in **Annexure-V**

1.(5) (xxvi) Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) are disclosed in Annexure-A.

1.(5) (xxvii) Report as well as certificate regarding compliance of conditions of this Code as required under condition No.9 are disclosed in Annexure-B and Annexure-C.

CAPITAL EXPENDITURES:

The following Capital Expenditure was incurred during the years 2024-2025 & 2023-2024.

Description	**2024-2025 (Tk.)**	**2023-2024 (Tk.)**
Land and Land Development	7,807,300	17,675,938
Factory Building	10,962,059	60,731,085
Plant & Machinery	48,519,472	602,407,199
Electrical installation	--	4,470,659
Tubewell and Water Pump	--	1,080,000
Furniture & Fixtures	49,345	--
Office Equipment's	3,073,902	1,475,587
Telephone (PABX) Installation	--	11,500
Generator	--	220,887,002
Fire Control Equipment Installation	--	5,928,255
Total	**70,412,078**	**914,667,225**

The above capital expenditure for the year 2024-2025 was incurred as per disseminated PSI dated April 03, 2023 for replacement of some old/worn out machineries.

SUBSIDIARY OPERATION:

Salek Textile Limited, Newasia Synthetics Limited and J.M. Fabrics Limited are subsidiaries and as such Directors Report along with, Auditors Report and Audited Accounts containing Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows have been included as part of this report.

(a) Salek Textile Limited (STL):

The Company (MSM) holds 97.925% share of Salek Textile Limited i.e. 47,259,700 shares of Tk.10.00 each amounting to Tk.472,597,000.00 out of 48,260,870 shares of Tk.10.00 each amounting to Tk.482,608,700.00. To comply the condition No. 9 of capital raising consent order No. BSEC/CI/CPLC(Pvt)-333/2011/446 dated June 24, 2014 of Bangladesh Securities and Exchange Commission (BSEC) and Notification No. SEC/CMRRCD/2006-159/36/Admin/03-44 dated May 05, 2010 published in the Bangladesh Gazette dated 01-06-2010 the status of the Company was converted from Private Limited Company to Public Limited Company on 23rd August, 2014. Subsequently the par value of share was changed from Tk.100.00 per share to Tk.10.00 per share.

The production capacity of STL is 12,070,000 kgs yarn and 18,000,000 yards fabric per annum. The company made additional investment of Tk.73,771,491 during the year 2024-2025.

The Company's operating results as on 2024-2025 and 2023-2024 are given below:

Description	2024-2025	2023-2024
Production (Kg) Yarn	8,635,944	9,749,805
Production (Yards) Fabric	12,428,121	13,064,861
Sales Revenue (Tk.)	4,901,726,459	4,618,732,790
Gross Profit (Tk.)	715,037,499	650,584,698
Net Profit/Loss after tax (Tk.)	160,538,391	141,042,353
Gross Margin	14.59%	14.09%
Net Margin	3.28%	3.05%
EPS (Tk.)	3.33	2.92
NAV (Tk.) Per Share	52.39	49.06

The Company did not declare any dividend for the year 2024-2025 in order to strengthen the financial position of the company.

(b) Newasia Synthetics Limited (NSL):

The Company (MSM) holds 99.293% share of the Newasia Synthetics Ltd. i.e. 6,553,338 shares of Tk.100.00 each amounting to Tk. 655,333,800.00 out of 6,600,000 shares of Tk.100.00 each amounting to Tk.660,000,000.00 as on 30th June, 2025. The project could not be implemented due to non-availability of Gas connection from Titas Gas Transmission & Distribution Company Ltd., the project has been shelved until the situation changes regarding the availability of gas connection. The Company made additional investment of Tk.17,663,438.00 during the year 2024-2025 under Land & Land Development. The Net Assets Value (NAV) per share of the company as on 30th June 2025 stood at Tk.298.65.

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

The Company (MSM) holds 99.998% share of J.M. Fabrics Limited i.e. 3,999,900 shares of Tk.100.00 each amounting to Tk. 399,990,000.00 out of 4,000,000 shares of Tk.100.00 each amounting to Tk.400,000,000.00. The authorized share capital of the company has been increased from Tk.500,000,000.00 to Tk.2,000,000,000.00 vide Special Resolution dated 20th February 2022. The Company is engaged in the production of 100% export-oriented Garments and Knit Fabric with a production capacity of 18 (eighteen) Metric Tons Dyed Fabric and 88 (eighty-eight) lines of Cutting & Sewing and Seamless operation having capacity of 12 (Twelve) modules with all necessary facilities, storage etc. During the year additional investment of Tk.362.22 million has been made. The investments made during the year 2024-2025 were as follows:

Particulars	Taka
Plant & Machinery	10,960,259
Equipment and Installation	21,010,836
Furnitures and Fixtures	35,554,208
Total	**67,525,303**

The Company's operating results as on 2024-2025 and 2023-2024 are given below:

Description	2024-2025	2023-2024
Production (Pcs)	34,083,658	33,548,829
Sales Revenue (Tk.)	14,737,146,332	15,182,047,791
Gross Profit (Tk.)	1,359,822,082	1,406,165,319
Net Profit (Tk.)	1,140,223,036	1,176,844,390
Gross Margin	9.23%	9.26%
Net Margin	7.74%	7.75%
EPS (Tk.) Per Share	285.06	294.21
NAV (Tk.) Per Share	1,129.71	874.65

The Company declared 30% interim cash dividend to its shareholders based on 3rd quarter un-audited financial statement and the shareholders approved the said dividend in the AGM as final cash dividend for the year 2024-2025.

FINANCIAL RESULTS:
The company's (MSM) operating financial results, as compared to the previous year are summarized as follows:

(Tk. in million)

Description	2024-2025	2023-2024
Sales	4,638.217	3,733.429
Cost of goods sold	4,044.199	3,122.584
Gross profit/Loss	594.017	610.844
Operating expenses	118.558	124.895
Financial expenses	267.690	253.072
Operating profit/Loss	207.769	232.878
Loss on Fire	-	62.32
Other Income	119.634	116.906
Net Operating Profit/(Loss)	327.403	287.460
Contribution to WPPF	15.591	13.689
Income Tax	78.373	60.818
Net profit/Loss (after tax)	233.439	212.953
Gross Margin	12.81%	16.36%
Net Margin	5.03%	5.70%
Earnings per share –EPS (Tk.)	1.21	1.10
Return on Equity (ROE)	4.95%	4.64%
No. of shares outstanding	193,600,000	193,600,000
Face value per share (Tk.)	10	10
Consolidated Earnings per share–EPS (Tk.)	7.41	7.38

APPROPRIATION OF PROFIT:
The Board of Directors recommended for appropriation of profit as follows:

Retained Earnings brought forward from previous year	: Tk.143,372,898.00
Less: Dividend Distribution for the year 2023-2024	: (Tk.101,955,200.00)
Balance deficit/surplus brought forward	**: Tk. 41,417,698.00**
Add: Net Profit (after tax) during the year 2024-2025	: Tk. 233,438,855.00
Add: Transfer of excess depreciation of revalued assets	: Tk. 20,614,218.00
Total net free surplus available for appropriation	**: Tk. 295,470,770.00**
Appropriation Proposed:	
10% Cash Dividend i.e. Tk. 1.00 per share of Tk. 10.00 each Only for the General Shareholders excluding Sponsors and Directors	: (Tk. 101,955,200.00)
Retained Earnings after payment of Dividend	**: Tk. 193,515,570.00)**

DECLARATION OF DIVIDEND:
In the line of proposed appropriation of profit, the Board of Directors proposed and recommended for declaration of a Cash Dividend @ 10% for the year 2024-2025 only for General Shareholders excluding Sponsors and Directors. This will need cash disbursement of Tk.101,955,200.00 out of Retained Earnings (Free Reserve). The balance of the free reserves be retained for ploughing back in the company for meeting liquidity and investment requirement as may be thought fit by Board of Directors. The Cash Dividend will be available only for General Shareholders who hold 101,955,200 shares and whose names appeared in the Share Register of the Company or in the Depository on the Record Date. Sponsors and Directors of the company who hold 91,644,800 shares will not be entitled to the cash dividend.

CONSOLIDATION OF ACCOUNTS:
In terms of BSEC Regulations, the Company has consolidated the Accounts following the relevant codes/guidance of International Accounting Standard IASs/IFRSs adopted by Bangladesh. However, separate reports including the audited financial statements, auditors' and directors' report for all subsidiary companies are provided at the respective section of this report.

ELECTION OF DIRECTORS:

Rotation of Directors:
Pursuant to Article 110 of the Articles of Association of the Company **Ms. Saima Matin Chowdhury, Director and Mr. Mahir Rahman, Director** would retire by rotation and being eligible as per Article 112 of the Articles of Association of the Company they offered themselves for re-election. Brief resume and other information of the above mentioned directors as per clause 1.(5) (xxiv) of BSEC notification dated 3 June, 2018 are depicted in **ANNEXURE–III.**

APPOINTMENT OF STATUTORY AUDITORS:
The existing Auditors of the company M/s. Zoha Zaman Kabir Rashid & Co., Chartered Accountants (a panel auditor of BSEC), who would retire at the ensuing Annual General Meeting, had expressed their interest to be re-appointed as Statutory Auditors of the company for the year 2025-2026. In recommendation of the Audit Committee, the Board recommended M/s. Zoha Zaman Kabir Rashid & Co., Chartered Accountants, House- 6/B, Road-32, Level- 7 & 8, Gulshan-1, Dhaka-1212. Bangladesh for appointment as statutory auditors of the Company for the year 2025-2026 with fixation of their remuneration.

APPOINTMENT OF INDEPENDENT DIRECTORS:

The Board of Directors in its meeting held on May 24, 2025 appointed **Mr. Syed Rafiqul Haq** as an Independent Director of the company for a period of thee (3) years with effect from 24th May 2025 after completion of tenure of previous Independent Director, Muhammad Abul Hossain. Furthermore, the Board in its meeting held on July 23, 2025 appointed **Mr. Rahel Ahmed** as an Independent Director of the company for a period of three (3) years with effect from 23rd July 2025 after completion of tenure of previous Independent Director, Dr. Sultan Hafeez Rahman. The Board also appointed **Ms. Dalia Rahman FCMA** as an Independent Director on October 26, 2025 with effect from 26th October, 2025 for a period of (3) years. The Nomination and Remuneration Committee have been recommended for appointment of the above-mentioned Independent Directors and BSEC issued consent letter regarding the appointment. This have been presented for approval by the shareholders in this Annual General Meeting. Brief resume and other information of the above-mentioned independent directors are depicted in **ANNEXURE-III.**

RE-APPOINTMENT OF MANAGING DIRECTOR:

As per provision of the Company's Act 1994, Managing Directors are appointed for a period of 5 (five) years. The tenure of Mr. A. Matin Chowdhury, Managing Director of the Company will expire on 01-01-2026. The Board after due evaluation of his performance, has re-appointed him as Managing Director of the Company for a further period of 5 (five) years with effect from 01-01-2026 on the existing terms and conditions, subject to approval of the shareholders in the ensuing 36th Annual General Meeting. Brief resume and other information of Mr. A. Matin Chowdhury is depicted in **ANNEXURE–III.**

APPOINTMENT OF CORPORATE GOVERNANCE COMPLIANCE AUDITORS:

M/s. Das Chowdhury Dutta & Co., Chartered Accountants, existing compliance auditors of the company being eligible offered themselves for re-appointment as corporate governance compliance auditors of the company for the year 2025-2026. As recommended by the Audit Committee, the Board proposed the name of M/s. Das Chowdhury Dutta & Co., Chartered Accountants, Well Tower (1st Floor), Flat-A/1, 12/A, Purana Paltan Line, Dhaka for re-appointment as corporate governance compliance auditors of the Company of the year 2025-2026 with fixation of their remuneration.

APPROVAL OF SALE OF YARN (FINISHED GOODS) WITH SUBSIDIARY AND SISTER COMPANY:

The Company (MSM) had entered into contract for sale of its finished goods i.e. yarn to its subsidiary company J. M. Fabrics Limited and a sister company Knit Asia Limited. The shareholders approved the contract in the 32nd AGM held on 27th December, 2021. Under this contract during the year 2024-2025, yarn sales to Knit Asia Limited amounting to Tk.771,339,171 and to J. M. Fabrics Limited amounting to Tk.1,069,821,744 following the market price of yarn in the Bangladesh export-oriented market, based on fair price from time to time. Both the transactions exceeded the limit of 10% (ten percent) of the total revenue or turnover for the immediately preceding financial year. The Board of Directors gave guarantees to the above transaction which occurred as per the regular terms and conditions of the trade and no conflict of interest had arisen regarding the transaction.

In Compliance with the BSEC Notification No. BSEC/CMRRCD/2009-193/10/Admin/118 dated 22 March 2021 the Shareholders are requested (excluding the vote of concerned or connected shareholders or directors or related party) to approve the above-mentioned sale of yarn to Knit Asia Limited and J.M. Fabrics Limited, which exceeded 10% (ten percent) or above of the total revenue/turnover for the immediately preceding financial year.

MANAGEMENT''S DISCUSSION & ANALYSIS

Management's Discussion and Analysis signed by the Managing Director presenting detailed analysis of the Company's position and operations along with a brief discussion of changes in the financial statements and other requirements of the Corporate Governance Code is disclosed in **Annexure-V** of this report.

CORPORATE GOVERNANCE COMPLIANCE REPORT IN ANNEXURE:

We are pleased to confirm that the company has complied with all necessary guidelines in accordance with the requirement of BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018, Notification No. BSEC/CMRRCD/2009-193/66/PRD/148 dated 16 October 2023 and Notification No. BSEC/CMRRCD/2009-193/76/PRD/151 dated 04 April 2024. The Corporate Governance Compliance Report for 2024-2025 is attached **(Annexure-C)** in Annual Report along with the certificate of Compliance required under the said guidelines.

The company obtained a certificate from Das Chowdhury Dutta & Co., Chartered Accountants, regarding compliance of conditions of corporate governance codes of the Commission, which is enclosed in the Annual Report as **Annexure-B.**

ACKNOWLEDGEMENT:

The Board of Directors are pleased to record with appreciation and gratitude the co-operation and support provided by Shareholders, Customers, Bankers, Insurance Companies, Suppliers, BSEC, DSE, CSE, CDBL, RJSC and dedication by Workers and Employees of the company without whose active support the result achieved would not have been possible.

Looking forward for a bright future for all of us.

On behalf of the Board of Directors,

A. F. M. Zubair
Chairman

ANNEXURE –I

to the Directors' Report

The Directors also report that:

- Related Party Transactions are depicted in Note no. 34.1 in the Notes of Solo Accounts and Note No.39 of Consolidated Accounts.
- The Financial Statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account as required by the prevailing law have been maintained.
- Appropriate accounting policies have been followed in formulating the financial statements and accounting estimates were reasonable and prudent.
- The financial statement was prepared in accordance with IAS/IFRS as applicable in Bangladesh and any departure there from has been adequately disclosed.
- The internal control system is sound in design and is effectively implemented and monitored.
- The minority shareholders have been protected from abusive actions by, or in the interest of controlling shareholders acting either directly or indirectly and have effective means of redress.
- There is no significant doubt about the company's ability to continue as a going concern.
- Significant deviation from the operating result compared to the last year which is depicted in page no. 13 clause 1.(5) (xviii) above.
- Key operating and financial data of last five years have been presented in summarized form in page no.09
- No bonus shares or stock dividend has been declared during the year 2024-2025 as interim dividend.
- The number of Board Meeting and the Attendance of Directors during the year 2024-2025 were as follows:

Name of Directors	Position	Meeting Held	Attended
Mr. A. F. M. Zubair	Chairman	06	05
Mr. A. Matin Chowdhury	Managing Director	06	06
Dr. Shamim Matin Chowdhury	Director	06	06
Ms. Saima Matin Chowdhury	Director	06	03
Mr. Azizur Rahim Chowdhury	Director	06	06
Mr. Mahir Rahman	Director	06	06
Dr. Sultan Hafeez Rahman	Independent Director	06	04
Mr. Muhammad Abul Hossain	Independent Director	06	03
Mr. Syed Rafiqul Haq **	Independent Director	06	-

- The pattern of shareholding as required by clause 1.(5) (xxiii) of the BSEC Notification dated 03 June, 2018, stated in **Annexure-II.**
- Information of Directors who seek appointment/re-appointment as required by clause 1.(5) (xxiv) of the BSEC Notification dated 03 June, 2018, stated in **Annexure-III.**
- Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission is enclosed as **Annexure –C.**

** Mr. Syed Rafiqul Haq, appointed as an Independent Director on 24-05-2025 in place of Muhammad Abul Hossain after completion of his tenure.

ANNEXURE –II

to the Directors' Report

Pattern of Shareholding as on June 30, 2025

Name of the Shareholders	Status	Shares held	%
i. Parent/Subsidiary/Associated Companies and other related parties	**Nil**	**Nil**	**Nil**
ii. Directors:			
Mr. A.F.M. Zubair	Chairman	8,470,000	4.38%
Mr. A. Matin Chowdhury	Managing Director	18,075,200	9.34%
Dr. Shamim Matin Chowdhury	Director	17,410,000	8.99%
Mr. Azizur Rahim Chowdhury	Director	18,585,600	9.60%
Ms. Saima Matin Chowdhury	Director	17,004,000	8.78%
Paragon Poultry Limited, Represented by Mr. Mahir Rahman	Director (Nominated by Paragon Poultry Limited)	12,100,000	6.25%
Dr. Sultan Hafeez Rahman	Independent Director	Nil	Nil
Mr. Syed Rafiqul Haq	Independent Director	Nil	Nil
iii. Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit & Compliance and their Spouses and Minor Children:			
Mr. A. Matin Chowdhury	Chief Executive Officer	18,075,200	9.34%
Mr. Syed Saiful Haque	Company Secretary	Nil	Nil
Mr. B. K. Chaki	Chief Financial Officer	Nil	Nil
Md. Rakibul Islam	Head of Internal Audit & Compliance	Nil	Nil
Dr. Shamim Matin Chowdhury	Wife of Mr. A. Matin Chowdhury	17,410,000	8.99%
Mr. Shyan Zubair	Son of Mr. A. F. M. Zubair	3,872,000	2.00%
iv. Executives (Top 5 salaried executives other than those mentioned under (iii) :			
Mr. Ghaus Mohammad	Director, HR & Admin	Nil	Nil
Mr. Arup Kumar Podder	Senior General Manager	Nil	Nil
Mr. Nazrul Islam	General Manager	Nil	Nil
Mr. Abdur Razzak	Deputy General Manager	Nil	Nil
Mr. Khandaker Shah Nawaj	Deputy General Manager	Nil	Nil
v. Shareholders holding 10% or more voting interest in the Company:			
		Nil	Nil

ANNEXURE-III

to the Directors' Report

Brief Resume of the Directors

Re-appointment of Directors:

Ms. Saima Matin Chowdhury:

Ms. Saima Matin Chowdhury is a Director of the Company since 2007, daughter of Mr. A. Matin Chowdhury. She is a bright young executive having High School graduation from Concord Academy, Concord, Massachusetts, USA- B.Sc. from Swarthmore College, Pennsylvania, USA and MBA from Wharton Business School, University of Pennsylvania USA. She has work experience in the Unites States with Ernst & Young and Victoria's Secret. She has more than 18 (Eighteen) years working experience in the textile sector. She is also the Director of Rahim Textile Mills PLC. (listed company), Salek Textile Limited, J.M. Fabrics Limited, Knit Asia Limited, Aurum Sweater Limited, Fatehbagh Tea Company Limited and Design Asia Limited.

Mr. Mahir Rahman:

Mr. Mahir Rahman, son of Mr. Moshiur Rahman a pioneer of poultry business in Bangladesh is a bright young executive upon finishing his Bachelor of Science (BSc) degree in Computer Science at University of British Columbia, Canada. He has cultivated years of experience in his programming journey and has developed many complex applications, many related to artificial intelligence for business side technology. He has a good foundation of business/marketing through his courses as well as years of experience under his father's purview. Mr. Mahir Rahman also the Member of Nomination and Remuneration Committee (NRC) and Audit Committee of Malek Spinning Mills PLC.

Appointment of Independent Directors:

Mr. Syed Rafiqul Haq:

The Board appointed Mr. Syed Rafiqul Haq as an Independent Director of the company for a period of 03 (Three) years with effect from 24-05-2025 in place of Muhammad Abul Hossain after completion of his tenure. Mr. Syed Rafiqul Haq, former Additional Managing Director & Chief Business Officer of Mutual Trust Bank Ltd., completed Master of Business Administration (MBA) from the Institute of Business Administration (IBA), University of Dhaka, having 38 (Thirty-eight) years' experience in banking industry. Mr. Haq served as an Independent Director in NRB Bank PLC and in Padma Bank PLC. and also serving as Financial Advisor in Energy Pac Engineering Ltd. He has also been appointed as the Chairman of Nomination and Remuneration Committee (NRC) and Audit Committee of Malek Spinning Mills PLC.

Mr. Rahel Ahmed:

The Board appointed Mr. Rahel Ahmed as an Independent Director of the company for a period of 3 (three) years with effect from 23-07-2025 in place of Dr. Sultan Hafeez Rahman after completion of his tenure. Mr. Rahel Ahmed, former Managing Director & CEO of Prime Bank Limited and Kori Digital Bank PLC, completed Master of Business Administration (MBA) in International Business from Maastricht School of Management, Netherlands and Bachelor of Commerce having 29 (Twenty-nine) years' experience in Multi-National and Local Banks at home and abroad. Mr. Ahmed currently serving as Strategic Partner (Bangladesh) in CustlntCo (formerly Bizbaz) and Advisor in Healthcare Information System Limited (Daktarbhai).

Ms. Dalia Rahman FCMA:

The Board appointed Ms. Dalia Rahman, FCMA as an Independent Director of the company for a period of 03 (Three) years with effect from 26-10-2025. Ms. Dalia Rahman a seasoned finance professional with extensive experience in financial management, budgeting, costing, risk management & compliance and a Fellow Member of the Institute of Cost and Management Accountants of Bangladesh (ICMAB). She also qualified in International Public Sector Accounting Standards (IPSAS) under ACCA and completed Masters of Business Studies (MBS) in Accounting from National University. Currently serving as Provident Fund Officer at the Finance Department at International Centre for Diarrheal Diseases Research, Bangladesh (icddr,b).

Re-appointment of Managing Director:

Mr. A. Matin Chowdhury:

Mr. A. Matin Chowdhury is a Sponsor Director of the Company since 1989. He is a renowned and dynamic personality in the Textile Sector of Bangladesh. After his active participation in the liberation War of Bangladesh in 1971, he voluntarily retired from the Bangladesh Army as a Major. He entered into the family business with his brother late Mr. A. Malek Chowdhury into Graphics Limited, a company that pioneered printing, office equipment and other technology equipment. In the last many years, he moved from indenting to the manufacturing and is currently the Managing Director of Malek Spinning Mills PLC, New Asia Ltd, Salek Textile Ltd, Knit Asia Ltd, Hejaz Publications Ltd. and Director of Rahim Textile Mills PLC., Fatehbagh Tea Co. Ltd. and the Chairman of J.M. Fabrics Ltd. and New Asia Synthetics Ltd.

He is the former Chairman of Bangladesh Textile Mills Association (BTMA), Under Privileged Children's Programs (UCEP) and Education, Science, Technology and Cultural Development Trust (ESTCDT). He is also involved with many other non-profit organizations including Diabetic Association of Bangladesh (DAB) as a Member of the National Council, Founder Trustee of Independent University Bangladesh (IUB), Founder Member, Board of Governors of Bangladesh Enterprise Institute (BEI), Board Member of Bangladesh Legal Aid and Services Trust (BLAST) and many other voluntary organizations. He has more than 52 (fifty two) years' experience in the textile sector.

ANNEXURE-IV

to the Directors' Report

Explanation of Emphasis of Matters of Auditors' Report

The auditor of the "Malek Spinning Mills PLC." has given the "Emphasis of Matters" paragraph in the Auditor's Report for the year ended on 30 June 2025 as follow:

Emphasis of Matters:

1. Land and Land Development, Factory Building, Plant and Machinery & Generator were revalued on 04th July 2012, no further revaluation has been conducted till this date. However, as per the requirement of IAS 16.31, under the revaluation model, revaluations should be carried out regularly, so that the carrying amount of an asset does not differ materially from its fair value at the balance sheet date. Therefore, it is viable to conclude that the market value of the assets being carried under the revaluation model has changed significantly over the last 15 years.
2. IFRS 16 Leases has not been implemented, as such the rentals arising on the leased office space is charged to the Statement of Profit or Loss instead of applying lessee accounting. This therefore contravenes the aforesaid standard which states a single lessee accounting model should be applied to all leases having lease term of more than 12 months with a corresponding recognition of a Right of Use Asset and Lease Liability.
3. As per the Independent Auditors Report and Audited Financial Statements of Salek Textile Limited, one of the components of Malek Spinning Mills PLC, for the year ended 30 June 2025, with reference to the note no 19.2 the company's sales, as per VAT return, of Tk. 422 crore and the sum of LCs sales value is Tk. 490 crore that effectively create difference of Tk. 68 crore. The above difference arisen due to non-issuance of VAT challan for part of inter unit's sales of the company. Our report is not qualified in this respect.

Explanation:

With reference to the above Emphasis of Matters of Auditors, as per the Independent Auditors Report and Audited Financial Statements of Malek Spinning Mills PLC. for the year ended 30 June 2025

(1) As per our records and experience, there has not been any material/significant change in the prices/costs of most of the fixed assets except land, which is a smaller part of the total fixed/operating assets of our enterprises. However, if the costs/prices of any elements of fixed/operating assets increases or decreases in the future, we will undertake revaluation of them to reflect the fair value/financial position of the Company.

(2) In future we will make rental agreement for 12 months only.

(3) Under Salek Textile Ltd. there are two separate units producing yarn and fabrics respectively and having separate trade license, BIN & IRC but single TIN and registration. The factory locations are also in different places. Fabrics unit uses yarn of Spinning unit as raw materials to produce fabrics. As both units are export oriented, spinning unit imports cotton on zero duty and fabrics unit is under bond. So, both units are VAT exempted.

As the legal entity is same, banks did not allow us to establish any b2b LC or export LC between the two units. We delivered goods based on the sales contract and produced delivery challan accordingly. But due to lack of LC, we could not produce Vat 6.3 challan for zero VAT. To solve this issue, we sought direction from the NBR and after several discussions, they advised that we can issue LC though legal entity is same, though BIN & IRC are different. They also advised Bank's concern to establish LC by individual units. Since then we started to open LC from the month of Oct'24 and issued VAT 6.3 challan accordingly.

ANNEXURE-V

to the Directors' Report

Management's Discussion and Analysis

Management's Discussion and Analysis of the company's position and operations along with a brief discussion of changes in the financial statements for the year ended June 30, 2025 as per condition no 1.5(xxv) of Corporate Governance Code dated June 03, 2018.

(a) The company has prepared and presented its financial statement as per IAS and IFRS as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). The consolidate financial statements have been prepared in consolidation with the audited accounts of the company and the audited accounts of Salek Textile Limited, Newasia Synthetics Limited and J. M. Fabrics Limited according to the relevant IFRS or IAS. The following IAS are applicable for the financial statements for the year under review:

IAS-1	Presentation of Financial Statement.
IAS-2	Inventories.
IAS-7	Statement of Cash Flows.
IAS-8	Accounting Policies, Changes in Accounting Estimates and Errors.
IAS-10	Events after the Balance Sheet Date.
IAS-12	Income Tax.
IAS-16	Property, Plant & Equipment.
IAS-19	Employee Benefits.
IAS-20	Accounting for Government Grants and Disclosure of Government Assistance.
IAS-21	The effect of changes in Foreign Exchange rate.
IAS-23	Borrowing Cost.
IAS-24	Related Party Disclosure.
IAS-27	Separate Financial Statements.
IAS-33	Earnings per share.
IAS-36	Impairment of Assets.
IAS-37	Provisions, Contingent Liabilities and Contingent Assets.
IAS-38	Intangible Assets.
IFRS-3	Business Combination.
IFRS-8	Operating Segments.
IFRS-10	Consolidated Financial Statements.
IFRS-15	Revenue from Contracts with Customers.
IFRS-16	Leases.

(b) The financial statements of the company under reporting have been prepared under historical cost convention, except land, Building and Machinery which is stated at revalued amount, in a going concern concept and on accrual basis other than Cash Incentive Income which is recognized on cash basis in accordance with Generally Accepted Accounting Principles and practice in Bangladesh in compliance with the Companies Act 1994, The Securities and Exchange Rules 2020, Listing Regulations of DSE and CSE and in compliance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).The financial statements have been prepared in compliance with requirement of IAS as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as applicable in Bangladesh. The financial statements, except cash flows statements, have been prepared using the accrual basis of accounting. Under this concept, the company recognizes items as assets, liabilities, equity, income and expenses when they satisfy the definitions and recognition criteria for those elements as per related accounting standard and framework.

The financial statements have been prepared in assuming that the company is a going concern and it has ability to continue as a going concern for foreseeable future. Specific accounting policies were selected and applied by the company's management for significant transactions and events that have a material effect within the framework of IAS-1 "Preparation of Financial Statement" and IAS-27 preparation of separate financial statements and presentation of financial statements. The previous year's figures were presented according to the same accounting principles.

(c) Comparative analysis of financial performance or results and financial position as well as cash flows for current financial year with immediately preceding five years explaining reasons are as follows:

Figures in Million Taka

Particulars	**Jul 24 to Jun 25**		**Jul 23 to Jun 24**		**Jul 22 Jun 23**		**Jul 21 Jun 22**		**Jul 20 Jun 21**	
	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated (Restated)	Standalone
Turnover	22,867	4,638	22,211	3,733	17,422	3,845	16,756	4,044	13,054	2,976
Gross Profit	2,668	594	2,667	610	580	(273)	1,648	443	1,316	451
Net Profit before tax	1,718	312	1,732	273	26	(463)	1,020	281	778	294
Net Profit after tax	1,438	233	1,432	212	(228)	(499)	720	242	652	250
Shareholders' Equity	11,738	4,719	10,404	4,587	9,055	4,455	9,469	5,149	8,957	5,115
Total Assets	27,301	9,159	26,679	9,673	22,759	7,915	22,736	7,934	22,277	7,818
Total Current Assets	12,865	4,480	14,223	4,972	12,002	3,812	12,172	3,888	11,879	3,844
Total Current Liabilities	11,373	3,074	11,275	3,390	9,627	2,311	10,132	2,325	9,935	2,232
Current Ratio	1.13	1.46	1.26	1.47	1.25	1.65	1.20	1.67	1.20	1.72
Net Asset Value Per Share	60.63	24.38	53.74	23.70	46.77	23.01	48.91	26.59	46.27	26.42
Earnings Per Share	7.41	1.21	7.38	1.10	(1.14)	(2.58)	3.72	1.25	3.36	1.29
NOCFPS	8.38	1.13	7.91	(0.70)	1.96	(4.23)	0.10	2.19	2.00	1.75

The rated capacity of Malek Spinning Mills PLC. (MSM) during the year 2020-2021 to 2024-2025 was almost unchanged and Turnover was more or less same, except the year 2020-2021 and 2024-2025. In the year 2020-2021 MSM sales/turnover had decreased due to adverse effect of COVID-19 but in the year 2024-2025 sales/turnover had substantially increased due to increase in sales quantity. During the year 2024-2025 the Company achieved net profit more or less same except the year 2022-2023. During the year 2024-2025 MSM earned net profit for increase of sales volume and receiving dividend income from J.M. Fabrics Limited, a subsidiary company of MSM. As a result, EPS become positive. On the other hand, NOCFPS of the Company increased due to increase of collection against sales and receivable compared to all payment.

(d) Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario:

Figures in Million Taka

Particulars	**Malek Spinning Mills PLC. June 30, 2025**	**Matin Spinning Mills PLC June 30, 2024**	**Mozaffar Hossain Spinning Mills Ltd. June 30, 2024**	**Saiham Textile Mills Ltd. June 30, 2024**
Revenue (Turnover)	4,638.22	8,045.33	2,978.37	3,241.67
Gross Profit	594.02	857.39	596.18	325.66
Operating Expenses	118.56	302.77	70.24	98.27
Financial Expenses	267.69	282.24	351.95	149.17
Net Profit before tax	311.81	287.94	145.91	75.51
Net Profit after tax	233.44	198.93	82.62	46.51
Net Profit in %	5.03%	2.47%	2.77%	1.43%
Earnings per share (EPS)	1.21	2.04	0.82	0.51
NOCFPS	1.13	(10.67)	3.70	(1.15)
Shares Outstanding	193,600,000	97,490,000	100,993,374	90,562,500
Shareholders' Equity	4,719.38	5,623.35	2,018.74	3,951.03
Total Assets	9,158.96	12,658.51	6,427.92	6,632.81
Total Liabilities	4,439.58	7,035.17	4,409.18	2,681.78
Current Assets	4,480.48	6,733.15	2,906.49	3,580.63
Current Liabilities	3,074.40	5,893.23	2,040.88	2,387.79

(e) Financial and Economic Scenario of Bangladesh and the Globe (in brief):

The global economy, which had demonstrated a strong recovery from the COVID-19 pandemic and the prolonged Russia-Ukraine conflict, has once again come under strain due to renewed geopolitical tensions. The ongoing world geopolitical crises, coupled with persistent instability and economic uncertainty in various regions, have weakened the pace of global economic growth.

According to the United Nations (UN) publication World Economic Situation and Prospects 2024, the global economy expanded by 2.7 percent in 2023 and is projected to grow by 2.4 percent in 2024 and 2.7 percent in 2025. The World Bank's Global Economic Prospects (June 2025) projects global growth of 2.3 percent in 2025 and 2.7 percent in 2026, compared to 2.6 percent in 2024. Meanwhile, the International Monetary Fund (IMF), in its World Economic Outlook (WEO), forecasts global growth at 3.0 percent in 2025 and 3.1 percent in 2026. Global inflation is expected to decline steadily from 6.8 percent in 2023 to 5.9 percent in 2024, and further to 4.5 percent in 2025. Advanced economies are likely to reach their inflation targets earlier than emerging and developing economies. Core inflation, which excludes food and energy prices, is also anticipated to ease gradually.

The fiscal year 2024–25 was one of the most challenging periods in the recent history of Bangladesh's economy, as several structural and external vulnerabilities became apparent. Supply chain disruptions, coupled with the global rise in commodity, fuel, and food prices, exerted persistent inflationary pressures throughout the year. According to data from the Bangladesh Bureau of Statistics (BBS), the average inflation rate in FY 2024–25 stood at 10.03 percent. Consumer prices remained elevated at over 9 percent for more than a year, despite multiple policy rate increases by the Bangladesh Bank to restrict money supply and curb inflation. This situation underscores the urgent need for effective and coordinated policy measures to bring inflation under control and protect real incomes.

Following a strong post-pandemic rebound with GDP growth of 6.94 percent in FY 2020–21 and 7.10 percent in FY 2021–22 the economy experienced a notable slowdown. The combined effects of global recessionary trends, energy price shocks, and geopolitical disruptions led to a reduction in growth to 5.78 percent in FY 2022–23. Provisional estimates from BBS indicate further moderation, with growth rates of 4.22 percent in FY 2023–24 and 3.97 percent in FY 2024–25. However, there are indications of gradual recovery ahead. The World Bank projects Bangladesh's GDP growth at 5.7 percent in FY 2025, supported by a modest rebound in private consumption and a gradual easing of inflationary pressures.

At present, the economy faces several macroeconomic challenges, including a fragile banking sector, financial account deficits, exchange rate volatility, and a decline in foreign exchange reserves. These factors have weakened the macroeconomic stability that Bangladesh enjoyed for many years characterized by high growth, low inflation, and a robust external sector.

Nonetheless, with appropriate structural reforms, prudent fiscal management, and strengthened monetary and external sector policies, it is expected that Bangladesh will return to a trajectory of high, inclusive, and sustainable economic growth in the near future.

(f) Risk and concerns related to the financial statements and such risk and concerns mitigation plan:

i. **Credit Risk:** Credit risk is the risk of financial loss to the company if a buyer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivable from customers and investment securities. The Company's sales are made to renowned RMG exporting company. Sales made to the entity are fully secured by Letter of Credit issued by local scheduled banks. Credit risk of the Company arises principally from trade debts, loans and advances and bank balances. The carrying amount of financial assets represents the maximum credit exposure.

ii. **Liquidity Risk:** Liquidity risk is the risk that the company unable to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. In general, management ensures that it has sufficient cash and cash equivalent to meet expected operation expenses, including the servicing of financial obligation through preparation of cash forecast, prepared based on timeline of payment of the financial obligation and accordingly arranged for sufficient liquidity/fund to make the expected payment within due date. Moreover, the company seeks to maintain short term lines of credit with scheduled commercial banks to ensure payments of obligations in the events that there is sufficient cash to make the required payment. The requirement is determined in advance through cash flows projections and credit lines facilities with banks are negotiated accordingly. Seeks to maintain a balance between the higher returns that might be possible with the higher levels of borrowings and the advantages and security afforded by a sound capital position. The board also monitors dividend trend to ordinary shareholders.

iii. **Market Risk:** Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the company's income or the value of its holding of financial instruments. The objectives of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

iv. **Price Risk:** Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The company does not have any financial instrument that expose the price risk.

v. **Interest Risk:** Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate risk arises from long and short-term borrowings from financial institutions. At the reporting date, the company does not hold any interest-bearing financial instrument.

vi. **Currency Risk:** Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly where receivables and payables exist due to transactions entered in foreign currencies. The Company is exposed to foreign currency risk on sales, purchases and foreign currency loan, which, are entered in a currency other than BDT. The foreign currency transactions are mainly occurred in USD and conversion rate of USD into BDT does not fluctuate materially.

vii. **Capital Risk Management:** The objective of the Company when managing capital, i.e. its shareholders' equity is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses. The Company manages its capital structure by monitoring return on net assets and makes adjustment to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue new shares.

(g) Future plan or projection or forecast for company's operation, performance and financial position:

The Company does not have any major policy change in immediate future.

A. Matin Chowdhury
Managing Director

Annexure-A
to the Directors' Report
[As per condition No.1 (5) (xxvi)]

Malek Spinning Mills PLC.
Declaration by CEO and CFO

Date: October 20, 2025

The Board of Directors
Malek Spinning Mills PLC.
117/A, Tejgaon Industrial Area
Dhaka-1208
Bangladesh

Subject: Declaration on Financial Statements for the year ended on 30th June 2025.

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of Malek Spinning Mills PLC. for the year ended on 30th June 2025 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

(i) We have reviewed the financial statements for the year ended on 30th June 2025 and that to the best of our knowledge and belief:

(a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

(A. Matin Chowdhury)
Managing Director

(B. K. Chaki)
Chief Financial Officer

দাশ চৌধুরী দত্ত এন্ড কোং
DAS CHOWDHURY DUTTA & CO.
Chartered Accountants

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Annexure-B
to the Directors' Report

[Certificate as per condition No.1 (5) (xxvii)]

Report to the Shareholders of Malek Spinning Mills PLC on Compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **Malek Spinning Mills PLC** for the year ended on **30 June 2025. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 and Notification No. BSEC/CMRRCD/2009-193/66/PRD/148 dated 16 October 2023 and Notification No. BSEC/CMRRCD/2009-193/76/PRD/151 dated 04 April 2024** of the Bangladesh Securities and Exchange Commission (BSEC).

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance with the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required and after due scrutiny and verification thereof, we report that, in our opinion:

(a) The Company has complied with the conditions **except 3(1)(c) and subject to non-applicability of 1(3)(b)(i), 1(3)(b)(iii), 1(3)(b)(iv), 1(3)(d), 1(5)(vii), 1(5)(viii), 1(5)(xx), 5(5)(m), 5(6)(b), 6(2)(f), 6(3)(b)** of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission and explanation is given in **Annexure-C;**

(b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;

(c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws and

(d) The Governance of the company is satisfactory.

Dhaka, 09 November 2025

Sunirmal Chowdhury FCA
ICAB Enrollment No. 0500
FRC Enrollment No. CA-001-299
Partner
Das Chowdhury Dutta & Co.
Chartered Accountants
FRC Enrollment No. CAF-001-090

Annexure-C

to the Directors' Report

[As per condition No. 1(5)(xxvii)]

Corporate Governance Compliance Report

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018, Notification No. BSEC/CMRRCD/2009-193/66/PRD/148 dated 16 October 2023 and Notification No. BSEC/CMRRCD/2009-193/76/PRD/151 dated 04 April 2024 issued under section 2CC of the Securities and Exchange Ordinance, 1969.

(Report under Condition No. 9)

Condition No.	Title	Complied	Not Complied	Remarks (if any)
1	**Board of Directors. -**			
1(1)	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	√		
1(2)	**Independent Directors**			
1(2) (a)	At least 2 (two) directors or one-fifth (1/5) of the total number of directors in the company's Board, whichever is higher, shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s): Provided that the Board shall appoint at least 1(one) female independent director inthe Board of Director of the company;	√		
1(2)(b) (i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		
1(2) (b) (ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	√		
1(2) (b) (iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1(2) (b) (iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		
1(2) (b) (v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		
1(2) (b) (vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		
1(2) (b) (vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3(three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		
1(2) (b) (viii)	who is not independent director in more than 5 (five) listed companies;	√		
1(2) (b) (ix)	who has not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for non-payment of any loan or advance or obligation to a bank or a financial institution; and	√		
1(2) (b) (x)	who has not been convicted for a criminal offence involving moral turpitude;	√		
1(2) (c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM): Provided that the Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company;	√		
1(2) (d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	√		
1(2) (e)	The tenure of office of an independent director shall be for a period of 3(three) years, which may be extended for 1(one) tenure only;	√		

Condition No.	Title	Complied	Not Complied	Remarks (if any)
1(3)	**Qualification of Independent Director.-**			
1(3) (a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	√		
1(3) (b) (i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk.100.00 million or any listed company or a member of any national or international chamber of commerce or registered business association; or			Not Applicable
1(3) (b) (ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk.100.00 million or of a listed company; or	√		
1(3) (b) (iii)	Former or existing official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law: Provided that in case of appointment of existing official as independent director, it requires clearance from the organization where he or she is in service; or			Not Applicable
1(3) (b) (iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			Not Applicable
1(3) (b) (v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	√		
1 (3) (c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		
1 (3) (d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			Not Applicable
1(4)	**Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.-**			
1 (4) (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		
1 (4) (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company	√		
1 (4) (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1 (4) (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		
1 (4) (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
1(5)	**The Directors' Report to Shareholders**			
1 (5) (i)	An industry outlook and possible future developments in the industry;	√		
1 (5) (ii)	The segment-wise or product-wise performance;	√		
1 (5) (iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1 (5) (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		
1 (5) (v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	√		
1 (5) (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1 (5) (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			Not Applicable
1 (5) (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			Not Applicable

Condition No.	Title	Complied	Not Complied	Remarks (if any)
1 (5) (ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	√		
1 (5) (x)	A statement of remuneration paid to the directors including independent directors;	√		
1 (5) (xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1 (5) (xii)	A statement that proper books of account of the issuer company have been maintained;	√		
1 (5) (xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		
1 (5) (xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1 (5) (xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
1 (5) (xvi)	A statement that minority shareholders have been protected from abuse actions by, or in the interest of controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1 (5) (xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
1 (5) (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		
1 (5) (xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		
1 (5) (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			Not Applicable
1(5) (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1(5) (xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
1(5) (xxiii) (a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	√		
1(5) (xxiii) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	√		
1(5) (xxiii) (c)	Executives; and	√		
1(5) (xxiii) (d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	√		
1(5) (xxiv) (a)	a brief resume of the director;	√		
1(5) (xxiv) (b)	nature of his or her expertise in specific functional areas; and	√		
1(5) (xxiv) (c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	√		
1(5) (xxv) (a)	accounting policies and estimation for preparation of financial statements;	√		
1(5) (xxv) (b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		
1(5) (xxv) (c)	comparative analysis (including effects of inflation) of the financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5) (xxv) (d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5) (xxv) (e)	briefly explain the financial and economic scenario of the country and the globe;	√		

Condition No.	Title	Complied	Not Complied	Remarks (if any)
1(5) (xxv) (f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		
1(5) (xxv) (g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e. actual position shall be explained to the shareholders in the next AGM;	√		
1(5) (xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3 (3) shall be disclosed as per **Annexure-A.**	√		
1(5) (xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No.9 shall be disclosed as per **Annexure-B** and **Annexure-C;**	√		
1(5) (xxviii)	The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality.	√		
1(6)	**Meetings of the Board of Directors** The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
1(7)	**Code of Conduct for the Chairperson, other Board members and Chief Executive Officer.-**			
1(7) (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No.6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	√		
1(7) (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	√		
2	**Governance of Board of Directors of Subsidiary Company.-**			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	√		
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	√		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	√		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	√		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	√		
3	**Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).-**			
3(1) (a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3(1) (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3(1) (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time: Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission. Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately;		√	In progress for compliance
3(1) (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		

Condition No.	Title	Complied	Not Complied	Remarks (if any)
3(1) (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange (s).	√		
3(2)	**Requirement to attend Board of Directors' Meetings** The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	√		
3 (3)	**Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)**			
3 (3) (a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	√		
3(3) (a) (i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3(3) (a) (ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3(3) (b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
3(3) (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4	**Board of Directors' Committee. -**			
4(i)	Audit Committee; and	√		
4(ii)	Nomination and Remuneration Committee.	√		
5	**Audit Committee. -**			
5(1)	**Responsibility to the Board of Directors.**			
5(1) (a)	The company shall have an Audit Committee as a sub-committee of the Board;	√		
5(1) (b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		
5(1) (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		
5(2)	**Constitution of the Audit Committee**			
5(2) (a)	The Audit Committee shall be composed of at least 3 (three) members;	√		
5(2) (b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		
5(2) (c)	All members of the Audit Committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5(2) (d)	When the term of service of any Committee member expires or there is any circumstances causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 60 (sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		
5(2) (e)	The company secretary shall act as the secretary of the Committee;	√		
5(2) (f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
5(3)	**Chairperson of the Audit Committee**			
5(3) (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		

Condition No.	Title	Complied	Not Complied	Remarks (if any)
5(3) (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4) (b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
5(3) (c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	√		
5(4)	**Meeting of the Audit Committee**			
5(4) (a)	The Audit Committee shall conduct at least its four meetings in a financial year:	√		
5(4) (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5(5)	**Role of Audit Committee**			
5(5) (a)	Oversee the financial reporting process;	√		
5(5) (b)	monitor choice of accounting policies and principles;	√		
5(5) (c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
5(5) (d)	oversee hiring and performance of external auditors;	√		
5(5) (e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5(5) (f)	review along with the management, the annual financial statements before submission to the Board for approval;	√		
5(5) (g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		
5(5) (h)	review the adequacy of internal audit function;	√		
5(5) (i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5) (j)	review statement of all related party transactions submitted by the management;	√		
5(5) (k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		
5(5) (l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√		
5(5) (m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission;			Not Applicable
5(6)	**Reporting of the Audit Committee**			
5(6) (a)	**Reporting to the Board of Directors**			
5(6) (a) (i)	The Audit Committee shall report on its activities to the Board	√		
5(6) (a) (ii) (a)	report on conflicts of interests;	√		
5(6) (a) (ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	√		
5(6) (a) (ii) (c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	√		
5(6) (a) (ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	√		
5(6) (b)	Reporting to the Authorities			Not Applicable
5(7)	Reporting to the Shareholders and General Investors	√		
6	**Nomination and Remuneration Committee (NRC).-**			
6(1)	**Responsibility to the Board of Directors**			
6(1) (a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	√		

Condition No.	Title	Complied	Not Complied	Remarks (if any)
6(1) (b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6(1) (c)	The Terms of Reference (TOR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No.6(5)(b)	√		
6(2)	**Constitution of the NRC**			
6(2) (a)	The Committee shall comprise of at least three members including an independent director;	√		
6(2) (b)	At least 02 (two) members of the Committee shall be non-executive directors;	√		
6(2) (c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6(2) (d)	The Board shall have authority to remove and appoint any member of the Committee;	√		
6(2) (e)	In case of death, resignation, disqualification or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	√		
6(2) (f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as adviser who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			Not Applicable
6(2) (g)	The company secretary shall act as the secretary of the Committee;	√		
6(2) (h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
6(2) (i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	√		
6(3)	**Chairperson of the NRC**			
6(3) (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√		
6(3) (b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			Not Applicable
6(3) (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:	√		
6(4)	**Meeting of the NRC**			
6(4) (a)	The NRC shall conduct at least one meeting in a financial year;	√		
6(4) (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	√		
6(4) (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No.6(2)(h);	√		
6(4) (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	√		
6(5)	**Role of the NRC**			
6(5) (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		
6(5) (b) (i) (a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		
6(5) (b) (i) (b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	√		

Condition No.	Title	Complied	Not Complied	Remarks (if any)
6(5) (b) (i) (c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	√		
6(5) (b) (ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		
6(5) (b) (iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		
6(5) (b) (iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	√		
6(5) (b) (v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	√		
6(5) (b) (vi)	developing, recommending and reviewing annually the company's human resources and training policies;	√		
6(5) (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		
7	**External or Statutory Auditors. -**			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7(1) (i)	appraisal or valuation services or fairness opinions;	√		
7(1) (ii)	financial information systems design and implementation;	√		
7(1) (iii)	book-keeping or other services related to the accounting records or financial statements;	√		
7(1) (iv)	broker-dealer services;	√		
7(1) (v)	actuarial services;	√		
7(1) (vi)	internal audit services or special audit services;	√		
7(1) (vii)	any service that the Audit Committee determines;	√		
7(1) (viii)	audit or certification services on compliance of corporate governance as required under condition No.9(1); and	√		
7(1) (ix)	any other service that creates conflict of interest.	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8	**Maintaining a website by the Company. -**			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		
8(2)	The company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9	**Reporting and Compliance of Corporate Governance. -**			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the AGM.	√		
9(3)	The directors of the company shall state, in accordance with the **Annexure-C** attached, in the directors' report whether the company has complied with these conditions or not.	√		

AUDIT COMMITTEE REPORT
For the Year 2024-2025

Malek Spinning Mills PLC. having an Audit Committee as a sub-committee of the Board of Directors in order to assist the Board of Directors in ensuring and fulfilling its oversight responsibilities.

The Audit Committee comprised by following Members of the Board of Directors:

Mr. Syed Rafiqul Haq, Independent Director	-Chairman
Dr. Shamim Matin Chowdhury, Director	-Member
Mr. Mahir Rahman, Director	-Member

Mr. Syed Saiful Haque, Company Secretary acts as the Secretary to the Committee.

Meetings of the Audit Committee:

- The Committee held four (04) meetings during the year.
- The Committee submits its report directly to the Board of Directors.
- Minutes of the Committee meeting are properly recorded.

The scope of Audit Committee was defined as under:

a. Review with the management and recommend to the Board to approve the quarterly and annual financial statements prepared for statutory purpose;

b. Monitor and oversee choice of accounting policies and principles, internal control, risk management process, auditing matter, hiring and performance of external auditors;

c. Meeting with the auditors for review of the annual financial statements before submission to the Board for approval;

d. Review the adequacy of internal audit function, Management's Discussion and Analysis before disclosing in the Annual Report;

e. Review statement of significant related party transactions submitted by the management;

f. Carry on a supervision role to safeguard the system of governance and independence of statutory auditors; and

g. Review and consider the report of internal auditors and statutory auditors' observations on internal control.

Activities carried out during the year 2024-2025:

- The Committee examined and reviewed the fairness of the quarterly and annual financial statements and recommended to the Board for consideration.
- Overseen, reviewed and approved the procedure and task of the internal audit, financial report preparation and the external audit reports.
- Reviewed the Related Party Transactions, Loans, Guarantees and Investments.
- Reviewed the financial statements in particular the investments made by the subsidiary company.
- Reviewed the performance of Statutory Auditors and Corporate Governance Compliance Auditors and recommended to the Board for appointment of Statutory Auditors and Corporate Governance Compliance Auditors.

The Committee found adequate arrangement to present a true and fair view of the activities on the financial statements of the company and an appropriate monitoring system within the business and didn't find any material deviation, discrepancies or any adverse finding/observation except Emphasis of Matters quoted by the Auditors in the Independent Auditors' Report in the areas of reporting.

Syed Rafiqul Haq
Chairman
Audit Committee
Date: 23rd October, 2025

[As per condition No. 6.(5) (c)]

Malek Spinning Mills PLC.

Nomination and Remuneration Policy:

The Nomination and Remuneration Policy is prepared and adopted in compliance with Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission in view to formulate and recommend proper, fair, transparent and non-discriminatory nomination and remuneration for the Directors and Top-Level Executives of Malek Spinning Mills PLC.

The Nomination and Remuneration Policy of Directors and Top-Level Executives has been formulated by the Nomination and Remuneration Committee (NRC) and has been approved by the Board of Directors of Malek Spinning Mills PLC.

The Nomination and Remuneration Committee (NRC) has been constituted by the Board of Directors of the Company as a sub-committee to assist the Board under Condition No. 6 of the Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission. NRC is independent and responsible or accountable to the Board of Directors and the Shareholders of the Company.

The NRC consists of the following Non-Executive Directors of the Board:

Mr. Syed Rafiqul Haq, Independent Director	-Chairman
Dr. Shamim Matin Chowdhury, Director	-Member
Mr. Mahir Rahman, Director	-Member

The Terms of Reference of the NRC have been defined and adopted by the Board of Directors of the Company.

Objective:

The objective of the NRC is to oversee, assist and guide the Board of Directors:

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend policy to the Board, relating to the remuneration of Directors and Top-Level Executives.
- To devise policy on Board's diversity taking into consideration of age, gender, experience, ethnicity, educational background and nationality.
- To the appointment, fixation of remuneration and removal of Directors and Top-Level Executives.
- To formulate the criteria in respect to evaluate performance of the Independent Director and the Board.
- To identify the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria.
- To develop, recommend and review the company's human resources and training policies.
- To recommend Code of Conduct for the Chairman and other Members of the Board and Managing Director.
- To implement and monitor policies and processes regarding principles of corporate governance.

Amendments to the Policy:

The Board preserves the rights to amend and review time to time the provisions of the policy depending on the legal and other requirements or for a bona fide purpose.

Evaluation of performance:

Evaluation of performance of Directors be carried out through completion of a preset confidential questionnaire and/or collective feedback or any other effective criteria adopted by the Board yearly or at such intervals of its work, function and performance as may be considered necessary in order to ascertain the effectiveness and to measure the contribution of the Directors as well as the Top-Level Executives of the Company.

Activities of the NRC carried out during the reporting period:

The NRC carried out the following activities in line with Committee's Terms of Reference during the reporting period:

(a) Reviewed the Code of Conduct for the Chairman, other Members of the Board and Managing Director.

(b) Reviewed the Company's existing policy relating to the remuneration of Directors and Top-Level Executives and recommended to the Board of Directors for appointment of Independent Directors.

(c) Discussed and decided in regard to formulate the criteria of evaluation of performance of the Board and Independent Directors.

(d) Reviewed the Company's existing Human Resources and Training policies.

Malek Spinning Mills PLC.
Dividend Distribution Policy

Introduction

Bangladesh Securities and Exchange Commission (BSEC) issued Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January, 2021 and Directive No. BSEC/CMRRCD/2009-193 (part-07)/91 dated 13 July, 2025 for listed companies to formulate its Dividend Distribution Policy and disclose the policy in the company's annual report and official website. In compliance to this directive, Malek Spinning Mills PLC. ("Malek Spinning" or the "Company") publishes this statement as a guiding framework for the shareholders with regards to the Company's Dividend Policy.

This statement provides a brief outline of the legal and regulatory provisions relating to dividend, key issues in dividend considerations and the procedure for the declaration, approval and payment of dividend.

Relevant Laws and Regulations

Different legal and regulatory provisions have bearing on dividend decisions of the Company. The paragraphs below provide a brief overview of the provisions relating to dividend:

Companies Act

The Companies Act 1994, the primary legislation regulating the affairs of a company, gives power to the directors to recommend the dividend to be declared by the company which is to be approved by the shareholders in the Annual General Meeting (AGM). The shareholders however, cannot approve any dividend more than what has been recommended by the directors. It also authorizes the directors to pay from time to time, interim dividends to the shareholders if so appears to be justified by the profits of the company. The directors may, before recommending any dividend, set aside out of the profits of the company, such sums as they deem appropriate, as reserve or reserves which shall at the discretion of the directors be applied for meeting contingencies or for equalizing dividends or for any other purpose of the company appropriate for utilization of such profits or may employ such profits in the business of the company or otherwise as they think fit. The law further provides that dividends are to be paid out of profits of the year or any other undistributed profits.

Listing Regulations of Stock Exchanges

There has been a number of listing regulations that have direct or indirect impact on dividend decisions of the company. Shares of a company is traded under different trading categories depending on payment or non-payment of dividend by a company. According to the regulations, a company shall be traded in the "Z Category" (a category with a longer trading settlement time and other restrictive conditions) if it fails to declare cash dividend for two consecutive years. Moreover, a company may among other reasons, be de-listed from the stock exchange if it fails to pay cash/stock dividend for a consecutive period of five years. The listing regulations also require a company to declare in its annual general meeting the reasons, if any for partial or non-distribution of profits as dividend and the plan for utilization of the undistributed profits if there be any.

Income Tax Law

Bangladesh Income Tax law, provides for additional tax charges to a listed company that retains more than 70% of its net after-tax profit earned in any year. According to the said provisions if a company retains or transfers more than 70% of its after-tax profit to reserve or any other fund, an additional 10% tax shall be payable on such retained or transferred fund. Moreover, in order to encourage cash dividend, the tax law requires that if in any income year, the stock dividend declared by a company exceeds the cash dividend, an additional 10% tax shall be imposed on the whole amount of stock dividend declared or distributed.

Key Considerations in dividend decisions

The company shall endeavor to maintain a consistent dividend over the year with appropriate consideration of factors relevant to such decisions. It is the Company's practice to declare dividend on annual basis based on annual financial performance. However, the Board may also declare interim dividend based on periodic financial results. Historically the Company declared dividend in either cash or stock or in judicious combination of cash and stock. The company intends to pursue the same policy in future depending on the operating and financial context prevailing at that time.

Multiple internal and external factors might affect Company's dividend decisions. While recommending dividend the Board of Directors shall consider among others:

- Company's current net earnings, accumulated distributable reserves/surplus and availability of free cash flow
- Potential growth opportunities and investment requirements; assessment of benefits of retention vs pay-out
- Legal and Regulatory compulsion and tax implication of retention and payout
- Any debt/loan covenants restricting dividend announcement
- Persuasion of a target capital structure
- Cost of external finance
- Policy on consistency of the dividend over reasonable and foreseeable future years

Additionally, the Board may consider other factors or circumstances to decide on distribution of dividend for a particular year.

Eligibility of shareholders for dividend

Dividend is declared on the face value of each Equity Share. Unless otherwise stated, all holders of Equity Share and DR (Depository Receipts) whose names appear on the register of the Company on the Record Date declared by the Company for entitlement of dividend, are eligible to get the dividend.

Timing of Dividend Announcement and Payment

Annual dividend decision is taken in the Board Meeting to be held within 120 days from the date of closing of the financial year. Such decisions are based on the results of the audited financial statements. The dividend recommendations made by the directors are notified to the shareholders through stock exchanges, website and public announcements.

Dividend recommended by the Directors are to be placed in the Annual General Meeting (AGM) of the Company for the Shareholders' approval. Dividend are transferred to the respective shareholders' account within 30 days from the date of its approval. Declared cash dividend (declared amount) will be transferred and kept in a separate bank account, which will be maintained solely for the purpose of payment/disbursement of dividend. The transfer must be completed at least 01 (one) day prior to the date of the AGM. Interim Dividend if any declared by the Company, shall be transferred and kept in the dividend account within 15 (fifteen) days from the record date as declared by the Board of Directors and are paid within 30 days from the Record Date fixed by the Company for the entitlement of such dividend. The company shall not maintain the dividend account with those banks where a common director exists between the company and the said banks.

Policy Review and Amendment

Apart from mandatory revision, modification or amendment as necessitated by the legal and regulatory requirements, the company shall review this policy on periodic basis and make necessary revision or amendment to keep the policy relevant and up to date. The Board of Directors of the company shall approve the revision and/or amendment as it deems fit.

Disclaimer

The above Policy Statement neither gives a guarantee of dividend to be declared by the Company nor does it constitute a commitment for any future dividend and thus be read as a general guidance on different dividend related issues. The policy upholds the Board's absolute/complete liberty to recommend any dividend in deviation of the policy.

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF
MALEK SPINNING MILLS PLC
REPORT ON THE AUDIT OF
THE FINANCIAL STATEMENTS**

Opinion

We have audited the consolidated financial statements of Malek Spinning Mills PLC (the Company), which comprise the consolidated statement of financial position as at June 30, 2025 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the Company as at June 30, 2025 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the company Act 1994, the Securities and Exchange Rules 1987 and other applicable law and regulations.

Emphasis of Matters

1. Land and Land Development, Factory Building, Plant and Machinery & Generator were revalued on 04th July 2012, no further revaluation has been conducted till this date. However, as per the requirement of IAS 16.31, under the revaluation model, revaluations should be carried out regularly, so that the carrying amount of an asset does not differ materially from its fair value at the balance sheet date. Therefore, it is viable to conclude that the market value of the assets being carried under the revaluation model has changed significantly over the last 15 years.
2. IFRS 16 Leases has not been implemented, as such the rentals arising on the leased office space is charged to the Statement of Profit or Loss instead of applying lessee accounting. This therefore contravenes the aforesaid standard which states a single lessee accounting model should be applied to all leases having lease term more than 12 months with a corresponding recognition of a Right of Use Asset and Lease Liability.
3. As per the Independent Auditors Report and Audited Financial Statements of Salek Textile Limited, one of the components of Malek Spinning Mills PLC, for the year ended 30 June 2025, with reference to the note no 19.2 (a), the company's sales, as per VAT return, of Tk. 422 crore and the sum of LCs sales value is Tk. 490 crore that effectively create difference of Tk. 68 crore. The above difference arisen due to non-issuance of VAT challan for part of inter unit's sales of the company. Our report is not qualified in this respect.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, separate financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters.

Risk	Our response to the risk
Recoverability assessment of account receivables As at 30th June 2025 the balance of account receivables was BDT. 1,027,456,408 and 3,336,626,184 respectively for the Company and the Group. Bill receivables of the company comprise mainly receivables in relation to the trading business regarding the export of fabrics, which is secured and guaranteed by bank against Letter of Credit (L/C) The recoverable amount was estimated by management based on their specific recoverability assessment on debtor with reference to the aging profile, historical payment pattern and the past record of default of the customer	• Tested the accuracy of aging of trade receivables at year end on a sample basis: • Obtained a list of outstanding receivables and identified any debtors with financial difficulty through discussion with management as well as conducting market research on the Textile sector, Assessed the recoverability of the unsettled receivables on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers, historical payment pattern of customers, publicly available information and latest correspondence with customers and to consider if any additional provision should be made: and tested subsequent settlement of trade receivables after the balance sheet date on a sample basis, if any.
Note no. 5.1 & 7 to the financial statements	
Valuation of Inventory As at 30th June 2025 inventory value of BDT 3,126,439,996 and the Group, as a whole, reported total inventory of BDT. 7,700,259,150 is held on the financial position. Inventory is carried in the statement of financial position at the lower of cost and net realizable value. Sales in the manufacturing industry can be extremely volatile based on significant changes in consumer demand. As a result, there is a risk that the carrying value of inventory exceeds its net realizable value. Moreover, the process of estimating provision for inventories is judgmental and complex. Due to high level of judgment involved and use of some manual process in estimating the provision and net realizable value of inventories, we considered this to be a key audit matter.	We have tested the maintaining effectiveness of the inventories held by the Company. Additionally, we performed the following: • Evaluating the design and operating effectiveness of controls over procurement, production, and inventory management • Physical inventory counts, verification and performing test counts to verify existence and condition of inventories • Assessing the reasonableness of net realizable value estimates by comparing actual selling prices and costs incurred after year-end to management's estimates • Evaluating the adequacy of related disclosures in the financial statements in accordance with IAS 2 Inventories • Using the data obtained from the underlying records, including the closing inventory ledger and stock reports, we verified the inventory balances based on the ledgers and supporting documents provided by management.
Note no. 6 & 4.1 to the consolidated financial statements	
Property, Plant and Equipment The company has represented total Property Plant and Equipment (WDV) BDT 2,811,255,689 & 11,762,508,297 during the financial year 30 June 2025 which recovers 30.69% & 43.08% of total assets. The company represents addition for property, plant and equipment BDT 70,412,078 & 1,077,219,293 and charges depreciation during the financial year BDT 110,166,378 & 538,974,240.	We tested the design and operating effectiveness of key control focusing on the following: • We verified the existence and legal ownership of Property, Plant and Equipment. • Calculate and verify the depreciation of property, plant and equipment. • Evaluating the adequacy of disclosure to financial statements. Finally assessed the appropriateness and presentation of disclosures against property, plant and equipment.
Note no. 1.1 & 4 to the consolidated financial statements	
Re-valuation Surplus As at 30th June 2025 the balance of revaluation surplus was BDT. 987,910,656 and 3,233,498,086 respectively for the Company and the Group.	• Evaluating the adequacy of disclosure to financial statements. • Verified Revaluation Surplus in line with ledger, bank statement, Revaluation Report & appropriate supporting documents. • Reviewing audit working paper from component auditor.
Note no. 11.1 & 14 to the consolidated financial statements	

Risk	Our response to the risk
Long Term Loan As at 30th June 2025 the balance of Long Term Loan was BDT. 1,101,171,482 and 3,592,155,359 respectively for the Company and the Group. **Current Portion of Long-Term Loan** As at 30th June 2025 the balance of Long-term Loan was BDT. 298,068,457 and 1,220,804,700 respectively for the Company and the Group.	• Evaluating the adequacy of disclosure to financial statements. • Verified Long Term Loan & Current Portion of Long of Long-Term Loan in line with ledger, loan statement, sanction Letter, loan confirmation, bank certificate & appropriate supporting documents. • Reviewing audit working paper from component auditor.
Note no. 13.1 & 17, 16.1 & 20 to the financial statements	
Short Term Loan As at 30th June 2025 the balance of Short-term Loan was BDT. 917,017,165 and 4,788,898,096 respectively for the Company and the Group.	• Evaluating the adequacy of disclosure to financial statements. • Verified Short Term Loan in line with ledger, loan statement, sanction Letter, loan confirmation & appropriate supporting documents. • Reviewing audit working paper from component auditor.
Note no. 15.1 & 19 to the consolidated financial statements	
Revenue Recognition At year end the Malek Spinning Mills PLC reported total sales revenue (net sales) of BDT 4,638,216,523 and the Group, as whole, reported total revenue of Tk. 22,866,614,702 in the company's financial statement. Revenue is recognized when the performance obligation is satisfied by transferring goods or services to a customer, either at a point in time or over time. Goods or services are "transferred" when the customer obtains control of it. It is a matter of consideration whether revenue may be misstated due to recognition of sales transaction before performance obligation being satisfied. This was an area of focus for our audit and significant audit effort to rectify the export income.	We tested the design and operating effectiveness of key control focusing on the following: • We have taken into consideration the complexity of the situation and gained an understanding of the company's disclosures of the volume of sales incurred during the period by obtaining sufficient audit work, audit evidence and resource is required. • Verified sales transactions for compliance with the Company accounting principles. • Evaluated the Company's work to implement IFRS 15 and assessed whether accounting principles comply with the new accounting standard. • In addition, we performed substantive analytical to understand how the revenue has trended over the year among other parameters, we performed a detailed testing on transactions around the year-end, ensuring revenues were recognized in the correct accounting period. • Tested the internal controls over financial reporting, we also assessed the existence and accuracy of the sales recorded, based among other things on inspection of sales contracts, final acceptances, and the allocation of variable consideration to the various elements in the contracts. • Obtain and confirm pro-forma invoice and other related documents and calculate sales balances. • Issuance of VAT Challan.
Note no.21.1 & 25 to the consolidated financial statements	

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of consolidated financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticisms throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

ii. In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;

iii. The statement of financial position and statement of profit or loss and other comprehensive income are aligned with the company's accounting books and records.; and

iv. The expenditure incurred was for the purposes of the company's business.

Md. Iqbal Hossain FCA
Senior Partner, Enrolment No.0596
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

Place: Dhaka
Date: 26 October 2025

DVC: 2510260596AS379429

MALEK SPINNING MILLS PLC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2025

Particulars	Notes	Amount in Taka JUNE'25	Amount in Taka JUNE'24
ASSETS :			
Non-Current Assets :			
Property, Plant and Equipment	4	11,762,508,297	11,277,615,015
Capital Work-in-Progress	5	2,673,512,629	1,177,716,396
		14,436,020,926	**12,455,331,411**
Current Assets :			
Inventories	6	7,700,259,150	6,626,265,782
Accounts Receivable	7	3,336,626,184	4,549,350,365
Fire Insurance Claimed Receivable	8	22,524,905	40,033,208
Advances, Deposits and Pre-payments	9	682,832,145	694,614,866
Other Receivable	10	-	459,482,147
Cash and Cash Equivalents	11	1,122,739,209	1,853,650,712
		12,864,981,593	**14,223,397,080**
TOTAL ASSETS :		**27,301,002,519**	**26,678,728,491**
SHAREHOLDER'S EQUITY AND LIABILITIES:			
Equity attributable to owners of the company			
Share Capital	12	1,936,000,000	1,936,000,000
Share Premium	13	1,500,000,000	1,500,000,000
Re-valuation Surplus	14	3,233,498,086	3,264,817,970
Retained Earnings	15	5,068,333,642	3,703,552,613
		11,737,831,728	**10,404,370,583**
Non Controlling Interest	16	**54,016,166**	**50,656,221**
Total Equity :		**11,791,847,894**	**10,455,026,804**
Non Current Liabilities:			
Long Term Loan	17	3,592,155,359	4,405,409,237
Deferred Tax Liabilities	18	544,311,333	543,386,431
		4,136,466,692	**4,948,795,668**
Current Liabilities :			
Short Term Loan	19	4,788,898,096	4,421,090,799
Current Portion of Long Term Loan	20	1,220,804,700	1,060,895,260
Loan from Director	21	140,000,000	40,000,000
Acceptance Liabilities	22	3,955,004,410	4,424,939,916
Unclaimed Dividend	23	3,775,560	3,984,585
Creditors, Accruals & Provisions	24	1,264,205,167	1,323,995,459
		11,372,687,933	**11,274,906,019**
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES :		**27,301,002,519**	**26,678,728,491**
Net Assets Value Per Share (NAV)	38	**60.63**	**53.74**

Par Value Tk.10
The annexed notes are integral part of these financial statement.
These financial statements were approved by the Board of Directors and were signed on it's behalf by.

A. Matin Chowdhury	**Azizur Rahim Chowdhury**	**B.K. Chaki**	**Syed Saiful Haque**
Managing Director	Director	Chief Financial Officer	Company Secretary

Place: Dhaka
Dated: 26 October 2025

Md. Iqbal Hossain FCA
Senior Partner, Enrolment No. 596 (ICAB)
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants
DVC: 2510260596AS379429

MALEK SPINNING MILLS PLC.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2025

Particulars	Notes	Amount in Taka	
		JUNE'25	JUNE'24
Sales	25	22,866,614,702	22,211,799,555
Cost of Goods Sold	26	(20,197,738,089)	(19,544,205,124)
Gross Profit :		**2,668,876,613**	**2,667,594,432**
Operating Expenses	27	(279,729,821)	(261,370,391)
Financial Expenses	28	(803,901,906)	(774,060,500)
Operating Profit/(Loss) :		**1,585,244,886**	**1,632,163,540**
Loss on Fire	29	-	(62,324,160)
Other Income/(Loss)	30	159,548,871	187,995,645
Net Operating Profit/(Loss) :		**1,744,793,757**	**1,757,835,025**
Contribution to WPPF	31	(26,610,578)	(25,733,754)
Profit/(Loss) before Tax :		**1,718,183,179**	**1,732,101,271**
Income Tax :		**(279,403,889)**	**(299,696,720)**
Current Tax	32	(277,489,900)	(225,091,433)
Prior year tax adjustment	32	(989,086)	(62,369,779)
Deferred Tax	33	(924,903)	(12,235,508)
Net Profit/(Loss) after tax		**1,438,779,289**	**1,432,404,551**
Other Comprehensive Income		-	-
Total Comprehensive Income		**1,438,779,289**	**1,432,404,551**
Profit attributable to:			
Owners of the company		1,435,419,344	1,429,469,446
Non-controlling interest	34	3,359,945	2,935,105
		1,438,779,289	**1,432,404,551**
Total comprehensive income attributable to:			
Owners of the company		1,435,419,344	1,429,469,446
Non-controlling interest	34	3,359,945	2,935,105
		1,438,779,289	**1,432,404,551**
Earnings Per Share (EPS)	35	**7.41**	**7.38**
Par Value Tk.10			
Number of Shares used to compute EPS		**193,600,000**	**193,600,000**

The annexed notes are integral part of these financial statement.
These financial statements were approved by the Board of Directors and were signed on it's behalf by.

A. Matin Chowdhury	**Azizur Rahim Chowdhury**	**B.K. Chaki**	**Syed Saiful Haque**
Managing Director	Director	Chief Financial Officer	Company Secretary

Md. Iqbal Hossain FCA
Senior Partner, Enrolment No. 596 (ICAB)
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

Place: Dhaka
Dated: 26 October 2025

MALEK SPINNING MILLS PLC.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2025

Particulars	Share Capital	Share Premium	Revaluation Surplus of Fixed Assets	Retained Earnings	Non Controlling Interest	Total
Balance as at 1st July 2024	1,936,000,000	1,500,000,000	3,264,817,970	3,703,552,613	50,656,221	10,455,026,804
Total Comprehensive Income				1,435,419,344	3,359,945	1,438,779,289
Transfer of excess depreciation of Revalued Assets			(31,319,884)	31,319,884		-
Dividend Income adjustment of Subsidiary Co.				(3,000)		(3,000)
Declared Cash Dividend for 2023-2024 financial year				(101,955,200)		(101,955,200)
As at 30th June 2025	**1,936,000,000**	**1,500,000,000**	**3,233,498,086**	**5,068,333,642**	**54,016,166**	**11,791,847,894**

FOR THE YEAR ENDED 30TH JUNE 2024

Particulars	Share Capital	Share Premium	Revaluation Surplus of Fixed Assets	Retained Earnings	Non Controlling Interest	Total
Balance as at 1st July 2023	1,936,000,000	1,500,000,000	3,379,069,326	2,240,297,428	47,721,116	9,103,087,870
Total Comprehensive Income				1,429,469,446	2,935,105	1,432,404,551
Transfer of excess depreciation of Revalued Assets			(33,788,739)	33,788,739		-
Adjustment of Revaluation Surplus of Fixed Assets			(80,462,617)			(80,462,617)
Dividend Income adjustment of Subsidiary Co.				(3,000)		(3,000)
As at 30th June 2024	**1,936,000,000**	**1,500,000,000**	**3,264,817,970**	**3,703,552,613**	**50,656,221**	**10,455,026,804**

The annexed notes are integral part of these financial statement.
These financial statements were approved by the Board of Directors and were signed on it's behalf by.

A. Matin Chowdhury
Managing Director

Azizur Rahim Chowdhury
Director

B.K. Chaki
Chief Financial Officer

Syed Saiful Haque
Company Secretary

Md. Iqbal Hossain FCA
Senior Partner, Enrolment No. 596 (ICAB)
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

Place: Dhaka
Dated: 26 October 2025

MALEK SPINNING MILLS PLC.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2025

Particulars	Amount in Taka JUNE'25	Amount in Taka JUNE'24
CASH FLOW FROM OPERATING ACTIVITIES :		
Collection from Turnover & Bills Receivable	24,079,338,883	21,614,736,022
Other Income	168,761,308	190,537,883
Payment for Raw Materials, Indirect Materials and other expenses	(21,247,946,972)	(19,152,153,516)
Payment for other customer	-	(34,434,512)
Foreign currency exchange Gain/(Loss) realized	1,276,152	467,527
Payment to Employee against contribution to WPPF	(20,587,004)	(14,419,441)
Fire Insurance Claimed received on Raw Materials & Goods	14,098,408	180,101,147
Payment for Operating Expenses	(268,114,230)	(253,182,328)
Payment for Financial Expenses	(802,423,357)	(743,579,870)
Payment for Income Tax	(301,234,300)	(257,348,442)
Net Cash provided/(used) by Operating Activities	**1,623,168,887**	**1,530,724,470**
CASH FLOW FROM INVESTING ACTIVITIES :		
Acquisition of Fixed Assets	(734,895,891)	(656,631,804)
Acquisition of Capital work in progress	(1,794,272,000)	(1,854,621,894)
Disposal of Fixed Assets	459,482,147	49,617,800
Fire Insurance Claimed received on Assets	3,409,895	-
Advance against Building & other construction	-	(19,926,189)
Net cash provided/(used) in Investing Activities	**(2,066,275,849)**	**(2,481,562,087)**
CASH FLOW FROM FINANCING ACTIVITIES :		
Bank Loan Increase/(Decrease)	(285,537,141)	2,082,657,137
Loan from Directors	100,000,000	40,000,000
Dividend paid to Sponsor Directors from Subsidiary Co.	(3,000)	(3,000)
Dividend Paid to Shareholders	(99,700,540)	(7,569)
Unclaimed Dividend transferred to Capital Market Stabilization Fund	(1,637,658)	-
Dividend Accounts Interest transferred to CMS Fund	(846,051)	-
Interest Increased/(Decreased) in Dividend Account	20,024	(24,017)
Net cash provided/(used) in Financing Activities	**(287,704,366)**	**2,122,622,550**
Increase/(Decrease) in Cash and Cash Equivalents	**(730,811,327)**	**1,171,784,934**
Opening Cash & Cash Equivalents	1,853,650,712	682,309,689
Foreign Currency Bank deposit translation Gain/(Loss)	(100,176)	(443,911)
Closing Cash and Cash Equivalents	**1,122,739,209**	**1,853,650,712**
Net Operating Cash Flow Per Share (NOCFPS)	**8.38**	**7.91**
Par Value Tk.10		

The annexed notes are integral part of these financial statement.
These financial statements were approved by the Board of Directors and were signed on it's behalf by.

A. Matin Chowdhury
Managing Director

Azizur Rahim Chowdhury
Director

B.K. Chaki
Chief Financial Officer

Syed Saiful Haque
Company Secretary

Place: Dhaka
Dated: 26 October 2025

Md. Iqbal Hossain FCA
Senior Partner, Enrolment No. 596 (ICAB)
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

MALEK SPINNING MILLS PLC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE YEAR ENDED 30TH JUNE 2025

1. COMPANY AND ITS ACTIVITIES:

Malek Spinning Mills PLC. was incorporated with RJSC vide registration no. C-19018 as a Private Limited Company on 2nd November, 1989 under Companies Act 1913. It was converted into Public Ltd. Company in the year 2008. The share of the company is denominated from Tk.100/- to Tk.10/- per share as on 14th September, 2008. Its subsidiary companies are Salek Textile Limited, Newasia Synthetics Limited and J.M. Fabrics Limited. Titas Spinning & Denim Company Ltd. one of the subsidiary company has been Merged and Amalgamated with another subsidiary company Salek Textile Ltd. as per order of the Hon'ble High Court Division of the Supreme Court of Bangladesh dated 05.03.2014 in the Company Matter No. 248 of 2013. All of the companies are incorporated with registrar of joint stock companies and firms, Dhaka, except J.M. Fabrics Limited which is registered with RJSC Chittagong, Bangladesh under Companies Act 1994. Registered office of the Companies are at 117/A, Tejgaon I/A, Dhaka-1208, while factories are situated at Shafipur, Kaliakoir, Bhawal Mirzapur, Gazipur & Mahna Bhabanipur, Gazipur respectively.

1.01. NATURE OF BUSINESS:

The Company has got the capacity of 59,964 spindles to spin high quality Cotton hosiery yarns by using modern machinery including state-of-the-art yarn testing laboratory. Annual production capacity of the company is 12,425,000 Kgs.

2. BASIS OF THE PREPARATION OF THESE FINANCIAL STATEMENTS:

2.01 Statement of compliance:

The financial statements of the company under reporting have been prepared under historical cost convention, except land, Building and Machinery which is stated at revalued amount, in a going concern concept and on accrual basis other than Cash Incentive Income which is recognized on cash basis in accordance with generally accepted accounting principles and practice in Bangladesh in compliance with the Companies Act 1994, The Securities and Exchange Rules 1987, Listing Regulations of Dhaka Stock Exchange Ltd (DSE) & Chittagong Stock Exchange Ltd. (CSE) and in compliance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

2.02 Compliance with International Accounting Standards:

The financial statements have been prepared in compliance with requirement of IAS as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh.

2.03 Risk and Uncertainties for use of Estimates in Preparation of Financial Statements:

The preparation of financial statements in conformity with the international accounting standards requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of affecting financial statements and revenues and expenses during the reported year. Actual results could differ from those estimates. Estimates are used for accounting of certain items such as long-term contracts; depreciation and employees benefit plans, taxes, reserves and contingencies.

2.04 Accrual basis accounting

The financial statements, except cash flows statements, have been prepared using the accural basis of accounting. Under this concept, the company recognises items as assets, liabilities, equity, income and expenses when they satisfy the definitions and recognition criteria for those elements as per related accounting standard and framework.

2.05 Going concern

The financial statements have been prepared in assuming that the company is going concern and it has ability to continue as going concern for forseeable future.

2.06 Principal Accounting Policies:

Specific accounting policies were selected and applied by the company's management for significant transactions and events that have a material effect within the framework of IAS-1 "Preparation of Financial Statement" and IAS-27 preparation separate financial statements and presentation of financial statements. The previous year's figures were presented according to the same accounting principles.

2.07 Basis of Consolidation:

The consolidated financial statements incorporate the financial statements of the company and entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other member of the group.

All intra group transaction, balances, income and expenses are eliminated in full on consolidation. Minority interests in the net assets of consolidated subsidiaries are identified separately from the group equity therein. The consolidated financial statements are prepared as per guidance of IFRS-10: Consolidated Financial Statements.

These consolidate financial statements have been prepared in consolidation with the audited accounts of the company and the audited accounts of Salek Textile Limited, Newasia Synthetics Limited and J.M. Fabrics Limited for the year ended 30th June, 2025 according to the relevant IFRS or IAS.

2.08 Percentage of Holding on Subsidiary Company:

Name of Company	Total No. Shares	Total Holding	Percentage of Holding
Salek Textile Ltd.	48,260,870	47,259,700	97.925%
Newasia Synthetics Ltd.	6,600,000	6,553,338	99.293%
J.M. Fabrics Ltd.	4,000,000	3,999,900	99.998%

2.09 Application of International Accounting Standards (IAS):

The following IAS are applicable for the financial statements for the year under review

IAS – 1	Presentation of Financial Statement.
IAS – 2	Inventories.
IAS – 7	Statement of Cash Flows.
IAS – 8	Accounting Policies, Changes in Accounting Estimates and Errors.
IAS – 10	Events after the Balance Sheet Date.
IAS – 12	Income Tax.
IAS – 16	Property, Plant & Equipment.
IAS – 19	Employee Benefits.
IAS – 20	Accounting for Government Grants and Disclosure of Government Assistance.
IAS – 21	The effect of changes in Foreign Exchange rate.
IAS – 23	Borrowing Cost.
IAS – 24	Related Party Disclosure.
IAS – 27	Separate Financial Statements.
IAS – 33	Earnings per share.
IAS – 36	Impairment of Assets.
IAS – 37	Provisions, Contingent Liabilities and Contingent Assets.
IAS – 38	Intangible Assets.
IFRS –3	Business Combination.
IFRS –8	Operating Segments
IFRS –10	Consolidated Financial Statements.
IFRS –15	Revenue from Contracts with Customers
IFRS –16	Leases.

3. Significant accounting polices:

3.01 Recognition of Property, Plant & Equipment and Depreciation:

Property, Plant & Equipment are stated at cost less accumulated depreciation in accordance with IAS-16 “Property, Plant & Equipment”. Cost represents cost of acquisition or construction and include purchase price and other directly attributable cost of bringing the assets to working conditions for its intended use. Revaluation of Land, Building, Plant & Machineries were made by registered renowned Company Asian Surveyors Ltd. as on 30.06.2012. Depreciation on all fixed assets except J.M. Fabrics Limited is computed using the reducing balance method in amount sufficient to write-off depreciable assets over their estimated useful life. Depreciation on fixed assets of J.M. Fabrics Limited is computed using straight line method. Depreciation on Current year addition is charged as and when the assets are ready for operation.

The annual depreciation rates applicable to the principal categories are:

Building	3.37% - 5%
Plant & Machinery	5% - 10.85%
Generator	10% - 15%
Furniture & Fixture	10% - 20%
Motor Vehicles	10% - 20%
Office Equipment	15% - 20%
Electrical Installation	10% - 19.75%
Gas Line Installation	15%
Fire Installation	15%
Loose Tools	10% - 15%

3.02 Inventories:

Inventories comprise of Raw Materials, Raw Materials in Transit, Work-In-Process, Finished Goods and Stores and Spare Parts. They are stated in accordance with the Para of 21 & 25 of IAS-2 “Inventories”. Basis of valuation is as under:

a) Raw Material in hand (imported) lower of cost and net realizable value (NRV).
b) Raw Material in hand (local) lower cost (weighted average) and NRV.
c) Raw Material in transit Cost incurred to date accumulated to balance sheet date of course cost incurred to date is less than or equal to fair value.

d) Work-in-process lower of cost (weighted average) and NRV (market value less cost to finish).

e) Finished Goods lower of cost and NRV.

f) Waste NRV.

Cost in relation to work-in-process and finished goods represents annual average manufacturing cost which consists of prime cost and apportionate manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated cost of completion and estimated cost necessary to be incurred to affect such sale.

3.03 Accounts Receivable:

Accounts Receivable represents the amounts due from export sales both to local and foreign buyers. All transaction related to export sales is performed through letter of credit, they are secured and collectible. The credit party, under confirmed LC of sold goods is between 90 days to 120 days. Receivable are recognised, when goods are sold to customers and subsequently measured at amortise cost.

3.04 Cash and Cash Equivalents:

According to IAS-7 'Statement of Cash flows' cash comprises of cash-in-hand and demand deposits. IAS-1 'Presentation of Financial Statements' provides that cash and cash equivalents are not restricted in use. Considering the provisions of IAS-7 and IAS-1, Cash in hand and Bank balances have been considered as cash and cash equivalents.

3.05 Creditors and Accruals:

Liabilities are recognized under accrual basis accounting, amounts to be paid in the future for goods and services received. After final recognition the creditors and accruals are accounted for under amortised cost.

3.06 Income Tax:

a) Current Tax: The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported is the statement of Profit or Loss and other Comprehensive income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted on date of Statement of Financial Position.

b) Deferred Tax: The Company has recognized deferred tax using balance sheet method in compliance with the provisions of IAS-12 "Income Taxes". The company's policy of recognition of deferred tax assets/liabilities is based on temporary difference (Taxable or deductible) between the carrying amount (Book Value) of assets and liabilities for Financial Reporting purpose and its tax base, and accordingly, deferred tax income/expenses has been considered to determine net profit after tax and earnings per share (EPS).

3.07 Statement of Cash Flows:

Statement of Cash Flows is prepared in accordance with IAS-7 under direct method as outlined in the "Securities and Exchange Rules 1987".

3.08 Contingent Liabilities and Assets:

Current or possible obligations or assets arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain events which are not within the control of the group.

3.09 Reporting Period:

Financial statements of the company cover from 1st July 2024 to 30th June 2025.

3.10 Reporting Currency and Level of Precision:

The figures in the financial statements represent Bangladesh Currency (Taka), which have been rounded off to the nearest Taka except where indicates otherwise.

3.11 Comparative Information:

Comparative information have been disclosed in respect of previous year 2023-2024 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year 2024-2025 financial statements. Figures of the previous year have been rearranged whenever considered necessary to ensure comparability with the current year.

3.12 Foreign Currency Transaction:

Transactions in foreign currencies are translated into Bangladeshi taka in accordance with IAS-21 "The Effects of Changes in Foreign Exchange Rate." Foreign Currencies are converted into taka at the rates ruling on the transaction dates. Monetary assets and liabilities are converted at the rates prevailing at the balance sheet date, non-monitory assets and liabilities are reported using the exchange rate at the date of transaction. Exchange currency difference if any in the comprehensive income.

3.13 Revenue Recognition:

The Company recognizes revenue when risk and rewards associated with ownership has been transferred to buyer, which satisfied all the condition for the revenue recognition as provided in IFRS-15 'Revenue from Contracts with Customers.'

3.14 Accounting for Government Grants and Disclosure of Government Assistance:

Cash Incentive recognize as per IAS-20 as other income.

3.15 Responsibility for Preparation and Presentation of Financial Statements:

The Board of Directors is responsible for the preparation and presentation of Financial Statements under Section 183 of the Companies Act 1994 and as per the provision of 'The Framework for the Preparation and Presentation of Financial Statements' issued by the International Accounting Standards Board (IASB).

3.16 Components of the Financial Statements:

According to the International Accounting Standard IAS-1 'Presentation of Financial Statements' the complete set of Financial Statements includes the following components:

(i) Statement of Financial Position as at 30th June 2025.

(ii) Statement of Profit or Loss and other Comprehensive Income for the period from 1st July 2024 to 30th June 2025.

(iii) Statement of Cash flows for the period from 1st July 2024 to 30th June 2025.

(iv) Statement of changes in Equity for the period from 1st July 2024 to 30th June 2025.

(v) Accounting Policies and Explanatory Notes.

3.17 Earnings per Share:

Earnings per share (EPS) is calculated in accordance with the International Accounting Standard IAS-33 "Earnings per share".

3.18 Basic Earnings per Share:

Basic Earnings per share is calculated by dividing the net profit or loss for the year attributable to ordinary shareholders by the number of ordinary shares outstanding during the year.

3.19 Share Premium:

The balance in share premium account shall be utilized in accordance with provisions of the Companies Act 1994 and as directed by the Bangladesh Securities and Exchange Commission in this respect.

3.20 Impairment of Assets:

The company reviews the recoverable amount of its assets at each reporting date. If there exist any indication that the carrying amount of assets exceeds the recoverable amount, the company recognizes such impairment loss in accordance with IAS-36 "Impairment of Assets".

3.21 Credit Facility Not Availed:

There was no credit facility available to the company under any contract, other than trade credit available in the ordinary course of business.

3.22 Segment Reporting:

As there is a single business and geographic segment within the company operates as such no segment reporting is felt necessary for Malek Spinning Mills PLC. But its subsidiaries Salek Textile Ltd. has geographic and product segment by Spinning and Fabrics unit and the financial statement has reported showing result and Financial Position each segment according to IFRS-8. The disclosure of segment reporting is also disclosed in financial of Salek Textile Ltd.

3.23 General Comments & Observations:

a) Previous year's figures is regrouped/reclassified wherever considered necessary to confirm to current year's presentation. There has no such effect during year. Figures have been rounded off to the nearest taka, as the currency represented in this financial statement.

b) All shares have been fully called and paid up.

c) There was no preference share issued by the company.

d) The company has not incurred any expenditure in foreign currency against royalties and technical fees.

e) Auditors are paid only statutory audit fees.

f) No foreign exchange remitted to the relevant shareholders during the year.

g) No amount of money was expended by the company for compensating any members of the Board for special service rendered.

h) No brokerage was paid against sales during the year.

i) There was no bank guarantee issued by the company on behalf of directors.

3.24 Contribution to Worker's Profit Participation Fund:

The contribution for Worker's Profit Participation Fund is provided in the Accounts but approved while approving the Accounts in the Annual General Meeting and payable accordingly. The company is making provision of WPPF at the rate of 5% of company's operating profit as per the Labour Law Act-2006 (amendment 2013).

3.25 Effect of exchange rate changes on cash and cash equivalent:

We have shown the effect of currency Exchange Rate Changes separately in the Cash Flows Statement.

MALEK SPINNING MILLS PLC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2025

Particulars	Amount in Taka JUNE'25	JUNE'24
4. CONSOLIDATED PROPERTY, PLANT AND EQUIPMENT:		
COST:		
Opening Balance	12,902,154,106	11,793,794,976
Addition during this year	1,077,219,293	1,428,447,220
	13,979,373,399	**13,222,242,196**
Sales/Adjustment during this year	67,525,303	320,088,090
Closing Balance	**13,911,848,096**	**12,902,154,106**
Accumulated Depreciation:		
Opening Balance	5,052,403,679	4,879,744,197
Depreciation during this year	538,974,240	440,563,918
Adjustments during this year	57,136,889	267,904,435
Closing Balance	**5,534,241,030**	**5,052,403,679**
Less: Non-current Asset held under disposal group	-	-
Written Down Value at cost:	**8,377,607,066**	**7,849,750,427**
REVALUATION:		
Opening Balance	4,576,665,144	4,800,928,324
Addition of Revaluated Assets	-	-
Adjustment during this year	-	224,263,180
Total Revaluated Assets:	**4,576,665,144**	**4,576,665,144**
Accumulated Depreciation:		
Opening Balance	1,148,800,556	1,246,053,834
Depreciation during this year	42,963,357	46,547,285
Adjustments during this year	-	143,800,563
Closing Balance	**1,191,763,912**	**1,148,800,556**
Written Down Value of Revaluated Assets:	**3,384,901,232**	**3,427,864,588**
Total Written Down Value:	**11,762,508,297**	**11,277,615,015**

Allocation of depreciation charges for this year has been made in the accounts as follows:

Factory Overhead	571,311,244	476,475,425
Administrative Overhead	10,626,353	10,635,778
	581,937,597	**487,111,203**

Details of Fixed Assets and Depreciation are shown in the **Annexure-1**

5. CONSOLIDATED CAPITAL WORK-IN-PROGRESS:	**2,673,512,629**	**1,177,716,396**
Opening Balance	1,177,716,396	287,958,040
Addition for this year	1,836,272,000	1,771,821,894
Less: Transferred to Assets Schedule	340,475,767	882,063,538
Closing Balance	**2,673,512,629**	**1,177,716,396**
6. CONSOLIDATED INVENTORIES :		
Raw Materials	3,088,970,533	2,844,202,434
Stock-in-Transit	1,145,609,943	910,672,781
Work-in-Process	759,937,586	660,444,674
Finished Goods	2,285,913,222	1,824,702,886
Stores & Accessories:	419,827,865	386,243,006
Total:	**7,700,259,150**	**6,626,265,782**

(i) The inventory counting was taken place at this year end in the presence of company management.

(ii) Inventories are valued at lower of cost and net realizable value. Net realizable value is based on estimated selling price less any other cost anticipated to be incurred to make the sale. Any obsolete stock or abnormal losses, if any, are recognized as expenses.

7. CONSOLIDATED ACCOUNTS RECEIVABLE :		
i) Malek Spinning Mills PLC.	1,027,456,408	1,084,188,548
ii) Salek Textile Limited	1,551,529,692	1,859,621,973
iii) J.M. Fabrics Limited	985,879,144	1,918,035,080
	3,564,865,244	**4,861,845,600**
Less: Inter Company Receivable	228,239,061	312,495,236
Total:	**3,336,626,184**	**4,549,350,365**

(i) A/C Receivable occurred in the ordinary course of business by selling of company's product. As per assessment of directors, the above receivable is considered as good & realizable within due course of business.

(ii) The A/C Receivable are secured against confirmed Export L/C (Deferred period is 120 days).

(iii) Aging of the Receivables:

Invoiced at 90 days L.C tenor:	352,714,754	480,911,827
Invoiced at 120 days L.C tenor:	2,983,911,430	4,068,438,538
Invoiced at 121 - 180 days L.C tenor:	-	-
Invoiced at 181 - 360 days L.C tenor:	-	-
Invoiced at above 360 days L.C tenor:	-	-
Total:	**3,336,626,184**	**4,549,350,365**

8. CONSOLIDATED FIRE INSURANCE CLAIMED RECEIVABLE:

Fire Insurance claimed receivable (Raw Materials & Finish Goods)	22,524,905	36,623,313
Fire Insurance claimed receivable (Fixed Assets)	-	3,409,895
	22,524,905	**40,033,208**

9. CONSOLIDATED ADVANCE, DEPOSIT & PRE-PAYMENTS:

Advance against materials suppliers & Others	191,807,941	185,461,699
Advance against Building & other construction	47,413,735	92,169,972
Security Deposit to REB	178,875	178,875
Security Deposit to Titas Gas T&D Co.	49,093,910	44,409,610
Advance against Income Tax (Note: 9-A)	387,196,895	365,267,953
Security Deposit to CDBL	500,000	500,000
Security deposit to Palli Bidyut Samity	3,000,000	3,000,000
Advance to M/S Maznu Traders(For Land purchase)	73,073	73,073
Advance to Techno Soil International	170,500	170,500
Advance to WASO Engineers & Consultants (BD) Ltd.	1,100,000	1,100,000
Security Deposit against LC margin/ Bank Guarantee	1,283,185	1,283,185
Advance to Mr. Saiful Haque(Co. Secretary)	14,030	-
Advance to M/S MR Traders (Land purchase-Ashugonj)	1,000,000	1,000,000
Total:	**682,832,145**	**694,614,866**

9-A. CONSOLIDATED ADVANCE INCOME TAX:

Opening Balance	**365,267,953**	**339,835,403**
Advance Income Tax paid (Against Export Proceeds)	256,090,811	203,070,282
Advance Income Tax paid (Against Import)	3,295,938	2,001,846
Advance Income Tax paid (Against Interest Income)	37,361	173,275
Advance Income Tax paid (Against Cash Incentive)	16,741,290	18,936,030
Advance Income Tax paid (Against Dividend Income)	23,999,400	23,999,400
Advance Income Tax paid (Against prior year Income)	-	8,332,610
Advance Income Tax paid (Against Vehicle)	1,069,500	835,000
Total AIT paid for this year:	**301,234,300**	**257,348,442**
Payment/Adjustment for prior year Income	279,305,358	231,915,892
Total:	**387,196,895**	**365,267,953**

a) All the advances & deposits amount is considered good and recoverable within the ordinary course of business.

b) In the opinion of Directors, all current assets, investments, loans and advance have on realization in the ordinary course of business, a value at least equal to the amount at which they are stated in the Financial Position.

MATURITY ANALYSIS OF ADVANCES, DEPOSITS & PREPAYMENTS:

(i) Realizable/Adjustable within 1 year:	681,160,816	631,974,249
(ii) Realizable/Adjustable after 1 year:	1,671,329	62,640,618
Total:	**682,832,145**	**694,614,866**

10. OTHER RECEIVABLE:	**-**	**459,482,147**
Disposal proceeds of RMG Unit	-	425,047,635
Receivable for Other Material transfer	-	34,434,512
	-	**459,482,147**

11. CONSOLIDATED CASH AND CASH EQUIVALENTS:

Cash in Hand:	**2,966,767**	**2,611,363**
Cash at Banks :		
Brac Bank PLC.	4,299,515	41,334,413
The City Bank PLC.	200,712,494	293,774,491
Dhaka Bank PLC.	8,721,660	28,941,134
Dutch Bangla Bank PLC.	821,722	1,501,656
Eastern Bank PLC.	17,622,857	52,993,046
HSBC Ltd.	474,574	32,629,142
Meghna Bank PLC.	5,735,335	41,109,929
One Bank PLC.	34,680,297	38,969,982
Pubali Bank PLC.	24,098,621	4,414,040
Trust Bank PLC.	7,308,629	98,883,494
Prime Bank PLC.	126,504,890	186,770,675
United Commercial Bank PLC.	688,791,850	1,029,717,347
Cash at Bank Total:	**1,119,772,443**	**1,851,039,349**
Total:	**1,122,739,209**	**1,853,650,712**

Cash balance was physically counted at this year ended and Bank balances were reconciled and found in order.

12. CONSOLIDATED SHARE CAPITAL:		**1,936,000,000**	**1,936,000,000**
It represents 19,36,00,000 ordinary shares of Tk.10 each.			
13. CONSOLIDATED SHARE PREMIUM:		**1,500,000,000**	**1,500,000,000**
It represents premium of 100,000,000 ordinary shares of Tk.15 each.			
14. CONSOLIDATED RE-VALUATION SURPLUS:			
Opening Balance		3,264,817,970	3,379,069,326
Less: Adjustment of Revaluated Assets		-	80,462,617
Less: Transfer to Retained Earnings of excess depreciation		31,319,884	33,788,739
Net Written Down Value:		**3,233,498,086**	**3,264,817,970**

Calculation of deferred tax adjusted balance which has been transferred from revaluation surplus to retained earnings and changes in equity:

Depreciation of revalued asset	100%	36,782,982	
Deferred tax adjustment	12% & 15%	5,463,098	
Deferred tax adjusted balance of excess depreciation:	**85.15%**	**31,319,884**	

Company Tax Rate for Textile sector 15% and RMG sector 12%.

15. CONSOLIDATED RETAINED EARNINGS:			
Opening Balance		3,703,552,613	2,240,297,428
Add: Net Profit/(Loss) during this year		1,435,419,344	1,429,469,446
		5,138,971,957	**3,669,766,874**
Add: Transfer of excess depreciation of revaluated assets		31,319,884	33,788,739
Less: Declared Cash Dividend		101,955,200	-
Less: Dividend Income adjustment		3,000	3,000
Total:		**5,068,333,642**	**3,703,552,613**
16. NON CONTROLLING INTEREST:			
Non Controlling Interest details as follows:			
Paid-up Capital-			
(i) Salek Textile Ltd.	2.0745%	10,011,700	10,011,700
(ii) Newasia Synthetics Ltd.	0.7070%	4,666,200	4,666,200
(iii) J.M Fabrics Ltd.	0.0025%	10,000	10,000
Total:		**14,687,900**	**14,687,900**
Retained Earnings-			
(i) Salek Textile Ltd.	2.0745%	23,229,373	19,709,994
(ii) Newasia Synthetics Ltd.	0.7070%	(215,862)	(219,939)
(iii) J.M Fabrics Ltd.	0.0025%	99,647	74,101
Total:		**23,113,157**	**19,564,156**
Revaluation Surplus-			
(i) Salek Textile Ltd.	2.0745%	6,726,317	6,915,333
(ii) Newasia Synthetics Ltd.	0.7070%	9,485,468	9,485,468
(iii) J.M Fabrics Ltd.	0.0025%	3,324	3,364
Total:		**16,215,109**	**16,404,164**
Total Non Controlling Interest:		**54,016,166**	**50,656,221**

This represents non controlling interest of Salek Textile Limited, Newasia Synthetics Limited, J.M. Fabrics Limited

17. CONSOLIDATED LONG TERM LOAN:		
Eastern Bank PLC.	59,575,977	23,467,583
Dhaka Bank PLC.	789,304,640	900,351,733
Trust Bank PLC.	1,385,259,790	1,821,452,948
Meghna Bank PLC.	180,608,783	298,198,661
HSBC Limited	18,759,762	82,646,586
Brac Bank PLC.	347,500,728	464,077,087
One Bank PLC.	25,657,678	122,899,572
The City Bank PLC.	252,082,149	379,639,247
IDLC Finance PLC.	192,637,253	237,838,547
Prime Bank PLC.	1,277,550,107	920,846,625
United Commercial Bank PLC.	284,023,192	214,885,909
	4,812,960,059	**5,466,304,497**
Less: Current Portion of Long Term Loan Note: 20	1,220,804,700	1,060,895,260
Total Long Term Loan:	**3,592,155,359**	**4,405,409,237**
18. DEFERRED TAX LIABILITIES:		
Opening Balance	543,386,431	531,150,923
Addition during this year for prior year adjustment	-	-
Add: Provision for this year	924,903	12,235,508
Total:	**544,311,333**	**543,386,431**

Deferred Tax Calculation:

Particulars	**Accounts Base (WDV)**	**Tax Base (WDV)**	**Temporary difference**	**Temporary difference**
Written Down Value of Fixed Assets at cost	8,377,607,066	6,625,985,006	1,751,622,060	1,720,220,458
WDV of Revaluation Surplus of Fixed Assets	3,384,901,232	1,341,650,365	2,043,250,867	2,086,214,223
Total	**11,762,508,297**	**7,967,635,371**	**3,794,872,927**	**3,806,434,681**
Deferred tax rate			12% - 15%	12% - 15%
Closing Deferred Tax Liability			**544,311,333**	**543,386,431**

19. CONSOLIDATED SHORT TERM LOAN:

Import Loan & Working Capital:		
Dhaka Bank PLC.	393,401,373	366,789,884
Eastern Bank PLC.	213,275,366	39,295,637
Prime Bank PLC.	547,992,951	384,695,030
The City Bank PLC.	1,334,651,152	819,752,066
United Commercial Bank PLC.	745,327,504	1,255,846,070
Sub-total:	**3,234,648,346**	**2,866,378,688**
Bank Overdraft:		
Eastern Bank PLC.	77,040,830	62,670,979
Dhaka Bank PLC.	28,546,946	32,783,173
Brac Bank PLC.	51,090,129	51,303,994
The City Bank PLC.	725,777	-
Trust Bank PLC.	41,361,920	39,162,333
Meghna Bank PLC.	51,901,423	51,883,780
One Bank PLC.	20,570,037	20,297,742
Trust Bank PLC.	30,931,615	31,326,755
HSBC Ltd.	44,353,810	48,454,200
Sub-total:	**346,522,488**	**337,882,956**
Liability for Bill discount:		
Dhaka Bank PLC.	36,473,912	52,857,739
Eastern Bank PLC.	872,089,375	866,362,081
HSBC Ltd.	8,365,288	20,639,738
Brac Bank PLC.	57,781,941	104,595,197
Trust Bank PLC.	233,016,747	172,374,400
Sub-total:	**1,207,727,263**	**1,216,829,155**
Total:	**4,788,898,096**	**4,421,090,799**

20. CONSOLIDATED CURRENT PORTION OF LONG TERM LOAN :

Eastern Bank PLC.	4,844,154	1,719,865
Dhaka Bank PLC.	175,262,154	152,240,338
Brac Bank PLC.	38,168,950	-
HSBC Ltd.	18,759,762	65,386,822
Meghna Bank PLC.	63,453,325	102,102,894
One Bank PLC.	26,840,000	91,277,916
Trust Bank PLC.	476,549,707	340,411,792
The City Bank PLC.	94,399,039	99,367,004
IDLC Finance PLC.	56,614,919	49,679,221
Prime Bank PLC.	229,841,615	135,877,606
United Commercial Bank PLC.	36,071,075	22,831,803
Total:	**1,220,804,700**	**1,060,895,260**

According to International Accounting Standard (IAS) 1 "Preparation of Financial Statements", Current portion of Long Term Loan that are due for settlement within twelve month after the balance sheet date are current liabilities, therefore, the above amount has been shown in current liabilities.

21. CONSOLIDATED LOAN FROM DIRECTOR:	**140,000,000**	**40,000,000**

Loan received from Directors for short term period without interest.

22. CONSOLIDATED ACCEPTANCE LIABILITIES:

Raw Materials:		
Eastern Bank PLC.	651,673,021	701,458,820
The City Bank PLC.	325,298,679	343,448,120
One Bank PLC.	211,427,610	448,457,958
Brac Bank PLC.	323,619,058	680,430,654
Meghna Bank PLC.	110,516,337	111,569,995
Trust Bank PLC.	926,583,992	421,192,241
Prime Bank PLC.	240,186,495	293,940,985
United Commercial Bank PLC.	630,422,460	1,209,790,293
Dhaka Bank PLC.	535,276,759	214,650,850
Total:	**3,955,004,410**	**4,424,939,916**

23. UNCLAIMED DIVIDEND:	**3,775,560**	**3,984,585**
Bankwise Details as follows:		
Brac Bank PLC. (Principal):	1,433,143	3,118,150
Brac Bank PLC. (Interest):	1,242	278,227
Dhaka Bank PLC. (Principal):	2,302,009	-
Dhaka Bank PLC. (Interest):	39,167	588,209
Total-	**3,775,560**	**3,984,585**

24. CONSOLIDATED CREDITORS, ACCRUALS & PROVISIONS:

Gas Bill Payable	124,027,085	73,543,348
Electricity Bill Payable	4,524,626	90,401
Audit Fee Payable	771,750	647,450
Tax Deduction at Source	6,286,649	11,369,505
Vat Deduction at Source	3,343,996	4,159,297
Income Tax Payable (Note: 24-A)	340,881,531	341,707,903
Salary, Wages & Other Allowance Payable	277,873,031	213,433,009
Salary & Allowance Payable	7,361,950	6,514,060
P.F Contribution Payable- Fact.	2,628,746	2,409,706
P.F Contribution Payable- HO	391,820	374,772
Contribution to WPPF Payable	65,382,220	59,358,646
Payable for Goods Suppliers & Others	488,179,418	436,838,586
Payable for Waste Cotton Purchase	148,668,976	445,293,185
Interest accrued (Note: 24-B)	20,903,654	39,532,051
Refundable IPO Share money (NRB Accounts)	1,218,777	1,218,777
	1,492,444,228	**1,636,490,694**
Less: Inter Company Payable	228,239,061	312,495,236
Total:	**1,264,205,167**	**1,323,995,459**

a) Payable for Goods Supplies and others represents regular suppliers of packing materials, Bearing, belts, fuel & lubricants, stationery items and others.

b) Factory Salary and Wages payable for the month of 30th June 2025.

24-A. CONSOLIDATED TAX PAYABLE:

Opening Balance	341,707,903	286,162,583
Provision for this year (Current Tax): (Note: 31)	277,489,900	225,091,433
Prior year tax adjustment: (Note: 31)	989,086	62,369,779
	620,186,889	**573,623,795**
Payment/Adjustment for prior year balance:	279,305,359	231,915,892
Total Payment/Adjustment for last year Income:	**279,305,359**	**231,915,892**
Total Payable-	**340,881,531**	**341,707,903**

24-B. INTEREST ACCRUED:

Dhaka Bank PLC.	425,494	14,889,117
Eastern Bank PLC.	6,729,583	501,680
Brac Bank PLC.	11,880,156	12,840,081
One Bank PLC.	1,868,421	9,051,420
HSBC Ltd.	-	2,249,752
Total:	**20,903,654**	**39,532,051**

25. CONSOLIDATED SALES:

Export Sales	24,277,089,314	23,534,209,831
Less: Inter Co. Sales	1,410,474,612	1,322,410,276
Total:	**22,866,614,702**	**22,211,799,555**

26. CONSOLIDATED COST OF GOODS SOLD:

Raw Material Consumed (Note: 26-A)	16,497,586,214	15,818,434,685
Direct Expenses (Note: 26-B)	3,245,811,414	3,049,908,052
Factory Overhead (Note: 26-C)	2,425,518,321	2,225,998,153
Total Manufacturing Cost	**22,168,915,949**	**21,094,340,890**
Add: Work-in-Process- Opening	660,444,674	879,995,439
Cost of Goods available for use	**22,829,360,623**	**21,974,336,330**
Less: Work-in-Process- Closing	759,937,586	660,444,674
Cost of Production	**22,069,423,037**	**21,313,891,655**
Add: Finished Goods- Opening	1,824,702,886	1,377,426,630
Cost of Goods Available for Sales	**23,894,125,923**	**22,691,318,286**
Less: Finished Goods- Closing	2,285,913,222	1,824,702,886
Less: Finished Goods Closing- Inter Company	1,410,474,612	1,322,410,276
Cost of Goods Sold:	**20,197,738,089**	**19,544,205,124**

26-A. CONSOLIDATED RAW MATERIALS CONSUMED:

Opening Inventory of Raw Materials	2,844,202,434	2,378,098,379
Add: Purchase of Raw Materials	16,742,354,314	16,284,538,740
Less: Closing Stock of Raw Materials	3,088,970,533	2,844,202,434
Total Raw Materials Consumption:	**16,497,586,214**	**15,818,434,685**

26-B. CONSOLIDATED DIRECT LABOUR:	**3,245,811,414**	**3,049,908,052**

26-C. CONSOLIDATED FACTORY OVERHEAD:

Factory Salary and Allowances	368,258,828	342,784,687
Festival Bonus	14,256,353	11,906,532
Electricity Charges	118,490,908	77,548,468
Gas Charges	770,060,350	819,182,758
CNG Gas Expense	21,420,789	-
Gardening Expenses	42,303	17,095
Repairs & Maintenance	54,697,262	53,719,654
Software Maintenance expense	218,840	-
Compliance Expenses	5,480,003	6,044,667
Air Freight, Courier charges	33,718	52,525
Packing Materials	64,018,754	60,610,350
Fuel, Oil & Lubricant	142,334,826	116,926,227
Fire Insurance Premium	18,502,944	18,687,794
Group Insurance Premium	280,600	272,550
Stores & Accessories consumption	184,746,280	153,800,063
Entertainment	20,350,860	20,915,809
Telephone, Mobile & Fax	4,210,072	3,861,903
Stationery expenses	11,599,685	8,545,408
Other Carrying Charges	1,398,442	1,442,886
Loading & Unloading expense	782,087	1,434,864
Factory Office Expenses others	3,709,077	2,472,874
C&F and others expenses	6,252,613	4,764,967
Lab test & Inspection charges	12,273,377	16,976,811
Security Service charges	1,511,387	789,075
Vehicles Maintenance	11,582,791	11,152,327
Medical Expenses	4,489,215	2,712,397
Uniform & Leverage	380,325	275,130
Central Fund expenses for RMG sector	4,627,248	4,400,581
Miscellaneous	1,065,305	1,425,326
Conveyances	6,027,090	5,485,830
Accommodation Facility for worker	1,104,745	1,313,171
Depreciation	571,311,244	476,475,425
Total:	**2,425,518,321**	**2,225,998,153**

27. CONSOLIDATED OPERATING EXPENSES:

Salaries & Allowances	123,009,223	107,019,484
Festival Bonus	8,210,587	8,192,294
Fees, Forms & Others	22,007,894	19,865,647
Audit Fees	771,750	624,450
Stationery expenses	2,628,537	2,280,543
Professional Training expense	-	683,702
Telephone, Mobile & Internet Expenses	3,159,843	2,487,814
Postage, Stamp & Curier expenses	326,281	126,202
Vehicle Maintenance	14,729,052	17,324,373
Miscellaneous Expenses	4,652,265	11,459,501
Office Rent	34,799,640	34,799,640
Rates & Taxes	585,000	-
Carriage Outward, Selling & Distribution, C&F, Sample expense	17,015,519	13,542,600
Travelling & Conveyance	5,955,605	2,938,321
Entertainments	2,830,477	2,116,529
Office Expenses	-	945,363
Advertisement & Publicity Expenses	416,799	436,993
AGM Expenses	874,110	793,150
Marketing Expenses	9,121,187	10,760,632
Security Service Charges	-	16,000
Uniform & Leverage Security	102,011	34,900
Repairs & Maintenance	16,384,479	12,660,694
Medical Expenses	2,190	-
Subscription Expenses	370,224	450,824
Software Maintenance Expenditure	1,043,295	1,067,457
Credit Rating Charges	107,500	107,500
Depreciation	10,626,353	10,635,778
Total:	**279,729,821**	**261,370,391**

28. CONSOLIDATED FINANCIAL EXPENSES :

EASTERN BANK PLC.:

Interest on Long Term Loan	9,774,700	2,457,634
Interest on Short Term Loan	8,026,739	1,386,201
Interest on Overdraft	8,270,504	6,478,051
Bank Charges & Commission	3,870,462	1,726,693
Export L/C Negotiation Commission	2,076,310	4,043,365
Interest on Bill Discount	33,600,156	41,012,531
Total:	**65,618,871**	**57,104,476**

HSBC LTD.:		
Interest on Long Term Loan	6,993,480	13,806,179
Interest on Short Term Loan	-	15,361,098
Interest on Overdraft	3,975,439	2,959,756
Bank Charges & Commission	149,682	1,117,399
Export L/C Negotiation Commission	-	508,678
Interest on Bill Discount	-	2,287,094
Total:	**11,118,601**	**36,040,204**
DHAKA BANK PLC. :		
Interest on Long Term Loan	99,523,786	98,972,525
Interest on Short Term Loan	62,109,982	42,234,751
Interest on Overdraft	2,946,023	1,846,725
Bank Charges & Commission	5,336,656	1,424,661
Export L/C Negotiation Commission	3,027,066	1,578,889
Interest on Bill Discount	11,338,447	5,106,522
Total:	**184,281,960**	**151,164,072**
MEGHNA BANK PLC.:		
Interest on Short Term Loan	1,356,972	-
Interest on Long Term Loan	33,857,779	30,014,995
Bank Charges and Commission	530,043	264,197
Export L/C Negotiation Commission	1,250	694,823
Interest on Overdraft	7,644,669	6,565,667
Interest on Bill Discount	-	974,930
Total-	**43,390,713**	**38,514,612**
ONE BANK PLC. :		
Interest on Long Term Loan	-	1,734,903
Interest on Short Term Loan	-	-
Interest on Overdraft	2,712,544	2,316,700
Bank Charges & Commission	486,525	2,783,570
Export L/C Negotiation Commission	391,222	487,986
Interest on Bill Discount	127,984	-
Total:	**3,718,275**	**7,323,159**
TRUST BANK PLC. :		
Interest on Long Term Loan	213,174,210	207,133,838
Bank Charges & Commission	1,120,863	1,525,995
Export L/C Negotiation Commission	8,167,193	6,213,051
Interest on Overdraft	9,134,109	7,557,788
Interest on Bill Discount	15,584,976	12,678,125
Total:	**247,181,351**	**235,108,797**
SHAHJALAL ISLAMI BANK PLC. :		
Bank Charges & Commission	-	8,868
Total:	**-**	**8,868**
DUTCH BANGLA BANK PLC. :		
Bank Charges & Commission	69,049	71,360
Total:	**69,049**	**71,360**
AB BANK PLC :		
Bank Charges & Commission	-	257,642
Total:	**-**	**257,642**
BRAC BANK PLC. :		
Interest on Long Term Loan	52,220,966	36,950,033
Interest on Overdraft	6,586,832	4,020,971
Interest on Bill Discount	14,249,589	8,103,568
Export Bill Negotiation Commission	1,122,002	4,388,208
Bank Charges and Commission	301,259	1,651,702
Total:	**74,480,647**	**55,114,482**
THE CITY BANK PLC. :		
Bank Charges and Commission	818,172	6,944,079
Interest on Long Term Loan	13,688,209	22,904,428
Interest on Short Term Loan	7,895,386	9,521,865
Total:	**22,401,767**	**39,370,372**
PUBALI BANK PLC. :		
Bank Charges & Commission	58,739	57,228
Total:	**58,739**	**57,228**
IDLC FINANCE PLC. :		
Bank Charges and Commission	-	991,381
Interest on Long Term Loan	30,848,977	52,770,014
Total:	**30,848,977**	**53,761,395**

PRIME BANK PLC.		
Interest on Long Term Loan	89,103,148	48,522,106
Interest on Short Term Loan	7,123,045	8,133,460
Bank Charges and Commission	912,778	1,919,651
Total:	**97,138,971**	**58,575,217**
UNITED COMMERCIAL BANK PLC. :		
Interest on Short Term Loan	7,654,689	16,529,808
Interest on Term Loan	15,102,550	23,594,695
Bank Charges & Commission	836,747	1,464,113
Total:	**23,593,986**	**41,588,616**
Financial expenses:	**803,901,906**	**774,060,500**
29. LOSS ON FIRE:		
Loss on Fire of Fixed Assets (Note-29.A)	-	(1,702,499)
Loss on Fire of Goods (Note-29.B)	-	(60,621,661)
	-	**(62,324,160)**
29(A). LOSS ON FIRE OF FIXED ASSETS:		
Fire Insurance claimed ensured by Insurance Co.	-	3,409,895
Written down value	-	5,112,394
Loss on fire of Fixed Assets	**-**	**(1,702,499)**
29(B). LOSS ON FIRE OF GOODS:		
Fire Insurance claimed ensured by Insurance Co.	-	96,673,129
Salvage Recovery Value	-	120,051,330
	-	**216,724,459**
Goods destroyed by fire	-	277,346,120
Loss on fire of Goods	**-**	**(60,621,661)**
30. OTHER INCOME/(LOSS) AND UN-REALISED GAIN/(LOSS):		
CASH INCENTIVE:	**167,412,900**	**189,360,300**
OTHER INCOME/(LOSS) AND UN-REALISED GAIN/(LOSS):		
Interest Received from Dividend A/C with BRAC Bank	4,139	-
Interest Income from STD A/C with BRAC Bank	100	103
Interest Income from STD A/C with Eastern Bank	1	1
Interest Received from SND A/C, Trust Bank	71,601	340,285
Interest Received from SND A/C, UCB	72,568	237,195
	148,408	**577,583**
Income from Agriculture	1,200,000	600,000
Dividend Income from J.M. Fabrics Ltd.	119,997,000	119,997,000
Less: Inter Group Dividend Income	(119,997,000)	(119,997,000)
	1,200,000	**600,000**
Foreign currency exchange Gain/(Loss) against Import LC payment	(879,126)	-
Foreign currency exchange Gain/(Loss) against export realization	2,155,278	467,527
Foreign Currency Bank deposit translation Gain/(Loss)	(100,176)	(443,911)
Gain/(Loss) on Sale or Discontinuation of Assets	(10,388,414)	(2,565,855)
	(9,212,438)	**(2,542,238)**
Other Income/(Loss):	**(7,864,029)**	**(1,364,655)**
Total Other Income/(Loss) and Un-realised Gain/(Loss):	**159,548,871**	**187,995,645**
31. CONSOLIDATED WORKER'S PROFIT PARTICIPATION FUND:		
Provision for Contribution to WPPF(MSM PLC.)	15,590,606	13,688,551
Provision for Contribution to WPPF(STL)	11,019,972	12,045,202
Total:	**26,610,578**	**25,733,754**
32. CONSOLIDATED CURRENT & PRIOR YEAR TAX EXPENSES:		
On Operating Income:		
Malek Spinning Mills PLC.	47,577,239	26,800,247
Salek Textile Ltd.	52,599,373	29,730,809
J.M Fabrics Ltd.	160,201,398	147,187,070
Sub-total:	**260,378,010**	**203,718,126**
On Cash Incentive:		
Salek Textile Ltd.	1,487,010	5,879,360
J.M Fabrics Ltd.	15,254,280	13,056,670
Sub-total:	**16,741,290**	**18,936,030**
On Other Income:		
Malek Spinning Mills PLC.	954	-
Salek Textile Ltd.	19,690	74,273
Newasia Synthetics Ltd.	330,000	150,000
J.M Fabrics Ltd.	19,956	2,213,004
Sub-total:	**370,600**	**2,437,277**
Total Current Tax: (Details Calculation in Note: 32-A)	**277,489,900**	**225,091,433**
Prior year tax adjustment	989,086	62,369,779
Grand Total:	**278,478,987**	**287,461,212**

32-A: CONSOLIDATED CURRENT TAX CALCULATION:

(1) Malek Spinning Mills PLC.

		Income	Tax	Tax
i) Taxable Operating Income/(Loss):		149,215,766	47,577,239	26,800,247
Operating Profit/(Loss)	207,768,955			
Less: Contribution to WPPF	15,590,606			
Net Operating Profit/(Loss) before Tax	**192,178,348**			
Add: Accounting Depreciation	134,418,398			
Less: Tax Depreciation	177,380,981			
Taxable Operating Income:	**149,215,766**			
ii) Cash Incentive		-	-	-
iii) Dividend Income from subsidiary co.		119,997,000	-	-
iv) Other Income/(Loss)		4,239	954	-
Total:			**47,578,193**	**26,800,247**

Current Tax provision for this financial year were equivalent of AIT deducted amount on Export Proceed Realisation and other source. Which were more than corporate tax rate @15%.

(2) Salek Textile Ltd.

		Income	Tax	Tax
i) Taxable Operating Income/(Loss):		170,237,491	52,599,373	29,730,809
Operating Profit/(Loss)	215,371,980			
Less: Contribution to WPPF	11,019,972			
Net Operating Profit/(Loss) before Tax	**204,352,008**			
Add: Accounting Depreciation	185,887,493			
Less: Tax Depreciation	220,002,010			
Taxable Operating Income:	**170,237,491**			
ii) Cash Incentive		14,870,100	1,487,010	5,879,360
iii) Other Income/(Loss)		71,601	19,690	74,273
Total:			**54,106,073**	**35,684,442**

Current Tax provision for this financial year were equivalent of AIT deducted amount on Export Proceed Realisation and other source. Which were more than corporate tax rate @15%.

(3) Newasia Synthetics Ltd.

	Income	Tax	Tax
i) Taxable Operating Income/(Loss)	(293,393)	-	-
ii) Cash Incentive	-	-	-
iii) Other Income	1,200,000	330,000	150,000
Total:		**330,000**	**150,000**

(4) J.M. Fabrics Ltd.

		Income	Tax	Tax
i) Taxable Operating Income/(Loss):		1,162,835,054	160,201,398	147,187,070
Operating Profit/(Loss)	1,162,397,344			13,056,670
Add: FC exchange gain against on export realization	437,710			2,213,004
Taxable Operating Income:	**1,162,835,054**			
ii) Cash Incentive		152,542,800	15,254,280	-
iii) Other Income/(Loss)		72,568	19,956	-
Total:			**175,475,634**	**162,456,744**

Current Tax provision for this financial year were equivalent of AIT deducted amount on Export Proceed Realisation and other source. Which were more than corporate tax rate @12%.

Total Consolidated Current Tax:	**277,489,900**	**225,091,433**

33. CONSOLIDATED DEFERRED TAX:

Malek Spinning Mills PLC.	6,444,387	1,685,627
Salek Textile Limited	5,117,178	10,140,085
J.M Fabrics Limited	(10,636,662)	409,796
Total:	**924,903**	**12,235,508**

34. NON CONTROLLING INTEREST:

On Net Profit/(Loss) after tax:

Salek Textile Limited	2.0745%	3,330,363	2,925,919
Newasia Synthetics Limited	0.7070%	4,077	(17,235)
J.M. Fabrics Limited	0.0025%	25,506	26,421
Total:		**3,359,945**	**2,935,105**

35. CONSOLIDATED BASIC EARNINGS PER SHARE (EPS):

(a) Consolidated Net Profit/(Loss) after tax	1,438,779,289	1,432,404,551
(b) Less: Non Controlling Interest	3,359,945	2,935,105
Consolidated Net Profit/(Loss): (a-b)	**1,435,419,344**	**1,429,469,446**
(c) Number of total share	193,600,000	193,600,000
Basic Earnings per Share (EPS): [(a-b)/c]	**7.41**	**7.38**

36. CASH FLOW FROM OPERATING ACTIVITIES ON INDIRECT METHOD:

PARTICULARS	JUNE'25	JUNE'24
Operating Profit/(Loss)	1,585,244,886	1,632,163,540
Depreciation	581,937,597	487,111,203
Other Income/(Loss)	168,761,308	190,537,883
Foreign currency exchange Gain/(Loss)	1,276,152	467,527
Accounts Receivable (Increase)/Decrease	1,212,724,181	(597,063,533)
Other Receivable (Increase)/Decrease	-	(34,434,512)
Inventories (Increase)/Decrease	(1,073,993,368)	(703,782,420)
Advance, Deposit & Prepaid expenses (Increase)/Decrease	(10,135,971)	87,996,661
Accounts Payable Increase/(Decrease)	(534,923,000)	559,394,859
Payment to Employee against contribution to WPPF	(20,587,004)	(14,419,441)
Fire Insurance Claimed received on Raw Material & Finish Goods	14,098,408	180,101,147
Payment for Income Tax	(301,234,300)	(257,348,442)
Net Cash provided/(used) by Operating Activities	**1,623,168,887**	**1,530,724,470**

37. NET OPERATING CASH FLOW PER SHARE (NOCFPS):

Calculation of Net Operating Cash Flow per Share (NOCFPS):		JUNE'25	JUNE'24
NOCFPS	a) Net Cash provided/(used) by Operating Activities	1,623,168,887	1,530,724,470
	b) Number of total Shares	193,600,000	193,600,000
Net Operating Cash Flow Per Share (NOCFPS) { a/b }		**8.38**	**7.91**

Net Operating Cash Flow per Share significantly Increased due to as follows:

a) Collection against turnover are increased Tk. 2,464.60 million for the financial year 2024-2025 compared to the last financial year 2023-2024 and other income is decreased Tk. 21.77 million for the financial year 2024-2025 compared to the last financial year 2023-2024.

b) Payment to Material suppliers and other supplier is increased Tk. 2,095.79 million, payment for operating expenses is increased Tk. 14.93 million, payment for financial expenses is increased Tk. 58.84 million, payment for income tax is increased Tk. 43.88 million for the financial year 2024-2025 compared to the last financial year 2023-2024.

CASH FLOW FROM OPERATING ACTIVITIES :	JUNE'25	JUNE'24	DEFERENCE
Collection from Turnover & Bills Receivable	24,079,338,883	21,614,736,022	2,464,602,861
Other Income	168,761,308	190,537,883	(21,776,575)
Payment for Raw Materials, Indirect Materials and other expenses	(21,247,946,972)	(19,152,153,516)	(2,095,793,457)
Other Receivable (Increase)/Decrease	-	(34,434,512)	34,434,512
Foreign currency exchange Gain/(Loss) realized	1,276,152	467,527	808,625
Payment to Employee against contribution to WPPF	(20,587,004)	(14,419,441)	(6,167,563)
Fire Insurance Claimed received on Raw Material & Finish Goods	14,098,408	180,101,147	(166,002,739)
Payment for Operating Expenses	(268,114,230)	(253,182,328)	(14,931,902)
Payment for Financial Expenses	(802,423,357)	(743,579,870)	(58,843,487)
Payment for Income Tax	(301,234,300)	(257,348,442)	(43,885,858)
Net Cash provided by Operating Activities	**1,623,168,887**	**1,530,724,470**	**92,444,417**

38. NET ASSET VALUE (NAV) PER SHARE:

		JUN'25	JUN'24
NAV calculation	a) Equity attributable to owners of the company	11,737,831,728	10,404,370,583
	b) Number of total Shares	193,600,000	193,600,000
Net Assets Value Per Share (NAV) { a/b }		**60.63**	**53.74**

39. RELATED PARTY DISCLOSURE:

The company, in normal course of business, carried out a number of transactions with other entities that fall within the definition of related party contained in International Accounting Standard 24: Related Party Disclosures. All transactions involving related parties arising in normal course of business are conducted on an arm's length basis at commercial rates, on the same terms and conditions as applicable to the third parties. Details of transactions with related parties and balances with them as at 30th June 2025 were as follows:

Related Party	Nature of Relationship	Nature of Transaction	Transaction during this period		Balance as at 30.06.2025	Balance as at 30.06.2024
			Dr. (Sales or Advance)	Cr. (Realised)		
Knit Asia Limited	Common Director	Sales	771,339,171	709,134,043	65,643,826	3,438,698
Salek Textile Limited	Subsidiary	Sales	340,652,868	298,827,769	148,668,976	106,843,877
J.M. Fabrics Limited	Subsidiary	Sales	1,069,821,744	1,195,903,018	79,570,084	205,651,358
New Asia Limited	Common Director	Service charge	-	-	(295,292)	(295,292)
Hejaz Publication Ltd.	Common Director	Office Rent	10,606,260	10,606,260	-	-

40. KEY MANAGEMENT PERSONNEL COMPENSATION:

Company has established following personnel compensation to the employee:

a) Short-term employee benefits: Company provide the following short-term benefit.

Particulars	2024-2025		2023-2024	
	Directors	Executives	Directors	Executives
Remuneration/ Salary	-	12,466,432	-	12,466,432
i) Basic	-	6,503,901	-	6,503,901
ii) House Rent	-	3,251,951	-	3,251,951
iii) Conveyance	-	976,154	-	976,154
iv) Medical Allowance	-	650,390	-	650,390
v) Incentive Bonus	-	-	-	-
vi) Festival Bonus	-	1,084,036	-	1,084,036
Number of Person:	1	4	1	4

b) Post-employment benefits: Company provide contributory Provident fund and Worker's Profit Participation Fund to the employee.

c) Other long-term benefits: Company provide Gratuity Benefit to the employee under which an employee is entitle to the benefit depending on length of service. The cost for Gratuity is accounted on cash basis.

d) Share-based payment: Company does not provide any share-based payment facilities to the employee.

41. DISCUSSION ON SIGNIFICANT DEVIATION OF COST OF GOODS SOLD, EXPORT, GROSS PROFIT MARGIN, NET PROFIT MARGIN AND EARNINGS PER SHARE (EPS):

(a) Cost of Goods Sold: The cost of goods sold was 88.33% on sales during the financial year 2024-2025 compared to 87.99% on sales for the financial year 2023-2024, a significant increased of COGS 0.34% this financial year due to increased of Raw Materials cost comparatively increase of Sales price for this financial year compared to the financial year 2023-2024.

(b) Export or Turnover: The company had achieved an export turnover of Tk.22,866.61 million during the financial year 2024-2025. Last financial year 2023-2024 turnover was Tk.22,211.79 million. The turnover had increased by 2.95% this financial year compared to last year financial year 2023-2024 due to increase of Sales quantity in this financial year.

(c) Gross Profit: Gross Profit earned during the financial year 2024-2025 by 11.67% on sales as compared to 12.01% on sales during the financial year 2023-2024. It was decreased by 0.34% on sales due to cost of goods sold percentage on sales was increased this financial year 2024-2025 compared to the last year financial year 2023-2024.

(d) Net Profit/(Loss): The company had earned a Net Profit of Tk. 1,438.77 million during the financial year 2024-2025 compared to the last financial year 2023-2024 Net Profit of Tk. 1,432.40 million. The Net Profit was increased this financial year compared to the last financial year due to mainly increase of Sales as well Gross Profit.

(e) Earnings Per Share (EPS): EPS is slightly increased from Tk. 7.38 to Tk. 7.41 during the financial year 2024-2025 compared to the financial year 2023-2024 due to achievement of net profit Tk. 1,438.77 million against net Profit of Tk. 1432.40 million of previous financial year.

(f) Net Assets Value per Share (NAV): Net Assets Value (NAV) per Share has increased this financial year compare to the previous year due to increase of Retained Earnings.

42. INVESTMENT IN SUBSIDIARY COMPANY:

	JUN'25	JUN'24
Salek Textile Limited (3,900,100 Shares @Tk,100 and 825,870 Share of Tk.460 each including Premium Tk.360)	769,910,000	769,910,000
Newasia Synthetics Limited (6,553,338 Shares of Tk.100/- each)	655,333,800	655,333,800
J.M. Fabrics Limited (3,999,900 Shares of Tk.100/- each)	399,990,000	399,990,000
Total:	**1,825,233,800**	**1,825,233,800**

Share holding position in Subsidiary Company 97.926% of Salek Textile Ltd., 99.293% of Newasia Synthetics Ltd. & 99.998% of J.M Fabrics Ltd.

43. CONTINGENT ASSET DISCLOSURE:

The end of the financial year 2024-2025 as at 30.06.2025, a contingent asset of Salek Textile Limited, such as a potential cash incentive amount of Tk. 43,930,000 has claimed to Bangladesh Bank with proper documents. Bangladesh Bank has completed audit all documents. Inflow of economic benefits is probable.

MALEK SPINNING MILLS PLC.

CONSOLIDATED FIXED ASSETS SCHEDULE AS AT 30TH JUNE 2025

ANNEXURE: 1

SL	PARTICULARS	COST				RATE	DEPRECIATION				WRITTEN DOWN VALUE AS AT 30.06.2025
		As at 01.07.2024	Addition	Adjustment	As at 30.06.2025		As at 01.07.2024	This Year	Adjustment	As at 30.06.2025	
A.	**Malek Spinning Mills PLC., Salek Textile, Newasia Synthetics Ltd. & JM Fabrics Ltd.**										
1	Land and Land Development	1,986,671,975	120,800,871	-	2,107,472,846	0%	-	-	-	-	2,107,472,846
2	Factory Building	1,907,804,185	15,715,309	-	1,923,519,494	3.37%-5%	711,850,237	53,891,512	-	765,741,749	1,157,777,745
3	Plant and Machinery	7,820,391,978	799,543,159	10,960,259	8,608,974,878	5%-10.85%	3,692,098,055	402,964,428	10,932,301	4,084,130,182	4,524,844,695
4	Equipment & Electrical Installation	426,908,206	32,416,047	21,010,836	438,313,417	10%-19.75%	315,670,384	25,664,853	19,450,974	321,884,263	116,429,154
5	Tubewell and Water Pump	13,023,308	3,358,964	-	16,382,272	15%	9,952,188	586,629	-	10,538,818	5,843,454
6	Furniture and Fixtures	104,421,563	86,927,064	35,554,208	155,794,419	10%-20%	50,989,931	10,322,935	26,753,614	34,559,253	121,235,166
7	Office Equipments	56,503,655	6,376,720	-	62,880,375	15%-20%	31,297,208	3,994,475	-	35,291,682	27,588,692
8	Gas Line Installation	64,522,282	-	-	64,522,282	15%	45,907,977	2,792,146	-	48,700,123	15,822,159
9	Loose Tools and Equipment	26,836,363	-	-	26,836,363	10%-15%	17,318,945	1,427,613	-	18,746,558	8,089,805
10	Motor Vehicle	118,644,016	7,633,500	-	126,277,516	10%-20%	71,135,433	8,030,050	-	79,165,483	47,112,033
11	Telephone (PABX) Installation	813,475	-	-	813,475	15%	730,072	12,510	-	742,582	70,892
12	Crockeries and Cutlaries	50,777	-	-	50,777	15%	48,840	291	-	49,131	1,646
13	Generator	339,963,989	-	-	339,963,989	10%-15%	103,837,015	24,074,863	-	127,911,878	212,052,111
14	Fire Control Equipment Installation	35,598,335	4,447,659	-	40,045,994	15%	1,567,393	5,211,935	-	6,779,328	33,266,666
	Total (A) as at 30.06.2025	**12,902,154,106**	**1,077,219,293**	**67,525,303**	**13,911,848,096**		**5,052,403,679**	**538,974,240**	**57,136,889**	**5,534,241,030**	**8,377,607,066**
	Total (A1) as at 30.06.2024	**11,793,794,976**	**1,428,447,220**	**320,088,090**	**12,902,154,106**		**4,879,744,197**	**440,563,918**	**267,904,435**	**5,052,403,679**	**7,849,750,427**

CONSOLIDATED REVALUATED ASSETS SCHEDULE AS AT 30TH JUNE 2025

SL	PARTICULARS	RE-VALUED COST				RATE	DEPRECIATION				WRITTEN DOWN VALUE AS AT 30.06.2025
		As at 01.07.2024	Addition	Adjustment	As at 30.06.2025		As at 01.07.2024	This Year	Adjustment	As at 30.06.2025	
B.	**Malek Spinning Mills PLC., Salek Textile, Newasia Synthetics Ltd. & JM Fabrics Ltd.**										
1	Land and Land Development	2,859,354,760	-	-	2,859,354,760	0%	-	-	-	-	2,859,354,760
2	Factory Building	348,907,426	-	-	348,907,426	3.37%-5%	174,731,026	8,746,282	-	183,477,308	165,430,118
3	Machinery	1,313,546,401	-	-	1,313,546,401	7.5%-10%	931,119,574	32,844,462	-	963,964,035	349,582,365
4	Generator	54,856,557	-	-	54,856,557	10%-15%	42,949,955	1,372,613	-	44,322,569	10,533,988
	Total (B) as at 30.06.2025	**4,576,665,144**	**-**	**-**	**4,576,665,144**	**-**	**1,148,800,556**	**42,963,357**	**-**	**1,191,763,912**	**3,384,901,232**
	Total (B1) as at 30.06.2024	**4,800,928,324**	**-**	**224,263,180**	**4,576,665,144**	**-**	**1,246,053,834**	**46,547,285**	**143,800,563**	**1,148,800,556**	**3,427,864,588**
	Total (A+B) as at 30.06.2025	**17,478,819,250**	**1,077,219,293**	**67,525,303**	**18,488,513,240**		**6,201,204,235**	**581,937,597**	**57,136,889**	**6,726,004,943**	**11,762,508,297**
	Total (A1+B1) as at 30.06.2024	**16,594,723,300**	**1,428,447,220**	**544,351,270**	**17,478,819,250**		**6,125,798,031**	**487,111,203**	**411,704,999**	**6,201,204,235**	**11,277,615,015**

Depreciation Charges to:

Factory Overhead:		**571,311,244**
Operating Expenses:		**10,626,353**
	Tk.	**581,937,597**

MALEK SPINNING MILLS PLC.
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2025

Particulars	Notes	Amount in Taka JUNE'25	Amount in Taka JUNE'24
ASSETS :			
Non-Current Assets:			
Property, Plant and Equipment	1.1	2,811,255,689	2,875,262,009
Capital Work-in-Progress	2.1	42,000,000	-
Investment in Subsidiary Company	3.1	1,825,233,800	1,825,233,800
		4,678,489,489	**4,700,495,809**
Current Assets :			
Inventories	4.1	3,126,439,996	3,447,143,454
Accounts Receivable	5.1	1,027,456,408	1,084,188,548
Fire Insurance Claimed Receivable	6.1	22,524,905	40,033,208
Advances, Deposits and Pre-payments	7.1	239,708,457	249,177,470
Cash and Cash Equivalents	8.1	64,345,726	151,605,384
		4,480,475,492	**4,972,148,064**
TOTAL ASSETS :		**9,158,964,981**	**9,672,643,873**
SHAREHOLDER'S EQUITY AND LIABILITIES :			
Shareholder's Equity :			
Share Capital	9.1	1,936,000,000	1,936,000,000
Share Premium	10.1	1,500,000,000	1,500,000,000
Re-valuation Surplus	11.1	987,910,656	1,008,524,873
Retained Earnings	12.1	295,470,770	143,372,898
		4,719,381,426	**4,587,897,771**
Non-Current Liabilities:			
Long Term Loan	13.1	1,101,171,482	1,437,292,548
Deferred Tax Liabilities	14.1	264,008,488	257,564,100
		1,365,179,970	**1,694,856,648**
Current Liabilities :			
Short Term Loan	15.1	917,017,165	943,248,293
Current Portion of Long Term Loan	16.1	298,068,457	293,788,691
Loan from Director	17.1	100,000,000	-
Acceptance Liabilities	18.1	1,264,513,240	1,704,340,135
Unclaimed Dividend	19.1	3,775,560	3,984,585
Creditors, Accruals & Provisions	20.1	491,029,163	444,527,750
		3,074,403,585	**3,389,889,454**
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES :		**9,158,964,981**	**9,672,643,873**
Net Assets Value Per Share (NAV)	31.1	**24.38**	**23.70**
Par Value Tk.10			

The annexed notes are integral part of these financial statement.

These financial statements were approved by the Board of Directors and were signed on it's behalf by.

A. Matin Chowdhury	**Azizur Rahim Chowdhury**	**B.K. Chaki**	**Syed Saiful Haque**
Managing Director	Director	Chief Financial Officer	Company Secretary

Md. Iqbal Hossain FCA
Senior Partner, Enrolment No. 596 (ICAB)
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants
DVC: 2510260596AS379429

MALEK SPINNING MILLS PLC.
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2025

Particulars	Notes	Amount in Taka	
		JUNE'25	JUNE'24
Sales	21.1	4,638,216,523	3,733,429,250
Cost of Goods Sold	22.1	(4,044,199,491)	(3,122,584,835)
Gross Profit/(Loss) :		**594,017,032**	**610,844,415**
Operating Expenses	23.1	(118,558,381)	(124,894,954)
Financial Expenses	24.1	(267,689,696)	(253,071,709)
Operating Profit/(Loss) :		**207,768,955**	**232,877,752**
Loss on Fire	25.1	-	(62,324,160)
Other Income/(Loss)	26.1	119,633,781	116,905,985
Net Operating Profit/(Loss) :		**327,402,736**	**287,459,577**
Contribution to WPPF	27.1	(15,590,606)	(13,688,551)
Profit/(Loss) before Tax :		**311,812,130**	**273,771,025**
Income Tax :		**(78,373,275)**	**(60,817,884)**
Current Tax	28.1	(71,577,593)	(50,799,647)
Prior year tax adjustment	28.1	(351,294)	(8,332,610)
Deferred Tax	29.1	(6,444,387)	(1,685,627)
Net Profit/(Loss) after Tax		**233,438,855**	**212,953,141**
Other Comprehensive Income		-	-
Total Comprehensive Income		**233,438,855**	**212,953,141**
Earnings Per Share (EPS)	30.1	**1.21**	**1.10**
Par Value Tk.10			
Number of Shares used to compute EPS		**193,600,000**	**193,600,000**

The annexed notes are integral part of these financial statement.

These financial statements were approved by the Board of Directors and were signed on it's behalf by.

A. Matin Chowdhury
Managing Director

Azizur Rahim Chowdhury
Director

B.K. Chaki
Chief Financial Officer

Syed Saiful Haque
Company Secretary

Md. Iqbal Hossain FCA
Senior Partner, Enrolment No. 596 (ICAB)
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

MALEK SPINNING MILLS PLC.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2025

Particulars	Share Capital	Share Premium	Revaluation Surplus of Fixed Assets	Retained Earnings	Total
Balance as at 1st July 2024	1,936,000,000	1,500,000,000	1,008,524,873	143,372,898	4,587,897,771
Net Profit/(Loss) during this year				233,438,855	233,438,855
Transfer of excess depreciation of Revalued Assets			(20,614,218)	20,614,218	
Declared Cash Dividend for 2023-2024 financial year				(101,955,200)	(101,955,200)
As at 30th June 2025	**1,936,000,000**	**1,500,000,000**	**987,910,656**	**295,470,770**	**4,719,381,426**

FOR THE YEAR ENDED 30TH JUNE 2024

Particulars	Share Capital	Share Premium	Revaluation Surplus of Fixed Assets	Retained Earnings	Total
Balance as at 1st July 2023	1,936,000,000	1,500,000,000	1,111,168,717	(91,761,471)	4,455,407,246
Net Profit/(Loss) during this year				212,953,141	212,953,141
Adjustment of Revaluation Surplus of Fixed Assets			(80,462,617)		(80,462,617)
Transfer of excess depreciation of Revalued Assets			(22,181,228)	22,181,228	-
As at 30th June 2024	**1,936,000,000**	**1,500,000,000**	**1,008,524,873**	**143,372,898**	**4,587,897,771**

The annexed notes are integral part of these financial statement.

These financial statements were approved by the Board of Directors and were signed on it's behalf by.

A. Matin Chowdhury
Managing Director

Azizur Rahim Chowdhury
Director

B.K. Chaki
Chief Financial Officer

Syed Saiful Haque
Company Secretary

Md. Iqbal Hossain FCA
Senior Partner, Enrolment No. 596 (ICAB)
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

MALEK SPINNING MILLS PLC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2025

PARTICULARS	Amount in Taka JUNE'25	JUNE'24
CASH FLOW FROM OPERATING ACTIVITIES :		
Collection from Turnover & Accounts Receivable	4,694,948,662	3,809,798,492
Payment for Raw Materials, Indirect Materials and other expenses	(4,025,915,927)	(3,697,413,977)
Other Income	4,239	103
Payment to Employee against contribution to WPPF	(10,950,841)	(8,463,544)
Fire Insurance Claimed received on Raw Material & Finish Goods	14,098,408	180,101,147
Payment for Operating Expenses	(115,545,599)	(121,075,188)
Payment for Financial Expenses	(266,559,350)	(240,231,627)
Payment for Income Tax	(71,577,593)	(59,132,257)
Net Cash provided/(used) by Operating Activities	**218,501,999**	**(136,416,852)**
CASH FLOW FROM INVESTING ACTIVITIES :		
Acquisition of Fixed Assets	(68,564,443)	(878,583,196)
Disposal of Fixed Assets	-	48,417,800
Fire Insurance Claimed received on Assets	3,409,895	-
Advance against Building & other construction	-	(19,926,189)
Net cash used in Investing Activities	**(65,154,548)**	**(850,091,585)**
CASH FLOW FROM FINANCING ACTIVITIES :		
Bank Loan Increase/(Decrease)	(358,072,427)	982,713,988
Loan from Directors	100,000,000	-
Dividend Income	119,997,000	119,997,000
Dividend paid to Shareholders	(99,700,540)	(7,569)
Unclaimed Dividend transferred to CMS Fund	(1,637,658)	-
Dividend Accounts Interest transferred to CMS Fund	(846,051)	-
Interest Increased/(Decreased) in Dividend Account	20,024	(24,017)
Net Cash provided/(used) by Financing Activities	**(240,239,652)**	**1,102,679,402**
Increase/(Decrease) in Cash and Cash Equivalents	**(86,892,201)**	**116,170,965**
Opening Cash & Cash Equivalents	151,605,384	36,029,886
Foreign Currency Bank deposit translation Gain/(Loss)	(367,458)	(595,466)
Closing Cash and Cash Equivalents	**64,345,726**	**151,605,384**
Net Operating Cash Flow Per Share (NOCFPS)	**1.13**	**(0.70)**
Par Value Tk.10		

The annexed notes are integral part of these financial statement.
These financial statements were approved by the Board of Directors and were signed on it's behalf by.

A. Matin Chowdhury
Managing Director

Azizur Rahim Chowdhury
Director

B.K. Chaki
Chief Financial Officer

Syed Saiful Haque
Company Secretary

Md. Iqbal Hossain FCA
Senior Partner, Enrolment No. 596 (ICAB)
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MALEK SPINNING MILLS PLC.
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2025

		Amount in Taka	
		JUNE'25	JUNE'24
1.1 PROPERTY, PLANT AND EQUIPMENT:			
COST:			
Opening Balance		2,992,372,920	2,394,353,785
Addition during the year		70,412,078	914,667,225
		3,062,784,998	**3,309,021,010**
Sales/Adjustment during the year		-	316,648,090
Closing Balance		**3,062,784,998**	**2,992,372,920**
Accumulated Depreciation:			
Opening Balance		1,318,337,325	1,543,334,968
Depreciation during the year		110,166,378	40,736,994
Adjustment during the year		-	265,734,637
Closing Balance		**1,428,503,703**	**1,318,337,325**
Written Down Value at cost:		**1,634,281,295**	**1,674,035,595**
REVALUATION:			
Opening Balance		1,911,377,066	2,135,640,246
Addition of Revaluated Assets		-	-
Adjustment during the year		-	224,263,180
Total Revaluated Assets		**1,911,377,066**	**1,911,377,066**
Accumulated Depreciation:			
Opening Balance		710,150,651	827,855,653
Depreciation during the year		24,252,021	26,095,562
Adjustment during the year		-	143,800,563
Closing Balance		**734,402,672**	**710,150,651**
Written Down Value of Revaluated Assets:		**1,176,974,394**	**1,201,226,415**
Total Written Down Value:		**2,811,255,689**	**2,875,262,009**
Allocation of depreciation charges for the year has been made in the accounts as follows:			
i) Factory Overhead		131,175,203	63,232,793
ii) Administrative Overhead		3,243,195	3,599,763
Total		**134,418,398**	**66,832,556**

Land, Building, Plant & Machinery are registered Mortgage (Pari Passu charges among the existing lender Bank, Eastern Bank Ltd., Dhaka Bank Ltd., One Bank Ltd., HSBC, Trust Bank, IDLC & Brac Bank Ltd.)
Details of Fixed Assets and Depreciation are shown in the **Annexure- 1.1**

2.1 CAPITAL WORK-IN-PROGRESS:			
Opening Balance		-	118,884,029
Addition during the year		42,000,000	749,159,634
Less: Transferred to Assets Schedule		-	868,043,663
Closing Balance		**42,000,000**	**-**
3.1 INVESTMENT IN SHARE OF SUBSIDIARY COMPANY:			
Salek Textile Limited (3,900,100 Shares @Tk,100 and 825,870 Share of Tk.460 each including Premium Tk.360)	42%	769,910,000	769,910,000
Newasia Synthetics Limited (6,553,338 Shares of Tk.100/- each)	36%	655,333,800	655,333,800
J.M. Fabrics Limited (3,999,900 Shares of Tk.100/- each)	22%	399,990,000	399,990,000
Total:		**1,825,233,800**	**1,825,233,800**

Share holding position in Subsidiary Company 97.926% of Salek Textile Ltd., 99.293% of Newasia Synthetics Ltd. & 99.998% of J.M Fabrics Ltd.

4.1 INVENTORIES:		
Raw Materials	1,090,190,962	1,335,021,840
Stock-in-Transit	614,141,571	545,753,355
Work-in-Process	33,210,066	41,691,760
Finished Goods	1,168,812,103	1,320,873,202
Stores & Accessories: (Note: 4.1-A)	220,085,294	203,803,297
Total:	**3,126,439,996**	**3,447,143,454**

(i) The inventory counting was taken place at the year end in the presence of company management.

(ii) Inventories were hyphothecated to Dhaka Bank Ltd., HSBC Ltd., Eastern Bank Ltd., Trust Bank Ltd., One Bank Ltd. & Brac Bank Ltd. as security of workings capital loan.

(iii) LC value in transit Tk.613,288,688 and LC opening and other charges in transit: Tk.852,883.

(iv) Inventories are valued at lower of cost and net realizable value. Net realizable value is based on estimated selling price less any other cost anticipated to be incurred to make the sale. Any obsolete stock or abnormal losses, if any, are recognized as expenses.

4.1-A STORES & ACCESSORIES:

Stores & Spares {Note: 4.1-A(i)}	190,476,722	177,170,799
Repairs and Maintenance Materials {Note: 4.1-A(ii)}	14,268,994	12,199,599
Packing Materials {Note: 4.1-A(iii)}	13,471,940	11,937,663
Fuel, Oil and Lubricant {Note: 4.1-A(iv)}	1,867,637	2,495,235
Total:	**220,085,294**	**203,803,297**

4.1-A(i) STORES & SPARES:

Opening Balance	177,170,799	155,259,158
Add: Purchase during the year	39,530,950	42,912,158
Less: Consumption & Adjustment	26,225,027	21,000,517
Closing Balance	**190,476,722**	**177,170,799**

4.1-A(ii) REPAIRS AND MAINTENANCE MATERIALS:

Opening Balance	12,199,599	6,308,536
Add: Purchase during the year	21,949,136	22,202,733
Less: Consumption & Adjustment	19,879,740	16,311,670
Closing Balance	**14,268,994**	**12,199,599**

4.1-A(iii) PACKING MATERIALS:

Opening Balance	11,937,663	10,385,686
Add: Purchase during the year	30,531,604	26,934,042
Less: Consumption & Adjustment	28,997,328	25,382,065
Closing Balance	**13,471,940**	**11,937,663**

4.1-A(iv) FUEL, OIL AND LUBRICANT:

Opening Balance	2,495,235	1,080,526
Add: Purchase during the year	6,423,851	11,210,678
Less: Consumption & Adjustment	7,051,449	9,795,969
Closing Balance	**1,867,637**	**2,495,235**

5.1 ACCOUNTS RECEIVABLE:	**1,027,456,408**	**1,084,188,548**

(i) A/C Receivable occurred in the ordinary course of business by selling of company's product. As per assessment of directors, the above receivable is considered as good & realizable within due course of business.

(ii) The A/C Receivable are secured against confirmed Export L/C (Deferred period is 120 days at the date of acceptance).

(iii) Aging of the Receivables:

Invoiced at 90 days L.C tenor:	106,074,600	111,931,626
Invoiced at 120 days L.C tenor:	921,381,809	972,256,922
Invoiced at 121 - 180 days L.C tenor:	-	-
Invoiced at 181 - 360 days L.C tenor:	-	-
Total:	**1,027,456,408**	**1,084,188,548**

Diclosure as per Company Act-1994, Para (cho 4.5), Schedule-11

(iv) Receivable from other company:	723,148,675	768,254,614
Receivable from related party:-		
Knit Asia Ltd.	65,643,826	3,438,698
Salek Textile Ltd.	148,668,976	106,843,877
Aurum Sweaters Ltd.	10,424,847	-
J.M. Fabrics Ltd.	79,570,084	205,651,358
Total:	**1,027,456,408**	**1,084,188,548**

6.1 FIRE INSURANCE CLAIMED RECEIVABLE:

Fire Insurance claimed receivable (Raw Materials & Finish Goods)	22,524,905	36,623,313
Fire Insurance claimed receivable (Fixed Assets)	-	3,409,895
	22,524,905	**40,033,208**

7.1 ADVANCES, DEPOSITS & PRE-PAYMENTS:

Advance against materials suppliers and others	45,041,361	39,575,572
Advance against Building & other construction	47,413,735	92,169,972
Security Deposit to REB	178,875	178,875
Security Deposit to Titas Gas T&D Co.	24,197,245	24,197,245
Advance Income Tax (Note-7.1-A)	122,377,241	92,555,807
Security Deposit to CDBL	500,000	500,000
Total:	**239,708,457**	**249,177,470**

7.1-A. ADVANCE INCOME TAX:

Opening Balance	92,555,807	41,756,160
Advance Income Tax paid (Against Export Proceeds)	47,292,422	26,375,216
Advance Income Tax paid (Against Dividend Income)	23,999,400	23,999,400
Advance Income Tax paid (Against Vehicle)	284,500	425,000
Advance Income Tax paid (Against prior year Income)	-	8,332,610
Advance Income Tax paid (Against Interest Income)	1,271	31
Total AIT paid for the year:	**71,577,593**	**59,132,257**
Payment/Adjustment for prior year Income	41,756,159	8,332,610
Closing Balance	**122,377,241**	**92,555,807**

a) All the advances & deposits amount is considered good and recoverable within the ordinary course of business.

b) In the opinion of Directors, all current assets, investments and advance have on realization in the ordinary course of business, a value at least equal to the amount at which they are stated in the Financial Position.

c) There is no amount due from Directors or officers of the Company.

MATURITY ANALYSIS OF ADVANCES, DEPOSITS & PREPAYMENTS:		
(i) Realizable/Adjustable within 1 year:	167,418,602	132,131,379
(ii) Realizable/Adjustable after 1 year:	72,289,855	117,046,092
Total:	**239,708,457**	**249,177,470**

8.1 CASH AND CASH EQUIVALENTS:

Cash in Hand:	**69,706**	**79,077**
Cash at Banks:		
BRAC Bank PLC.- A/C: 1505101762043001	39,098	40,178
BRAC Bank PLC.- A/C: 1501201762043001	30,537	1,969,729
BRAC Bank PLC.- A/C: 101762043002	1,399,652	1,426,703
BRAC Bank PLC.- A/C: 2017620430004	2,830,228	37,897,802
Dhaka Bank PLC.- A/C: 207-100000008504	5,066,486	-
Dhaka Bank PLC.- A/C: 207-150000000806	2,341,175	588,209
Dhaka Bank PLC.- A/C: 207-130000000013	701,512	26,673,709
Dutch-Banla Bank PLC.- A/C: 227.110.0012931	186,405	189,739
Eastern Bank PLC.- A/C: 101-0100611	15,589,409	12,672,034
Eastern Bank PLC.- A/C: 4755, 0251,0140	1,202,518	1,204,331
Eastern Bank PLC.- A/C: 101-1230000068:	63	62
HSBC Ltd.- A/C: 001-007475-091	-	3,832,900
HSBC Ltd.- A/C: 001-007475-012	167,967	23,205,767
One Bank PLC.- A/C: 0016426-091	34,680,297	38,969,982
Trust Bank PLC.- A/C: 0003-0210006613	2,561	10,460
Trust Bank PLC.- A/C: 003-5025000082	38,113	2,844,702
Sub-total:	**64,276,020**	**151,526,308**
Total:	**64,345,726**	**151,605,384**

a) Cash balance was physically counted at the year ended and Bank balances were reconciled and found in order.

b) Export proceeds are realised in the Margin A/C and is utilized for Payment of Deferred L/C.

9.1 SHARE CAPITAL:

9.1(A)AUTHORISED CAPITAL:	**3,000,000,000**	**3,000,000,000**
300,000,000 Shares @ Tk. 10/- each		
9.1(B)ISSUED, SUBSCRIBED AND PAID-UP CAPITAL:	**1,936,000,000**	**1,936,000,000**
193,600,000 Ordinary Shares @ Tk.10/- each issued and paid-up.		

9.1(B).(i) Yearwise break-up of Paid-up Capital:

Year	Status	% of Bonus Share	Addition of Share	Paid-up Share	Paid-up Capital (Tk)
2009- 2010	After IPO			160,000,000	1,600,000,000
2010- 2011	Bonus	10%	16,000,000	176,000,000	1,760,000,000
2011- 2012	Bonus	10%	17,600,000	193,600,000	1,936,000,000

9.1(B).(ii) Share Holding Composition of Malek Spinning Mills PLC. as at 30.06.2025 are as follows:

Shareholder's Group	No. of Shares held	% of Shares	No. of Shareholders
Sponsors & Directors	91,644,800	47.337%	6
Government	-	0.000%	0
Institutions	21,586,015	11.150%	241
Foreign Shareholders	-	0.000%	0
General Shareholders	80,369,185	41.513%	16499
Total	**193,600,000**	**100%**	**16,746**

9.1(B).(iii) Classification of shareholders by holding:

Distribution schedule of each class of equity security setting out the number of holders and percentage as at 30.06.2025

Range of Holdings	No. of Holders	Holdings	Percentage
Less than 500 shares	4,542	823,436	0.43%
500 to 5,000 shares	9,355	14,510,937	7.50%
5,001 to 10,000 shares	1,233	9,464,591	4.89%
10,001 to 20,000 shares	813	12,108,698	6.25%
20,001 to 30,000 shars	287	7,205,892	3.72%
30,001 to 40,000 shares	129	4,627,003	2.39%
40,001 to 50,000 shares	105	4,828,129	2.49%
50,001 to 100,000 shares	167	12,011,237	6.20%
100,001 to 1,000,000 shares	103	23,651,581	12.22%
Over 1,000,000 shares	12	104,368,496	53.91%
Total	**16,746**	**193,600,000**	**100%**

10.1 SHARE PREMIUM: **1,500,000,000** **1,500,000,000**

This represents issuance of 10,000,000 ordinary shares in September 2008 for Tk.25 each including premium of Tk. 15/- each in compliance with The Securities and Exchange Commission (SEC) consent No.SEC/CI/CPLC (PVT.)-95/06/337 dated on 30.06.2008 and further Placement issuance of 50,000,000 ordinary shares in October 2009 for Tk.25/- each including premium of Tk.15 each in compliance with The Securities and Exchange Commission (SEC) consent No. SEC/CI/CPLC(PVT.)-95/ dated on June 03, 2009 and further issuance of IPO of 40,000,000 ordinary shares on July 2010 for Tk. 25/- each including Premium of Tk. 15/- each in compliance with the Securities and Exchange Commission (SEC) consent No. SEC/CI/IPO-118/2010/462 dated April 15, 2010.

11.1 RE-VALUATION SURPLUS:

Opening Balance	1,008,524,873	1,111,168,717
Less: Adjustment of Revaluated Assets	-	80,462,617
Less: Transfer to Retained Earnings 85% of excess depreciation	20,614,218	22,181,228
Written Down Value:	**987,910,656**	**1,008,524,873**

Calculation of deferred tax adjusted balance whice has been transferred from revaluation surplus to retained earnings and changes in equity:

Depreciation of revalued asset	100%	24,252,021
Deferred tax adjustment	15%	3,637,803
Deferred tax adjusted balance of excess depreciation:	**85%**	**20,614,218**

a) Name of Revaluer: ASIAN SURVEYORS LTD.

b) Last date of Revaluation: 30.06.2012

c) Methodology use for revalution:

(i) Valuation of Land: Surveyors Physically examined the land and sorroundings. The present value of the land have been taken into consideration according to the location, importance and convenience of the locality in terms of industrial, commercial and other related factors.

(ii) Valuation of building: Surveyors taken into consideration the nature and quality of construction of the buildings, examined the present condition of the buidings as well as nature of maintenance. Relevant papers, documents and records were scrutinized and verified. Considering all allied factors they determined the correct present value.

(iii) Valuation of Machineries: The value of the machineries of the project were assessed as a running concern. They have taken into account the practical utility of a machine in terms of present performance of the particular machine in working out the present value. They also taken into consideration erection or installation cost and other related details to determine the present value of the machineries. Copies of invoice and other related documents were scrutinised and verified accurately.

d) Total revaluation amount: Revaluation amount as on 30.06.2012 is Tk. 2,148,818,646

e) Independency of valuation: The surveyor and valuer was independent from the company and its management and employees.

12.1 RETAINED EARNINGS:

Opening Balance	143,372,898	(91,761,471)
Add: Net Profit/(Loss) during the year	233,438,855	212,953,141
Add: Transfer **85%** of excess depreciation of revaluated assets	20,614,218	22,181,228
Less: Declared Cash Dividend	101,955,200	-
Total:	**295,470,770**	**143,372,898**

13.1 LONG TERM LOAN:

Eastern Bank PLC.	44,139,641	5,914,300
Dhaka Bank PLC.	789,304,640	900,351,733
Brac Bank PLC.	347,500,728	464,077,087
IDLC Finance PLC.	192,637,253	237,838,547
One Bank PLC.	25,657,678	122,899,572
Total	**1,399,239,939**	**1,731,081,239**
Less: Current Portion of Long Term Loan (Note-16.1)	298,068,457	293,788,691
Total Long Term Loan:	**1,101,171,482**	**1,437,292,548**

13.1(i) Other information:

Particulars	**JUN' 2025**		**JUN' 2024**	
	IDLC	**OBL**	**IDLC**	**OBL**
Opening Loan facility	237,838,547	122,899,572	-	201,686,914
Addition Loan	-	-	400,000,000	-
Interest Charged	30,848,977	-	50,528,828	1,734,903
Loan Repayment:	45,201,295	97,241,894	162,161,453	78,787,342
Loan Balance:	192,637,253	25,657,678	237,838,547	122,899,572
Repayment Terms	Monthly Installment	Quarterly Installment	Monthly Installment	Quarterly Installment
Installment Size	4,717,910	6,710,000	4,139,935	22,819,479
Tenor	5 years	5 years	5 years	5 years
Interest Rate	13% - 14.75%	10% - 14.50%	13% - 15.75%	10% - 14%
Security	Pari-passue security of Land, Building, Stock & Book Debts sharing agreement.		Pari-passue security of Land, Building, Stock & Book Debts sharing agreement.	

Particulars	JUN' 2025		JUN' 2024	
	DBL	BRAC	DBL	BRAC
Opening Loan facility	900,351,733	464,077,087	405,078,640	29,869,195
Addition Loan	108,978,827	19,113,294	542,511,249	448,747,892
Interest Charged	99,523,786	52,220,966	98,972,525	36,950,033
Loan Repayment:	220,025,920	135,689,653	47,238,156	14,540,000
Loan Balance:	789,304,640	347,500,728	900,351,733	464,077,087
Repayment Terms	Monthly Installment	Quarterly Installment	Monthly Installment	Quarterly Installment
Installment Size	14,605,180	9,542,238	12,686,695	727,000
Tenor	7 years	5 years	7 years	5 years
Interest Rate	10% - 12.55%	10% - 13.30%	10% - 12.55%	10% - 13.30%
Security	Pari-passue security of Land, Building, Stock & Book Debts sharing agreement.		Pari-passue security of Land, Building, Stock & Book Debts sharing agreement.	

Particulars	JUN' 2025	JUN'2024
	EBL	EBL
Opening Loan facility	5,914,300	-
Addition Loan	38,939,472	5,914,300
Interest Charged	3,818,890	-
Loan Repayment:	714,131	-
Loan Balance:	44,139,641	5,914,300
Repayment Terms	Quarterly Installment	Quarterly Installment
Installment Size	295,609	147,804
Tenor	5 years	5 years
Interest Rate	14%	13%
Security	Pari-passue security of Land, Building, Stock & Book Debts sharing agreement.	

14.1 DEFERRED TAX LIABILITIES:

Opening Balance	257,564,100	255,878,473
Add: Provision for the year	6,444,387	1,685,627
Total Liabilities:	**264,008,488**	**257,564,100**

Deferred Tax Calculation:

Particulars	Accounts Base (WDV)	Tax Base (WDV)	Temporary difference	Temporary difference
Written Down Value of Fixed Assets at cost	1,634,281,295	1,051,199,105	583,082,190	515,867,587
WDV of Revaluation Surplus of Fixed Assets	1,176,974,394	-	1,176,974,394	1,201,226,415
Total	**2,811,255,689**	**1,051,199,105**	**1,760,056,584**	**1,717,094,002**
Deferred tax rate			15%	15%
Deferred Tax Liability			**264,008,488**	**257,564,100**

15.1 SHORT TERM LOAN:

Working Capital Loan:		
Eastern Bank PLC.	23,548,517	23,732,261
Sub-total:	**23,548,517**	**23,732,261**
Bank Overdraft:		
Eastern Bank PLC. A/C:180	46,455,337	46,441,311
Dhaka Bank PLC. A/C: 207.175.23	21,256,181	29,712,899
Brac Bank PLC. A/C: 1501201762043002	51,090,129	51,303,994
One Bank PLC. A/C: 0010016426008	20,570,037	20,297,742
HSBC Ltd. A/C: 001-007475-011	14,832,934	18,943,100
Trust Bank PLC. A/C: 003- 0136000153	30,931,615	31,326,755
Sub-total:	**185,136,233**	**198,025,800**
Liability for Bill discount:		
Dhaka Bank PLC.	36,473,912	52,857,739
Eastern Bank PLC.	614,076,561	564,037,296
Brac Bank PLC.	57,781,941	104,595,197
Sub-total:	**708,332,415**	**721,490,232**
Total:	**917,017,165**	**943,248,293**

The above Short Term loans are secured against hypothecation of Stocks and Book Debts.

Particulars	EBL	OBL	DBL	HSBC
Saction facility (W.C.)				
Saction facility (Overdraft)	45,000,000	20,000,000	30,000,000	20,000,000
Interest paid this year (OD)	5,763,909	2,712,544	2,946,023	496,555
Repayment Terms (W.C.)				
Repayment Terms (OD)	N/A	N/A	N/A	N/A
Installment Size (W.C.)				
Installment Size (OD)	N/A	N/A	N/A	N/A
Tenor	One year renewable	One year renewable	One year renewable	One year renewable
Interest Rate	14%	14.50%	12.55%	10%
Security	Pari-passue security of Stock & Book Debts sharing agreement			

Particulars	TBL	BRAC
Saction facility (W.C.)		
Saction facility (Overdraft)	30,000,000	50,000,000
Interest paid this year (OD)	3,938,461	6,586,832
Repayment Terms (W.C.)		
Repayment Terms (OD)	N/A	N/A
Installment Size (W.C.)		
Installment Size (OD)	N/A	N/A
Tenor	One year renewable	One year renewable
Interest Rate	14%	13.30%
Security	Pari-passue security of Stock & Book Debts sharing agreement.	

16.1 CURRENT PORTION OF LONG TERM LOAN:

Eastern Bank PLC.	1,182,434	591,217
Dhaka Bank PLC.	175,262,154	152,240,338
Brac Bank PLC.	38,168,950	-
IDLC Finance PLC.	56,614,919	49,679,221
One Bank PLC.	26,840,000	91,277,916
Total:	**298,068,457**	**293,788,691**

17.1 LOAN FROM DIRECTORS:	**100,000,000**	**-**

Loan received from Director for short term period without interest.

18.1 ACCEPTANCE LIABILITIES:

Raw Cotton:

Eastern Bank PLC.	443,080,830	505,982,920
Dhaka Bank PLC.	286,385,742	69,468,603
Brac Bank PLC.	323,619,058	680,430,654
One Bank PLC.	211,427,610	448,457,958
Total:	**1,264,513,240**	**1,704,340,135**

Acceptance liability represents the deferred payment of L/C for Imported Raw Materials for the period of 180 Days.

19.1 UNCLAIMED DIVIDEND:	**3,775,560**	**3,984,585**
Bankwise Details as follows:		
Brac Bank PLC. (Principal):	1,433,143	3,118,150
Brac Bank PLC. (Interest):	1,242	278,227
Dhaka Bank PLC. (Principal):	2,302,009	-
Dhaka Bank PLC. (Interest):	39,167	588,209
Total-	**3,775,560**	**3,984,585**

20.1 CREDITORS, ACCRUALS & PROVISIONS:

Gas Bill Payable	56,370,151	41,180,331
Electricity Bill Payable	415,829	90,401
Audit Fees Payable	316,250	287,500
Salary, Wages & Other Allowance Payable	19,158,877	12,563,158
Salary & Allowance Payable	4,104,228	4,368,815
P.F Contribution Payable- Fact.	1,286,946	1,225,792
P.F Contribution Payable- H.O	258,400	252,976
Tax Deduction at Source Payable	2,633,849	3,618,169
Vat Deduction at Source Payable	2,560,288	2,741,364
Income Tax Payable (Note:20.1-A)	122,496,390	92,323,662
Contribution to WPPF Payable	37,656,810	33,017,045
Payable for Goods Supplies & Others	227,673,444	229,748,258
Accrued Interest (Note:20.1-B)	14,878,923	21,891,502
Refundable IPO Share money (NRB Accounts) (Note-20.1-C)	1,218,777	1,218,777
Total:	**491,029,163**	**444,527,750**

a) Payable for Goods Supplies and others represents regular suppliers of packing materials, Bearing, belts, fuel & lubricants, stationery items and others.

b) Factory Salary, Wages and Other Allowance, Head Office Salary & Allowance payable for the month of 30th June 2025.

c) Due to not having assesment of Income Tax is settled by NBR 2023-2024 financial year the above Income Tax payable is not adjusted with the advance income tax.

20.1-A. INCOME TAX PAYABLE:

Opening Balance	92,323,662	41,524,014
Provision for the year (Current Tax): (Note-28.1)	71,577,593	50,799,647
Prior year tax provision: (Note- 28.1)	351,294	8,332,610
	164,252,549	**100,656,272**
Tax Payment/Adjustment for the year:	41,756,159	8,332,610
Total Payment/Adjustment for prior year income:	**41,756,159**	**8,332,610**
Total Payable-	**122,496,390**	**92,323,662**

20.1-B. ACCRUED INTEREST:

Eastern Bank PLC.	1,130,346	-
Brac Bank PLC.	11,880,156	12,840,081
One Bank PLC.	1,868,421	9,051,420
Total:	**14,878,923**	**21,891,502**

20.1-C. REFUNDABLE IPO SHARE MONEY:

Eastern Bank PLC. NRB A/C (US$, Pound, EURO):	1,218,777	1,218,777
Total-	**1,218,777**	**1,218,777**

21.1 SALES:

Sales to other Customer	2,443,999,093	1,837,059,188
Sales to Related Party	2,194,217,430	1,896,370,062
Total Sales	**4,638,216,523**	**3,733,429,250**

22.1 COST OF GOODS SOLD:

Raw Material Consumed (Note:22.1-A)	3,100,852,890	2,840,974,368
Direct Labour (Note:22.1-B)	188,345,469	161,630,225
Factory Overhead (Note:22.1-C)	594,458,338	559,805,291
Total Manufacturing Cost	**3,883,656,697**	**3,562,409,883**
Add: Work-in-Process- Opening	41,691,760	33,179,846
Cost of Goods available for use	**3,925,348,457**	**3,595,589,729**
Less: Work-in-Process- Closing	33,210,066	41,691,760
Cost of Production	**3,892,138,391**	**3,553,897,969**
Add: Finished Goods- Opening	1,320,873,202	889,560,068
Cost of Goods Available for Sales	**5,213,011,593**	**4,443,458,038**
Less: Finished Goods- Closing	1,168,812,103	1,320,873,202
Cost of Goods Sold:	**4,044,199,491**	**3,122,584,835**

22.1-(A) RAW MATERIALS CONSUMED:

Opening Inventory Raw Materials	1,335,021,840	918,284,049
Add: Purchase during the year	2,856,022,012	3,257,712,159
Less: Closing Inventory of Raw Materials	1,090,190,962	1,335,021,840
Raw Materials Consumed	**3,100,852,890**	**2,840,974,368**

22.1-(B) DIRECT LABOUR:	**188,345,469**	**161,630,225**

22.1-(C) FACTORY OVERHEAD:

Factory Salary and Allowances	88,273,238	89,692,854
Festival Bonus Factory	5,779,985	5,250,713
Electricity Charges	7,411,272	1,734,191
Gas Charges	262,593,733	301,074,243
Repairs & Maintenance	25,753,523	26,150,795
Software Maintenance expense	218,840	-
Compliance Expenses	50,637	2,208,432
Gardening Expenses	15,415	240
Packing Materials	28,997,328	25,382,065
Fuel,Oil & Lubricant	7,138,043	9,999,359
Fire Insurance Premium	4,260,108	5,706,242
Group Insurance Premium	135,240	135,240
Stores & Accessories consumption	26,225,031	20,744,456
Entertainment Factory	612,259	1,669,236
Telephone, Mobile, Internet & Fax exp.	515,390	455,368
Stationery Charges	843,611	967,870
Loading & Unloading expense	-	727,000
Other Carrying Charges	733,910	645,956
Factory Office Expenses other	30,693	14,400
Vehicles Maintenance	2,951,644	2,659,140
Conveyances Factory Employee	48,600	28,665
Accommodation Facility for worker	-	199,740
Medical Expenses	151,829	121,272
Uniform & Leverage	143,481	88,140
Miscellaneous Exp.	399,325	916,881
Depreciation	131,175,203	63,232,793
Total Factory Overhead-	**594,458,338**	**559,805,291**

23.1 OPERATING EXPENSES:

Salaries & Allowances	55,947,248	57,060,304
Festival Bonus	4,828,993	4,852,965
Fees, Forms & Others	8,102,884	11,346,304
Audit Fees	316,250	287,500
Stationery expenses	1,090,868	867,605
Professional Training expense	-	265,000
Telephone,Mobile & Internet Expenses	1,119,917	961,121
Postage, Stamp & Curier expenses	14,735	6,806
Vehicle Maintenance	9,908,044	12,372,426
Miscellaneous Expenses	1,578,909	6,267,031
Office Rent	10,606,260	10,606,260

Rate & Taxes	360,000	-
Carriage Outwards, Selling & Distribution exp.	5,966,470	4,883,590
Entertainment	1,496,782	880,664
Advertisement & Publicity Expenses	413,806	430,797
AGM Expenses	874,110	793,150
Security Service Charges	-	16,000
Travelling & Conveyance	2,295,516	914,029
Uniform & Leveries Security	61,621	18,225
Repairs & Maintenance	9,480,194	7,762,085
Subscription Expenses	298,624	379,624
Medical Expenses	2,190	-
Credit Rating Charges	53,750	53,750
Software Maintenance Expenditure	498,015	269,955
Depreciation	3,243,195	3,599,763
Total Operating expenses:	**118,558,381**	**124,894,954**

24.1 FINANCIAL EXPENSES:

EASTERN BANK PLC.:		
Interest on Long Term Loan	3,818,890	705,159
Interest on Short Term Loan	671,210	331,180
Interest on Overdraft	5,763,909	4,413,237
Bank Charges & Commission	1,331,609	774,149
Export L/C Negotiation Commission	1,604,431	2,720,757
Interest on Bill Discount	23,913,251	21,103,483
Total:	**37,103,300**	**30,047,964**
HSBC LTD.:		
Bank Charges & Commission	42,936	469,029
Export L/C Negotiation Commission	-	271,550
Interest on Overdraft	496,555	1,339,838
Interest on Bill Discount	-	211,585
Total:	**539,491**	**2,292,002**
DHAKA BANK PLC.:		
Interest on Long Term Loan	99,523,786	98,972,525
Interest on Short Term Loan	6,500,000	-
Interest on Overdraft	2,946,023	1,846,725
Bank Charges and Commission	3,806,901	604,654
Export L/C Negotiation Commission	1,863,581	1,076,164
Interest on Bill Discount	2,380,974	593,742
Total:	**117,021,266**	**103,093,808**
ONE BANK PLC.:		
Interest on Long Term Loan	-	1,734,903
Interest on Overdraft	2,712,544	2,316,700
Bank Charges & Commission	486,525	2,783,570
Export L/C Negotiation Commission	391,222	487,986
Interest on Bill Discount	127,984	-
Total:	**3,718,275.26**	**7,323,159**
TRUST BANK PLC.:		
Bank Charges and Commission	27,899	121,347
Interest on Overdraft	3,938,461	3,323,907
Total:	**3,966,360**	**3,445,254**
DUTCH-BANGLA BANK PLC.		
Bank Charges and Commission	11,380	16,380
Total:	**11,380**	**16,380**
SHAHJALAL ISLAMI BANK PLC.:		
Bank Charge and Commission	-	8,868
Total:	**-**	**8,868**
AB BANK PLC.		
Bank Charges and Commission	-	257,642
Total:	**-**	**257,642**
IDLC FINANCE PLC. :		
Bank Charges and Commission	-	943,321
Interest on Long Term Loan	30,848,977	50,528,828
Total:	**30,848,977**	**51,472,149**
BRAC BANK PLC.		
Interest on Long Term Loan	52,220,966	36,950,033
Interest on Overdraft	6,586,832	4,020,971
Interest on Bill Discount	14,249,589	8,103,568
Export L/C Negotiation Commission	1,122,002	4,388,208
Bank Charges and Commission	301,259	1,651,702
Total:	**74,480,647**	**55,114,482**
Total Financial Expenses-	**267,689,696**	**253,071,709**

25.1 LOSS ON FIRE:

Loss on Fire of Assets (Note-25.1A)	-	(1,702,499)
Loss on Fire of Goods (Note-25.1B)	-	(60,621,661)
	-	**(62,324,160)**

25.1(A). LOSS ON FIRE OF ASSETS:

Fire Insurance claimed ensured by Insurance Co.	-	3,409,895
Written down value	-	5,112,394
Loss on fire of Assets	**-**	**(1,702,499)**

25.1(B). LOSS ON FIRE OF GOODS:

Fire Insurance claimed ensured by Insurance Co.	-	96,673,129
Salvage Recovery Value	-	120,051,330
	-	**216,724,459**
Goods destroyed by fire	-	277,346,120
Loss on fire of Goods	**-**	**(60,621,661)**

26.1 OTHER INCOME/(LOSS):

CASH INCENTIVE:	-	-
OTHER INCOME/(LOSS):		
Interest Received from BRAC Bank PLC., STD A/C (1501201 762043001)	4,139	-
Interest Received from BRAC Bank PLC., STD A/C (1505101 762043001)	100	103
Interest Received from Eastern Bank PLC., STD A/C (101-1230000068)	1	1
	4,239	**103**
Dividend Income from J.M. Fabrics Ltd.	119,997,000	119,997,000
	119,997,000	**119,997,000**
Foreign Currency Bank deposit translation Gain/(Loss)	(367,458)	(595,466)
Gain/(Loss) on Sale of Assets {Note: 26.1(A)}	-	(2,495,653)
	(367,458)	**(3,091,118)**
Other Income/(Loss):	**119,633,781**	**116,905,985**
Total Non-operating Income/(Loss):	**119,633,781**	**116,905,985**

26.1(A). GAIN/(LOSS) ON SALE OF ASSETS:

Sales Price	-	48,417,800
Less: Written down value of Old Machine & Generator	-	50,913,453
Gain/(Loss) on Sale of Machine & Generator	**-**	**(2,495,653)**
Total Gain/(Loss) on Sale of Assets:	**-**	**(2,495,653)**

27.1 WORKER'S PROFIT PARTICIPATION FUND:

Contribution to WPPF for the year	15,590,606	13,688,551
	15,590,606	**13,688,551**

This represents 5% of net profit before tax of the company and is payable to workers as per provision defined in the Labour Law Act-2006 (amendment 2013).

28.1 CURRENT TAX & PRIOR YEAR TAX EXPENSES:

	Income	Tax	Tax
i) On Operating Income	149,215,766	47,577,239	26,800,247
ii) On Other Income	120,001,239	24,000,354	23,999,400
Sub-Total	**269,217,006**	**71,577,593**	**50,799,647**
Prior year tax adjustment		351,294	8,332,610
Total	**269,217,006**	**71,928,888**	**59,132,257**

Taxable Operating Income Calculation:

Operating Profit/(Loss)	207,768,955
Less: Contribution to WPPF	15,590,606
Net Operating Profit/(Loss) before Tax	**192,178,348**
Add: Accounting Depreciation	134,418,398
Less: Tax Depreciation	177,380,981
Taxable Operating Income:	**149,215,766**

(i) Tax provision for this financial year is AIT deducted amount on Export Proceed Realisation and other source.

29.1 DEFERRED TAX:	**6,444,387**	**1,685,627**

Details calculation of deferred tax is shown in the note no. 14.1

30.1 BASIC EARNINGS PER SHARE (EPS):

EPS calculation	(a) Earning attributable to ordinary shareholders	233,438,855	212,953,141
	(b) Weighted average number of Shares	193,600,000	193,600,000
Basic Earnings per Share (a / b):		**1.21**	**1.10**

EPS is slightly increased from Tk. 1.10 to Tk. 1.21 during the financial year 2024-2025 compared to the financial year 2023-2024 due to achievement of net profit Tk. 233.43 million against net net profit of Tk. 212.95 million of previous financial year.

31.1 NET ASSET VALUE (NAV) PER SHARE:

		JUN'25	JUN'24
NAV calculation	a) Equity attributable to owners of the company	4,719,381,426	4,587,897,771
	b) Number of Shares outstanding the year end	193,600,000	193,600,000
Net Assets Value Per Share (NAV) { a / b }:		**24.38**	**23.70**

32.1 CASH FLOW FROM OPERATING ACTIVITIES (INDIRECT METHOD):

	JUNE'25	JUNE'24
Operating Profit/(Loss)	207,768,955	232,877,752
Depreciation	134,418,398	66,832,556
Other Income/(Loss)	4,239	103
Accounts Receivable (Increase)/Decrease	56,732,139	76,369,242
Inventories (Increase)/Decrease	320,703,458	(1,277,367,019)
Advance, Deposit & Prepaid expenses (Increase)/Decrease	(4,557,187)	(15,278,868)
Accounts Payable Increase/(Decrease)	(428,137,976)	667,644,036
Fire Insurance Claimed received on Raw Material & Finish Goods	(10,950,841)	(8,463,544)
Payment to Employee against contribution to WPPF	14,098,408	180,101,147
Payment for Income Tax	(71,577,593)	(59,132,257)
Net Cash provided/(used) by Operating Activities	**218,501,999**	**(136,416,852)**

33.1 CALCULATION OF NET OPERATING CASH FLOW PER SHARE (NOCFPS):

NOCFPS calculation	a) Net Cash provided/(used) by Operating Activities	218,501,999	(136,416,852)
	b) Number of Shares outstanding the year end	193,600,000	193,600,000
Net Operating Cash Flow Per Share (NOCFPS) { a/b }:		**1.13**	**(0.70)**

Net Operating Cash Flow Per Shares (NOCFPS) is increased this financial year due to increased of collection against turnover and receivable this financial year compared to the financial year 2023-2024.

34.1 RELATED PARTY DISCLOSURE:

The company, in normal course of business, carried out a number of transactions with other entities that fall within the definition of related party contained in International Accounting Standard 24: Related Party Disclosures. All transactions involving related parties arising in normal course of business are conducted on an arm's length basis at commercial rates, on the same terms and conditions as applicable to the third parties. Details of transactions with related parties and balances with them as at 30th June 2025 were as follows:

Related Party	Nature of Relationship	Nature of Transaction	Transaction during this period		Balance as at 30.06.2025	Balance as at 30.06.2024
			Dr. (Sales or Advance)	Cr. (Realised)		
Knit Asia Limited	Common Director	Sales	771,339,171	709,134,043	65,643,826	3,438,698
Salek Textile Limited	Subsidiary	Sales	340,652,868	298,827,769	148,668,976	106,843,877
Aurum Sweaters Limited	Common Director	Sales	12,403,647	1,978,800	10,424,847	-
J.M. Fabrics Limited	Subsidiary	Sales	1,069,821,744	1,195,903,018	79,570,084	205,651,358
New Asia Limited	Common Director	Service charge		-	(295,292)	(295,292)
Hejaz Publication Limited	Common Director	Office Rent	10,606,260	10,606,260	-	-

35.1 PRODUCTION CAPACITY:

Production capacity of Malek Spinning Mills Ltd. is 34,514Kg per day and annual production capacity is 12,425,000Kg During the year produced 10,599,383 Kg and Capacity utilized 85.31%.

Particulars	%	Quantity in Kg (2024-25)	%	Quantity in Kg (2023-24)
Capacity	100	12,425,000	100	12,600,000
Production	85.31	10,599,383	75.72	9,540,356
Shortfall		**1,825,617**		**3,059,644**

36.1 WPPF:

Provision for contribution to WPPF was made as per Section-234 of Labour Law-2013. The due amount is under process of payment.

37.1 EVENTS AFTER THE REPORTING PERIOD:

The board of directors of the company has approved the audited financial statements on 26th October 2025 and recommended 10% Cash dividend for General Shareholders only except Sponsors & Directors for the financial year ended June 2025.

Except the fact stated above, no circumstances have arisen that to be disclosed as note or adjusted in the financial statements.

38.1 ATTENDANCE STATUS OF BOARD MEETING OF DIRECTORS:

During the year 2024-2025 seven Board Meetings were held. The attendance status of all the meetings is as follows:

Name of Directors	Position	Meeting Held	Attended
1) Mr. A.F.M Zubair	Chairman	6	5
2) Mr. A. Matin Chowdhury	Managing Director	6	6
3) Dr. Shamim Matin Chowdhury	Director	6	6
4) Mr. Azizur Rahim Chowdhury	Director	6	6
5) Ms. Saima Matin Chowdhury	Director	6	3
6) Mr. Mahir Rahman	Director	6	6
7) Dr. Sultan Hafeez Rahman	Independent Director	6	4
8) Mr. Muhammad Abul Hossain	Independent Director	6	3
9) Mr. Syed Rafiqul Haq	Independent Director	6	-

39.1 EMPLOYEES SALARY STATUS & POSITION (AS PER 30TH JUNE 2025)

Salary Range	Officer & Staff		Worker	Total Employee
	Head Office	Factory		
Below 10,000	-	-	-	-
Above 10,000	77	104	981	1,162
Total	**77**	**104**	**981**	**1,162**

40.1 BENEFITS TO DIRECTORS:

Mr. A. Matin Chowdhury	2024-2025	2023-2024
i) Basic	-	-
ii) House Rent	-	-
iii) Conveyance	-	-
iv) Medical Allowance	-	-
v) Incentive Bonus	-	-
vi) Festival Bonus	-	-
Total:	**-**	**-**

41.1 PURCHASE IN FOREIGN CURRENCY:

Particulars	2024-25		2023-2024	
	In Foreign Currency	In BDT	In Foreign Currency	In BDT
Raw Cotton	$ 23,863,820	2,856,022,012	$ 29,167,447	3,257,712,159
Spare Parts	$ 330,305	39,530,950	$ 384,208	42,912,158
Capital Machinery	$ 434,121	48,519,472	$ 5,893,819	602,407,199
Total	**$ 24,628,247**	**2,944,072,434**	**$ 35,445,473**	**3,903,031,516**

42.1 KEY MANAGEMENT PERSONNEL COMPENSATION:

Company has established following personnel compensation to the employee:

a) Short-term employee benefits: Company provide the following short-term benefit.

Particulars	2024-2025		2023-2024	
	Directors	Executives	Directors	Executives
Remuneration/ Salary	-	12,466,432	-	12,466,432
i) Basic	-	6,503,901	-	6,503,901
ii) House Rent	-	3,251,951	-	3,251,951
iii) Conveyance	-	976,154	-	976,154
iv) Medical Allowance	-	650,390	-	650,390
v) Incentive Bonus	-	-	-	-
vi) Festival Bonus	-	1,084,036	-	1,084,036
Number of Person:	1	4	1	4

b) Post-employment benefits: Company provide contributory Provident fund and other benefits.

c) Other long-term benefits: Company provide the employee under which an employee is entitle to the benefit depending on length of service. The cost for Gratuity is accounted on cash basis.

d) Share-based payment: Company does not provide any share-based payment facilities to the employee.

43.1 FINANCIAL RISK MANAGEMENT:

The Board of Directors has overall responsibility for the establishment and oversight of the Company's financial risk management. The responsibility also includes developing and monitoring the Company's risk management policy. To assist the Board in discharging its oversight responsibility, management has been made responsible for identifying, monitoring and managing the company's financial risk exposure. The Company's exposure to the risks associated with the financial instruments and the risk management policies and procedures and summarized as follows.

CREDIT RISK:

Credit risk is the risk of financial loss to the company if a buyer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivable from customers and investment securities. The Company's sales are made to renowned RMG exporting company. Sales made to the entity are fully secured by Letter of Credit issued by local scheduled banks.

Credit risk of the Company arises principally from trade debts, loans and advances, and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	JUN'25	JUN'24
Consolidated Accounts Receivable:	3,336,626,184	4,549,350,365
Consolidated Loans and Advances:	682,832,145	694,614,866
Consolidated Bank Balances:	1,119,772,443	1,851,039,349
	5,139,230,771	**7,095,004,580**

LIQUIDITY RISK:

Liquidity risk is the risk that the company unable to meet its financial obligations as the fall due. The Company's approach to managing liquidity is to ensure, as far as possible' that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. In general, management ensures that it has sufficient cash and cash equivalent to meet expected operation expenses, including the servicing of financial obligation through preparation of cash forecast, prepared based on timeline of payment of the financial obligation and accordingly arranged for sufficient liquidity/fund to make the expected payment within due date. Moreover, the company seeks to maintain short term lines of credit with scheduled commercial banks to ensure payments of obligations in the events that there is sufficient cash to make the required payment. The requirement is determined in advance through cash flows projections and credit lines facilities with banks are negotiated accordingly. Seeks to maintain a balance between the higher returns that might be possible with the higher levels of borrowings and the advantages and security afforded by a sound capital position. The board also monitors dividend trend to ordinary shareholders.

MARKET RISK:

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

PRICE RISK:

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The company does not have any financial instrument that expose the price risk.

INTEREST RISK:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate risk arises from long and short-term borrowings from financial institutions. At the reporting date, the company does not hold any interest bearing financial instrument.

CURRENCY RISK:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly where receivables and payables exist due to transactions entered in foreign currencies. The Company is exposed to foreign currency risk on sales, purchases and Foreign Currency loan, which, are entered in a currency other than BDT. The foreign currency transactions are mainly occurred in USD and conversion rate of USD into BDT does not fluctuate materially.

CAPITAL RISK MANAGEMENT:

The objective of the Company when managing capital, i.e., its shareholders' equity is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses. The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue new shares.

MALEK SPINNING MILLS PLC.

FIXED ASSETS SCHEDULE AS AT 30TH JUNE 2025

Annexure: 1.1

PARTICULARS	Cost				Rate	Depreciation				Written Down
	As at 01.07.2024	Addition	Adjustment	As at 30.06.2025		As at 01.07.2024	This year	Adjustment	As at 30.06.2025	Value as at 30.06.2025
(A)-										
1 Land and Land Development	286,908,451	7,807,300		294,715,751	0%	-	-		-	294,715,751
2 Factory Building	408,885,183	10,962,059		419,847,242	5%	257,283,450	7,741,748		265,025,197	154,822,044
3 Plant and Machinery	1,902,755,603	48,519,472		1,951,275,075	7.5%	938,615,909	72,849,352		1,011,465,261	939,809,814
4 Electrical Installation	53,814,735	-		53,814,735	15%	46,109,775	1,155,744		47,265,519	6,549,216
5 Tubewell and Water Pump	3,543,406	-		3,543,406	15%	2,477,689	159,858		2,637,546	905,860
6 Furniture and Fixtures	3,483,779	49,345		3,533,124	10%	2,890,391	61,806		2,952,197	580,927
7 Office Equipments	37,286,795	3,073,902		40,360,697	15%	20,624,961	2,592,228		23,217,189	17,143,508
8 Gas Line Installation	10,618,384	-		10,618,384	15%	9,834,706	117,552		9,952,258	666,126
9 Loose Tools and Equipment	24,501,813	-		24,501,813	15%	15,702,024	1,319,968		17,021,993	7,479,820
10 Motor Vehicle	23,802,992	-		23,802,992	20%	20,885,950	583,408		21,469,358	2,333,634
11 Telephone (PABX) Installation	512,500	-		512,500	15%	476,087	5,462		481,549	30,951
12 Crockaries and Cutlaries	50,777	-		50,777	15%	48,840	291		49,131	1,646
13 Generator	230,027,146	-		230,027,146	10%	3,143,490	22,688,366		25,831,855	204,195,291
14 Fire Control Equipment Installation	6,181,355	-		6,181,355	15%	244,052	890,595		1,134,648	5,046,707
Total (A) as at 30.06.2025	**2,992,372,920**	**70,412,078**	**-**	**3,062,784,998**		**1,318,337,325**	**110,166,378**	**-**	**1,428,503,703**	**1,634,281,295**
Total (A1) as at 30.06.2024	**2,394,353,785**	**914,667,225**	**316,648,090**	**2,992,372,920**		**1,543,334,968**	**40,736,994**	**265,734,637**	**1,318,337,325**	**1,674,035,595**

REVALUATED FIXED ASSETS SCHEDULE AS AT 30TH JUNE 2025

PARTICULARS	Re-valuated Cost				RATE	Depreciation				Written Down
	As at 01.07.2024	Addition	Adjustment	As at 30.06.2025		As at 01.07.2024	This year	Adjustment	As at 30.06.2025	Value as at 30.06.2025
(B)-										
1 Land and Land Development	846,018,824		-	846,018,824	-	-	-	-	-	846,018,824
2 Factory Building	219,355,567		-	219,355,567	5%	115,546,080	5,190,474	-	120,736,554	98,619,013
3 Plant and Machinery	816,729,734		-	816,729,734	7.5%	573,599,174	18,234,792	-	591,833,966	224,895,768
4 Generator	29,272,940		-	29,272,940	10%	21,005,397	826,754	-	21,832,151	7,440,789
Total (B) as at 30.06.2025	**1,911,377,066**	**-**	**-**	**1,911,377,066**	**-**	**710,150,651**	**24,252,021**	**-**	**734,402,672**	**1,176,974,394**
Total (B1) as at 30.06.2024	**2,135,640,246**	**-**	**224,263,180**	**1,911,377,066**	**-**	**827,855,653**	**26,095,562**	**143,800,563**	**710,150,651**	**1,201,226,415**
Total (A+B) as at 30.06.2025	**4,903,749,986**	**70,412,078**	**-**	**4,974,162,064**		**2,028,487,976**	**134,418,398**	**-**	**2,162,906,375**	**2,811,255,689**
Total (A1+B1) as at 30.06.2024	**4,529,994,031**	**914,667,225**	**540,911,270**	**4,903,749,986**		**2,371,190,621**	**66,832,556**	**409,535,201**	**2,028,487,976**	**2,875,262,009**

Depreciation Charged to:

Operating Expenses:		3,243,195
Factory Overhead:		131,175,203
	Tk.	**134,418,398**

SALEK TEXTILE LIMITED

DIRECTORS' REPORT

TO THE SHAREHOLDERS FOR THE YEAR ENDED 30TH JUNE, 2025

Dear Shareholders,

In terms of provisions of section 184 of the Companies Act'1994 and in compliance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Board of Directors is pleased to submit its Report to the Shareholders together with Audited Accounts and Auditors' Report thereon, containing Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June 2025.

BACKGROUND:

The Company was incorporated with RJSC on 9th day of September 2007 as a Private Limited Company. The Authorized Share Capital of the company was increased from Tk.500,000,000.00 divided into 5,000,000 ordinary shares of Tk.100.00 each to Tk.3,000,000,000.00 divided into 30,000,000 ordinary shares of Tk.100.00 each on 14th August, 2013. Subsequently the par value of share has been changed from Tk.100.00 per share to Tk.10.00 per share. The paid-up capital as on 30th June, 2025 stood at Tk.482,608,700.00 consisting of 48,260,870 ordinary shares of Tk.10.00 each.

The Company obtained Consent for raising of Paid-up Capital from Bangladesh Securities and Exchange Commission (BSEC) vide their letter No. BSEC/CI/CPLC (Pvt)-333/2011/446 dated June 24, 2014. To comply the condition No. 9 of the Consent Letter of Bangladesh Securities and Exchange Commission (BSEC) dated June 24, 2014 and to comply the provisions of the Commission's Notification No. SEC/CMRRCD/2006-159/Admin/03-44 dated 05-05-2010 published in the Bangladesh Gazette dated 01-06-2010 though the paid up capital of the company exceeds Tk.400,000,000.00 (Forty crore) the status of the Company has been converted from Private Limited Company to Public Limited Company on 23rd August, 2014 and the face value of per share of the Company also changed from Tk.100.00 each to Tk.10.00 each per share.

The Company is a subsidiary company of Malek Spinning Mills PLC. which holds 97.925% share & other sponsors of Malek Spinning Mills PLC. hold 2.08% share of the company as on 30th June 2025.

Mr. A. F. M. Zubair has been elected as Chairman by the Board of Directors and Mr. A. Matin Chowdhury has been retained as the Managing Director of the company. Mr. Syed Rafiqul Haq, Independent Director of Malek Spinning Mills PLC. has been appointed as Independent Director (Non-Shareholding) of the company.

COMMERCIAL OPERATION:

Salek Textile Limited started its commercial operation on 1st day of April 2009. The production capacity of the project is 12,070,000 kgs yarn and 18,000,000 yards fabric per annum. The Company manufactures open end yarn for denim and home textile.

SEGMENT REPORTING:

Salek Textile Limited are the following different operations with spinning and weaving (denim fabric). The economic classification of the various units is of different natures, with the spinning and fabric unit being 100% deemed exporters. Furthermore, the units are located in two different locations which are independent profit centers and therefore needs to be segmented. Certain insignificant common costs are borne by main spinning unit. Based on the above principals the accounts have been divided into two segments and reported according to IFRS-8.

COMPANY'S OPERATIONS:

The position of its operating performance for the year ended 30th June, 2025 compared to previous year are given below:

Sl. No.	Description	2024-2025	2023-2024
01	Production capacity (kg) Yarn	12,070,000	12,070,000
02	Production capacity (yards) Fabric	18,000,000	18,000,000
03	Actual Production (kg) Yarn	8,635,944	9,749,805
04	Actual Production (yards) Fabric	12,428,121	13,064,861
05	Capacity Utilization (Yarn)	71.55%	80.78%
06	Capacity Utilization (Fabric)	69.05%	72.58%
07	Quantity Sold (kg) Yarn	8,755,557	9,598,559
08	Quantity Sold (yards) Fabric	12,166,279	13,294,705
09	Sales Revenue (Tk.) Yarn	2,755,112,720	2,871,214,026
10	Sales Revenue (Tk.) Fabric	3,546,535,696	3,234,142,957
11	Average selling price (Tk.) Yarn	314.67	299.13
12	Average selling price (Tk.) Fabric	291.51	243.27

CAPITAL EXPENDITURES:

The following Capital Expenditure was incurred during the last two years:

Description	2024-2025 (Tk.)	2023-2024 (Tk.)
Land and Land Development	--	49,125
Factory Building & Construction	--	37,689,001
Plant and Machinery	4,791,512	7,382,869
Motor Vehicle	7,633,500	--
Office Equipment	3,302,818	2,065,199
Furniture & Fixtures	519,450	2,129,375
Electrical Installation	--	22,100
Fire Installation	4,447,659	24,433,822
Tubewell and Water Pump	3,358,964	--
Total	**24,053,903**	**73,771,491**

SHAREHOLDING:

The Shareholding Position of different shareholders as at 30th June 2025 are as follows:

Name of Shareholders	No. of share hold	% of Holding
Malek Spinning Mills PLC.	47,259,700 shares	97.9255%
Mr. A. Matin Chowdhury	489,780 shares	1.0149%
Dr. Shamim Matin Chowdhury	339,340 shares	0.7031%
Mr. A.F.M. Zubair	169,830 shares	0.3519%
Ms. Saima Matin Chowdhury	410 shares	0.0008%
Mr. Azizur R. Chowdhury	510 shares	0.0011%
Mr. Moshiur Rahman	650 shares	0.0013%
Mr. Shyan Zubair	650 shares	0.0013%
Total	**48,260,870 shares**	**100%**

FINANCIAL RESULTS:

The company's operating financial results, as compared to the previous year are summarized as follows:

Tk. in million

Description	2024-2025	2023-2024
Sales	4,901.73	4,618.73
Cost of goods sold	4,186.69	3,968.15
Gross profit	**715.04**	**650.58**
Operating expenses	106.70	77.78
Financial Expenses	392.96	379.07
Operating profit	**215.37**	**193.73**
Other Income/(loss)	16.05	59.22
Net Operating profit/(Loss)	**231.42**	**252.95**
Contribution to WPPF	11.02	12.05
Income Tax	59.86	99.86
Net Profit/(Loss) after tax	**160.54**	**141.04**
Gross Margin Ratio	14.59%	14.09%
Net Margin Ratio	3.28%	3.05%
Earnings per share (Tk.)	3.33	2.92

APPROPRIATION OF PROFIT:

The Board of Directors recommended for appropriation of profit as follows:

Net Profit/(Loss) during the year 2024-2025	Tk. 160,538,391
Add: Balance of profit B/F from previous years	Tk. 950,109,836
Add: Transfer of excess depreciation of revalued assets	Tk. 9,111,408
Total net free surplus available for appropriation	**Tk.1,119,759,636**
Appropriation Proposed:	
Proposed Dividend	Nil
Balance carried forward to Balance Sheet as Retained Earnings	**Tk.1,119,759,636**

DECLARATION OF DIVIDEND:

In order to strengthen the financial position of the company no dividend be and is recommended by the Board of Directors. The entire retained earnings amount Tk.1,119,759,636 will be transferred to general reserves.

APPOINTMENT OF DIRECTORS:

Rotation of Directors:

Pursuant to Article 117 of the Articles of Association of the Company Ms. Saima Matin Chowdhury, Director and Mr. Azizur R. Chowdhury, Director will retire by rotation and being eligible as per Article 119 of the Articles of Association of the Company they offered themselves for re-election.

APPOINTMENT OF AUDITORS:

The existing Auditor, M/s Malek Siddiqui Wali, Chartered Accountants would retire at the 18th Annual General Meeting and being eligible, they offered themselves for re-appointment as Auditors for the year 2025-2026 with re-fixation of their remuneration.

BOARD MEETINGS:

During the year 2024-2025, Six (06) Board meetings were held. The attendance record of the Directors are as follows:

Name of Directors	**Position**	**Meeting held**	**Attended**
Mr. A.F.M. Zubair	Chairman	06	03
Mr. A. Matin Chowdhury	Managing Director	06	06
Dr. Shamim Matin Chowdhury	Director	06	06
Mr. Azizur R. Chowdhury	Director	06	06
Ms. Saima Matin Chowdhury	Director	06	04
Mr. Shyan Zubair *	Director	06	02
Mr. Moshiur Rahman	Director	06	06
Mr. Muhammad Abul Hossain	Independent Director (Non-Shareholding)	06	03
Mr. Syed Rafiqul Haq **	Independent Director (Non-Shareholding)	06	Nil

- Mr. Shyan Zubair, resigned from the position of Director of the company on 13-04-2025.
- Mr. Syed Rafiqul Haq has been appointed as an Independent Director on 24-05-2025 in place of Mr. Muhammad Abul Hossain after completion of his tenure.

ACKNOWLEDGEMENT:

The Directors are pleased to record with appreciation and gratitude the co-operation and support provided by Shareholders, Customers, Bankers, Suppliers, Workers and Employees of the company without whose active support the result would not have been possible.

Looking forward for a bright future for all of us.

On behalf of the Board of Directors,

A.F.M. Zubair
Chairman

Malek Siddiqui Wali
Chartered Accountants
Since 1965
9-G, Motijheel C/A, L-2, Dhaka-1000, Bangladesh.
Phone : +88-02-9513471
E-mail : info@msw-bd.com
Website : www.msw-bd.com
CHARTERED ACCOUNTANTS

Independent Auditors' Report

To the shareholders of Salek Textile Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Salek Textile Limited which comprise the financial position as at June 30, 2025, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, of the financial position of the company as at June 30, 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

Basis for Opinion:

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter Paragraph

1) With reference to the Note no. 19.2(a), the company's sales, as per VAT return, of Tk. 422 crore and the sum of LCs sales value is Tk. 490 crore that effectively create difference of Tk. 68 crore. The above difference arisen due to non-issuance of VAT challan for part of inter units' sales of the company. Our report is not qualified in this respect.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls:

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other Legal and Regulatory Requirements:

In accordance with the Companies Act 1994, we also report that:

a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books;

c) The Statement of Financial Position and Statement of profit and loss and other comprehensive Income, of the Company dealt with by the report are in agreement with the books of account and returns; and

d) The expenditures incurred and payments made were for the purpose of the company's business.

Malek Siddiqui Wali, Chartered Accountants
RJSC Firm Registration No: P-50041/2022

Dated, Dhaka

October 26, 2025

Md. Waliullah, FCA
Enrolment No: 0247

Data Verification Code (DVC) No. 2510260247AS780003

SALEK TEXTILE LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2025

Particulars	JUNE'25	JUNE'24
		Amount in Taka
ASSETS :		
Non-Current Assets:		
Property, Plant and Equipment	2,626,355,378	2,788,188,968
Goodwill	168,600,020	168,600,020
	2,794,955,398	**2,956,788,988**
Current Assets :		
Inventories	2,734,255,949	1,546,558,630
Advance, Deposit and Pre-Payments	350,493,889	366,121,246
Accounts Receivable	1,551,529,692	1,859,621,973
Other Receivable	-	459,482,147
Cash and Cash Equivalents	38,942,455	188,321,386
	4,675,221,985	**4,420,105,382**
TOTAL ASSETS :	**7,470,177,383**	**7,376,894,370**
SHAREHOLDER'S EQUITY AND LIABILITIES:		
Shareholder's Equity :		
Share Capital	482,608,700	482,608,700
Share Premium	601,754,814	601,754,814
Re-valuation Surplus	324,238,535	333,349,944
Retained Earnings	1,119,759,636	950,109,836
	2,528,361,685	**2,367,823,294**
Non-Current Liabilities:		
Long Term Loan	1,037,640,157	1,710,821,321
Deferred Tax Liabilities	203,093,595	197,976,417
	1,240,733,752	**1,908,797,738**
Current Liabilities :		
Short Term Loan	1,243,183,547	1,017,549,340
Current Portion of Long Term Loan	562,424,514	509,030,156
Acceptance Liabilities	1,494,583,537	873,420,383
Creditors, Accruals & Provisions	400,890,348	700,273,459
	3,701,081,946	**3,100,273,338**
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES :	**7,470,177,383**	**7,376,894,370**
Net Assets Value Per Share (NAV)	**52.39**	**49.06**
Par Value Tk.10		

These financial statements were approved by the Board of Directors and were signed on it's behalf by.

A. Matin Chowdhury	**Azizur R. Chowdhury**	**A.K.M. Jonaid Biswas**	**Abrar Labib Rahman**
Managing Director	Director	Chief Financial Officer	Asst. Company Secretary

Malek Siddiqui Wali, Chartered Accountants
RJSC Firm Registration No: P-50041/2022

Md. Waliullah, FCA
Enrolment No: 0247

Dhaka
October 26, 2025
DVC: 2510260247AS780003

SALEK TEXTILE LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2025

Amount in Taka

Particulars	Spinning Unit	Fabrics Unit	JUNE'25	JUNE'24
Sales	2,755,112,720	3,546,535,696	4,901,726,459	4,618,732,790
Cost of Goods Sold	(2,483,387,200)	(3,103,223,717)	(4,186,688,960)	(3,968,148,092)
Gross Profit/(Loss) :	**271,725,520**	**443,311,979**	**715,037,499**	**650,584,698**
Operating Expenses	(40,972,400)	(65,728,738)	(106,701,138)	(77,776,644)
Financial Expenses	(103,164,237)	(289,800,144)	(392,964,381)	(379,074,041)
Operating Profit/(Loss) :	**127,588,883**	**87,783,097**	**215,371,980**	**193,734,014**
Other Income/(Loss)	536,099	15,511,326	16,047,425	59,215,238
Net Operating Profit/(Loss) :	**128,124,982**	**103,294,423**	**231,419,405**	**252,949,252**
Contribution to WPPF	(6,101,190)	(4,918,782)	(11,019,972)	(12,045,202)
Profit/(Loss) before Tax :	**122,023,792**	**98,375,641**	**220,399,434**	**240,904,049**
Income Tax :	**(18,942,666)**	**(40,918,377)**	**(59,861,043)**	**(99,861,696)**
Current Tax	(18,570,531)	(35,535,542)	(54,106,073)	(35,684,442)
Prior year tax adjustment	-	(637,792)	(637,792)	(54,037,169)
Deferred Tax	(372,135)	(4,745,043)	(5,117,178)	(10,140,085)
Net Profit/(Loss) after tax:	**103,081,126**	**57,457,265**	**160,538,391**	**141,042,353**
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income:	**103,081,126**	**57,457,265**	**160,538,391**	**141,042,353**
Earnings Per Share (EPS)			3.33	2.92
Par Value Tk.10				
Number of Shares used to compute EPS			**48,260,870**	**48,260,870**

These financial statements were approved by the Board of Directors and were signed on it's behalf by.

A. Matin Chowdhury	**Azizur R. Chowdhury**	**A.K.M. Jonaid Biswas**	**Abrar Labib Rahman**
Managing Director	Director	Chief Financial Officer	Asst. Company Secretary

Malek Siddiqui Wali, Chartered Accountants
RJSC Firm Registration No: P-50041/2022

Dhaka
October 26, 2025
DVC: 2510260247AS780003

Md. Waliullah, FCA
Enrolment No: 0247

SALEK TEXTILE LIMITED
STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30TH JUNE 2025

Particulars	Share Capital	Share Premium	Revaluation Surplus of Fixed Assets	Retained Earnings	Total
Balance as at 1st July 2024	482,608,700	601,754,814	333,349,944	950,109,836	2,367,823,294
Net Profit/(Loss) during this year				160,538,391	160,538,391
Transfer of excess depreciation of Revalued Assets			(9,111,408)	9,111,408	-
As at 30th June 2025	**482,608,700**	**601,754,814**	**324,238,535**	**1,119,759,636**	**2,528,361,685**

FOR THE YEAR ENDED 30TH JUNE 2024

Particulars	Share Capital	Share Premium	Revaluation Surplus of Fixed Assets	Retained Earnings	Total
Balance as at 1st July 2023	482,608,700	601,754,814	343,358,829	799,058,598	2,226,780,941
Net Profit/(Loss) during this year				141,042,353	141,042,353
Transfer of excess depreciation of Revalued Assets			(10,008,885)	10,008,885	-
As at 30th June 2024	**482,608,700**	**601,754,814**	**333,349,944**	**950,109,836**	**2,367,823,294**

These financial statements were approved by the Board of Directors and were signed on it's behalf by.

A. Matin Chowdhury	**Azizur R. Chowdhury**	**A.K.M. Jonaid Biswas**	**Abrar Labib Rahman**
Managing Director	Director	Chief Financial Officer	Asst. Company Secretary

Malek Siddiqui Wali, Chartered Accountants
RJSC Firm Registration No: P-50041/2022

Md. Waliullah, FCA
Enrolment No: 0247

Dhaka
October 26, 2025
DVC: 2510260247AS780003

SALEK TEXTILE LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2025

PARTICULARS	JUNE'25	JUNE'24
	Amount in Taka	
CASH FLOW FROM OPERATING ACTIVITIES :		
Collection from Turnover & Bills Receivable	5,209,818,740	4,272,454,379
Payment for Raw Materials, Indirect Materials and other expenses	(4,858,783,269)	(3,509,160,335)
Payment for other customer	-	(34,434,512)
Other Income	14,941,701	59,133,885
Foreign currency exchange Gain/(Loss)	838,442	-
Payment to Employee against contribution to WPPF	(9,636,163)	(5,955,897)
Payment for Operating Expenses	(101,379,058)	(77,389,282)
Payment of Financial Expenses	(392,616,178)	(361,433,491)
Payment for Income Tax	(54,106,073)	(35,684,441)
Net Cash provided/(used) by Operating Activities	**(190,921,858)**	**307,530,304**
CASH FLOW FROM INVESTING ACTIVITIES :		
Acquisation of Fixed Assets	(24,053,903)	(64,985,209)
Acquisition of Capital work in progress	-	(8,786,282)
Disposal of Fixed Assets	459,482,147	1,200,000
Net cash used in Investing Activities	**435,428,244**	**(72,571,491)**
CASH FLOW FROM FINANCING ACTIVITIES :		
Bank Loan Increase/(Decrease)	(394,152,599)	(185,212,793)
Net cash provided/(used) by Financing Activities	**(394,152,599)**	**(185,212,793)**
Increase/(Decrease) in Cash and Cash Equivalents	**(149,646,213)**	**49,746,020**
Opening Cash and Cash Equivalents	188,321,386	138,423,811
Foreign Currency Bank deposit translation Gain/(Loss)	267,282	151,555
Closing Cash and Cash Equivalents	**38,942,455**	**188,321,386**
Net Operating Cash Flow Per Share (NOCFPS)	**(3.96)**	**6.37**
Par Value Tk.10		

These financial statements were approved by the Board of Directors and were signed on it's behalf by.

A. Matin Chowdhury	**Azizur R. Chowdhury**	**A.K.M. Jonaid Biswas**	**Abrar Labib Rahman**
Managing Director	Director	Chief Financial Officer	Asst. Company Secretary

Malek Siddiqui Wali, Chartered Accountants
RJSC Firm Registration No: P-50041/2022

Dhaka
October 26, 2025
DVC: 2510260247AS780003

Md. Waliullah, FCA
Enrolment No: 0247

NEWASIA SYNTHETICS LIMITED
DIRECTORS' REPORT
TO THE SHAREHOLDERS FOR THE YEAR ENDED 30TH JUNE, 2025

Dear Shareholders,

The Directors are pleased to present their report on the activities of the company together with the Audited Accounts and Auditors' Report thereon containing Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June 2025.

REFERRAL:

In terms of the provisions of section 184 of the Companies Act'1994 and International Financial Reporting Standards (IFRS's), it is the pleasure of the Board of Directors to submit its report to the Shareholders for the year ended 30 June 2025 in the following paragraphs:

BACKGROUND:

The Company was incorporated with RJSC on 30th day of July 2008 as a Private Limited Company and subsequently on October 24, 2009 it was converted into a Public Limited Company. The Authorized Share Capital of the company has also been increased from Tk. 500,000,000.00 to Tk.5,000,000,000.00 divided into 50,000,000 ordinary shares of Tk.100.00 each. The paid-up capital as on 30th June, 2025 stood at Tk.660,000,000.00 consisting of 6,600,000 ordinary shares of Tk.100.00 each.

The Company is a subsidiary company of Malek Spinning Mills PLC. which holds 99.293% share & other sponsors of Malek Spinning Mills PLC. hold 0.707% share of the company.

Mr. A. Matin Chowdhury is the Chairman of the Company and Dr. Shamim Matin Chowdhury is the Managing Director of the Company. Mr. Syed Rafiqul Haq, Independent Director of Malek Spinning Mills PLC. has been appointed as Independent Director (Non-Shareholding) of the Company.

COMPANY'S OPERATION AND FINANCIAL RESULTS:

The following capital expenditure was incurred in the year 2024-2025 & 2023-2024.

Description	2024-2025 (Tk.)	2023-2024 (Tk.)
Land and Land Development	17,663,438	77,788,687
Total	**17,663,438**	**77,788,687**

IMPLEMENTATION SCHEDULE:

The project was undertaken to set up a PET Granule (Bottle grade & Industrial grade) and Polyester Staple Fibre manufacturing unit in the name of Newasia Synthetics Ltd. As on 30th June 2025, MSM is the holder of 99.293% shares of Newasia Synthetics Limited i.e. 6,553,338 shares of Tk.100.00 each total Tk.655,333,800.00 out of 6,600,000 shares of Tk.100.00 each total Tk.660,000,000.00. The project could not start due to failure of Gas connection by Titas Gas Transmission & Distribution Company Ltd., the project has been shelved until the Gas connection is provided.

APPOINTMENT OF DIRECTORS:

Rotation of Directors:

Pursuant to Article 117 of the Articles of Association of the Company Dr. Shamim Matin Chowdhury, Director and Mr. Moshiur Rahman, Director will retire by rotation and being eligible as per Article 119 of the Articles of Association of the Company they offered themselves for re-election.

APPOINTMENT OF AUDITORS:

The existing Auditor, M/s. Malek Siddiqui Wali, Chartered Accountants would retire at the 17th Annual General Meeting and being eligible, have offered themselves for re-appointment as Auditors for the year 2025-2026 with re-fixation of their remuneration.

BOARD MEETINGS:

During the year 2024-2025, Five (05) Board meetings were held. The attendance record of the Directors are as follows:

Name of Directors	Position	Meeting held	Attended
Mr. A. Matin Chowdhury	Chairman	05	05
Dr. Shamim Matin Chowdhury	Managing Director	05	05
Mr. A. F. M. Zubair	Director	05	03
Mr. Moshiur Rahman	Director	05	05
Mr. Muhammad Abul Hossain	Independent Director (Non-Shareholding)	05	03
Mr. Syed Rafiqul Haq *	Independent Director (Non-Shareholding)	05	Nil

- Mr. Syed Rafiqul Haq has been appointed as an Independent Director on 24-05-2025 in place of Mr. Muhammad Abul Hossain.

FINANCIAL ACCOUNTS:

As the Company did not commence production & marketing but it has earned a net profit amounting Tk.576,607 from Agriculture which have been stated in the Statement of Profit or Loss and other Comprehensive Income for the year ended on 30th June, 2025. Due to accumulated losses no dividend be and is recommended by the Board of Directors.

ACKNOWLEDGEMENT:

The Directors are pleased to record with appreciation and gratitude the co-operation and support provided by Shareholders of the company.

Looking forward for a bright future for all of us.

On behalf of the Board of Directors,

A. Matin Chowdhury

Chairman

Independent Auditors' Report

To the shareholders of Newasia Synthetics Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Newasia Synthetics Limited which comprise the financial position as at June 30, 2025, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, of the financial position of the company as at June 30, 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern:

The accompanying financial statements have been prepared assuming that the company will continue as going concern. The company has been non-operational from inception that raise significant doubt about its ability to continue as going concern.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls:

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other Legal and Regulatory Requirements:

In accordance with the Companies Act 1994, we also report that:

a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books;

c) The Statement of Financial Position and Statement of profit and loss and other comprehensive Income, of the Company dealt with by the report are in agreement with the books of account and returns; and

d) The expenditures incurred and payments made were for the purpose of the company's business.

Malek Siddiqui Wali, Chartered Accountants
RJSC Firm Registration No: P-50041/2022

Dated, Dhaka
October 26, 2025

Swadesh Ranjan Saha, FCA
Enrolment No: 0718

Data Verification Code (DVC) No. 2510260718AS806143

NEWASIA SYNTHETICS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2025

Particulars	JUNE'25	JUNE'24
	Amount in Taka	
ASSETS :		
Non-Current Assets :		
Property Plant & Equipment	2,240,481,639	2,222,939,732
	2,240,481,639	**2,222,939,732**
Current Assets :		
Advance, Deposit and Pre-Payments	2,737,603	2,648,573
Cash and Cash Equivalents	539,045	41,168
	3,276,648	**2,689,741**
TOTAL ASSETS :	**2,243,758,287**	**2,225,629,473**
SHAREHOLDER'S EQUITY AND LIABILITIES:		
Shareholder's Equity :		
Share Capital	660,000,000	660,000,000
Re-valuation Surplus	1,341,650,365	1,341,650,365
Retained Earnings	(30,532,129)	(31,108,736)
	1,971,118,236	**1,970,541,629**
Current Liabilities :		
Loan from Director	40,000,000	40,000,000
Creditors & Accruals	232,640,051	215,087,844
	272,640,051	**255,087,844**
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES :	**2,243,758,287**	**2,225,629,473**
Net Assets Value Per Share (NAV)	**298.65**	**298.57**
Par Value Tk.100		

These financial statements were approved by the Board of Directors and were signed on it's behalf by.

A. Matin Chowdhury
Chairman

Dr. Shamim Matin Chowdhury
Managing Director

A.K.M. Jonaid Biswas
Chief Financial Officer

Abrar Labib Rahman
Asst. Company Secretary

Malek Siddiqui Wali, Chartered Accountants
RJSC Firm Registration No. P-50041/2022

Swadesh Ranjan Saha, FCA
Enrolment No: 0718

Dhaka
October 26, 2025
DVC: 2510260718AS806143

NEWASIA SYNTHETICS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30TH JUNE 2025

Amount in Taka

Particulars	JUNE'25	JUNE'24
Sales	-	-
Cost of Goods Sold	-	-
Gross Profit/(Loss) :	**-**	**-**
Operating Expenses	(241,010)	(2,869,083)
Financial Expenses	(52,382)	(18,650)
Operating Profit/(Loss) :	**(293,393)**	**(2,887,733)**
Other Income/(Loss)	1,200,000	600,000
Net Operating Profit/(Loss) :	**906,607**	**(2,287,733)**
Provision for Contribution to WPPF	-	-
Profit/(Loss) before Tax :	**906,607**	**(2,287,733)**
Income Tax :	**(330,000)**	**(150,000)**
Current Tax	(330,000)	(150,000)
Deferred Tax	-	-
Net Profit/(Loss) after tax	**576,607**	**(2,437,733)**
Other Comprehensive Income	-	-
Total Comprehensive Income	**576,607**	**(2,437,733)**
Earnings Per Share (EPS)	**0.09**	**(0.37)**
Par Value Tk.100		
Number of Shares used to compute EPS	**6,600,000**	**6,600,000**

These financial statements were approved by the Board of Directors and were signed on it's behalf by.

A. Matin Chowdhury	**Dr. Shamim Matin Chowdhury**	**A.K.M. Jonaid Biswas**	**Abrar Labib Rahman**
Chairman	Managing Director	Chief Financial Officer	Asst. Company Secretary

Malek Siddiqui Wali, Chartered Accountants
RJSC Firm Registration No. P-50041/2022

Swadesh Ranjan Saha, FCA
Enrolment No: 0718

Dhaka
October 26, 2025
DVC: 2510260718AS806143

NEWASIA SYNTHETICS LIMITED
STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30TH JUNE 2025

Particulars	Share Capital	Revaluation Surplus of Fixed Assets	Share Money Deposit	Retained Earnings	Total
Balance as on 1st July 2024	660,000,000	1,341,650,365	-	(31,108,736)	1,970,541,629
Net Profit/(Loss) during the year				576,607	576,607
As at 30th June 2025	**660,000,000**	**1,341,650,365**	**-**	**(30,532,129)**	**1,971,118,236**

FOR THE YEAR ENDED 30TH JUNE 2024

Particulars	Share Capital	Revaluation Surplus of Fixed Assets	Share Money Deposit	Retained Earnings	Total
Balance as on 1st July 2023	660,000,000	1,341,650,365	-	(28,671,003)	1,972,979,362
Net Profit/(Loss) during the year				(2,437,733)	(2,437,733)
As at 30th June 2024	**660,000,000**	**1,341,650,365**	**-**	**(31,108,736)**	**1,970,541,629**

These financial statements were approved by the Board of Directors and were signed on it's behalf by.

A. Matin Chowdhury
Chairman

Dr. Shamim Matin Chowdhury
Managing Director

A.K.M. Jonaid Biswas
Chief Financial Officer

Abrar Labib Rahman
Asst. Company Secretary

Malek Siddiqui Wali, Chartered Accountants
RJSC Firm Registration No. P-50041/2022

Dhaka
October 26, 2025
DVC: 2510260718AS806143

Swadesh Ranjan Saha, FCA
Enrolment No: 0718

NEWASIA SYNTHETICS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2025

PARTICULARS	JUNE'25	JUNE'24
	Amount in Taka	
CASH FLOW FROM OPERATING ACTIVITIES :		
Other Income/(Loss)	1,200,000	600,000
Payment for Operating Expenses	(119,479)	(2,896,950)
Payment for Other expenses	(51,282)	(4,268)
Payment for Financial Expenses	(52,382)	(18,650)
Payment for Income Tax	(75,000)	(75,000)
Net Cash provided/(used) by Operating Activities	**901,857**	**(2,394,868)**
CASH FLOW FROM INVESTING ACTIVITIES :		
Acquisition of Fixed Assets	(17,677,468)	(61,659,187)
Net Cash used in Investing Activities	**(17,677,468)**	**(61,659,187)**
CASH FLOW FROM FINANCING ACTIVITIES :		
Loan from Directors	-	40,000,000
Payable to Other Creditors	17,273,489	23,274,610
Net cash provided/(used) by Financing Activities	**17,273,489**	**63,274,610**
Increase/(Decrease) in Cash and Cash Equivalents	**497,878**	**(779,445)**
Opening Cash and Cash Equivalents	41,168	820,613
Closing Cash and Cash Equivalents	**539,045**	**41,168**
Net Operating Cash Flow Per Share (NOCFPS)	**0.14**	**(0.36)**
Par Value Tk.100		

These financial statements were approved by the Board of Directors and were signed on it's behalf by.

A. Matin Chowdhury
Chairman

Dr. Shamim Matin Chowdhury
Managing Director

A.K.M. Jonaid Biswas
Chief Financial Officer

Abrar Labib Rahman
Asst. Company Secretary

Malek Siddiqui Wali, Chartered Accountants
RJSC Firm Registration No. P-50041/2022

Swadesh Ranjan Saha, FCA
Enrolment No: 0718

Dhaka
October 26, 2025
DVC: 2510260718AS806143

J.M. FABRICS LIMITED
DIRECTORS' REPORT
TO THE SHAREHOLDERS FOR THE YEAR ENDED 30TH JUNE, 2025

Dear Shareholders,

In terms of provisions of section 184 of the Companies Act'1994 and International Financial Reporting Standards IFRS's), the Board of Directors is pleased to submit its Report to the Shareholders together with Audited Accounts and Auditors' Report thereon, containing Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June 2025.

BACKGROUND:

The Company was incorporated with RJSC on 25th day of May 2005 as a Private Limited Company. The authorized share capital of the company has been increased from Tk.500,000,000.00 to Tk.2,000,000,000.00 divided into 20,000,000 ordinary shares of Tk.100.00 each vide Special Resolution dated 20th February 2022. The paid-up capital as on 30th June, 2025 stood at Tk.400,000,000.00 consisting of 4,000,000 ordinary shares of Tk.100.00 each of which 3,999,900 shares of Tk.100.00 each was held by Malek Spinning Mills PLC.

The Company is a subsidiary company of Malek Spinning Mills PLC. which holds 99.998% share & others sponsor of Malek Spinning Mills PLC. holds 0.002% share of the company as on 30th June 2025.

Mr. A. Matin Chowdhury is the Chairman of the Company and Mr. Azizur R. Chowdhury is the Managing Director of the Company. Mr. Syed Rafiqul Haq, Independent Director of Malek Spinning Mills PLC. has been appointed as Independent Director (Non-Shareholding) of the Company.

COMMERCIAL OPERATION:

J. M. Fabrics Limited started its commercial operation on 18th day of August 2007. The Company is engaged in the production of 100% export-oriented Garments and Knit Fabric with a production capacity of 18 Metric Tons dyed fabric and 88 (eighty-eight) lines of cutting and sewing operation with all necessary facilities, storage etc.

COMPANY'S OPERATIONS:

The position of its operating performance for the year ended 30th June, 2025 is given below:

(1) CAPACITY/PRODUCTION

The Company's installed estimated production capacity is 55,332,000 Pcs of Basic T-Shirt, Polo-Shirt, Intimate & Seamless Garments per annum, earlier which was 54,729,000 Pcs. During the reporting period Seamless production capacity and T-Shirt and Polo-Shirt capacity increased due to increase of order. As a result, total number of production quantity increased.

A comparative position of its operating performance is given below:

Sl. No.	Description	2024-2025	2023-2024
01	Production capacity (Pcs.)	55,332,000	54,729,000
02	Actual Production (Pcs.)	34,083,658	33,548,829
03	Capacity Utilization (Average)	61.60%	61.30%
04	Quantity Sold (Pcs.)	35,825,162	36,211,639
05	Sales Revenue (Tk.)	14,737,146,332	15,182,047,791
06	Average selling price (Tk.)	411.36	419.25

CAPITAL EXPENDITURES:

The following Capital Expenditure was incurred during the year 2024-2025 as compared to the previous year:

Description	2024-2025 (Tk.)	2023-2024 (Tk.)
Land and Land Development	95,330,133	--
Building and Civil Construction	4,753,250	5,233,593
Plant and Machinery	589,601,395	274,931,766
Equipment and Installation	32,416,047	10,658,902
Furniture & Fixtures	86,358,269	2,191,925
Utilities Facility	156,630,780	59,730,781
Transport Facility	--	9,472,850
Total	**965,089,874**	**362,219,817**

SHAREHOLDING:

The Shareholding Position of different shareholders as at 30th June 2025 are as follows:

Name of Shareholders	No. of share held
Malek Spinning Mills PLC.	3,999,900 shares
Mr. A.F.M. Zubair	60 shares
Mr. Azizur R. Chowdhury	20 shares
Ms. Saima Matin Chowdhury	20 shares
Total	**4,000,000 shares**

FINANCIAL RESULTS:

The company's operating financial results, as compared to the previous year are summarized as follows:

Tk. in million

Description	2024-2025	2023-2024
Turnover	14,737.15	15,182.05
Cost of goods sold	13,377.32	13,775.88
Gross profit	**1,359.82**	**1,406.17**
General and Administrative Expenses	54.23	55.83
Financial Cost	143.20	141.90
Operating profit	**1,162.40**	**1,208.44**
Other income	142.66	131.27
Net Profit before tax	**1,305.06**	**1,339.71**
Provision for Income Tax	164.84	162.87
Net profit after tax	**1,140.22**	**1,176.84**
Gross Margin Ratio	9.23%	9.26%
Net Margin Ratio	7.74%	7.75%
Earnings per share (Tk.)	285.06	294.21

APPROPRIATION OF PROFIT:

The Board of Directors recommended for appropriation of profit as follows:

Net Profit (after tax) during the year 2024-2025	Tk.1,140,223,036
Add: Profit brought forward from previous year balance sheet	Tk.2,964,042,863
Add: Adjustment of excess depreciation of revalued assets	Tk. 1,594,258
Total net free surplus available for appropriation	**Tk.4,105,860,157**
Appropriation Proposed:	
Final cash dividend @ 30% i.e. Tk.30/- per share of Tk.100/- each	(Tk.120,000,000)
Balance carried forward to Balance Sheet as Retained earnings	**Tk.3,985,860,157**

DECLARATION OF DIVIDEND:

Earlier the Board of Directors declared 30% interim cash dividend to the shareholders based on 3rd quarter un-audited financial statement. The Board also recommended to the shareholders for approval of the said 30% interim cash dividend as final dividend for the year ended 30th June, 2025 in the AGM, which requires Tk. 120,000,000/- for disbursement of cash dividend.

APPOINTMENT OF AUDITORS:

The existing Auditor, M/s. Das Chowdhury Dutta & Co., Chartered Accountants would retire at the 20th Annual General Meeting and being eligible, have offered themselves for re-appointment as Auditors for the year 2025-2026 with fixation of their remuneration.

APPOINTMENT OF MANAGING DIRECTOR:

In terms of the provisions of Section 110 of the Companies Act. 1994 the current tenure of the Managing Director, Mr. Azizur R. Chowdhury will expire on 10th April 2026. The Board of Directors have recommended for renewal of his appointment for a further period of 5 (five) years with effect from 10th April, 2026 on the existing terms and conditions for consideration by the shareholders.

ACKNOWLEDGEMENT:

The Directors are pleased to record with appreciation and gratitude the co-operation and support provided by Shareholders, Customers, Bankers, Suppliers, Workers and Employees of the company without whose active support the result would not have been possible.

Looking forward for a bright future for all of us.

On behalf of the Board of Directors,

A. Matin Chowdhury
Chairman

দাশ চৌধুরী দত্ত এন্ড কোং
DAS CHOWDHURY DUTTA & CO.
Chartered Accountants

Offices:

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INDEPENDENT AUDITORS' REPORT
To the Shareholders of J. M. Fabrics Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **J. M. Fabrics Limited** which comprise the statement of financial position as at **30 June 2025,** and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at **30 June 2025,** and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies Act 1994 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent auditors of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended **30 June 2025.** These matters were addressed in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the auditor's responsibilities for the audit of the financial statements section of our report including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Risk	Our responses to the risk
Revenue Recognition The company's total revenue of Tk. 14,737,146,332 as reported herein is measured at net of discounts, incentives and rebates being allowed to number of customers which has material effect in revenue recognition due to inherent complex and judgmental nature. As such, risk associated in revenue recognition with respect to estimation of discount, incentives and rebates which is expected to be influenced by the management for fulfilling the performance target.	We have tested the design and operating effectiveness of calculation of discounts, incentives and rebates having checked the invoices raised from time to time for revenue recognition. We have also applied substantive procedures to check the current year's revenue, agreeing to sample claims, rebates, and accruals to the recorded transactions with bank deposit reconciliation and necessary documentation and presentation of disclosures in accordance with respective accounting standards.

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Risk	Our responses to the risk
Valuation of Inventories Inventories of Tk. 1,839,563,205 as at 30 June 2025 is measured at the lower of cost and net realizable value considering the appropriate values of slow moving or obsolete items.	We were present at the time of physical inventory to check and compare the results between maintained records with physical existence and to identify the slow and obsolete items. Short/excess found have been reconciled and adjusted. Net realizable value has been recalculated for disclosing in accordance with respective accounting standards.
Deferred Tax Liabilities The deferred tax liability of Tk. 77,209,252 as at 30 June 2025 is neither payable nor to be paid in future. This is measured and recognized at the value of difference between accounting base and tax base. This requires a significant assessment procedure for determining such liabilities.	The company has recognized deferred tax liabilities by using assumptions between recorded transactions of accounting base and tax base. We have evaluated operational effectiveness with respect to recognition and measurement of deferred tax liabilities. However, the measured amount is nothing but an estimate subject to discretionary provisions of income tax law.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information which we are required to report the fact, but we have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies Act 1994, and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so and those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standard on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We are also:

- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosures about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1994 and other applicable laws and regulations, we also report that:

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made verification thereof.

(b) In our opinion, a proper book of accounts as required by law has been kept by the Company so far as it appeared from our examination of those books.

(c) The Company's statement of financial position, statement of profit or loss and other comprehensive income together with the notes to the financial statements dealt with by the report agree with the books of accounts and returns.

(d) The expenditure incurred was for the purpose of the Company's business.

Dhaka, 19 Oct. 2025

Sunirmal Chowdhury FCA
ICAB Enrollment No. 0500
FRC Enrollment No. CA-001-299
Partner
Das Chowdhury Dutta & Co.
Chartered Accountants
FRC Enrollment No. CAF-001-090
DVC No. 2510260500AS685536

J. M. Fabrics Limited
Statement of Financial Position
As at 30 June 2025

Particulars	Amount in Taka 30.06.2025	Amount in Taka 30.06.2024
ASSETS		
Non-Current Assets	**6,715,928,220**	**4,568,940,701**
Property, plant and equipment	3,927,695,484	3,232,692,541
Revalued fixed assets	156,720,108	158,531,765
Capital work in progress	2,631,512,628	1,177,716,395
Current Assets	**4,125,746,530**	**5,332,449,130**
Inventories	1,839,563,205	1,632,563,698
Advances, deposits and pre-payments	281,392,198	268,167,578
Accounts receivable	985,879,144	1,918,035,080
Cash and cash equivalents	1,018,911,983	1,513,682,774
Total Assets	**10,841,674,750**	**9,901,389,831**
SHARE HOLDERS' EQUITY AND LIABILITIES:		
Shareholders' Equity	**4,518,821,565**	**3,498,598,529**
Share capital	400,000,000	400,000,000
Revaluation reserve	132,961,408	134,555,666
General reserve and surplus	3,985,860,157	2,964,042,863
Non-Current Liabilities	**1,530,552,971**	**1,345,141,283**
Long term loan from bank	1,453,343,719	1,257,295,368
Deferred tax liabilities	77,209,252	87,845,915
Current Liabilities	**4,792,300,213**	**5,057,650,019**
Short term loan	2,628,697,384	2,460,293,166
Current portion of long term loan	360,311,729	258,076,413
Accounts payable	178,027,375	143,236,434
Bank acceptance liabilities	1,195,907,634	1,847,179,398
Liabilities for expenditure	429,356,091	348,864,608
Total Equity and Liabilities	**10,841,674,750**	**9,901,389,831**
Net Assets Value (NAV) Per Share (Including Revaluation surplus)	**1,129.71**	**874.65**

A. Matin Chowdhury	**Azizur R. Chowdhury**	**Amit Kumar Saha**	**Abrar Labib Rahman**
Chairman	Managing Director	Chief Financial Officer	Asst. Company Secretary

Signed in terms of our report of even date annexed.

Dhaka, 19 OCT 2025

Sunirmal Chowdhury FCA
ICAB Enrollment No. 0500
FRC Enrollment No. CA-001-299
Partner
Das Chowdhury Dutta & Co.
Chartered Accountants
FRC Enrollment No. CAF-001-090

দাশ চৌধুরী দত্ত এন্ড কোং
DAS CHOWDHURY DUTTA & CO.
Chartered Accountants

J. M. Fabrics Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended on 30 June 2025

Particulars	30.06.2025	30.06.2024
	Amount in Taka	
Turnover - Export earnings	**14,737,146,332**	**15,182,047,791**
Cost of goods sold	(13,377,324,250)	(13,775,882,472)
Gross Profit / (Loss)	**1,359,822,082**	**1,406,165,319**
Operating Expenses	**(197,424,738)**	**(197,725,811)**
Administrative expenses	(45,108,104)	(45,069,078)
Selling and distribution expenses	(9,121,187)	(10,760,632)
Financial expenses	(143,195,447)	(141,896,101)
Operating Profit / (Loss)	**1,162,397,344**	**1,208,439,508**
Other income/(loss)	142,664,664	131,271,422
Net Profit Before Tax	**1,305,062,008**	**1,339,710,930**
Provision for Income Tax	**(164,838,972)**	**(162,866,540)**
Provision for tax - current year	(175,475,634)	(162,456,744)
Provision for deferred tax	10,636,662	(409,796)
Net Profit After Tax	**1,140,223,036**	**1,176,844,390**
Earnings Per Share (EPS)	**285.06**	**294.21**
Number of shares used to compute earning per share (EPS)	**4,000,000**	**4,000,000**

A. Matin Chowdhury	Azizur R. Chowdhury	Amit Kumar Saha	Abrar Labib Rahman
Chairman	Managing Director	Chief Financial Officer	Asst. Company Secretary

Signed in terms of our report of even date annexed.

Dhaka, 19 OCT 2025

Sunirmal Chowdhury FCA
ICAB Enrollment No. 0500
FRC Enrollment No. CA-001-299
Partner
Das Chowdhury Dutta & Co.
Chartered Accountants
FRC Enrollment No. CAF-001-090

J. M. Fabrics Limited
Statement of Changes in Equity
For the year ended on 30 June 2025

Particulars	Share Capital	Revaluation Reserve	General Reserve and Surplus	Total
Balance as at 01 July 2024	400,000,000	134,555,666	2,964,042,863	3,498,598,529
Net profit / (loss) for the year	0	0	1,140,223,036	1,140,223,036
Interim Cash Dividend for the year 2024-2025	0	0	(120,000,000)	(120,000,000)
Adjustment of revaluation surplus with general reserve and surplus for depreciation charged on revalued assets	0	(1,594,258)	1,594,258	-
Balance as at 30 June 2025	**400,000,000**	**132,961,408**	**3,985,860,157**	**4,518,821,565**

For the year ended 30 June 2024

Particulars	Share Capital	Revaluation Reserve	General Reserve and Surplus	Total
Balance as at 01 July 2023	400,000,000	136,154,292	1,905,599,847	2,441,754,139
Net profit / (loss) for the year	0	0	1,176,844,390	1,176,844,390
Interim Cash Dividend for the year 2023-2024	0	0	(120,000,000)	(120,000,000)
Adjustment of revaluation surplus with general reserve and surplus for depreciation charged on revalued assets	0	(1,598,626)	1,598,626	-
Balance as at 30 June 2024	**400,000,000**	**134,555,666**	**2,964,042,863**	**3,498,598,529**

A. Matin Chowdhury	**Azizur R. Chowdhury**	**Amit Kumar Saha**	**Abrar Labib Rahman**
Chairman	Managing Director	Chief Financial Officer	Asst. Company Secretary

Dhaka, 19 OCT 2025

দাশ চৌধুরী দত্ত এন্ড কোং
DAS CHOWDHURY DUTTA & CO.
Chartered Accountants

J. M. Fabrics Limited
Statement of Cash Flows
For the year ended on 30 June 2025

Particulars	Amount in Taka	
	30.06.2025	30.06.2024
Cash Flows from Operating Activities:		
Collection from turnover and accounts receivable	15,669,302,268	14,718,239,486
Collection from other income	152,615,368	130,803,895
Foreign currency gain / (loss)	437,710	467,527
Payment for purchase of raw materials	(13,325,911,730)	(13,335,507,461)
Payment for operating expenses	(51,131,144)	(51,855,408)
Payment for financial expenses	(143,195,447)	(141,896,101)
Increase in advances, deposits and prepayments	(13,224,620)	(24,613,159)
Increase/(Decrease) in liabilities	(535,989,340)	189,419,739
Tax paid	(175,475,634)	(162,456,744)
Net Cash Provided/ (Used) by Operating Activities	**1,577,427,431**	**1,322,601,774**
Cash Flows from Investing Activities:		
Acquisition of fixed assets including CWIP	(2,418,886,107)	(1,481,110,323)
Net Cash Provided/(Used) by Investing Activities	**(2,418,886,107)**	**(1,481,110,323)**
Cash Flows from Financing Activities:		
Loan received from bank	466,687,885	1,285,155,943
Dividend disbursed to Shareholders	(120,000,000)	(120,000,000)
Net Cash Provided/(Used) by Financing Activities	**346,687,885**	**1,165,155,943**
Increase/(Decrease) in Cash and Cash Equivalents	**(494,770,791)**	**1,006,647,394**
Opening balance of Cash and Cash Equivalents	**1,513,682,774**	**507,035,380**
Closing balance of Cash and Cash Equivalents	**1,018,911,983**	**1,513,682,774**
Net Operating Cash Flows Per Share (NOCFPS)	**394.36**	**330.65**

A. Matin Chowdhury	**Azizur R. Chowdhury**	**Amit Kumar Saha**	**Abrar Labib Rahman**
Chairman	Managing Director	Chief Financial Officer	Asst. Company Secretary

Dhaka, 19 OCT 2025

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Renewed Certificate

This is to certify that

MALEK SPINNING MILLS PLC.

is an Ordinary Member of Bangladesh Association of Publicly Listed Companies and is entitled to all the rights and privileges appertaining thereto.

This certificate remains current until 31st December, 2025.

Ref. No: CM-2025/116

Date of issue : February 20, 2025

BAPLC

Secretary General

Malek Spinning Mills PLC.

Registered Office: 117/A, Tejgaon Industrial Area, Dhaka-1208, Bangladesh
Corporate Head Office: Tower One One Seven, 117/A, Tejgaon Industrial Area, Dhaka-1208, Bangladesh

PROXY FORM

I/We..

of...

being a member of Malek Spinning Mills PLC. and a holder of .... shares

hereby appoint Mr/Mrs/Miss..

of...

as my/our proxy to attend and vote for me/us on my/our behalf at the 36th Annual General Meeting of the Company to be held on Monday, December 15, 2025 at 11.00 a.m. under virtual platform through the link **https://www.digitalagmbd.net/malekspin**

As witness my hand this day 2025

Affix Revenue Stamp

Signature of the Proxy
Dated:

Signature of the Member
Dated:

Folio/BO ID																

Note: A member entitled to attend and vote at the Annual General Meeting may appoint proxy to attend and vote in his/her stead. The proxy form should reach at the Corporate Head Office of the Company not less than 72 hours before the time fixed for the meeting.

Signature Verified

Authorized Signature
Malek Spinning Mills PLC.

Malek Spinning Mills PLC.

Registered Office:
117/A, Tejgaon Industrial Area, Dhaka-1208, Bangladesh
Corporate Head Office:
Tower One One Seven, 117/A, Tejgaon Industrial Area, Dhaka-1208
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Factory:
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