

Abridged Version of Prospectus



Malek Spinning Mills Limited

Registered office

117/A, Tejgaon Industrial Area, Dhaka -1208, Bangladesh.

Factory: Shafipur, Kaliakoir, Gazipur.

Phone: +880-2-8832771-82, +880-2-8816128, **Fax:** 880-2-8828953

E-mail: allabj@dhaka.net **Website:** www.malekspinning.com

Public Offering of **40,000,000** Ordinary Shares of **Tk. 25** each including a premium of **Tk. 15** per Share Totaling to **Tk. 1,000,000,000/-**

Subscription

For General Public:

Opening date: June 06, 2010

Closing date: June 10, 2010

For NRB applicants:

Opening date: June 06, 2010

Closing date: June 19, 2010

Name, address and telephone number of the Managers to the Issue

Prime Finance & Investment Limited

63, Dilkusha C/A (3rd Floor), Dhaka-1000

Phone: 880-2-9563883, FAX: 9563692

E-mail: info@primefinance.net, Website: www.primefinance.net

Grameen Capital Management Limited

Grameen Bank Bhaban (10th Floor)

Mirpur-2, Dhaka-1216

Phone: 880-2-8057618

Website: www.grameencapitalbd.org

Swadesh Investment Management Limited

Suit 01, Level 11, Unique Trade Center, 8 Panthapath, Kawran Bazar, Dhaka-1215

Phone: 880-2-8158166

Website: www.swadesh.com.bd

ICB Capial Management Limited

8, DIT Avenue Dhaka-1000

Phone: 880-2-7160326

Website: www.icbcml.com.bd

Mercantile Securities Limited

Paramount Heights, Level-13

65/2/1/Box Culvert Road

Purana Paltan, Dhaka-1000

Phone: 880-2-7119654

Website: www.msl.plfsbd.com

Auditor's Information

M. A. Malek Siddiqui Wali & Co.

Chartered Accountants

9-G, Motijheel C/A

Dhaka-1000, Bangladesh

Phone: **880-2-9560919** and Fax: **880-2-7175704**

“CONSENT OF THE SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2006. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER, ISSUE MANAGER, UNDERWRITER AND/OR AUDITOR”

Malek Spinning Mills Limited-Company profile

Malek Spinning Mills Limited, a Public Limited Company has been envisaged by a group of dynamic entrepreneurs who have immense contribution to development of the textile sector of Bangladesh. The sponsors have a very long history in industrial management with the earlier generation starting in Bombay in the early 20th Century and then moving to Bangladesh in 1947. The Company was incorporated in Bangladesh on November 02, 1989 as a Private Limited Company. Subsequently the Company was converted into a Public Limited Company on September 14, 2008 under the Companies Act 1994 with the purpose for setting up a Petro Chemical PET Chips (Polyester Chips and Polyester Staple Fibre) Manufacturing Plant. The existing project is located at Shafipur, Kaliakoir, Gazipur and started its commercial operation on January 01, 1991. Presently the project has in total 63,624 spindles with an annual production capacity of 12,600 tons of combed and carded Cotton yarn. MSML is a deemed exporter and majority of its goods are supplied to Knit industries for export.

Nature of Business

The principal activity and operation of Malek Spinning Mills Ltd. is the production and sale of combed and carded yarn. The addition of Salek Textile Ltd. (A subsidiary Company of MSML) in April 2009 has resulted in a significant increase in production capacity of the company and opened doors for new markets such as Denim and the Home Textile Markets. In addition, the implementation of NewAsia Synthetics Ltd. will add PET Chips and Polyester Staple Fibre to its product line.

Bankers to the issue

Investment Corporation Of Bangladesh (ICB)

Head Office, Dhaka
Local Office, Nayapaltan, Dhaka
Barishal Branch, Barishal
Bogra Branch, Bogra
Chittagong Branch, Chittagong
Khulna Branch, Khulna
Rajshahi Branch, Rajshahi
Sylhet Branch, Sylhet

National Bank Limited

Agrabad Branch, Chittagong
Anderkillah Branch, Chittagong
Babubazar Branch, Dhaka
Banani Branch, Dhaka
Bangshal Road Branch, Dhaka
Barisal Branch, Barisal
Bogra Branch, Bogra
Chawk Bazar Branch, Chittagong
Chowmuhani Branch, Noakhali
Comilla Branch, Comilla
Daganbhuiyan Branch, Feni
Dhanmondi Branch, Dhaka
Dilkusha Branch, Dhaka
Elephant Road Branch, Dhaka
Faridpur Branch, Faridpur
Feni Branch, Feni
Foreign Ex. Branch, Dhaka
Gazipur Branch, Gazipur
Gulshan Branch, Dhaka
Imamganj Branch, Dhaka
Islampur Branch, Dhaka
Jatrabari Branch, Dhaka
Jubilee Road Branch, Chittagong
Kawran Bazar Branch, Dhaka
Khatunganj Branch, Chittagong
Khulna Branch, Khulna
Lake Circus Branch, Kalabagan, Dhaka
Malibagh Branch, Dhaka
Mirpur Branch, Dhaka
Mohakhali Branch, Dhaka
Mohammadpur Branch, Dhaka
Motijheel Branch, Dhaka
Narayanganj Branch, N'Gonj

Narsingdi Branch, Narsingdi
New Eskaton Branch, Dhaka
North Brook Hall Branch, Dhaka
Pagla Bazar Branch, N'Gonj
Pahartali Branch, Chittagong
Pragati Sarani Branch, Dhaka
Rajshahi Branch, Rajshahi
Rangpur Branch, Rangpur
Savar Bazar Branch, Savar, Dhaka
Sheikh Mujib Road Branch, Chittagong
Sylhet Branch, Sylhet
Tangail Branch, Tangail
Uttara Branch, Dhaka
Z H Sikder M.C. Branch, Dhaka
Zinda Bazar Branch, Sylhet
Sunamgonj Branch, Sunamgonj

Southeast Bank Limited

Aganagar Branch, Dhaka
Agargaon Branch, Dhaka
Agrabad Branch, Chittagong
Banani Branch, Banani, Dhaka
Bandar Bazar Branch, Sylhet
Bangshal Branch, Dhaka
Bashundhara Branch, Dhaka
Barisal Branch, Barisal
CDA Avenue Branch, Chittagong
Chowmuhani Branch, Noakhali
Corporate Branch, Dhaka
Dhanmondi Branch, Dhaka
Feni Branch, Feni
Gulshan Branch, Dhaka
Halishahar Branch, Chittagong
Hetimgonj Branch, Sylhet
Imamganj Branch, Dhaka
Jubilee Road Branch, Chittagong
Kakrail Branch, Dhaka
Karwan Bazar Branch, Dhaka
Khatunganj Branch, Chittagong
Khulna Branch, Khulna
Kulaura Branch (Rural), Moulivi Bazar
Laldighirpaar Branch, Sylhet
Motijheel Branch, Dhaka
Moulvibazar Branch, Moulvibazar
Mouchak Branch, Dhaka
Momin Road Branch, Chittagong

Narayanganj Branch, Narayanganj
New Elephant Road Branch, Dhaka
New Eskaton Branch, Dhaka
Pahartali Branch, Pahartali, Chittagong
Panthantula Branch, Sylhet
Principal Branch, Dhaka
Rajshahi Branch, Rajshahi.
Shaymoli Branch, Dhaka.
Sat Moshjid Road Branch, Dhaka.
Shahjalal Uposhahar Branch, Sylhet.
Tongi Branch, Dhaka.
Uttara Branch, Dhaka

Dutch Bangla Bank Limited

Agrabad Branch, Chittagong
B. B. Road Branch, Narayanganj
Baburhat Branch, Narshingdhi
Banani Branch, Dhaka
Barisal Branch, Barisal
Basundhara Branch, Dhaka
Biswanath Branch, Sylhet
Board Bazar Branch, Gazipur
Bogra Branch, Bogra
Beani Bazar Branch, Sylhet.
Bandura Branch, Dhaka
Basurhat Branch (Rural), Noakhali
Bhairab Branch, Kishorgonj
Bhulta Branch, Narayanganj
BSCIC Branch, Narayanganj
CDA Avenue Branch, Chittagong
Comilla Branch, Comilla
Coxs Bazar Branch, Coxs Bazar
Choumuhani Branch, Feni
Chatak Branch, Sunamganj
Dania Branch, Dhaka
Dhaka EPZ Branch, Dhaka
Dhanmondi Branch, Dhaka
Dinajpur Branch, Dinajpur.
Dagonbhuiyan Branch, Feni.
Elephant Road Branch, Dhaka
Feni Branch, Feni
Fatikhhari Branch, Chittagong
Gazipur Chowrasta Branch, Gazipur
Golapgonj Branch, Sylhet
Gulshan Branch, Dhaka
Goala Bazar Branch, Sylhet.

Gobindagonj Branch, Gaibandha
Hathazari Branch, Chittagong
Halishahar Branch, Chittagong
Imamgonj Branch, Dhaka
Islampur Branch, Dhaka
Joypara Branch, Dohar, Dhaka
Jubilee Road Branch, Chittagong
Jessor Branch, Jessore
Kadamtali Branch, Tangail
Kawran Bazar Branch, Dhaka
Khulna Branch, Khulna
Konabary Branch, Gazipur
Khatunganj Branch, Chittagong
Kushtia Branch, Kushtia.
Local Office, 1 Dilkusha C/A, Dhaka
Lohagara Branch, Chittagong
Manikgonj Branch, Manikgonj
Mirpur Branch, Dhaka
Mirpur Circle-10 Branch, Dhaka
Mirzapur Branch, Tangail
Mohakhali Branch, Dhaka
Motijheel Foreign Exchange, Branch, Dhaka
Moulavi Bazar Branch, Moulavi Bazar
Muradpur Branch, Chittagong
Mymensingh Branch, Mymensingh
Nababpur Branch, Dhaka
Narayanganj Branch, Narayanganj
Naya Bazar Branch, Dhaka
Narsingdi Branch, Narsingdi
Netaiganj Branch, Narayanganj
Patherhat Branch, Chittagong
Pabna Branch, Pabna.
Rajshahi Branch, Rajshahi
Ring Road Branch, Dhaka
Rangpur Branch, Rangpur
Savar Bazar Branch, Dhaka
Shantinagar Branch, Dhaka
Simrail Branch, Narayanganj
Sylhet Branch, Sylhet
Sonagazi Branch, Feni
Shahzadpur, Sirajganj
Saidpur Branch, Nilphamary
Srimangal Branch, Moulvibazar
Satmosjid Road Branch, Dhaka
Uttara Branch, Dhaka

Eastern Bank Limited

Principal Branch, Dilkusha Dhaka.
Motijheel Branch, Dhaka
Mirpur Branch, Dhaka
Bashundhara Branch, Dhaka
Shyamoli Branch, Dhaka
Narayanganj Branch. Narayanganj
Agrabad Branch, Chittagong
Kahtunganj Branch, Chittagong
Bogra Branch, Bogra
Khulna Branch, Khulna
Rajshahi Branch, Rajshahi

First Security Islami Bank Ltd.

Dilkusha Branch, Dhaka
Mohakhali Branch, Dhaka
Bangshal Branch, Bangshal, Dhaka
Dhanmondi Branch, Dhanmondi, Dhaka
Gulshan Branch, Gulshan, Dhaka
Mirpur Branch, Mirpur, Dhaka
Banani Branch, Banani, Dhaka
Topkhana Road Branch, Topkhana, Dhaka
Biswa Road Branch, Maiddah bashabo, Dhaka
Donia Branch, Shyampur, Dhaka
Collage Gate Branch, Tongi, Gazipur
Senanibash Branch, Kafrul, Dhaka
Motijheel Branch, Motijheel, Dhaka
Ring Road Branch, Mohammadpur, Dhaka
Banoshree Branch, Rampura, Dhaka
Khatunganj Branch, Chittagong
Agrabad Branch, Chittagong
Jubilee Road Branch, Chittagong
Probortak Mor Branch, Panchlaish Chittagong

Bohaddarhat Branch, Chandgaon, Chittagong
Andar Killah Branch, Andar Killah, Chittagong
Cox's Bazar Branch, Cox's Bazar
Rangpur Branch, Station Road, Rangpur
Bogra Branch, Barogola, Bogra
Rajshahi Branch, Shaheb Bazar, Rajshahi
Sylhet Branch, Mendibagh, Sylhet
Ambarkhana Branch, West Ambarkhana, Sylhet
Khulna Branch, KDA Avenue, Khulna
Jessore Branch, Jessore

One Bank Limited

Agrabad Branch, Chittagong
Banani Branch, Dhaka
Bangshal Branch, Dhaka
Bogra Branch, Bogra
Chowmuhuni Branch, Noakhali
Chandragonj Branch, Laxmipur
Cox's Bazar Branch, Main Road, Cox's Bazar
CDA Avenue Branch, Chittagong
Dagon Bhuiyan Branch, Feni
Dhanmondi Branch, Dhaka
Elephant Road Branch, Dhaka
Feni Branch, Feni,
Ganakbari (EPZ) Branch, Dhaka
Gulshan Branch, Dhaka
Imamganj Branch, Imamganj, Dhaka
Islampur Branch, Islampur Bazar, Sylhet
Nanupur Branch, Chittagong
Jatrabari Branch, Dhaka
Jessor Branch, Jessore
Joypara Branch, Raipara, Dohar, Dhaka
Jubilee Raod Branch, Chittagong
Kakrail Branch, Dhaka
Kawran Bazar Branch, Dhaka
Khatunganj Branch, Chittagong
Mirpur Branch, Mirpur -11, Dhaka
Motijheel Branch, Dhaka
Narayanganj Branch, Narayanganj
Nawabgonj Branch, Dhaka
Principal Branch, Dhaka
Progati Sharani Branch, Dhaka
Raipur Branch, Raipur, Laxmipur
Sherpur Branch, Moulvi Bazar
Sirajgonj Branch, Sirajgonj
Sylhet Branch, Sylhet
Uttara Branch, Dhaka

Trust Bank Limited

Principal Branch, Dhaka
SKB Branch, Dhaka
Agrabad Branch, Chittagong
Gulshan Corp. Branch, Dhaka
Dilkusha Corp. Branch, Dhaka
Millennium Corporate Branch, Dhaka Cant.
Uttara Corporate Branch, Dhaka
Mirpur Branch, Dhaka
Karwan Bazar Branch, Dhaka
Kafrul Branch, Dhaka
Jubilee Road Branch, Chittagong
Shahjalal Uposohor Branch, Sylhet
Feni Branch, Feni
Beanibazar Branch, Sylhet
Joydebpur Branch, Gazipur

Dhaka Bank Limited

Local Office, Dhaka
Banani Branch, Dhaka
Uttara Branch, Dhaka
Laldighirpar Branch, Sylhet
Bangshal Branch, Dhaka
Foreign Exchange Branch, Dhaka
Dhanmondi Branch, Dhaka
Islami Banking Branch, Dhaka
Jubilee Road Branch, Chittagong
Kawran Bazar Branch, Dhaka

Narayanganj Branch, Narayanganj
Khatunganj Branch, Chittagong
Baridhara Branch, Dhaka.
Agrabad Branch, Chittagong

Standard Chartered Bank

Motijheel (OPCC) Branch, Dhaka
Mirpur (OPCC) Branch, Dhaka
Narsirabad Branch, Chittagong
Agrabad Branch, Chittagong
Khulan Branch, Khulan
Bogra Branch, Bogra
Sylhet Branch, Sylhet

Shahjalal Islami Bank Limited

Baipail (Dhaka EPZ) Branch, Dhaka
Banani Branch, Dhaka
Bangshal Branch, Dhaka
Bijoyagar Branch, Dhaka
Beani Bazar Branch, Sylhet
Dhaka Main Branch, Dhaka
Dhanmondi Branch, Dhaka
Dargah Gate Branch, Sylhet
Foreign Exchange Branch, Dhaka
Gulshan Branch, Dhaka
Joypara Branch, Dohar, Dhaka
Kawran Bazar Branch, Dhaka
Keraniganj Branch, Dhaka
Mirpur Branch, Dhaka
Mitford Branch, Dhaka
Motijheel Branch, Dhaka
Muradpur Branch, Chittagong
Moulvibazar Branch, Moulvi Bazar
Mymensingh Branch, Mymensingh
Satmasjid Road Branch, Dhaka
Savar Branch, Dhaka
Uttara Branch, Dhaka
Vatara Branch, Dhaka
Narayanganj Branch, Narayanganj
Joydevpur Chowrasta Branch, Gazipur
Agrabad Branch, Chittagong
Jubilee Road Branch, Chittagong
Khatunganj Branch, Chittagong
Sylhet Branch, Sylhet
Jessore Branch, Jessore
Khulna Branch, Khulna
Saidpur Branch, Nilphamari
Rajshahi Branch, Rajshahi

Bank Asia Limited

Principal Office Branch, Dhaka
MCB Dilkusha Branch, Dhaka
Corporate Branch, Dhaka
Scotia Branch, Dhaka
Dhanmondi Branch, Dhaka
Mitford Branch, Dhaka
Gulshan Branch, Dhaka
NorthSouth Road Branch, Dhaka
MCB Banani Branch, Dhaka
Bashundhara Branch, Dhaka
Uttara Branch, Dhaka
Mirpur Branch, Dhaka
Mohakhali Branch, Dhaka
Shantinagar Branch, Dhaka
Agrabad Branch, Chittagong
Khatunganj Branch, Chittagong
MCB Sk. Mujib Road Branch, Chittagong
CDA Avenue Branch, Chittagong
Station Road Branch, Chittagong
Anderkilla Branch, Chittagong
Bahadderhat Branch, Chittagong
Sylhet Main Branch, Sylhet
Sylhet Uposhar Branch, Sylhet
Rajshahi Branch, Rajshahi
Bogra Branch, Bogra
Khulna Branch, Khulna
Jessore Branch, Jessore

Refund of Subscription Money

As per SEC Notification Dated February 9, 2010, the issuer shall refund application money to the unsuccessful applicant of the public offer by any of the following manner based on the option given by the applicant in the application form;-

- (a) Through banking channel for onward deposit of the refund money into the applicant's bank account as provided in the respective application form for subscription; or
- (b) Through issuance of refund warrant in the name and address of the applicant as provided in the respective application form for subscription: Provided that, in case of deposit into the applicant's bank account, the applicant will bear the applicable service charge, if any, of the applicant's banker, and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected."

Credit Rating Status

Rating Company:	Credit Rating Information and Services Limited (CRISL)	
Entity Rating:	Long term: AA-	Short term: ST-2
Rating Outlook:	Stable	

Use of Proceeds

As per decision of Board of Directors meeting held on December 20, 2009 the IPO proceeds of MSML would be utilized for the following purposes:

1. "Management of Malek Spinning Mills Limited will take all necessary steps to utilize the net proceeds of public offer for implementation PET Granules & Polyester Staple Fibre project under the name of NewAsia Synthetics Limited."
2. Management of NewAsia Synthetics Limited will utilize this amount of equity in acquiring part of the fixed assets and meeting other expenses of the project.

Malek Spinning Mills Limited

Auditors Report under section 135(1), Para 24(1) of Part -II of the Third Schedule of Companies Act 1994

We as the auditors having examined the Financial Statements of Malek Spinning Mills Limited as on 30

September 2009, and the figures extracted from the financial statements for remaining years as on 30th June 2009, 2008, 2007, 2006, 2005

audited by M.A. Malek Siddique Wali & Co. Chartered Accountants Certified pursuant to section 135 (1) and Paragraph 24 (1) of Part-II of the Third Schedule of the Companies Act 1994 report that.

A. The statement of Assets & Liabilities of the company as under:

Particulars	30-Sep-09 <u>Tk.</u>	30-Jun-09 <u>Tk.</u>	30-Jun-08 <u>Tk.</u>	30-Jun-07 <u>Tk.</u>	30-Jun-06 <u>Tk.</u>	30-Jun-05 <u>Tk.</u>
ASSETS:						
Non-Current Assets :						
Property, Plant and Equipment at Cost	1,736,463,251	1,749,339,453	1,928,185,332	879,738,790	1,007,871,369	1,044,147,990
Investment in Subsidiary Company	180,090,000	90,090,000	180,000	180,000	-	-
Share Money Deposit to Subsidiary	199,926,900	289,926,900	-	-	-	-
Trial Operation Expenses	-	-	-	-	690,190	862,737
Current Assets :						
Inventories	673,608,357	658,395,700	413,462,889	444,761,874	384,997,169	333,256,732
Accounts Receivable	700,620,308	556,892,662	635,768,687	657,209,655	553,134,200	244,163,200
Advances, Deposits and Pre-payments	260,977,455	200,075,540	333,788,195	81,172,035	37,879,704	19,745,335
Cash and Bank Balances	95,852,538	124,561,616	64,083,797	61,145,113	78,953,375	27,322,066
Total Current Assets:	1,731,058,658	1,539,925,518	1,447,103,568	1,244,288,677	1,054,964,448	624,487,333
Current Liabilities :						
Short Term Loan (Secured)	776,145,506	644,479,847	197,937,315	339,958,622	266,933,320	410,410,071
Current Portion of Long term Loan	129,328,508	157,573,987	-	-	-	-
Security Deposit against Sales	6,000,000	6,000,000	6,000,000	-	-	-
Loans and Advances (Un-Secured)	-	-	-	6,000,000	7,000,000	6,000,000
Acceptance Liabilities for Raw Cotton	329,647,813	316,842,289	706,779,554	566,414,078	-	-
Acceptance Liabilities for Machinery	-	13,832,589	-	-	-	-
Creditors for Goods Supplied	86,543,287	-	-	47,672,796	504,605,848	9,300,407
Sundry Creditors	-	72,453,163	55,468,678	-	51,013,688	30,855,680
Provision for Income Tax	41,124,236	31,989,834	36,442,088	31,039,344	17,699,595	6,190,334
Total Current Liabilities	1,368,789,350	1,243,171,709	1,002,627,635	991,084,840	847,252,451	462,756,492
Net Current Assets	362,269,308	296,753,809	444,475,933	253,203,837	207,711,997	161,730,841
Deferred Tax Liability	6,984,324	-	-	-	-	-
TOTAL ASSETS	2,471,765,135	2,426,110,162	2,372,841,265	1,133,122,627	1,216,273,556	1,206,741,568
FINANCED BY:						
Share holder's Equity:						
Share Capital	700,000,000	700,000,000	700,000,000	300,000,000	300,000,000	300,000,000
Share Premium	150,000,000	150,000,000	-	-	-	-
General Reserve and Surplus	475,914,063	416,211,704	153,283,640	-	-	-
Reserve for Re-investment	-	-	-	67,970,378	67,970,378	67,970,378
Reserve for Re-valuation and Surplus	1,104,037,855	1,121,891,469	1,200,832,885	-	-	-
Profit & Loss Account	-	-	-	271,509,291	195,917,378	130,698,233
Non Current Liabilities :						
Long Term Loan (Secured)	41,813,217	38,006,986	318,724,740	493,642,958	652,385,800	708,072,957
TOTAL EQUITY AND LIABILITIES	2,471,765,135	2,426,110,159	2,372,841,265	1,133,122,627	1,216,273,556	1,206,741,568

B. The statement of operating results of the company as follows:

Particulars	01.07.2009 to 30.09.2009	01.07.2008 to 30.06.2009	01.07.2007 to 30.06.2008	01.07.2006 to 30.06.2007	01.07.2005 to 30.06.2006	01.07.2004 to 30.06.2005
	Tk.	Tk.	Tk.	Tk.	Tk.	Tk.
Sales	527,688,243	2,359,932,749	2,349,807,000	1,996,428,762	1,869,351,047	904,084,685
Cost of Goods Sold	442,477,943	2,003,900,314	2,010,229,043	1,706,523,410	1,609,634,698	762,952,790
Gross Profit	85,210,300	356,032,435	339,577,957	289,905,352	259,716,349	141,131,895
Operating Expenses	8,581,422	36,384,488	44,002,594	36,899,090	36,212,218	26,928,913
Financial Expenses	17,715,399	92,800,688	154,641,653	158,703,796	142,564,841	82,984,332
Loss on Sale of Fixed Assets		447,781	-	-	-	-
Trial & Operation Expenses written off		-	-	690,190	172,547	215,684
Operating Profit	58,913,479	226,399,478	140,933,710	93,612,276	80,766,743	31,002,966
Other Income	1,952,363	1,216,172	-	-	-	-
Net Operating Income	60,865,842	227,615,650	140,933,710	93,612,276	80,766,743	31,002,966
Contribution to WPPF	2,898,373	10,838,841	7,046,685	4,680,614	4,038,337	1,550,148
Net Profit before Tax	57,967,469	216,776,809	133,887,025	88,931,662	76,728,406	29,452,818
Current Tax	9,134,402	-	-	-	-	-
Deferred Tax	1,477,220	-	-	-	-	-
Provision for Income Tax	-	32,790,160	20,083,054	13,339,749	11,509,261	-
Net Profit this Year	47,355,847	183,986,650	113,803,971	75,591,913	65,219,145	29,452,818
Previous Year Balance	337,270,290	153,283,640	339,479,669	195,917,378	130,698,233	101,245,414
Total Retained Earnings--	384,626,137	337,270,290	453,283,640	271,509,291	195,917,378	130,698,232
Appropriations :						
Bonus Share	-	-	(300,000,000)	-	-	-
Retained Earnings	384,626,137	337,270,290	153,283,640	271,509,291	195,917,378	130,698,232
Balance transfered to change in Equity						

C. Cash Flows Statement as follows :

Particulars	01.07.2009	01.07.2008	01.07.2007	01.07.2006
	to	to	to	to
	30.09.2009	30.06.2009	30.06.2008	30.06.2007
	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>
Cash Flows from Operating Activities :				
Cash Received from Turnover/Bills Receivable	383,960,596	2,440,024,946	2,371,247,969	1,893,753,307
Payment to Suppliers	(430,240,808)	(2,193,500,093)	(2,047,847,219)	(1,665,986,977)
Collection from other Income	1,952,363	-	-	-
Vat Paid	-	-	-	(1,400,000)
Payment of financial Expenses	(8,276,153)	-	-	(158,703,796)
Net Cash provided/used by Operating Activities	(52,604,002)	246,524,853	323,400,750	67,662,534
Cash Flows from Investing Activities :				
Acquisition of Fixed Assets	(18,931,822)	(48,366,023)	(42,997,736)	(61,381,486)
Sale of Assets	-	2,800,000	43,930,000	-
Investment in Susidiary	-	(379,836,900)	-	180,000
Net Cash provided/used by Investing activities	(18,931,822)	(425,402,923)	932,264	(61,561,486)
Cash Flows from Financing Activities :				
Bank Loan Received/Payments	106,199,346	(44,356,766)	-	-
Repayment of Loan/Lease obligations	-	-	(174,918,219)	(158,742,842)
Realise of advance	-	133,712,655	(246,476,109)	-
Cash received against share money deposit	-	-	100,000,000	-
Short Term Loan	-	-	-	134,833,532
Payment of Lease Obligations	(2,470,686)	-	-	-
Advance,Deposits And Prepayments	(60,901,916)	-	-	-
Share Premium Received	-	150,000,000	-	-
Net Cash provided/used by financing activities	42,826,744	239,355,890	(321,394,328)	(23,909,310)
Increase/(Decrease) in cash and cash equivalents	(28,709,080)	60,477,819	2,938,686	(17,808,262)
Cash and Cash Equivalents at July 1	124,561,616	64,083,797	61,145,112	78,953,375
Cash and Cash Equivalents at September 30	95,852,536	124,561,616	64,083,798	61,145,113

D. Dividend

The Company has declared dividend as follows

	01.07.2009 to 30.09.2009	01.07.2008 to 30.06.2009	01.07.2007 to 30.06.2008	01.07.2006 to 30.06.2007	01.07.2005 to 30.06.2006	01.07.2004 to 30.06.2005
Cash dividend	Nil	Nil	Nil	Nil	Nil	Nil
Stock dividend	Nil	Nil	Nil	100%	Nil	Nil

E. Malek Spinning Mills Limited was incorporated as a Private Limited Company on 2nd November, 1989 under Companies Act, 1913. It was converted into Public Ltd. Company and denominated from Tk100/- to Tk10/- per share as on 14th September, 2008.

E. The company has two subsidiary company.

- I. Salek Textile Limited.
- II. Newasia Synthetics Limited

G. The company did not prepare any accounts for any period subsequent to 30.09.2009

H. Figures related to previous years have been rearranged whete considered necessary.

Dhaka
December 27, 2009

(M.A.MALEK SIDDIQUI WALI & CO)
Chartered Accountants

Sd/-
(Md.Waliullah, FCA)

Auditor's Certificate regarding calculations of EPS and Ratios

We have examined the following earnings per share (EPS) and other ratio of Malek Spinning Mills Limited as an 30th September, 2009 and for the year ended 30 June 2009, 2008, 2007, 2006, and 2005, which have been produced by the management of the company to us. The preparation of the EPS and other ratios is the responsibility of the company's management. Our responsibility is to review them and certify as to whether they have been properly prepared using acceptable principles on the basis of audited financial statements for the period ended 30th September, 2009 and for the year ended 30 June 2009, 2008, 2007, 2006, and 2005.

Based on our review, we certify that the company has properly prepared the following EPS and other ratio using acceptable principles on the basis of audited financial statements for the period ended 30th September, 2009 and for the year ended 30 June 2009, 2008, 2007, 2006, 2005.

Particulars	<u>July-09 to Sept-09</u>	<u>30.06.2009</u>	<u>30.06.2008</u>	<u>30.06.2007</u>	<u>30.06.2006</u>	<u>30.06.2005</u>
1.Liquidity Ratios:						
Current Ratio	1.26	1.24	1.44	1.26	1.25	1.35
Quick Ratio	0.77	0.71	1.03	0.81	0.79	0.63
Times Interest Earned Ratio	3.74 Times	2.49 Times	0.91Times	0.59 Times	0.57 Times	0.37 Times
Debt to Equity Ratio	0.53	0.49	0.60	2.19	2.53	2.24
2. Operating Ratios :						
Accounts Receivable	0.84 Times	3.96 Times	3.63 Times	3.30 Times	4.69 Times	4.34 Times
Turnover Ratio						
Inventory Turnover Ratio	0.66 Times	3.74 Times	4.68 Times	4.11 Times	4.48 Times	2.36 Times
Asset Turnover Ratio	0.22Times	0.97 Times	1.34 Times	1.70 Times	1.54 Times	1.10 Times
3. Profitability Ratios:						
Gross Margin Ratio	16.15%	15.09%	14.45%	14.52%	13.89 %	15.61%
Operating Income Ratio	11.53%	9.65%	6.00%	4.69%	4.32 %	3.43%
Net Income Ratio	8.97%	7.80%	4.84%	3.79%	4.10 %	3.26%
Return on Assets Ratio	1.93%	7.58%	6.49%	6.44%	5.38 %	3.59%
Return on Equity Ratio	1.97%	8.28%	8.45%	12.56%	12.28 %	7.03%
Earning Per Share(EPS)	Tk 0.68*	Tk.2.70**	Tk.18.97	Tk.25.20	Tk. 21.74	Tk. 9.82

* EPS for the period as on 30th September 2009 stands Tk 0.68. After annualizing, EPS stands as on 30 June 2010 is Tk 2.72 per share.

** The face value of share of the company has been denominated from Tk 100 to Tk 10 as on 14th September 2008 So EPS would be considered as per new face value of share

Dhaka
10 March, 2010

(M.A.MALEK SIDDIQUI WALI & CO)
Chartered Accountants

Sd/-

(Md.Waliullah, FCA)

Short Bio-Data of the Directors

Major (Rtd.) A. Matin Chowdhury, Director & Managing Director, Malek Spinning Mills Limited

Mr. A. Matin Chowdhury 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. He is the former Chairman of Bangladesh Textile Mills Association (BTMA) and Under privileged Children's Education Programs (UCEP). 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, Founder Member, Board of Governors of Bangladesh Enterprise Institute (BEI), Member of the Governing Body of Swanirvar Bangladesh and many other voluntary organizations.

Dr. Shamim Matin Chowdhury, Director, Malek Spinning Mills Limited

Dr. Shamim Matin Chowdhury wife of Mr. A. Matin Chowdhury, completed M.B.B.S. from Dhaka Medical College and postgraduate studies from the U.K. Mrs. Chowdhury is a famous Child and Adolescent Psychiatrist. She was the former Chief Consultant of Pabna Mental Hospital. She is also the Chairperson of Special Olympics in Bangladesh. She is the Director of New Asia Limited, Rahim Textile Mills Limited, Malek Spinning Mills Limited, Hejaz Publications Limited, Salek Textile Limited, Knit Asia Limited, Fatehbagh Tea Company Limited and also the Managing Director of NewAsia Synthetics Limited.

Mr. A.F.M. Zubair, Director, Malek Spinning Mills Limited

By Profession Mr. Zubair is a Textile Engineer. He took his B.Sc. Diploma in Textile from Dundee College of Technology, U.K. and M.Sc. in Textile Industry from Leeds University, U.K. Mr. Zubair, 59, has vast knowledge in the Textile Sector in the country. He is the Director of Malek Spinning Mills Limited, Hejaz Publications Limited, Salek Textile Limited, Knit Asia Limited, NewAsia Synthetics Limited and also the Managing Director of Design Asia Limited.

Mr. Azizur R. Chowdhury, Director, Malek Spinning Mills Limited

Mr. Azizur Rahim Chowdhury graduated from Purdue University in the U.S.A. with a major in Computer Science and Business Management. He joined in the company as a Director. He is the son of Mr. A. Matin Chowdhury. Mr. Azizur R. Chowdhury is the Director of Rahim Textile Mills Limited, Malek Spinning Mills Limited, Salek Textile Limited, Knit Asia Limited, Fatehbagh Tea Company Limited and also the shareholder of Hejaz Publications Limited.

Mrs. Saima Matin Chowdhury, Director, Malek Spinning Mills Limited

Mrs. Saima Matin Chowdhury, a bright young executive having High School graduation from Concord Academy, Concord, Massachusetts, U.S.A- B.Sc. from Swarthmore College, Pennsylvania, USA and MBA from Wharton Business School, University of Pennsylvania USA. She has work experience in the United States with Ernst & Young and Victoria's Secret. She is the daughter of Mr. A. Matin Chowdhury. Mrs. Saima Matin Chowdhury is the Director of Rahim Textile Mills Limited, Malek Spinning Mills Limited, Salek Textile Limited, New Asia Limited, Fatehbagh Tea Company Limited, Design Asia Limited and also the shareholder of Knit Asia Limited.

Mr. Moshir Rahman (Nominated by Paragon Poultry Ltd.) Director, Malek Spinning Mills Limited

Mr. Moshir Rahman, aged about 50 years after his graduation has to his credit training experience from Heidelberg on modern and economical working methods on advance printing technology. He is the Managing Director of Paragon Poultry Limited, Usha Feed Limited, Chittagong Feed Limited, Jessore Feed Limited, Paragon Press Limited, Sports Zone Limited, Paragon Energy Limited etc.

Directors Ownership in other Companies

SI No	Name	Designation with MSML	Directorship with other listed companies
01	Major (Rtd.) Abdul Matin Chowdhury	Director & Managing Director	Rahim Textile Mills Ltd.
02	Dr. Shamim Matin Chowdhury	Director	Rahim Textile Mills Ltd.
03	Mr. A. F. M. Zubair	Director	Nil
04	Mr. Azizur R. Chowdhury	Director	Rahim Textile Mills Ltd.
05	Mrs. Saima Matin Chowdhury	Director	Rahim Textile Mills Ltd.
06	Mr. Moshir Rahman (Nominated by Paragon Poultry Ltd.)	Director	Nil

Availability of Prospectus

The Prospectus of **Malek Spinning Mills Limited** may be obtained from the Issuer Company, Issue Managers, The Underwriters and The Stock Exchanges as follows:

Issuer Company	Contact Person	Telephone Number
Malek Spinning Mills Limited 117/A Tejgaon Industrial Area, Dhaka-1208, Bangladesh	Mr. Syed Saiful Haque Corporate Secretary	+880-2-8832771-82 +880-2-8816128
Managers To the Issue	Contact Person	Telephone Number
Grameen Capital Management Limited Grameen Bank Bhaban (10 th Floor), Mirpur-2, Dhaka-1216	Mr. Shieadul Morsalin Head of Merchant Banking	+880-2-8057618
Prime Finance & Investment Limited 63, Dilkusha C.A.(3 rd Floor), Dhaka-1000	Mr. Md. Rezaul Haque Senior Vice President & Head of Merchant Banking	+880-2-9563883
ICB Capital Management Limited 8, DIT Avenue (14 th Floor), Dhaka-1000	Mr. Md. Abdur Rouf Chief Executive Officer	+880-2-7160326-27
Mercantile Securities Limited Paramount Heights (Level-13), 65/2/1, Box Culvert Road, Purana Paltan, Dhaka-1000	Mr. Mustofa Kamal Chief Executive Officer	+880-2-7119654
Swadesh Investment Management Limited Suit 01, Level 11, Unique Trade Center, 8 Panthapath, Kawran Bazar, Dhaka-1215	Mr. Mamun Ahmed Managing Director	+880-2-8158166
Underwriters	Contact Person	Telephone Number
Grameen Capital Management Limited Grameen Bank Bhaban (10 th Floor), Mirpur-2, Dhaka-1216	Mr. Shieadul Morsalin Head of Merchant Banking	+880-2-8057618
ICB Capital Management Limited 8, DIT Avenue (14 th Floor), Dhaka-1000	Mr. Md. Abdur Rouf Chief Executive Officer	+880-2-7160326-27
Union Capital Limited Noor Tower (5 th Floor), 73, Sonargaon Road Dhaka-1205	Mr. Abul Munim Khan SVP & Head of Business	+880-2-9662888
Janata Bank Limited 57, Purana Paltan, Dhaka-1000	Mr. Md. Saifullah Deputy General Manager	+880-2-9564825
Prime Finance & Investment Limited 63, Dilkusha C.A. (3 rd Floor), Dhaka-1000	Mr. Md. Rezaul Haque Senior Vice President & Head of Merchant Banking	+880-2-9563883
Mercantile Securities Limited Paramount Heights (Level-13), 65/2/1, Box Culvert Road, Purana Paltan, Dhaka-1000	Mr. Mustofa Kamal Chief Executive Officer	+880-2-7119654
Swadesh Investment Management Limited Suit 01, Level 11, Unique Trade Center, 8 Panthapath, Kawran Bazar, Dhaka-1215	Mr. Mamun Ahmed Managing Director	+880-2-8158166
Pioneer Insurance Company Limited Symphony (5 th Floor), Plot # SE(F) 9, Road # 142 South Avenue Gulshan-1, Dhaka-1212	Mr. S.M. Mizanur Rahman Deputy Managing Director & Company Secretary	+880-2-8817512
Southeast Bank Limited Eunoos Center (level-2) 52-53 Dilkusha C.A. Dhaka-1000	Mr. Muhammad Shahjahan Senior Executive Vice President	+880-2-9571115
Uttara Finance and Investment Limited Jiban Bima Tower (6 th Floor), 10 Dilkusha C.A. Dhaka-1000	Mr. Md. Kamrul Islam In-Charge Merchant Banking Unit	+880-2-9568207
Bangladesh Mutual Securities Limited Shareef Mansion (7 th Floor), (56-57, Motijheel C.A., Dhaka-1000	Mr. Suman Chandra Modak Assistant Vice President	+880-2-7169428
IDLC Finance Limited Bays Galleria (1 st Floor), 57, Gulshan Avenue, Gulshan-1, Dhaka-1212	Mr. Md. Muniruzzaman CFA Head of Merchant Banking	+880-2-9571842

Stock Exchanges	Available at	Telephone Number
Dhaka Stock Exchange Limited (DSE) 9/F, Motijheel C.A., Dhaka-1000	DSE Library	+880-2-9564601-7
Chittagong Stock Exchange Limited (CSE) CSE Building, 1080 Sheikh Mujib Road, Agrabad Chittagong-4100	CSE Library	+880-31- 714632-3 +880-31- 720871-3

Prospectus is also available on the websites www.secdb.org, www.malekspinning.com, www.grameencapitalbd.org, www.swadesh.com.bd, www.msl.plfsbd.com, www.primefinance.net, www.icbcml.com.bd, www.dsebd.org, www.cse.com.bd and public reference room of the Securities and Exchange Commission (SEC) for reading and study.

Special note:

Please read the Prospectus carefully which includes "**Risk Factors**" before taking your investment decision.

An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, whole or part of application money may be forfeited by the Commission.