MALEK SPINNING MILLS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER 2018

Un-Audited

Amount in Taka

Particulars	DEC'18	JUNE'18
ASSETS :		
Non-Current Assets :		
Property, Plant and Equipment	8,752,333,179	8,738,466,373
Capital Work-in-Progress	822,440,965	254,521,114
	9,574,774,144	**8,992,987,487**
Current Assets :		
Inventories	3,699,354,453	3,360,677,186
Accounts Receivable	2,807,600,594	2,679,811,299
Advances,Deposits and Pre-payments	1,020,317,340	776,656,533
Cash and Cash Equivalents	360,544,324	259,091,357
	7,887,816,711	**7,076,236,375**
TOTAL ASSETS :	**17,462,590,855**	**16,069,223,862**
SHAREHOLDER'S EQUITY AND LIABILITIES:		
Equity attributable to owners of the company		
Share Capital	1,936,000,000	1,936,000,000
Share Premium	1,500,000,000	1,500,000,000
Tax Holiday Reserve	210,883,871	210,883,871
Re-valuation Surplus	3,625,426,820	3,665,792,491
Retained Earnings	1,662,049,374	1,469,605,341
	8,934,360,065	**8,782,281,703**
Non Controlling Interest	**59,130,381**	**58,334,503**
Total Equity :	**8,993,490,446**	**8,840,616,206**
Non Current Liabilities:		
Long Term Loan	2,019,577,286	1,615,784,558
Deferred Tax Liabilities	437,164,852	437,867,786
	2,456,742,138	**2,053,652,344**
Current Liabilities :		
Short Term Loan	2,017,359,397	1,669,646,017
Current Portion of Long Term Loan	487,421,433	634,663,634
Loan from Director	34,000,000	34,000,000
Bank Acceptance Liabilities	1,970,590,875	1,480,226,583
Creditors and Accruals	1,502,986,566	1,356,419,078
	6,012,358,271	**5,174,955,312**
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES :	**17,462,590,855**	**16,069,223,862**
Net Assets Value Per Share (NAV)	**46.15**	**45.36**

Par Value Tk.10

A.F.M. Zubair	A. Matin Chowdhury	Azizur Rahim Chowdhury	B.K. Chaki	Syed Saiful Haque
Chairman	Managing Director	Director	Chief Financial Officer	Company Secretary

AMARSTOCK

MALEK SPINNING MILLS LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD FROM 1ST JULY 2018 TO 31ST DECEMBER 2018

Un-Audited

Amount in Taka

Particulars	JUL'18-DEC'18	JUL'17-DEC'17	OCT'18-DEC'18	OCT'17-DEC'17
Sales	5,717,786,437	5,386,506,454	2,922,057,070	2,847,270,802
Cost of Goods Sold	(5,152,532,112)	(4,939,301,930)	(2,614,545,921)	(2,602,369,111)
Gross Profit :	**565,254,325**	**447,204,524**	**307,511,149**	**244,901,691**
Operating Expenses	(144,451,333)	(140,717,353)	(64,296,677)	(71,204,227)
Financial Expenses	(245,011,825)	(217,576,195)	(117,554,129)	(105,110,898)
Operating Profit/(Loss) :	**175,791,166**	**88,910,976**	**125,660,343**	**68,586,566**
Other Income/(Loss)	16,013,966	45,158,524	2,575,170	35,902,157
Net Operating Profit/(Loss) :	**191,805,132**	**134,069,499**	**128,235,513**	**104,488,723**
Contribution to WPPF	(5,245,016)	(5,698,330)	(3,526,226)	(3,855,402)
Profit/(Loss) before Tax :	**186,560,117**	**128,371,169**	**124,709,287**	**100,633,320**
Provision for Income Tax :	**(33,685,877)**	**(31,868,720)**	**(24,427,549)**	**(24,754,963)**
Current Tax	(34,388,811)	(37,995,784)	(19,576,137)	(27,818,287)
Deferred Tax	702,934	6,127,065	(4,851,412)	3,063,324
Net Profit/(Loss) after tax	**152,874,240**	**96,502,450**	**100,281,738**	**75,878,358**
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**152,874,240**	**96,502,450**	**100,281,738**	**75,878,358**
Profit attributable to:				
Owners of the company	152,078,362	95,867,701	99,829,041	75,363,511
Non-controlling interest	795,878	634,748	452,697	514,847
	152,874,240	**96,502,450**	**100,281,738**	**75,878,358**
Total comprehensive income attributable to:				
Owners of the company	152,078,362	95,867,701	99,829,041	75,363,511
Non-controlling interest	795,878	634,748	452,697	514,847
	152,874,240	**96,502,450**	**100,281,738**	**75,878,358**
Earnings Per Share (EPS)	**0.79**	**0.50**	**0.52**	**0.39**
Par Value Tk.10				
Number of Shares used to compute EPS	**193,600,000**	**193,600,000**	**193,600,000**	**193,600,000**

A.F.M. Zubair	A. Matin Chowdhury	Azizur Rahim Chowdhury	B.K. Chaki	Syed Saiful Haque
Chairman	Managing Director	Director	Chief Financial Officer	Company Secretary

MALEK SPINNING MILLS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Un-Audited

FOR THE PERIOD FROM 1ST JULY 2018 TO 31ST DECEMBER 2018

Particulars	Share Capital	Share Premium	Revaluation Surplus of Fixed Assets	Tax holiday Reserve	Retained Earnings	Non Controlling Interest	Total
Balance as at 1st July 2018	1,936,000,000	1,500,000,000	3,665,792,491	210,883,871	1,469,605,341	58,334,503	8,840,616,206
Total Comprehensive Income					152,078,362	795,878	152,874,240
Transfer of excess depreciation of Revalued Assets			(40,365,670)		40,365,670		-
As at 31st December 2018	**1,936,000,000**	**1,500,000,000**	**3,625,426,820**	**210,883,871**	**1,662,049,374**	**59,130,381**	**8,993,490,446**

FOR THE PERIOD FROM 1ST JULY 2017 TO 31ST DECEMBER 2017

Particulars	Share Capital	Share Premium	Revaluation Surplus of Fixed Assets	Tax holiday Reserve	Retained Earnings	Non Controlling Interest	Total
Balance as at 1st July 2017	1,936,000,000	1,500,000,000	3,753,746,128	210,883,871	1,349,164,984	56,805,843	8,806,600,826
Total Comprehensive Income					95,867,701	634,748	96,502,450
Transfer of excess depreciation of Revalued Assets			(44,028,607)		44,028,607		-
As at 31st December 2017	**1,936,000,000**	**1,500,000,000**	**3,709,717,521**	**210,883,871**	**1,489,061,293**	**57,440,591**	**8,903,103,276**

A.F.M. Zubair
Chairman

A. Matin Chowdhury
Managing Director

Azizur Rahim Chowdhury
Director

B.K. Chaki
Chief Financial Officer

Syed Saiful Haque
Company Secretary

MALEK SPINNING MILLS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM 1ST JULY 2018 TO 31ST DECEMBER 2018

Un-Audited

Amount in Taka

PARTICULARS	DEC'18	DEC'17
CASH FLOW FROM OPERATING ACTIVITIES :		
Collection from Turnover & Bills Receivable	5,589,997,142	5,518,988,291
Other Income	15,738,357	46,904,039
Payment for Raw Materials, Indirect Materials and other expenses	(4,892,811,401)	(5,042,301,484)
Foreign currency exchange Gain/(Loss)	240,229	(1,745,515)
Payment for Operating Expenses	(139,122,949)	(130,994,537)
Payment for Financial Expenses	(245,011,825)	(217,576,195)
Payment for Income Tax	(41,242,138)	(39,793,241)
Net Cash provided/(used) by Operating Activities	**287,787,416**	**133,481,357**
CASH FLOW FROM INVESTING ACTIVITIES :		
Acquisition of Fixed Assets	(224,225,848)	(292,307,592)
Acquisition of Capital work in progress	(567,919,851)	(248,022,910)
Disposal of Fixed Assets	1,500,000	47,457
Net cash provided/(used) in Investing Activities	**(790,645,699)**	**(540,283,044)**
CASH FLOW FROM FINANCING ACTIVITIES :		
Bank Loan Increase/(Decrease)	604,263,907	195,450,195
Refundable IPO Share Money paid	(20,700)	-
Dividend Paid	(64,807)	(82,763)
Net cash provided/(used) in Financing Activities	**604,178,400**	**195,367,432**
Increase/(Decrease) in Cash and Cash Equivalents	**101,320,116**	**(211,434,256)**
Opening Cash & Cash Equivalents	259,091,357	461,094,357
Foreign Currency translation Gain/(Loss)	132,850	-
Closing Cash and Cash Equivalents	**360,544,324**	**249,660,101**
Net Operating Cash Flow Per Share (NOCFPS)	**1.49**	**0.69**

Par Value Tk.10

A.F.M. Zubair	A. Matin Chowdhury	Azizur Rahim Chowdhury	B.K. Chaki	Syed Saiful Haque
Chairman	Managing Director	Director	Chief Financial Officer	Company Secretary

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MALEK SPINNING MILLS LIMITED

Selected explanatory notes on the Un-Audited Consolidated Financial Statements
For the period from 1st July 2018 to 31st December 2018

(1) Accounting Policies & Methods used for preparation & presentation of Financial Statements:

We have followed the similar accounting policies and methods for preparation and presentation of financial statement for the period ended from 1st July, 2018 to 31st December 2018 compared to the most recent annual Financial Statements for the year ended June 30, 2018.

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 BAS-1 "Preparation of Financial Statement" in preparation and presentation financial statements. The previous year's figures were presented according to the same accounting principles.

(2) Seasonability/ Cyclicality of Interim Operation:

Normally there was no significant seasonality/ cyclicality affect although the turnover for the period 1st July 2018 to 31st December 2018. Turnover was increased by 6.15% compared to previous same period. The variation in turnover was due to increase in Sales quantity.

(3) Changes in Non-Current Assets:

During the period from 1st July 2018 to 31st December 2018 a net sum of Tk. 581.79 Million was added to Non-current Assets mainly for addition of Capital Work-in-progress of Malek Spinning Mills Ltd. and subsidiary companies. The WDV has reduced for charging depreciation.

(4) Changes in Current Assets:

Total Current Assets during the period from 1st July 2018 to 31st December 2018 was increased by Tk.811.58 Million for increase in Inventory, Accounts Receivable, Advance, Deposits & prepayment and Cash & Cash equivalent.

(5) Changes in Shareholder's equity:

Shareholder's equity was changed due to change in Retained Earnings due to addition of Net Profit.

(6) Changes in Non-Current Liabilities:

Total Non-current liabilities increased by Tk.403.09 Million due to addition of new loan and decreased in deferred tax liability.

(7) Changes in Current Liabilities:

Total Current Liabilities increased by Tk. 837.40 Million due to increase in Short Term Loan, Bank Acceptance Liabilities, Creditors & Accruals and decreased in Current Portion of Long Term Loan.

(8) Changes in Operating Income and expenses:

a) Sales Revenue increased by 6.15% during this period ended compared to the previous same period but Cost of Goods Sold increased by 4.32% resulting increased of GP percentage on Sales by 1.58%.

b) Net Profit percentage on Sales increased by 0.88% due to mainly increased in Sales and Gross Profit during this period. Although operating expenses and financial expenses is increased slidly.

(9) EPS Deviation Clarification:

Net Profit is increased which was resulted increase in EPS.

(10) Changing in Net Operating Cash Flow per Share:

Due to following reasons NOCPS is decreased:

a) Collection against Accounts Receivable is increased and Payment against Raw Materials and Other Expenses is decreased more than collection.

b) Payment of Operating expenses and Financial expenses in increased although Other Income in decreased.

(11) Related Party Transaction:

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 31 December 2018 were as follows:

Related Party	Nature of Relationship	Nature of Transaction	Dr. (Sales or Advance)	Cr. (Realised)	Balance as at 31.12.2018	Balance as at 30.06.2018
Knit Asia Limited	Common Director	Sales	58,246,841	70,750,011	43,613,535	56,116,705
Salek Textile Limited	Subsidiary	Sales & Advance	130,803,770	43,503,533	252,738,928	165,438,691
Newasia Synthetics Limited	Subsidiary	Advance	5,000,000		105,500,000	100,500,000
J.M. Fabrics Limited	Subsidiary	Sales & Advance		13,704,825	141,075,738	154,780,563

A.F.M. Zubair
Chairman

A. Matin Chowdhury
Managing Director

Azizur Rahim Chowdhury
Director

B.K. Chaki
Chief Financial Officer

Syed Saiful Haque
Company Secretary

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MALEK SPINNING MILLS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER 2018

Un-Audited

Amount in Taka

Particulars	DEC'18	JUNE'18
ASSETS :		
Non-Current Assets:		
Property, Plant and Equipment	2,150,245,506	2,195,113,460
Capital Work-in-Progress	41,207,876	18,827,350
Investment in Subsidiary Company	1,666,365,000	1,666,365,000
	3,857,818,382	**3,880,305,810**
Current Assets :		
Inventories	1,456,877,532	985,777,919
Accounts Receivable	1,181,000,292	1,177,499,313
Advances, Deposits and Pre-payments	333,092,477	322,403,215
Cash and Cash Equivalents	59,787,110	98,626,062
	3,030,757,411	**2,584,306,509**
TOTAL ASSETS :	**6,888,575,793**	**6,464,612,319**
SHAREHOLDER'S EQUITY AND LIABILITIES :		
Shareholder's Equity :		
Share Capital	1,936,000,000	1,936,000,000
Share Premium	1,500,000,000	1,500,000,000
Re-valuation Surplus	1,366,093,325	1,390,212,220
Retained Earnings	435,794,279	350,842,389
	5,237,887,604	**5,177,054,609**
Non-Current Liabilities:		
Long Term Loan	141,943,466	130,555,973
Deferred Tax Liabilities	271,289,058	273,550,703
	413,232,524	**404,106,676**
Current Liabilities :		
Short Term Loan	97,930,814	121,597,415
Current Portion of Long Term Loan	5,958,371	15,948,501
Bank Acceptance Liabilities	696,530,510	330,190,711
Creditors and Accruals	437,035,970	415,714,407
	1,237,455,665	**883,451,034**
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES :	**6,888,575,793**	**6,464,612,319**
Net Assets Value Per Share (NAV)	**27.06**	**26.74**

Par Value Tk.10

A.F.M. Zubair	A. Matin Chowdhury	Azizur Rahim Chowdhury	B.K. Chaki	Syed Saiful Haque
Chairman	Managing Director	Director	Chief Financial Officer	Company Secretary

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MALEK SPINNING MILLS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD FROM 1ST JULY 2018 TO 31ST DECEMBER 2018

Un-Audited

Amount in Taka

Particulars	JUL'18-DEC'18	JUL'17-DEC'17	OCT'18-DEC'18	OCT'17-DEC'17
Sales	1,461,137,354	1,673,708,966	775,734,533	955,826,837
Cost of Goods Sold	(1,304,831,054)	(1,516,729,122)	(691,982,721)	(874,293,991)
Gross Profit/(Loss) :	**156,306,300**	**156,979,844**	**83,751,812**	**81,532,846**
Operating Expenses	(51,857,057)	(49,727,608)	(24,247,869)	(22,630,721)
Financial Expenses	(29,923,352)	(23,526,911)	(16,371,919)	(329,692)
Operating Profit/(Loss) :	**74,525,891**	**83,725,326**	**43,132,025**	**58,572,432**
Other Income/(Loss)	523,709	(460,397)	392,809	(359,444)
Net Operating Profit/(Loss) :	**75,049,600**	**83,264,929**	**43,524,834**	**58,212,988**
Contribution to WPPF	(3,573,790)	(3,964,997)	(2,072,611)	(2,772,047)
Profit/(Loss) before tax :	**71,475,810**	**79,299,932**	**41,452,223**	**55,440,941**
Provision for Income tax :	**(10,642,815)**	**(11,964,049)**	**(6,158,912)**	**(8,370,058)**
Current Tax	(12,904,461)	(15,512,660)	(7,014,984)	(10,144,155)
Deferred Tax	2,261,645	3,548,611	856,072	1,774,097
Net Profit/(Loss) after tax	**60,832,995**	**67,335,883**	**35,293,311**	**47,070,883**
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**60,832,995**	**67,335,883**	**35,293,311**	**47,070,883**
Earnings Per Share (EPS)	**0.31**	**0.35**	**0.18**	**0.24**
Par Value Tk.10				
Number of Shares used to compute EPS	**193,600,000**	**193,600,000**	**193,600,000**	**193,600,000**

A.F.M. Zubair	A. Matin Chowdhury	Azizur Rahim Chowdhury	B.K. Chaki	Syed Saiful Haque
Chairman	Managing Director	Director	Chief Financial Officer	Company Secretary

AMARSTOCK

MALEK SPINNING MILLS LIMITED

STATEMENT OF CHANGES IN EQUITY

Un-Audited

FOR THE PERIOD FROM 1ST JULY 2018 TO 31ST DECEMBER 2018

Particulars	Share Capital	Share Premium	Revaluation Surplus of Fixed Assets	Retained Earnings	Total
Balance as at 1st July 2018	1,936,000,000	1,500,000,000	1,390,212,221	350,842,389	5,177,054,609
Net Profit/(Loss) during the year				60,832,995	60,832,995
Transfer of excess depreciation of Revalued Assets			(24,118,896)	24,118,896	-
As at 31st December 2018	**1,936,000,000**	**1,500,000,000**	**1,366,093,325**	**435,794,279**	**5,237,887,604**

FOR THE PERIOD FROM 1ST JULY 2017 TO 31ST DECEMBER 2017

Particulars	Share Capital	Share Premium	Revaluation Surplus of Fixed Assets	Retained Earnings	Total
Balance as at 1st July 2017	1,936,000,000	1,500,000,000	1,442,332,804	373,193,246	5,251,526,050
Net Profit/(Loss) during the year				67,335,883	67,335,883
Transfer of excess depreciation of Revalued Assets			(26,060,292)	26,060,292	-
As at 31st December 2017	**1,936,000,000**	**1,500,000,000**	**1,416,272,513**	**466,589,420**	**5,318,861,933**

A.F.M. Zubair	A. Matin Chowdhury	Azizur Rahim Chowdhury	B.K. Chaki	Syed Saiful Haque
Chairman	Managing Director	Director	Chief Financial Officer	Company Secretary

MALEK SPINNING MILLS LIMITED

STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM 1ST JULY 2018 TO 31ST DECEMBER 2018

Un-Audited

Amount in Taka

PARTICULARS	DEC'18	DEC'17
CASH FLOW FROM OPERATING ACTIVITIES :		
Collection from Turnover & Accounts Receivable	1,457,636,375	1,654,072,670
Payment for Raw Materials, Indirect Materials and other expenses	(1,360,627,608)	(1,544,927,002)
Foreign currency exchange Gain/(Loss)	32,902	(902,340)
Other Income	467,977	441,943
Payment for Operating Expenses	(50,784,084)	(48,548,768)
Payment for Financial Expenses	(29,923,352)	(23,526,911)
Payment for Income Tax	(12,382,949)	(10,459,448)
Net Cash provided/(used) by Operating Activities	**4,419,261**	**26,150,145**
CASH FLOW FROM INVESTING ACTIVITIES :		
Acquisition of Fixed Assets	(143,242)	(631,800)
Acquisition of Capital work in progress	(22,380,526)	(134,602,324)
Disposal of Fixed Assets	1,500,000	-
Net cash used in Investing Activities	**(21,023,768)**	**(135,234,124)**
CASH FLOW FROM FINANCING ACTIVITIES :		
Bank Loan Increase/(Decrease)	(22,269,238)	141,113,522
Refundable IPO Share Money paid	(20,700)	-
Dividend Paid	(64,807)	(82,763)
Net Cash provided/(used) by Financing Activities	**(22,354,745)**	**141,030,759**
Increase/(Decrease) in Cash and Cash Equivalents	**(38,959,252)**	**31,946,779**
Opening Cash & Cash Equivalents	98,626,062	85,655,023
Foreign Currency translation Gain/(Loss)	120,300	-
Closing Cash and Cash Equivalents	**59,787,110**	**117,601,802**
Net Operating Cash Flow Per Share (NOCFPS)	**0.02**	**0.14**
Par Value Tk.10		

A.F.M. Zubair	A. Matin Chowdhury	Azizur Rahim Chowdhury	B.K. Chaki	Syed Saiful Haque
Chairman	Managing Director	Director	Chief Financial Officer	Company Secretary