

'If you have any query about this document, you may consult issuer, issue manager and underwriter'

**Prospectus
Of
Maksons Spinning Mills Limited**



Public Offer for 80,00,000 ordinary shares of Tk. 10.00 each at par totaling Tk. 8,00,00,000.00

OPENING DATE FOR SUBSCRIPTION: 12.10.2008

CLOSING DATE FOR SUBSCRIPTION: 16.10. 2008

For Non-Resident Bangladeshi (NRB) Quota, Subscription Closes on: 25.10. 2008

MANAGERS TO THE ISSUE

| | | | |
|---|--|---|---|
|  | ICB CAPITAL MANAGEMENT LIMITED Shilpa Bank Bhaban (14 th Floor) 8, Rajuk Avenue, Dhaka-1000. |  | BAY LEASING & INVESTMENT LIMITED Printers Building (7 th Floor) 5, Rajuk Avenue, Motijheel C/A, Dhaka-1000. |
|---|--|---|---|

UNDERWRITERS

| | |
|--|--|
| ICB Capital Management Limited 8, Rajuk Avenue (14 th Floor) Dhaka-1000 | Bay Leasing & Investment Limited Printers Building (7 th Floor) 5, Rajuk Avenue, Motijheel C/A, Dhaka-1000. |
| Southeast Bank Limited 1, Dilkusha C/A Dhaka-1000. | Prime Finance & Investment Ltd. 63, Dilkusha C/A Dhaka-1000. |
| Union Capital Limited Noor Tower (5 th Floor) 73, Sonargaon Road, Dhaka-1205. | Grameen Capital Management Limited Grameen Bank Bhaban Mirpur-2, Dhaka-1216. |

Issue Date of the Prospectus: 14.07.2008.

The issue shall be placed in "N" category

"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."



Maksons Spinning Mills Limited

REGISTERED OFFICE

28, Dilkusha C/A (3rd & 4th Floor), Suite # 303 & 402, Dhaka - 1000, Bangladesh.
Phone: 7168613-4, 9559349, 9566470, 9564543, Fax: 88-02-9564503
E-mail: maksons@citech.net, Website: www. Maksonsgroupbd.com.

**Definition and Elaboration of the abbreviated
words and technical terms used in the Prospectus**

| | | |
|--------------------|---|--|
| MSML | : | Maksons Spinning Mills Limited |
| IPO | : | Initial Public Offering |
| Commission | : | Securities and Exchange Commission |
| SEC | : | Securities and Exchange Commission |
| The Company/Issuer | : | Maksons Spinning Mills Limited |
| Issue | : | Public Issue of Shares of MSML |
| DSE | : | Dhaka Stock Exchange Limited |
| CSE | : | Chittagong Stock Exchange Limited |
| SC | : | Share Certificate |
| RJSC | : | Registrar of Joint Stock Companies & Firms |
| ICML | : | ICB Capital Management Limited. |
| Stockholder | : | Shareholder |
| NRB | : | Non Resident Bangladeshi |
| NBR | : | National Board of Revenue |
| Allotment | : | Letter of allotment for shares |
| FC Account | : | Foreign Currency Account |
| STD Account | : | Short Term Deposit Account |
| Securities | : | Shares of Maksons Spinning Mills Limited |
| Securities Market | : | The Share Market of Bangladesh |
| Offering Price | : | Price of the share of Maksons Spinning Mills Limited being offered |
| Subscription | : | Application money |
| Certificate | : | Share Certificate |
| NAV | : | Net Asset Value of the Company |
| Sponsors | : | The Sponsor Shareholders of Maksons Spinning Mills Limited |
| MP | : | Market Price |
| Registered Office | : | Head Office of the Company |
| BO | : | Beneficiary Owner |
| CDBL | : | Central Depository Bangladesh Limited |
| CIB | : | Credit Information Bureau |
| FID | : | Financial Institutions Department of Bangladesh Bank |

AVAILABILITY OF PROSPECTUS

Prospectus of Maksons Spinning Mills Limited may be obtained at the following addresses:

| | Name & Address | Contact Person | Tel. No. |
|--|----------------|----------------|----------|
|--|----------------|----------------|----------|

Issuer Company

| | | | |
|--|---|---|---|
| | Maksons Spinning Mills Limited. 28, Dilkusha C/A (3 rd & 4 th Floor), Suite # 303 & 402 Dhaka-1000, Bangladesh. | Mohd. Ferdous Kawser Masud Director (Finance) Mohd. Mohsin Adnan Executive Director (Commerce) & Company Secretary Md. Aslam Parvez Senior General Manager (Commerce & Banking) | 7168613-4, 9559349,9566470, 9564543 Do Do |
|--|---|---|---|

Issue Managers

| | | | |
|----|--|--|------------------|
| 1. | ICB Capital Management Ltd. 8, Rajuk Avenue (14 th Floor), Dhaka-1000 | Md. Iftikhar-uz-zaman Chief Executive Officer | 7160326-27 |
| 2. | Bay Leasing & Investment Limited Printers Building (7 th Floor) 5, Rajuk Avenue, Motijheel C/A, Dhaka-1000. | Md. Mofizul Islam Executive Officer | 9565026, 9568599 |

Underwriters

| | | | |
|----|--|---|------------------|
| 1. | ICB Capital Management Ltd. 8, Rajuk Avenue (14 th Floor), Dhaka-1000 | Md. Iftikhar-Uz-Zaman Chief Executive Officer | 7160326-27 |
| 2. | Bay Leasing & Investment Limited Printers Building (7 th Floor) 5, Rajuk Avenue, Motijheel C/A, Dhaka-1000. | Md. Mofizul Islam Executive Officer | 9565026, 9568599 |
| 3. | Southeast Bank Ltd. 1, Dilkusha C/A (3 rd Floor) | Muhammad Shahjahan Senior Executive Vice President | 9550081 |
| 4. | Prime Finance & Investment Ltd. 63, Dilkusha C/A Dhaka-1000. | Md. Rezaul Haque Vice President | 9563883 |
| 5. | Union Capital Limited Noor Tower (5 th Floor) 73 Sonargaon Road Dhaka-1205. | Ramendra Nath Paul Managing Director (C.C) | 9662888 |
| 6. | Grameen Capital Limited Grameen Bank Bhaban Mirpur-2, Dhaka-1216. | Shieadul Morsalin Manager | 8057618 |

Stock Exchanges

| | | | |
|--|---|-------------|------------------------------|
| | Dhaka Stock Exchange Limited (DSE) 9/F, Motijheel C/A, Dhaka-1000. | DSE Library | 9564601-7 9666944-8 |
| | Chittagong Stock Exchange Limited (CSE). CSE Building, 1080 Sheikh Mujib Road, Chittagong. | CSE Library | 031-714632-3 031-720871-3 |

Prospectus would also be available on the web site of SEC ([www. secdb.org](http://www.secdb.org)), DSE (www. dsebd.org), CSE (www. csebd.com), Maksons Spinning Mills Limited (www.maksonsgroupbd.com), Issue Managers (www.icbcm.com.bd & www.blil.bd.com) and Public Reference Room of the Securities and Exchange Commission (SEC) for reading and studying.

| | |
|--|--|
| Name, address and telephone number of the Auditors: | Hoda Vasi Chowdhury & Co. Chartered Accountants BTMC Bhaban (8 th Floor) 7-9, Karwan Bazar, Dhaka-1215 Phone: 9120090, 9140094. |
|--|--|

CONTENTS

| <u>Particulars</u> | <u>Page No.</u> |
|---|------------------------|
| Conditions under Section 2CC of SEC..... | 5 – 8 |
| Declaration about the responsibility of the directors including the CEO of the issuer company in respect of prospectus and Consent of Director (S) to serve as Director (S) | 9 |
| Declaration by the Issuer and Issue Managers | 10 |
| Due Diligence Certificate from the Issue Manager..... | 11 |
| Due Diligence Certificate from the Underwriters..... | 12 |
| Risk Factors & Management's perception regarding risks..... | 13 – 14 |
| Use of Proceeds..... | 14 |
| Description of Business..... | 14 – 16 |
| Description of Property..... | 16 |
| Plan of Operation and Discussion of Financial Condition..... | 17 – 19 |
| Auditors' Certificate for issue of shares otherwise than for cash..... | 20 |
| Directors and officers of the Company..... | 20 |
| Short Bio-data of Directors..... | 21 – 22 |
| Directors' ownership in other Companies | 23 |
| Involvement Of Directors And Officers In Certain Legal Proceedings..... | 24 – 25 |
| Certain Relationships And Related Transactions..... | 25 |
| Executive Compensation..... | 25-26 |
| Options Granted to Officers, Directors and Employees | 26 |
| Transaction with the Directors and Subscribers to the Memorandum.. | 26 |
| Tangible Assets per share | 27 |
| Ownership of the Company's securities..... | 27 – 29 |
| Determination of Offering Price..... | 29-30 |
| Market for the Securities being Offered..... | 30 |
| Description of Securities Outstanding or being Offered..... | 30-31 |
| Debt Securities..... | 31 |
| Lock in Provision..... | 32 |
| Refund of Subscription Money..... | 33 |
| Subscription By and Refund To Non-Resident Bangladeshi (NRB)..... | 33 |
| Availability of Securities..... | 33 – 34 |
| Underwriter..... | 34 |
| Disclosure in Respect of Issuance of Security in Demat Form | 35 |
| Application for Subscription | 35-36 |
| Declaration about Listing of Shares with Stock Exchanges | 36 |
| Corporate Directory..... | 37 |
| Auditors Reports & Accounts..... | 39 – 62 |
| Ratio Analysis..... | 63 |
| Auditors' Report in pursuance of Section 135(1) under para 24(1) of Part-II of the Third Schedule of the Companies Act 1994 for the years ended 30.09.2004, 30.09.2005, 30.09.2006, 30.09.2007 and period ended 31.12.2007..... | 64 – 65 |
| Application Form for other than Non-Resident Bangladeshis..... | 66 |
| Instructions..... | 67 |
| Bankers to the Issue..... | 68 |
| Application Form (NRB)..... | 69 |
| Instructions..... | 70 |
| Additional Disclosure by the Management of the Company | 71 |

CONDITIONS UNDER 2CC OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969

PART-A

1. The company shall go for Initial Public Offer (IPO) for 80,00,000 ordinary shares of Tk.10.00 each at par worth Tk.8,00,00,000.00 (Taka eight crore) only following the Securities and Exchange Commission (Public Issue) Rules, 2006, the Depository Act, 1999 and regulations made there under.
2. The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in four national daily newspapers (in two Bangla and two English), within 03 (three) working days of issuance of this letter. The issuer shall post the full prospectus vetted by the Securities and Exchange Commission in the issuer's website and shall also put on the web sites of the Commission, stock exchanges, and the issue managers within 03 (three) working days from the date of issuance of this letter which shall remain posted till the closure of the subscription list. The issuer shall submit to SEC, the stock exchanges and the issue managers a diskette containing the text of the vetted Prospectus in "MS-Word" format.
3. Sufficient copies of prospectus shall be made available by the issuer so that any person requesting a copy may receive one. A notice shall be placed on the front of the application form distributed in connection with the offering, informing that interested persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the issuer and the issue managers. The subscription application shall indicate in bold type that no sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus has been published.
4. The company shall submit 40 (forty) copies of the printed prospectus to the Securities and Exchange Commission for official record within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.
5. The issuer company and the issue managers shall ensure transmission of the prospectus, abridged version of the prospectus and relevant application forms for NRBs through e-mail, simultaneously with publication of the abridged version of the prospectus, to the Bangladesh Embassies and Missions abroad and shall also ensure sending of the printed copies of abridged version of the prospectus and application forms to the said Embassies and Missions within **five working days** of the publication date by express mail service (EMS) of the postal department. A compliance report shall be submitted in this respect to the SEC jointly by the issuer and the issue manger within two working days from the date of said dispatch of the prospectus & the forms.
6. The paper clipping of the published abridged version of the prospectus, as mentioned at **condition 2 above**, shall be submitted to the Commission within 24 hours of the publication thereof.
7. The company shall maintain separate bank account(s) for collecting proceeds of the Initial Public Offering and shall also open FC account(s) to deposit the application money of the Non- Resident Bangladeshis (NRBs) for IPO purpose, and shall incorporate full particulars of said FC account(s) in the prospectus. The company shall open the abovementioned accounts for IPO purpose; and close these accounts after refund of over-subscription. Non-Resident Bangladeshi (NRB) means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from the concerned Bangladesh Embassy to the effect that no visa is required to travel to Bangladesh.
8. The issuer company shall apply to all the stock exchanges in Bangladesh for listing within **07(seven) working days** from the date of issuance of this letter and shall simultaneously submit the vetted prospectus with all exhibits, as submitted to SEC, to the stock exchanges.
9. The following declaration shall be made by the company in the prospectus, namely:-

"Declaration about Listing of Shares with the Stock Exchange(s):

None of the stock exchange(s), if for any reason, grants listing within 75 days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (seventy five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the company directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue managers, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money."

10. The subscription list shall be opened and the sale of securities commenced **after 25 (twenty five) days** of the publication of the abridged version of the prospectus and shall remain open for **5 (Five) consecutive banking days**.

11. A non-resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking "Account Payee only". The NRB applicants shall send applications to the issuer company within the closing date of the subscription so as to reach the same to the company by the closing date plus nine days. Applications received by the company after the above time period will not be considered for allotment purpose.
12. The company shall apply the spot buying rate (TT clean) in US Dollar, UK Pound Sterling and Euro of Sonali Bank, which shall be mentioned in the Prospectus, as prevailed on the date of opening of the subscription for the purpose of application of the NRBs and other non-Bangladeshi persons, where applicable.
13. The company and the issue managers shall ensure prompt collection/clearance of the foreign remittances of NRBs and other non-Bangladeshis, if applicable, for allotment of shares.
14. Upon completion of the period of subscription for securities the issuer and the issue managers shall jointly provide the Commission and the stock exchanges with the preliminary status of the subscription within 05 (five) working days, in respect of the following matters, namely: -
 - (a) Total number of securities for which subscription has been received;
 - (b) Amount received from the subscription; and
 - (c) Amount of commission paid to the banker to the issue.
15. The issuer and the issue managers shall jointly provide the Commission and the stock exchanges with the list of valid and invalid applicants (i.e. final status of subscription) to the Commission within **3 (three) weeks** after the closure of the subscription along with bank statement (original), branch-wise subscription statement, NRB application forms (photocopy attested by the CEOs of the issuer company and the issue managers). The list of valid and invalid applicants shall be finalized after examination with the CDBL in respect of BO accounts and particulars thereof.
16. The IPO shall stand cancelled and the application money shall be refunded immediately (but not later than **6(six) weeks** from the date of the subscription closure) if any of the following events occur:
 - (a) Upon closing of the subscription list it is found that the total number of valid applications (in case of under subscription including the number of the underwriter) is less than the minimum requirement as specified in the listing regulations of the stock exchange(s) concerned; or
 - (b) At least 50% of the IPO is not subscribed.
17. 10% of total public offering shall be reserved for non-resident Bangladeshi (NRB) and 10% for mutual funds and collective investment schemes registered with the Commission, and the remaining 80% shall be open for subscription by the general public. In case of under-subscription under any of the 10% categories mentioned above, the unsubscribed portion shall be added to the general public category and, if after such addition, there is over subscription in the general public category, the issuer and the issue managers shall jointly conduct an open lottery of all the applicants added together.
18. All the applicants shall first be treated as applied for one minimum market lot of **50 shares worth Tk.5,000/-**. If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. In case of over-subscription under any of the categories mentioned hereinabove, the issuer and the issue managers shall jointly conduct an open lottery of all the applications received under each category separately in presence of representatives from the issuer, the stock exchanges and the applicants, if there be any.
19. **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.**
20. **The primary shares allotted to an applicant through IPO may be forfeited by SEC, if the BO account of the said applicant is found closed at the time of allotment of shares. All IPO applicants are required to keep their BO accounts operational till allotment of IPO shares.**
21. Lottery (if applicable) shall be held within **5 (five) weeks** from closure of the subscription date.
22. The company shall issue share allotment letters to all successful applicants within **6 (six) weeks** from the date of the subscription closing date. Within the same time, refund to the unsuccessful applicants shall be made in the currency in which the value of securities was paid for by the applicants without any interest through Account Payee Cheque/ refund warrants with bank account

number, bank's name and Branch as indicated in the securities application forms payable at Dhaka/ Chittagong/ Khulna/ Rajshahi/ Barisal/ Sylhet/ Bogra, as the case may be, **subject to condition 19 above**.

Refund money of the unsuccessful applicants shall be credited directly to their respective bank accounts, who have mentioned in the IPO application forms, bank account numbers with the bankers to the issue and other banks as disclosed in the prospectus. A compliance report in this regard shall be submitted to the Commission within **7(seven) weeks** from the date of closure of subscription.

23. The company shall furnish the List of Allotees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within **24 (twenty four) hours** of allotment.
24. In the event of under-subscription of the public offering, the unsubscribed portion of securities shall be taken up by the underwriter(s) (subject to para -16 above). The issuer must notify the underwriter to take up the underwritten shares within **10 (ten) days** of the subscription closing date on full payment of the share money within **15(fifteen) days** of the issuer's notice. The underwriter shall not share any underwriting fee with the issue managers, other underwriters, issuer or the sponsor group.
25. All issued shares of the issuer at the time of according this consent shall be subject to a **lock- in of three years** from the date of issuance of prospectus or commercial operation, whichever comes later;

Provided that the persons, other than directors and those who hold 5% or more shares, who have subscribed to the shares of the company within immediately preceding two years of according consent, shall be subject to a **lock-in of one year** from the date of issuance of prospectus or commercial operation, whichever comes later.
26. Either a Jumbo Share (one for each of the existing Sponsors/ Directors/ Shareholders) in respect of the shares already issued shall be issued covering together respective total holding, which shall contain the expiry date of lock-in period or Sponsors/Directors/Promoters/Shareholders' shareholding shall be converted into demat form but shall be locked-in as per the condition at **para-25 above**.
27. In case of Jumbo Share Certificate issued to the existing Sponsors/ Directors/ Shareholders, the said share certificates shall be kept under custody of a security custodian bank registered with SEC during the lock-in period. The name and branch of the bank shall be furnished to the Commission jointly by the issuer and the issue managers, along with a confirmation thereof from the custodian bank, within **one week** of listing of the shares with the stock exchange(s).
28. In case of dematerialization of shares held by the existing Sponsors/ Directors/ Shareholders, the copy of dematerialization confirmation report generated by CDBL and attested by the managing director of the company along with lock-in confirmation shall be submitted to SEC within **one week** of listing of the shares with the stock exchange(s).
29. The company shall apply to the stock exchanges for listing within **7(seven) working days** of issuance of this letter and shall simultaneously submit to the Commission attested copies of the application filed with the stock exchanges.
30. The company shall not declare any benefit other than cash dividend based on the financial statements for the period ended on December 31, 2007.

Part –B

1. The issue managers (i.e. ICB Capital Management Limited and Bay Leasing & Investment Limited) shall ensure that the abridged version of the prospectus and the full prospectus is published correctly and in strict conformity without any error/omission, as vetted by the Securities and Exchange Commission.
2. The issue managers shall carefully examine and compare the published abridged version of prospectus on the date of publication with the copy vetted by SEC. If any discrepancy/ inconsistency is found, both the issuer and the issue managers shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to SEC and the stock exchange(s) concerned, correcting the discrepancy/inconsistency as required under 'Due Diligence Certificates' provided with SEC.
3. Both the issuer company and the issue managers shall, immediately after publication of the prospectus and its abridged version, jointly inform the Commission in writing that the published prospectus and its abridged version are verbatim copies of the same as vetted by the Commission.
4. The fund collected through IPO shall not be utilized prior to listing with stock exchange and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.

5. The company shall furnish report to the Commission on utilization of IPO proceeds **within 15 days** of the closing of each quarter until such fund is fully utilized, as mentioned in the schedule contained in the prospectus, and in the event of any irregularity or inconsistency, the Commission may employ or engage any person, at issuer's cost, to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.
6. All transactions, excluding petty cash expenses, shall be effected through the company's bank account(s).
7. Proceeds of the IPO shall not be used for any purpose other than those specified in the prospectus. Any deviation in this respect must have prior approval of the shareholders in the General Meeting under intimation to SEC and stock exchange(s).

PART-C

1. All the above conditions imposed under section 2CC of the Securities and Exchange Ordinance, 1969 shall be incorporated in the prospectus immediately after the page of the table of contents, with a reference in the table of contents, prior to its publication.
2. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

PART-D

1. As per provision of the Depository Act, 1999 and regulations made there under, shares will only be issued in dematerialized condition. All transfer/ transmission/ splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (including rights/bonus) will be made in dematerialized form only.

An applicant (including NRB) shall not be able to apply for allotment of shares without beneficial owner account (BO account).

2. The issue managers shall also ensure due compliance of all above.

GENERAL INFORMATION

1. **ICB Capital Management Limited** and **Bay Leasing & Investment Limited** have prepared this prospectus based on the information provided by **Maksons Spinning Mills Limited** (the Issuer) and also upon several discussions with chairman, Managing Director and concerned executives of the Company. The Directors including Managing Director of Maksons Spinning Mills Limited, ICB Capital Management Limited and Bay Leasing & Investment Limited collectively and individually, having made all reasonable inquiries, confirm that to the best of their knowledge and belief, the information contained herein is true and correct in all material aspects and that there are no other material facts, the omission of which would make any statement herein misleading.
2. No person is authorized to give any information or to make any representation not contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorized by the Company or Issue Manager.
3. The Issue as contemplated in this document, is made in Bangladesh and is subject to the exclusive jurisdiction of the courts of Bangladesh, forwarding this Prospectus to any person resident outside Bangladesh in no way implies that the Issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of that country.

A copy of this Prospectus may be obtained from the Head Office of Maksons Spinning Mills Limited, ICB Capital Management Limited (ICML), Bay Leasing & Investment Limited, the Underwriters and the Stock Exchanges where the securities will be traded.

**DECLARATION ABOUT THE RESPONSIBILITY OF THE DIRECTORS, INCLUDING THE CEO
OF THE COMPANY “MAKSONS SPINNING MILLS LIMITED” IN RESPECT OF THE PROSPECTUS.**

This Prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity and accuracy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative action against any or all of us as it may deem fit.

We also confirm that full and fair disclosure has been made in this prospectus to enable the investors to make a well-informed decision for investment.

Sd/-
(Al-Haj Abdul Ali)
Chairman & Director

Sd/-
(Mohammad Ali Khokon)
Managing Director & Director

Sd/-
(Mohd. Ferdous Kawser Masud)
Director

Sd/-
(Mrs. Laila Ali)
Director

Sd/-
(Mohd. Showkat Ali)
Director

Sd/-
(Mohd. Amjad Ali)
Director

Sd/-
(Md. Jahangir Miah)
Director
(Nominee of ICB)

CONSENT OF DIRECTORS TO SERVE AS DIRECTORS

We hereby agree that we have been serving as Directors of MAKSONS SPINNING MILLS LIMITED and continue to act as Directors of the Company.

Sd/-
(Al-Haj Abdul Ali)
Chairman & Director

Sd/-
(Mohammad Ali Khokon)
Managing Director & Director

Sd/-
(Mohd. Ferdous Kawser Masud)
Director

Sd/-
(Mrs. Laila Ali)
Director

Sd/-
(Mohd. Showkat Ali)
Director

Sd/-
(Mohd. Amjad Ali)
Director

Sd/-
(Md. Jahangir Miah)
Director
(Nominee of ICB)

**DECLARATION ABOUT FILING OF PROSPECTUS WITH
THE REGISTRAR OF JOINT STOCK COMPANIES AND FIRMS**

A dated and signed copy of this Prospectus has been filed for registration with the Registrar of Joint Stock Companies and Firms, Bangladesh, as required under Section 138(1) of the Companies Act, 1994 before the date of publication of this prospectus in the newspapers.

**DECLARATION BY THE ISSUER ABOUT THE APPROVAL
FROM SEC FOR ANY MATERIAL CHANGES**

In case of any material changes in any agreement, contract, instrument, facts and figures, operational circumstances and statement made in the Prospectus subsequent to the preparation of the Prospectus and prior to its publication shall be incorporated in the Prospectus and the said Prospectus shall be published with the approval of the Commission.

For Issuer

Sd/-

(Mohammad Ali Khokon)
Managing Director
Maksons Spinning Mills Limited.
Dated: 20-03-2008

**DECLARATION BY THE ISSUE MANAGERS ABOUT THE APPROVAL
FROM SEC FOR ANY MATERIAL CHANGES**

In case of any material changes in any agreement, contract, instrument, facts and figures, operational circumstances and statement made in the Prospectus subsequent to the preparation of the Prospectus and prior to its publication shall be incorporated in the Prospectus and the said Prospectus shall be published with the approval of the Commission.

For Managers to the Issue

Sd/-

(Md. Iftikhar-uz-zaman)
Chief Executive Officer
ICB Capital Management Limited

Dated: 24-04-08

Sd/-

(Mahbubur Rashid)
Managing Director
Bay Leasing & Investment Limited

DUE DILIGENCE CERTIFICATE OF MANAGERS TO THE ISSUE

Sub: Public Offer of 80,00,000 Ordinary Shares of Tk. 10.00 each of MAKSONS SPINNING MILLS LIMITED.

We, the under-noted Managers to the Issue to the above-mentioned forthcoming issue, state as follows:

1. We, while finalizing the draft prospectus pertaining to the said issue, have examined various documents and other materials as relevant for adequate disclosures to the investors; and
2. On the basis of such examination and the discussion with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the Issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- a. the draft prospectus forwarded to the Commission is in conformity with the documents, materials and papers relevant to the issue;
- b. all the legal requirements connected with the said issue have been duly complied with; and
- c. the disclosures made in the draft prospectus are true, fair and adequate to enable the investors to make a well-informed decision for investment in the proposed issue.

For Managers to the Issue

Sd/-
(Md. Iftikhar-uz-zaman)
Chief Executive Officer
ICB Capital Management Limited

Sd/-
(Mahbubur Rashid)
Managing Director
Bay Leasing & Investment Limited

DUE DILIGENCE CERTIFICATE OF THE UNDERWRITERS

Sub: Public Offer of 80,00,000 Ordinary Shares of Tk. 10.00 each of MAKSONS SPINNING MILLS LIMITED.

We, the under-noted Underwriters to the above-mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned Issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination and the discussion with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- a. all information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- b. we shall subscribe and take up the un-subscribed securities against the above mentioned public issue within 15(fifteen) days of calling up thereof by the issuer; and
- c. this underwriting commitment is unequivocal and irrevocable.

For Underwriter(s)

Sd/-

(Managing Director/ Chief Executive Officer)

- ICB Capital Management Limited
- Bay Leasing & Investment Limited
- Southeast Bank Limited.
- Prime Finance & Investment Limited
- Union Capital Limited
- Grameen Capital Management limited.

RISK FACTORS AND MANAGEMENT'S PERCEPTIONS ABOUT THE RISKS

Any investment always associates with risks. Among those risks some can be averted, others are beyond control, which may causes of loss. Before making any investment decision, Investors should take the risk factors into consideration. Major such factors are described in brief as under:

(a) Interest Rate Risk

Interest/financial charges are paid against any kind of borrowed fund. Volatility in money market and increased demand for loan presses on interest rate structure to be fixed in high. Rising of interest rate increases the cost of fund for a company, which have borrowed fund, and consequently profit is squeezed.

The management of the Company is always aware of interest rate, which is concerned to the cost of fund of the Company. The Management prefers in procuring of the long-term fund with minimum fixed interest rate and the short-term fund with reasonable competitive rate. On the other hand management of the Company is emphasizing on equity based financing.

(b) Exchange Rate Risk

The Company is 100% export oriented. The products of the company are sold against foreign currency and payments for raw material are also made in foreign currency. If exchange rate is increased against local currency opportunity is created for getting more revenue against sale in local currency. On the other hand if exchange rate goes down margin is squeezed in local currency.

The exchange rate of the country is traditionally witnessed of upward trends, which makes ample opportunity of export. On the other hand, management perceives revaluation of local currency i. e. down trend of exchange rate will have little impact on profitability of the Company.

(c) Industry Risk

Textile is the largest industrial sub-sector in Bangladesh. It contributes highest in the country's total export earnings, gives employment to over four million people meets the second basic need for clothing of the country and contributes around 50% of the industrial value addition. But, after phasing out of the MFA, the global textile trade is now free from quota restriction. The phasing out of MFA has created a tough competitive environment, where Bangladesh is now competing the countries like China, India, Pakistan, Indonesia, Thailand, Vietnam etc. countries that is very strong in production of textile goods.

The textile industry has successfully coped with the post MFA competitive situation. The force, which is helping the sector for its strong existence, is emergence of backward linkage industry. Backward linkage industries are supporting for minimizing lead-time and cost of production. The Company is a first state of backward linkage industry of yarn producing that facilitates for better existence.

(d) Market and technology related Risk

(i) Market Risk:

Among the functional areas in a yarn company, marketing exerts the sheer part of the importance. Proper implementation of the marketing tools as well as identifying new clients will ensure the success of the project. The continuous changes on preference in the garment and textile market will force the company to catch the trend. For which the company has to produce yarn for international demand.

The company set its focus only in countries export market through inland back-to-back letter of credits. The management is trying to sell through direct contact with the customers (RMG & Knitting industries) in the selected regions understanding their needs. The company also has established relationship with potential buyers across the country and expects to find market for its capacity despite competition prevailing in the sector. Further, the commercial banks and financial institutions provide a thrust in the textile sector as they provide credit facilities to RMG & Knitting industries to acquire the yarn for their final products.

(ii) Technology related Risk:

Technology always plays vital role for existence of any industrial concern. Innovation of new and cost effective technology may obsolescence existence technology, which may cause negative impact.

The project is equipped with world's modern and latest machinery and technology and to cope with the pace in harmony with modern textile world the Company is continuing modernization program of its machinery.

(e) Potential or existing government regulations:

The Company operates under companies act, taxation policy adopted by NBR, Security and Exchange Commission (SEC)'s rules and rules adopted by other regulatory organizations. Any abrupt changes of the policies formed by those bodies will impact the business of the Company adversely.

Unless any adverse policies are taken, which may materially affect the industry as a whole; the business of the Company will not be affected. Government emphasizes on the growth of Yarn Industry to boost up the export of RMG. Yet the promoters and the sponsors have endeavor to convince the policy makers for adopting favorable terms & conditions, which will eventually help the yarn manufacturers of Bangladesh to compete with the low cost locations in the global arena.

(f) Potential changes in global or national policies

The performance of the company may be affected by the political and economical instability both in Bangladesh and worldwide. Any instance of political turmoil and disturbance in the country may adversely affect the economy in general.

The company can prosper in a situation of political stability and a congenial business environment. Political turmoil and the disturbance are bad for the economy and so also for us.

(g) Operational risk

Shortage of power supply, labour unrest, unavailability or price increase of raw material, natural calamities like flood, cyclone, earth quack etc. may disrupt the production of the Company and can adversely impact the profitability of the Company.

The compensation as well the benefit package will restrain the employees to leave their assignment and go for any employee movement for higher benefit packages. The project of the Company is situated at a high land where less record of flood. The factory building has strong RCC foundation, RCC floor, pre-fabricated steel structure to withstand wind, storm, rain etc. along with good drainage facility. The risks from these factors are also covered through Insurance. The company is also facilitated to keep a rational reserve for any future price escalation of the raw materials.

USE OF PROCEEDS

Proceeds from initial public offering will be used for loan repayment of the company details of which are as follows;

| Name of Bank | Loan Amount Taken | Date of Loan Taken | Rate of Interest | Outstanding Balance as on 25-06-2008 |
|---------------------|---------------------------|--------------------|------------------|--------------------------------------|
| Southeast Bank Ltd. | Tk. 5,41,21,599.42 | 29-09-2007 | 15% PA | Tk. 4,39,24,689.97 |
| Southeast Bank Ltd. | Tk. 3,99,84,480.97 | 28-02-2008 | 15% PA | Tk. 4,15,64,513.65 |
| Total | Tk. 9,41,06,080.39 | | | Tk. 8,54,89,203.62 |

DESCRIPTION OF BUSINESS

Corporate Status and Background:

Maksons Spinning Mills Limited is a Public Limited Company but the Company was incorporated in Bangladesh on September 25, 2003 as a Private Limited Company under the Companies Act 1994. Subsequently the Company was converted into Public Limited Company on 25.01.2005 under the Companies Act 1994 with the purpose for setting up a 100% export oriented 45,000 spindle spinning unit to produce 100% cotton combed & carded yarn. The Project is located at Gouripur, Ashulia, Savar, Dhaka. The started its commercial operation on May 16, 2006. Authorized and Paid-up capital structure of the Company is as follows:

| Particulars | No. of shares | Face Value | Amount in Taka |
|---------------------------------|--------------------------------|------------|------------------------|
| Authorized Capital | a) 46,00,000 (ordinary share) | Tk. 100.00 | 46,00,00,000.00 |
| | b) 4,00,000 (preference share) | Tk. 100.00 | 4,00,00,000.00 |
| Total Authorized Capital | | | 50,00,00,000.00 |

| Particulars | No. of shares | Face Value | Amount in Taka |
|------------------------------------|--------------------------------|-------------------|------------------------|
| Paid-up Capital (as on 31.12.2007) | a) 15,00,000 (ordinary share) | Tk. 100.00 | 15,00,00,000.00 |
| | b) 4,00,000 (preference share) | Tk. 100.00 | 4,00,00,000.00 |
| Total as on 31.12.2007 | 19,00,000 shares | Tk. 100.00 | 19,00,00,000.00 |

The Company split up its ordinary and preference shares from Tk. 100.00 to Tk. 10.00 each on January 08, 2008.

| | | | |
|---|--|------------------------|-----------------------------------|
| Issued Bonus share on 16.01.2008 at a ratio of 5:1 | 30,00,000 (ordinary share) | Tk. 10.00 | 3,00,00,000.00 |
| Capital raised through issuance of ordinary share on 26.04.2008, which consent, has been accorded by the Securities and Exchange Commission on February 04, 2008. | 1,20,00,000 (ordinary share) | Tk. 10.00 | 12,00,00,000.00 |
| Total as on 26.04.2008 | 3,00,00,000 (ordinary share) 40,00,000 (preference share) | Tk. 10.00 Tk. 10.00 | 30,00,00,000.00 4,00,00,000.00 |
| Total Paid-up capital (as on 26.04.2008) | 3,40,00,000 shares | Tk. 10.00 | 34,00,00,000.00 |

The project of the company is equipped with balanced modern machinery imported from Switzerland, Germany, Japan, China, Spain, India, USA, Italy, France, Taiwan, with a view to producing product of international standard. This happens to be the project of state of art, which has earned high reputation in textile sector.

Nature of Business:

The principal activities and operations of the Company are production and sale of cotton yarn.

Principal Products:

The project has been set up to produce 100 % cotton combed & carded yarn.

Market of the products:

Export oriented Ready Made Garments (RMG) and knitting industries are the consumers of the products of the Company.

Relative contribution of the services contributing more than 10% of the total revenue

The Company produces only 100 % cotton combed & carded yarn. So contribution of a product contributing more than 10% to the total revenue does not arise.

Associates, subsidiary/ related holding Company:

Considering voting right of 20% or more in another company there is no associates company of Maksons Spinning Mills Ltd. as per BAS 28 Para 4 but there are common directorship in some companies. The following companies are associates company on the basis of common directorship.

- a. Metro Spinning Limited
- b. Maksons knit & Rotor Spinning Ltd.
- c. Maksons Properties & Development Ltd.

Distribution of product:

The Company supplies its products to the premises of its customers at own risk against back-to-back Letter of Credit (L/C).

Competitive Conditions in the Business:

There is a huge demand-supply gap for the product of the Company in the yarn market. The Company earned good name & fame in the yarn market of the country for its quality. The following companies can be considered as competitors of the company:

1. Metro Spinning Limited
2. Arif Knitspin Ltd.
3. Amber Cotton Mills Ltd.
4. Hanif Spinning Mills Ltd.
5. Keya Spinning Mills Ltd.
6. MSA Spinning Mills Ltd.
7. Square Spinning Mills Ltd.
8. Shamsudding Spinning Mills Ltd.
9. Shameem Spinning Mills Ltd.
10. R. K. Spinning Mills Ltd.
11. Gulshan Spinning Mills Ltd.

Sources and availability of raw materials and the names of the principal supplies:

The raw material of the Company is raw cotton, which is fully procured from abroad. The names of main suppliers are mentioned below:

| SI. No. | Name of Supplier | Address |
|---------|--------------------------------------|--|
| 1. | Dunavant S.A, | World Trade Center, 10, Route De L'aéroport – 1215, Geneva 15, Switzerland. |
| 2. | Cargill Cotton | A Division of Cargill PLC, 12 Princes Parade, Liverpool, L3 1BG, England. |
| 3. | Paul Reinhart AG | Wincot AG. Terchnikumstr. 82, P.O. Box 2259 CH-8401, Winterthur |
| 4. | Louis Dreyfus Commodities Suisse SA. | 29 Route DE L'Aéroport PO Box 236, CH –1215. |
| 5. | Cottonex Anstalt Austrasse | Austrasse 42, FL –9490 Vaduz, Liechtenstein 42, FL –9490 Vaduz, Liechtenstein. |

Sources of, requirement for, power gas and water:

All required utility facilities are available at the project site and those are stated below:

Power

Power requirement for the project is 4,120 KW which are met up from own gas generator. Yet for smooth operation of the project power connection from REB has been arranged as stand by.

Water

The project is required for 9m³ of water per day which are met up from own deep-tube well.

Gas

Titas Gas Transmission & Distribution Co. Ltd supplies required gas for the project.

Name of the customers who purchase 10% or more of the Company's product / services:

There is no such type of customer who is purchasing 10% or more products of the Company.

Contract with principal suppliers or customers:

There is no contract with principal suppliers or customers.

Material patents, trademarks, license or royalty agreement:

The company has not entered into any such agreement.

Employees' position as on 31.12.2007:

| Particular | Officer & Staff | | Worker | Total Employees |
|------------------|-----------------|-------------|--------|-----------------|
| | Factory | Head Office | | |
| No. of employees | 133 | 32 | 1,059 | 1,224 |

All employees are full-time employee.

Production Capacity and Current Utilization:

| Particulars | Installed Production Capacity | Current Utilization (1 Jan to 31 dec 2007) |
|----------------------------------|-------------------------------|--|
| Annual Production of Yarn in Kg. | 91,60,000 Kg. | 65,84,512 Kg. |

DESCRIPTION OF PROPERTY**Plants and Property:**

The Company has set up its factory at Dist: Dhaka, P.S. Savar. Mouza-Gouripur to run the operations and a corporate office is situated at 28, Dilkusha C/A (3rd & 4th Floor), Suite # 303 & 402, Dhaka – 1000. The Company posses the following fixed assets:

| Sl. No. | Name of the Assets |
|---------|--------------------------------|
| 1. | Land and Land development |
| 2. | Building & other Constructions |
| 3. | Plant & Machinery |
| 4. | Furniture & Fixture |
| 5. | Office Equipment |
| 6. | Motor Vehicles |

- Entire above mentioned properties are owned by the Company except Gas Generator and Loptex Sorter machine which are taken as operating lease basis.
- All Properties of the Company are mortgaged to the lending banks namely Southeast Bank Ltd., The City Bank Ltd., NCC Bank Ltd., Exim Bank Ltd., Bay Leasing & Investment Ltd. and Investment Corporation of Bangladesh on paripassu basis.
- All the machinery except Ring Frames, some Simplex machines and Comber machines are purchased in brand new condition. The economy life of Ring Frames, Simplex machines and Comber machines are 15 years from August /September, 2005, certified by T.H. Engineering Co., Ltd., Japan.
- The date of expiration and name of lessor are given under caption '**Operating Lease during last five years**' part of this prospectus.

PLAN OF OPERATION AND DISCUSSION OF FINANCIAL CONDITION

(1) Internal & External Sources of Cash:

As per Audited Accounts (Amount in Taka)

| Internal Sources of Cash | From 01.10.07 to 31.12.07 | From 01.10.06 to 30.09.07 | From inception to 30.09.06 |
|---------------------------------|---------------------------|---------------------------|----------------------------|
| Paid-up Capital | 190,000,000 | 190,000,000 | 100,000,000 |
| Reserve & Surplus | 82,113,767 | 66,084,168 | 8,140,983 |
| Sub Total: | 272,113,767 | 256,084,168 | 108,140,983 |
| External Sources of Cash | | | |
| Long Term Loan | 366,694,819 | 293,510,547 | 238,872,488 |
| Sub Total: | 366,694,819 | 293,510,547 | 238,872,488 |
| Grand Total: | 638,808,586 | 549,594,715 | 347,013,471 |

(2) Material Commitment for capital expenditure

The company has not made any material commitment for capital expenditure.

(3) Material Change from period to period:

As per Audited Accounts (amount in Tk.)

| Particulars | From 01.10.07 to 31.12.07 | From 01.10.06 to 30.09.07 | From inception to 30.09.06 |
|---|---------------------------|---------------------------|----------------------------|
| Sales | 260,466,436 | 1,077,103,280 | 129,423,902 |
| Less cost of Goods sold | 19,075,5238 | 830,208,490 | 105,939,945 |
| Gross profit | 69,711,198 | 246,894,790 | 23,483,957 |
| Less Operating Expenses (other than Financial Expenses) | 8,555,210 | 33,759,217 | 6,098,543 |
| Total Operating Profit | 61,155,988 | 213,135,573 | 17,385,414 |
| Add non-operating income | 2,078,374 | 92,402 | - |
| Profit before Financial Expenses | 63,234,362 | 213,227,975 | 17,385,414 |
| Less Financial Expenses | 46,403,282 | 149,237,630 | 8,837,382 |
| Profit/(Loss) before WPPF | 16,831,080 | 63,990,345 | 8,548,032 |
| Less Provision for WPPF | 801,480 | 3,047,160 | 407,049 |
| Net Profit before Income tax | 16,029,600 | 60,943,185 | 8,140,983 |
| Less Tax Holiday reserve @ 40% | 6,411,840 | 24,377,274 | 3,256,393 |
| Net Profit after provision for Tax | 9,617,760 | 36,565,911 | 4,884,590 |

The Management of the Company is always attempting to maximize production with cost efficiency as a result profit is also showing greater in size.

(4) Seasonal Aspect

In general demand for yarn is prevailed in whole year yet from September to April demand goes at high.

(5) Known Trends, Events or Uncertainties

Fall of demand for knitwear at international market, scarcity of funds (liquidity crisis), entrance of new technology, government monetary policy, increased competition, natural calamities and political unrest are known events that may affect the business of Company.

(6) Changes in the assets of the company used to pay off any liabilities

No asset of the Company has been disposed to pay off the liabilities.

(7) Loans taken or given by the company either from or to its holding/parent or subsidiary company

The company has no holding/parent or subsidiary company. So loan taking from or giving to such concerns does not arise.

(8) Future Contractual Liabilities

The company has no plan to enter into any contractual liabilities within next one year other than the normal course of business.

(9) Future Capital Expenditure

There is no plan for future capital Expenditure.

(10) VAT, Income Tax, Customs Duty or other Tax Liability

(I) VAT:

The project of the Company is 100% export oriented. Government of Bangladesh has declared that there is no VAT on 100% export oriented project.

(II) Income Tax:

The Company has been granted Tax holiday for 4 years from May 01, 2006 to 30, April 2010 by the National Board of Revenue (NBR). Hence no current Tax Provision has been made in the Financial Statements.

(III) Custom Duty or other Tax and contingent Liability:

There are no dues outstanding on account of custom duty or other tax and contingent liabilities.

(11) Operating Lease during last five years

a) The company has established its Head Office on leased accommodation. Relevant information on the operating lease agreement with the landlord is as follows:

| Particulars of leased premises | Area in sft. | Period of lease | Rent per sft. In Tk. | Monthly Amount In Tk. |
|---|---------------------------------|----------------------|----------------------|-----------------------|
| Dilkusha Centre 28, Dilkusha C/A Dhaka-1000 | 1350 (3 rd Floor) | May, 05 to April, 08 | 18.00 | 26,300.00 |
| | 1350 (4 th Floor) | Jan, 08 to Dec, 10 | 25.00 | 35,750.00 |

b) Further to the above the Company has taken following machinery as operating lease:

| Sl. No. | Name of Leasor | Assets | Lease Amount | Period | Monthly Rental | Expiration of Lease |
|---------|-------------------------------|---|--------------|-----------|----------------|---------------------|
| 1. | Bay Leasing & Investment Ltd. | Gas Generator Caterpillar USA Model-G3516 | 100,900,000 | 60 Months | 2,645,250 | February, 2012 |
| 2. | Bay Leasing & Investment Ltd. | Loptex Sorter Origin- Italy | 24,241,340 | 60 Months | 635,550 | February, 2012 |

(12) Financial and Lease Commitment during last five years

a. Financial Commitment:

| Sl. No. | Name of Institution | Amount of Loan | Rate of Interest | Sanction Date | Yearly Installment | Total Installment (quarterly basis) | Date of Maturity of Loan | Outstanding Balance |
|---------|---------------------|--------------------|------------------|---------------|--------------------|-------------------------------------|--------------------------|---------------------|
| 1. | City Bank Ltd. | 100,000,000 | 15% | 11-12-06 | 18,192,424 | 22 | 11-06-12 | 89,726,285 |
| 2. | NCC Bank Ltd. | 100,000,000 | 15% | 11-12-06 | 18,192,424 | 22 | 11-06-12 | 89,726,285 |
| 3. | Exim Bank Ltd. | 100,000,000 | 15% | 11-12-06 | 18,192,424 | 22 | 11-06-12 | 89,726,285 |
| 4. | Southeast Bank Ltd. | 132,000,000 | 15% | 11-12-06 | 23,741,004 | 22 | 11-06-12 | 117,102,888 |
| | Total | 432,000,000 | | | 78,318,276 | | | 386,281,743 |

b. Lease Commitment:

There is no lease commitment during last five years.

Personal related scheme

The Company believes in supporting its employees and is offering incentives and motivation for its continued profitability and prosperity. With a view to supporting these lofty objectives, the Company operates a contributory Provident Fund and Workers Profit Participation Fund (WPPF). Short descriptions about them are presented below:

a) **Staff Provident Fund:**

The Company, through the trustees, has been maintaining a recognized contributory provident fund for all eligible permanent employees in accordance with BAS 19.

b) **Workers Profit Participation Fund (WPPF):**

The Company maintains a Provision for Workers Participation Fund @ 5% of net profit and after charging such contribution provided as per provision of the Companies Profits (Workers Participation) (amendment) Ordinance, 1985 and payable to workers as defined in the said Ordinance.

Breakdown of all Expenses connected with the public issue

The following is an estimate of expenditures on various accounts in relation to IPO:

| Particulars | Rate | Amount in Tk. |
|---------------------------|----------------------------|---------------|
| Manager to the Issue Fees | @ 1% on Tk. 8,00,00,000.00 | 8,00,000.00 |

Regulatory Expenses:

| Listing related expenses: | | |
|---|--|-------------|
| Service Charge for DSE | Fixed | 5,000.00 |
| Annual Fee for DSE & CSE | Fixed | 1,40,000.00 |
| Listing Fees for Stock Exchange (DSE & CSE) | @ 0.15% on paid-up capital for ordinary shares | 5,70,000.00 |
| SEC Fees: | | |
| Application Fee | Fixed | 10,000.00 |
| Consent Fee | @ 0.15% on the public offering amount | 1,20,000.00 |

IPO Commission:

| | | |
|--------------------------------|--|-------------|
| Underwriting Commission | @ 0.50% on the underwritten amount | 2,00,000.00 |
| Banker to the Issue Commission | @ 0.1% on collected amount (Assuming 5 times over subscribed) | 4,00,000.00 |

Printing & Post IPO Expenses (Estimated):

| | | |
|--|-----------|-------------|
| Abridged version of Prospectus and Noticed | Estimated | 5,00,000.00 |
| Printing of Prospectus and Forms | Estimated | 2,00,000.00 |
| Post issue Expenses | Estimated | 4,00,000.00 |
| Lottery Conduction Fee to BUET | As actual | 2,09,000.00 |

CDBL Fees and Expenses:

| | | |
|---|-----------|---------------------|
| Security Deposit of Eligible Securities | As actual | 4,00,000.00 |
| Documentation Fee | As actual | 2,500.00 |
| Annual Fee | As actual | 1,00,000.00 |
| Issue Fee | As actual | 95,000.00 |
| Connection Fee | As actual | 6,000.00 |
| Total | | 41,57,500.00 |

N. B. The costs of the above mentioned IPO expenses may vary and will be adjusted accordingly.

Revaluation of Assets

No revaluation of assets was made by the Company.

Transaction between holding/subsidiary/associate company and the Issuer

Considering voting right of 20% or more in another company there is no associates company of Maksons Spinning Mills Ltd. as per BAS 28 Para 4 but there are common directorship in some companies. The transaction has been made during the period with such companies, which is disclosed in Note 2.10 of Audited Financial Statement.

A Special Report from the Auditors regarding any allotment of shares to the Directors and Subscribers for any consideration otherwise than for cash

Auditors Certificate for Issue of Shares otherwise than for Cash

We certify that no other share was issued other wise than for Cash up to 31.12.2007. Subsequently, in the 3rd Annual General Meeting held on 16.01.2008, the board approved bonus shares of 30,00,000 (Thirty Lac) amounting to Taka 3,00,00,000(Three Crore) to its existing equity shareholders and total paid up ordinary shares capital of Maksons Spinning Mills Ltd. stood at Taka 18,00,00,000 (Eighteen Crore).

As on 26 April, 2008 Paid up capital of Maksons has been increased by Taka 12,00,00,000 (Twelve Crore) after further allotment of 1,20,00,000(One Crore Twenty Lac) ordinary shares of Taka 10.00 each. As on today total paid-up capital of the company stood at Taka 34,00,00,000(Thirty Four Crore) consisting of 3,00,00,000 (Three Crore) ordinary shares of Tk 10.00 each fully paid up and 40,00,000(Forty Lac) Preference Share of Tk 10.00 each.

Dhaka, 7 June 2008

Sd/-
Hoda Vasi Chowdhury & Co
Chartered Accountants

DECLARATION FOR NON- SUPPRESSION OF MATERIAL INFORMATION

This is to declare that to the best of our knowledge and belief no information, facts or circumstances, which should be disclosed have been suppressed, which can change the terms and conditions under which the offer has been made to the public.

Sd/-
(Mohammad Ali khokon)
Managing Director
Maksons Spinning Mills Limited

Dated: 20.03.2008

DIRECTORS AND OFFICERS OF THE COMPANY

DESCRIPTION OF THE DIRECTORS:

| Sl. No. | Name | Age Years | Position | Date of Becoming Director for the first time | Expiry of current term | Experience |
|---------|------------------------------------|-----------|-------------------|--|---|------------|
| 1. | Al-Haj Abdul Ali | 70 | Chairman | 25-09-2003 | 4 th AGM (2009) | 32 years |
| 2. | Mohammad Ali Khokon | 46 | Managing Director | 25-09-2003 | 4 th AGM (2009) | 20 years |
| 3. | Mohd. Showkat Ali | 43 | Director | 25-09-2003 | 3 rd AGM (2008) | 15 years |
| 4. | Mohd. Ferdous Kawser Masud | 33 | Director | 25-09-2003 | 5 th AGM (2010) | 8 years |
| 5. | Mrs. Laila Ali | 36 | Director | 25-09-2003 | 5 th AGM (2010) | 10 years |
| 6. | Mohd. Amjad Ali | 39 | Director | 25-09-2003 | 3 rd AGM (2008) | 5 years |
| 7. | Md. Jahangir Miah (Nominee of ICB) | 55 | Director | 15.02.2007 | Until further nomination made by ICB up to 15.02.2012 | 31 years |

FAMILY RELATIONSHIP AMONG THE DIRECTORS

The relationship among the directors is stated below:

| Sl. No. | Name of the Director | Relationship |
|---------|----------------------------|---|
| 1. | Al-Haj Abdul Ali | Father in Law of Managing Director Mr. Mohammad Ali Khokon. |
| 2. | Mohammad Ali Khokon | Son in law of Chairman Al-Haj Abdul Ali and husband of Director Mrs. Laila Ali |
| 3. | Mohd. Showkat Ali | Brother of Managing Director Mr. Mohammad Ali Khokon. |
| 4. | Mohd. Ferdous Kawser Masud | Son of Chairman Al-Haj Abdul Ali and brother in law of Managing Director Mr. Mohammad Ali Khokon. |
| 5. | Mrs. Laila Ali | Wife of Managing Director Mr. Mohammad Ali Khokon and daughter of chairman Al-Haj Abdul Ali. |
| 6. | Mohd. Amjad Ali | Brother of Mr. Mohammad Ali Khokon and Mr. Mohd. Showkat Ali. |

FAMILY RELATIONSHIP AMONG DIRECTORS AND TOP FIVE OFFICERS

Chairman, Managing Director, Director (Operation), Director (Finance) and other two directors are getting monthly salary for rendering services to the Company. Relationship among them is already disclosed above. Other than these there is no family relationship among Directors and top five officers of the Company.

Short Bio-Data of the Directors

Al-Haj Abdul Ali Chairman

Al-Haj Abdul Ali, aged 70 is the Chairman of the company. He started his career as an officer in Adamjee Jute Mills Ltd. in production & factory labour administration, in 1961. He worked in Adamjee Jute Mills till 1975. In 1975 he started business by setting up a textile-trading house named Ali Fabrics. He was engaged in fabrics import business. In 1983, Mr. Ali entered into textile manufacturing business by renting a textile mill. In 1985, Mr. Ali established Master Textile Mills, industrial venture of this house. Mr. Ali acquired vast experience in textile trading and manufacturing business through his thirty two years of business career. Mr. Ali is founder of Aysha Ali Hafizia Nooriya Madrasha, Abu Torab College at Chittagong. He is associated with and donors of many schools, colleges and different social welfare organizations. He is also the Chairman of Metro Spinning Limited, a Public Limited company listed with both houses of the country.

Mohammad Ali Khokon Managing Director

Mohammad Ali Khokon, aged 46, the Managing Director of the company is an MSS from Dhaka University. After completion of his education he joined a reputed textile company as working partner and subsequently by dint of his performance and experience he became the key person of the Company. Mr. Ali has visited many countries of the world in connection of business and has bagged to his credit a vast experience and knowledge in Modern Methods, Technology, Production and Marketing & Management Techniques of textile industries by attaching several courses/seminars and visiting similar industrial concerns of other Asian Countries.

Mr. Mohammad Ali is one of the members of the Board of Directors of BTMA and is contributing significantly for the development of the textile sector of the country. He visited Japan in 1997 and Myanmar in 2003 as a member of the business delegation team. He also visited International Textile Manufacturer Federation's Seminar of Melbourne, Australia held in 1998. Mr. Ali has also earned vast experience in fabrics trading business at the wholesale fabrics market of the country being associated with his family business in fabrics. Having rich experience in various industrial/trading concerns Mr. Ali has acquired the required experience, fitness and administrative efficiency to run such a business unit.

Mrs. Laila Ali Director

Mrs. Laila Ali, aged 36, the Director of the company, is a B.A. from Dhaka University. After completion of her education she joined her family business. Mrs. Ali is a dynamic & hard working personnel and as well as bagged knowledge in Modern Methods, Technology, Production and Marketing & management Techniques of textile industries by attending several course/seminars and visiting similar industrial concerns. Mrs. Ali gathered experience in textile trading and manufacturing business through her ten years of business career. She is associated with many social welfare organizations and women development activities.

Mohd. Ferdous Kawser Masud
Director

Mohd. Ferdous Kawser Masud, aged 33, the Director of the company is an MBA. After completion of his education he joined his family business. Mr. Masud is a dynamic & hard working person. He gathered knowledge in Modern Methods, Technology, Production and Marketing & Management Techniques of textile industries being associated with his family business. He has 08 years of experience in finance and marketing of textile sector especially in fabric and cotton yarn. A young and energetic man of amicable behaviour, besides being a philanthropist he is engaged in various social activities of the country. He visited Japan, South Korea, China, Singapore, UK and many other countries to enrich his knowledge and experience.

Mohd. Showkat Ali
Director

Mohd. Showkat Ali, aged 43, the Director of the company is an Arts Graduate from Dhaka University. After completion of his education he joined in a textile industry as head of the project. He has 15 years of experience in production and marketing of textile sector especially in fabric and cotton yarn. He looks after the operation and marketing activities of the Company. He visited Japan, South Korea, Singapore, Spain and many other countries to enrich his knowledge and experience.

Mr. Showkat Ali is a dynamic & hard working person. He had knowledge in Modern methods, Technology, Production, Design and Marketing & Management Techniques of Textile industries.

A young and energetic man of amicable behavior, besides being a philanthropist he is engaged in various social activities of the country.

Mohd. Amjad Ali
Director

Mohd. Amjad Ali, aged 39, the Director of the company is a Graduate. He involved himself in textile industry as head of the project just after completion of his education. He gathered 05 years of experience in production and marketing of modern textile sector especially in fabric and cotton yarn. He looks after the operation and marketing activities of the project.

Mr. Amjad Ali is a dynamic & hard working person. He is young, energetic and a man of strong personality and commitment, besides being a philanthropist he is engaged in various social activities of the country.

Md. Jahangir Miah
Director
(Nominee of ICB)

Md. Jahangir Mia, son of Late Abdul Hakim Matubbar, was born in 1953. Mr. Jahangir completed his graduation from Govt. Commerce College, Chittagong in Management in 1975 and did his M.Com. from Chittagong University in 1976. He also obtained M.A. degree in Finance and Investment in 1988 from University of Exeter, U.K. He started his service career as Lecturer of Sir Asutosh College, Chittagong in 1976. In 1978 he joined Bangladesh Shilpa Rin Saganstha and served as Investment Officer and Principal Officer in the Implementation Department and Loan Appraisal Department in different periods till March 1983. Then he joined Investment Corporation of Bangladesh (ICB) in 1983 as Senior Principal Officer and continues his service in the same organization designated as General Manager. He was deputed to ICB Capital Management Limited, a subsidiary of ICB as Chief Executive Officer (CEO) for about one year. In his 31 years of professional experiences he took part in many seminars at home and abroad and presented lecturers on different Investment Banking Courses as a "Guest Speaker" arranged by Bangladesh Institute of Bank Management (BIBM), Bangladesh Krishi Bank and Finance Department of Dhaka University.

CIB REPORT

Neither **MAKSONS SPINNING MILLS LIMITED** nor any of its directors or shareholders who hold 5% or more shares in the paid up capital of the issuer is loan defaulter in terms of the CIB Report of Bangladesh Bank.

DIRECTORS OWNERSHIP IN OTHER COMPANIES

| Sl. No. | Name | Age (Year) | Designation with MSML | Entities where they have Interested | Position |
|---------------------|----------------------------|------------|-----------------------|---|-------------------|
| 1. | Al-haj Abdul Ali | 70 | Chairman | Metro Spinning Limited | Chairman |
| | | | | Maksons Knit & Rotor Spinning Ltd. | Chairman |
| | | | | Maksons Properties & Development Ltd. | Chairman |
| 2. | Mohammad Ali Khokon | 46 | Managing Director | Metro Spinning Limited | Managing Director |
| | | | | Maksons Knit & Rotor Spinning Ltd. | Managing Director |
| | | | | Maksons Properties & Development Ltd. | Managing Director |
| | | | | Makcot International | Proprietor |
| 3. | Mohd. Showkat Ali | 43 | Director | Metro Spinning Limited | Director |
| | | | | Maksons Knit & Rotor Spinning Ltd. | Director |
| 4. | Mohd. Ferdous Kawser Masud | 33 | Director | Metro Spinning Limited | Director |
| | | | | Maksons Knit & Rotor Spinning Ltd. | Director |
| 5. | Mrs. Laila Ali | 36 | Director | Metro Spinning Limited | Director |
| | | | | Maksons Knit & Rotor Spinning Ltd. | Director |
| | | | | Maksons Properties & Development Ltd. | Director |
| 6. | Mohd. Amzad Ali | 39 | Director | Nil | Nil |
| 7. | Md. Jahangir Miah | 55 | Director | ICB Securities Trading Company Limited | Chairman |
| | | | | Aziz Pipe Ltd. | Chairman |
| | | | | Islami Bank (BD.) Ltd. | Director |
| | | | | Aramit Cement Ltd. | Director |
| | | | | Alltex Industries Ltd. | Director |
| | | | | Nitol Insurance Co. Ltd. | Director |
| | | | | Sonargaon Textile Mills Ltd. | Director |
| | | | | Unique Hotel and Resort Ltd. (The Westin Dhaka) | Director |
| | | | | Beximco Denims Ltd. | Director |
| | | | | Zahed Wire & Allied Industries Ltd. | Director |
| | | | | C. B. Hatchery Ltd. | Director |
| | | | | National Laboratories Ltd. | Director |
| | | | | Kotali Hatchery and Agro Ltd. | Director |
| R & R Hatchery Ltd. | Director | | | | |

Particulars of top officers of the Company:

| Sl. No. | Name of the Officers | Position | Educational Qualification | Date of Joining in the Company | Last Job Experience |
|---------|----------------------------|---|-------------------------------------|--------------------------------|---------------------|
| 1. | Mohammad Ali Khokon | Managing Director | MSS | 25.09.2003 | 20 years |
| 2. | Mohd. Showkat Ali | Director (Operation) | B. A. | 25.09.2003 | 15 years |
| 3. | Mohd. Ferdous Kawser Masud | Director (Finance) & Chief Financial Officer | MBA | 25.09.2003 | 5 years |
| 4. | Mohd. Mohsin Adnan | Executive Director & Company Secretary | MSS & MBA | 25.09.2003 | 13 years |
| 5. | Md. Aslam Parvez | Senior General Manager (Head of Commerce & Banking Dept.) | B. Com (Hons.), M. Com (Finance) | 07.01.2008 | 18 years |
| 6. | Abdul Jalil Sheikh | GM (Head of Admin & HRD) | B.Com, PGDPM | 25.09.2003 | 42 years |
| 7. | A.K.M. Mozammel Hoque | GM (Head of Factory) | B. Sc in textile Technology | 19.04.2007 | 19 years |
| 8. | Md. Younus Bhuyan | AGM (Head of Accounts) | M. Com (Acc) & C.A. CC | 25.09.2003 | 8 years |

INVOLVEMENT OF DIRECTORS AND OFFICERS IN CERTAIN LEGAL PROCEEDINGS

No Directors or Officer of the company was involved in any of the following types of legal proceedings in the past ten years:

- 1) Any bankruptcy petition filed by or against any company of which any officer or director of the issuer company filling the prospectus was a director, officer or partner at the time of the bankruptcy;
- 2) Any conviction of director, officer in criminal proceedings or any criminal proceedings pending against him except the following:

A criminal proceeding being G.R. Case No. 178 of 2007 corresponding to Gulshan Police Station Case No. 41 dated 10.03.2007 is pending before the Court of Metropolitan Senior Special Judge, Dhaka, against Alhaj Mohammad Ali Khokon, the Managing Director and Mr. Mohd. Showkat Ali, the Director-operation of the Issuer Company in relation to alleged purchase of a Jeep by the Issuer Company from Mr. Mirza Azam, who imported the said jeep under the quota of 'Member of Parliament' by way of availing exemption of customs duties and taxes and allegedly sold the Jeep before expiry of three years from the date of import of the said Jeep in violation of S.R.O. No. 122-Law/87/1124/Shulka dated 24.05.1988. Alhaj Mohammad Ali Khokon and Mr. Mohd. Showkat Ali were thereafter enlarged on bail by the Court of Sessions Judge, Dhaka in the said Case. Mr. Mohd. Showkat Ali thereafter filed the Writ Petition No 10056 of 2007 before the Hon'ble High Court Division of the Supreme Court of Bangladesh challenging the initiation and continuation of the proceeding in Gulshan Police Station Case No. 41(3)07 dated 10.03.2007 corresponding to G.R. Case No. 178 of 2007 in connection with a Jeep. The Hon'ble High Court Division vide order dated 25.11.2007 issued Rule in the said Writ Petition and stayed further proceeding of the Case till disposal of the Rule and further directed Mr. Mohd. Showkat Ali to furnish a bank guarantee to the extent of Tk. 21,00,000.00 (Taka twenty one lac) only in favour of National Board of Revenue on account of customs duties and other taxes as assessed by the Commissioner of Customs House against the import of the said Jeep. Pursuant to the said order dated 25.11.2007, the said Mr. Mohd. Showkat Ali on behalf of the Company vide a letter No. MSL.07/dated 29.11.2007 submitted the bank guarantee No. SBL/PB/BG/266/2007 dated 28.11.2007 issued by Southeast Bank Limited, Principal Branch, Dhaka to the tune of Tk. 21,00,000.00 (Taka twenty one lac) only and also requested the NBR to issue demand note in the name of Metro Spinning Limited to pay the customs duty as applicable for the said Jeep.

Being aggrieved by the said order dated 25.11.2007 of the Hon'ble High Court Division, the Anti-Corruption Commission preferred Civil Petition for Leave to Appeal No. 1790 of 2007 before the Hon'ble Appellate Division of the Supreme Court of Bangladesh challenging the Order dated 25.11.2007 passed by the Hon'ble High Court Division in Writ Petition No 10056 of 2007. The Hon'ble High Court Division was pleased to grant leave. The said Civil Petition for Leave to Appeal is still pending.

Thereafter, Alhaj Mohammad Ali Khokon, the Managing Director of the said Company filed another application under section 561A of the Code of Criminal Procedure being Criminal Misc. Case No. 16409 of 2007 before the Hon'ble High Court Division of the Supreme Court of Bangladesh for Quashment of the proceeding of the said Case so far Alhaj Mohammad Ali Khokon is concerned. The Hon'ble High Court Division vide order dated 11.12.2007 was pleased to issue Rule in the said Misc. Case and further stayed all further proceeding of the said Case so far Mr. Khokon is concerned and also directed to enlarge Alhaj Mohammad Ali Khokon on bail.

Subsequently, Mr. Mohd. Showkat Ali filed another Writ Petition No. 1365 of 2008 before the Hon'ble High Court Division of the Supreme Court of Bangladesh challenging the continuation of the said Case and the Hon'ble High Court Division vide order dated 25.02.2008 in the said Writ Petition issued Rule in the said Writ Petition.

Both Alhaj Mohammad Ali Khokon, the Managing Director and Mr. Mohd. Showkat Ali, the Director-operation of the Issuer Company respectively are on bail. The said Writ Petition No 10056 of 2007, Criminal Misc. Case No. 16409 of 2007 and Writ Petition No. 1365 of 2008 are still pending before the Hon'ble High Court Division of the Supreme Court of Bangladesh for hearing and the proceeding of the said Case is stayed.

The current position is - Civil Petition for Leave to Appeal No. 1790/2007 is dismissed by the Honorable Supreme Court of Bangladesh in Full bench on 15-05-2008. Moreover, Writ Petition No. 1365/2008 before a Bench in the Honourable High Court Division of Supreme Court of Bangladesh is also Quashed on 18-05-2008 & none of Respondents in the Rule Appeared nor did any body contest in the hearing. The operating part of the said judgement dated 18-05-2008 is quoted below:-

“Cognizance and further proceedings of afore said Special Case No. 153/2007 arising out of Gulshan P.S. Case No. 41(3)/07 dated 10-03-2007 corresponding to G.R. Case No. 178 of 2007 are here by declared to have been taken and continued without any lawful authority and as such, of no legal effect and is accordingly, quashed for the ends of justice.”

Case No. 16409 of 2007 is still pending for judgement before the Honorable High Court Division of the Supreme Court of Bangladesh.

- 3) Any order, judgment or decree of any Court of competent jurisdiction against any director, officer permanently or temporarily enjoying, barring, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or Banking activities.
- 4) Any order of the Securities and Exchange Commission or other regulatory authority or foreign financial regulatory authority suspending or otherwise limiting the involvement of any director or officer in any type of business of securities or Banking activities.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The company does not have any transaction during the last two years, or any proposed transaction, between the issuer and any of the following person:

- a. Any director or executive officer of the issuer.
- b. Any director or officer.
- c. Any person owning 5% or more of the outstanding shares of the issuer.
- d. Any member of the immediate family (including spouse, parents, brothers, sisters, children, and in-laws) of any of the above persons.
- e. Any transaction or arrangement entered into by the issuer or its subsidiary for a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries/holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus.

except disclosure under caption ‘**transaction with the directors and subscribers to the memorandum**’ and ‘**related party transaction**’ in Note 2.10 of Audited Financial Statement and Executive Compensation part of Prospectus

f. Loan given/taken

An interest free loan of Tk. 50 lac has been taken from Polly Yeasmin (wife of director Mohd. Ferdous Kawser Masud) in the FY – 2005-06, which was already been paid to her in the FY – 2006-07. No loan given to any Director or any person connected with Director.

g. Interests and Facilities enjoyed by the Directors

All Directors are taking monthly salary and fees for attending in the meeting of Board of Directors, but ICB nominated Director is taking only fees for attending meeting as disclosed under caption ‘**transaction with the directors and subscribers to the memorandum**’.

EXECUTIVE COMPENSATION

a. Remuneration paid to top five salaried officers in the last accounting year:

(Amount in Tk.)

| Sl. No. | Name | Designation | Remuneration & Salary | | Remarks |
|---------|-----------------------|--|---------------------------|---------------------------|-------------------------------------|
| | | | From 01.10.07 to 31.12.07 | From 01.10.06 to 30.09.07 | |
| 1. | Mohammad Ali Khokon | Managing Director | 270,000.00 | 500,000.00 | |
| 2. | Mohd. Mohsin Adnan | Executive Director & Company Secretary | 153,000.00 | 500,150.00 | Salary |
| 3. | A.K.M. Mozammel Hoque | GM (Head of Factory)) | 270,000.00 | 425,742.00 | Salary |
| 4. | A.K.M Mazed | AGM (Factory) | 150,000.00 | 217,742.00 | Salary (Joining from 05.05.2007) |
| 5. | Abdul Jalil Sheikh | GM (Head of Admin & HRD) | 132,000.00 | 423,180.00 | Salary |

b. Aggregate amount of remuneration paid to all directors & officers as a group during last accounting year:

(Amount in Tk. as per audited accounts)

| Sl. No. | Name | Remuneration & Salary | | Remarks |
|---------|-------------------------------|---------------------------|---------------------------|--|
| | | From 01.10.07 to 31.12.07 | From 01.10.06 to 30.09.07 | |
| 1. | Directors | 615,000.00 | 14,50,000.00 | Salary (except ICB nominated Director) & Board Meeting Attendance Fees |
| 2. | Executives, Officers & Staffs | 33,73,123.00 | 1,21,05,784.00 | Salary and Allowances |

c. The Company did not pay any remuneration to any director, who was not an officer of the Company during the last accounting year.

d. Contract for payment of future compensation

The company has no contract with any director/officer for providing the payment of future compensation.

e. Pay Increase Intention

Annual review of the salary and benefits of the employees will be made depending on the growth of the company's operation and performance evaluation of the employees.

OPTIONS GRANTED TO OFFICERS, DIRECTORS AND EMPLOYEES

The company did not grant any share option to any officer, director and other employees of the company or to any other person not involved with the Company.

TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM

a) Benefits From the Company during last five years:

| Name of the directors and subscribers | Nature of value received | Amount in Taka | | |
|---------------------------------------|---|---------------------------|---------------------------|----------------------------|
| | | From 01.10.07 to 31.12.07 | From 01.10.06 to 30.09.07 | From inception to 30.09.06 |
| Al-haj Abdul Ali | Salary | 1,05,000.00 | 2,40,000.00 | - |
| | Remuneration(Board Meeting Attendance Fees) | - | 20,000.00 | - |
| | Dividend | - | 34,00,000.00 | 3,15,000.00 |
| Mohammad Ali Khokon | Salary | 2,70,000.00 | 4,80,000.00 | - |
| | Remuneration(Board Meeting Attendance Fees) | - | 20,000.00 | - |
| | Dividend | - | 48,00,000.00 | 6,30,000.00 |
| Mohd. Showkat Ali | Salary | 90,000.00 | 1,80,000.00 | - |
| | Remuneration(Board Meeting Attendance Fees) | - | 20,000.00 | - |
| | Dividend | - | 10,00,000.00 | 2,25,000.00 |
| Mohd. Ferdous Kawser Masud | Salary | 30,000.00 | 1,20,000.00 | - |
| | Remuneration(Board Meeting Attendance Fees) | - | 20,000.00 | - |
| | Dividend | - | 15,00,000.00 | 2,02,500.00 |
| Mrs. Laila Ali | Salary | 30,000.00 | 1,20,000.00 | - |
| | Remuneration(Board Meeting Attendance Fees) | - | 20,000.00 | - |
| | Dividend | - | 18,00,000.00 | 2,25,000.00 |
| Mohd. Amjad Ali | Salary | 90,000.00 | 1,80,000.00 | - |
| | Remuneration(Board Meeting Attendance Fees) | - | 20,000.00 | - |
| | Dividend | - | 14,00,000.00 | 1,35,000.00 |
| Md. Jahangir Miah | Remuneration(Board Meeting Attendance Fees) | - | 10,000.00 | - |
| Sanjid Hasan | Dividend | - | 1,00,000.00 | 22,500.00 |
| Polly Yeasmin | Dividend | - | 12,00,000.00 | 45,000.00 |

b) Directors and Subscribers' Assets to the Company:

The Company has not received any assets, services of other consideration from its directors and subscribers to the memorandum except-

- i) Fund against allotment of shares;
- ii) Transaction mentioned under caption 'loan given/taken' in the prospectus;
- iii) Services from directors excluding nominated director of ICB.

c) No assets were acquired or are to be acquired from the directors and subscribers to the memorandum.

Tangible Assets per Share

Tangible Assets per Share as on 31 December 2007:

| Particulars | Amount (Tk.) |
|---|-----------------------|
| Ordinary Equity Share Capital | 150,000,000.00 |
| 13.50% Preference Share Capital | 40,000,000.00 |
| Tax holiday reserve | 34,045,506.00 |
| Proposed dividend | 30,000,000.00 |
| Retained earning | 18,068,261.00 |
| Total shareholder's equity | 272,113,767.00 |
| No. of Paid-up ordinary share | 1,500,000 |
| Net Tangible Assets per Ordinary Share (272,113,767 - 40,000,000)/ 1,500,000 | 154.74 |
| Face Value of Share | 100.00 |

OWNERSHIP OF THE COMPANY'S SECURITIES

A. Shareholding structure of the Company as on 26.04.2008:

| Sl. No. | Name and Address | Status with the Company | No. of Shares | Percentage of ownership |
|---------|--|---------------------------------------|---------------|-------------------------|
| 1. | Al-haj Abdul Ali "Hope Tower" Flat # O, 31/2, Siddeshwari, Dhaka. | Chairman & Director | 20,40,000 | 6.0000% |
| 2. | Mohammad Ali Khokon "Eastern Housing Apartment" Flat # 1303, 146, Baily Road, Dhaka. | Managing Director & Director | 28,80,000 | 8.4706% |
| 3. | Mohd. Showkat Ali Flat # 4/A, House # 30, Road # 113, Gulshan – 2, Dhaka. | Director | 6,00,000 | 1.7647% |
| 4. | Mohd. Ferdous Kawser Masud "Sky View Kakoli" Flat # A – 8, 23, Siddeshwari Road, Dhaka. | Director | 9,00,000 | 2.6471% |
| 5. | Laila Ali "Eastern Housing Apartment" Flat # 1303, 146, Baily Road, Dhaka. | Director | 10,80,000 | 3.1765% |
| 6. | Mohd. Amjad Ali Flat # 5/2 (5 th Floor), House # 30, Road # 113, Gulshan – 2, Dhaka. | Director | 8,40,000 | 2.4706% |
| 7. | Sanjid Hasan "Eastern Housing Apartment" Flat # 1303, 146, Baily Road, Dhaka. | Shareholder | 60,000 | 0.1765% |
| 8. | Polly Yeasmin "Sky View Kakoli" Flat # A – 8, 23, Siddeshwari Road, Dhaka. | Shareholder | 7,20,000 | 2.1176% |
| 9. | Maksons properties & Development Ltd. 28, Dilkusha C/A (4 th Floor), Suite # 401, Dhaka. | Shareholder | 6,00,000 | 1.7647% |
| 10. | Maksons knit & Rotor Spinning Ltd. 28, Dilkusha C/A (4 th Floor), Suite # 401, Dhaka. | Shareholder | 30,00,000 | 8.8235% |
| 11. | Metro Spinning Limited 28, Dilkusha C/A (4 th Floor), Suite # 401, Dhaka. | Shareholder | 30,00,000 | 8.8235% |
| 12. | Makcot International 28, Dilkusha C/A (4 th Floor), Suite # 401, Dhaka. | Shareholder | 18,00,000 | 5.2941% |
| 13. | Khadiza Akhter Shilpi Flat # 5/2 (5 th Floor), House # 30, Road # 113, Gulshan – 2, Dhaka. | Shareholder | 4,80,000 | 1.4778% |

| | | | | |
|----|---|-------------|-----------|----------|
| 14 | Investment Corporation of Bangladesh 8, DIT Avenue (13th - 16th Floor), Dhaka-1000. | Shareholder | 20,00,000 | 5.8824% |
| 15 | ICB Unit Fund 8, DIT Avenue (13th - 16th Floor), Dhaka-1000. | Shareholder | 5,00,000 | 1.4706% |
| 16 | 1st ICB Mutual Fund 8, DIT Avenue (13th - 16th Floor), Dhaka-1000. | Shareholder | 15,000 | 0.0441% |
| 17 | 2nd ICB Mutual Fund 8, DIT Avenue (13th - 16th Floor), Dhaka-1000. | Shareholder | 15,000 | 0.0441% |
| 18 | 3rd ICB Mutual Fund 8, DIT Avenue (13th - 16th Floor), Dhaka-1000. | Shareholder | 30,000 | 0.0882% |
| 19 | 4th ICB Mutual Fund 8, DIT Avenue (13th - 16th Floor), Dhaka-1000. | Shareholder | 30,000 | 0.0882% |
| 20 | 5th ICB Mutual Fund 8, DIT Avenue (13th - 16th Floor), Dhaka-1000. | Shareholder | 50,000 | 0.1471% |
| 21 | 6th ICB Mutual Fund 8, DIT Avenue (13th - 16th Floor), Dhaka-1000. | Shareholder | 1,40,000 | 0.4118% |
| 22 | 7th ICB Mutual Fund 8, DIT Avenue (13th - 16th Floor), Dhaka-1000. | Shareholder | 80,000 | 0.2353% |
| 23 | 8th ICB Mutual Fund 8, DIT Avenue (13th - 16th Floor), Dhaka-1000. | Shareholder | 1,40,000 | 0.4118% |
| 24 | ICB Capital Management Limited 8, DIT Avenue (14th Floor), Dhaka-1000. | Shareholder | 20,00,000 | 5.8824% |
| 25 | Bay Leasing & Investment Limited Printers Building (7th Floor) 5, Rajuk Avenue, Motijheel C/A, Dhaka-1000. | Shareholder | 15,00,000 | 4.4118% |
| 26 | Southeast Bank limited 1, Dilkusha C/A Dhaka-1000. | Shareholder | 15,00,000 | 4.4118% |
| 27 | Prime Finance & Investment Ltd. 63, Dilkusha C/A Dhaka-1000. | Shareholder | 5,00,000 | 1.4706% |
| 28 | ICB Asset Management Company Limited. 8, D.I.T. Avenue (15 th Floor), Dhaka-1000 | Shareholder | 1,00,000 | 0.29412% |
| 29 | ICB AMCL Unit Fund 8, DIT Avenue (15 th Floor), Dhaka-1000. | Shareholder | 1,00,000 | 0.29412% |
| 30 | ICB AMCL First Mutual Fund 8, DIT Avenue (15 th Floor), Dhaka-1000. | Shareholder | 1,00,000 | 0.29412% |
| 31 | ICB AMCL Pension Holders Unit Fund 8, DIT Avenue (15 th Floor), Dhaka-1000. | Shareholder | 1,00,000 | 0.29412% |
| 32 | ICB AMCL First NRB Mutual Fund 8, DIT Avenue (15 th Floor), Dhaka-1000. | Shareholder | 1,00,000 | 0.29412% |
| 33 | Union Capital Limited Noor Tower (5th Floor) 73, Sonargaon Road, Dhaka-1205. | Shareholder | 2,50,000 | 0.7353% |
| 34 | Union Capital Limited Investors' Account Noor Tower (5th Floor) 73, Sonargaon Road, Dhaka-1205. | Shareholder | 7,50,000 | 2.2059% |
| 35 | Peoples Leasing and Financial Services Ltd. City Heart (11th Floor), 67, Naya Paltan, Dhaka-1000. | Shareholder | 10,00,000 | 2.9412% |
| 36 | New Capital Finance & Commerce (MCS) Ltd. Suite # 704, Palton Tower (7th Floor), 87, Purana Palton Line, Dhaka. | Shareholder | 1,50,000 | 0.4412% |
| 37 | Sazzat Hossain House # 4, Road # 2, Mohanagar Housing Society, Rampura, Dhaka. | Shareholder | 2,00,000 | 0.5882% |
| 38 | Md. Mezanur Rahman House # 54/A, Flat # A-2, Main Road, Kallyanpur, Mirpur, Dhaka. | Shareholder | 1,00,000 | 0.29412% |
| 39 | Abdur Rahim Suite # 704, Palton Tower (7th Floor), 87, Purana Palton Line, Dhaka. | Shareholder | 10,000 | 0.0294% |

| | | | | |
|--------------|--|-------------------------|----------------------------------|-------------|
| 40 | Mahfuzur Rahman Bhuiyan Father: Late Golam Mostafa Bhyuiyan Room # 26-27, Lucky Chamber, 89, Motijheel C/A, Dhaka – 1000. | Shareholder | 2,00,000 | 0.5882% |
| 41 | Md. Abdul Salim Shalbagan Sapura Boalia, Rajshahi. | Shareholder | 50, 000 | 0.1471% |
| 42 | Md. Shariful Islam Shanawas Bhaban, Room-501, 9/C, Motijheel, Dhaka. | Shareholder | 50,000 | 0.1471% |
| 43 | Mrs. Afsari Begum B-7, 703 Shinepukur, Zoo Road, Mirpur, Dhaka. | Shareholder | 50,000 | 0.1471% |
| 44 | Dr. Mohd. Yusuf Haider House # 68, Flat # 502, Avenue – 5, Block # C, Road # 6, Mirpur, Dhaka-1216. | Shareholder | 1,00,000 | 0.29412% |
| 45 | Jabun Nahar Moyeen House # 65, Road # 7, Block – F, Banani, Dhaka | Shareholder | 90,000 | 0.2647% |
| 46 | Investment Corporation of Bangladesh 8, DIT Avenue (13th - 16th Floor), Dhaka-1000. | Director (Nominated) | 40,00,000 (Preference Shares) | 11.7647% |
| Total | | | 3,40,00,000 | 100% |

Securities of the Company owned by the top ten salaried officers:

| Name of the top ten salaried officer | Number of shares owned | Percentage of outstanding shares |
|--------------------------------------|------------------------|----------------------------------|
| Al-haj Abdul Ali | 20,40,000 | 6.00% |
| Mohammad Ali Khokon | 28,80,000 | 8.4706% |
| Mohd. Showkat Ali | 6,00,000 | 1.7647% |
| Mohd. Ferdous Kawser Masud | 9,00,000 | 2.6471% |
| Mrs. Laila Ali | 10,80,000 | 3.1765% |
| Mohd. Amjad Ali | 8,40,000 | 2.4706% |
| Mohd. Mohsin Adnan | Nil | Nil |
| A.K.M. Mozammel Hoque | Nil | Nil |
| A.K.M Mazed | Nil | Nil |
| Abdul Jalil Sheikh | Nil | Nil |

DETERMINATION OF OFFERING PRICE

Net Asset Value Method:

The offering price of ordinary share of the Company is at par value of Tk. 10.00 each. The Net Asset Value per ordinary share of the company are as follows:

NET ASSET VALUE PER SHARE:

| Particulars | (Amount in Taka) | |
|---|-----------------------|-----------------------|
| | As on 26.04.2008 | As on 31.12.2007 |
| Ordinary Equity Share Capital | 300,000,000.00 | 150,000,000.00 |
| 13.50% Preference Share Capital | 40,000,000.00 | 40,000,000.00 |
| Tax holiday reserve | 34,045,506.00 | 34,045,506.00 |
| Proposed dividend | - | 30,000,000.00 |
| Retained earning | 18,068,261.00 | 18,068,261.00 |
| Total shareholder's equity | 422,113,767.00 | 272,113,767.00 |
| No. of Paid-up ordinary share | 30,000,000 | 1,500,000 |
| Net Asset Value (NAV) per Ordinary Share (Total shareholder's equity – Preference Share Capital) / No.of ordinary share | 11.74 | 154.74 |
| Face Value of Share | 10.00 | 100.00 |

It is also mentionable that at 8 January 2008 the Company split up its ordinary and preference into Taka 10 each from Taka 100. Subsequently, the Company in its 3rd Annual General Meeting held on 16.01.2008, declared 3,000,000 bonus shares of Tk. 10.00 each at a ratio of 5:1 amounting to Taka 30,000,000 to its existing equity shareholders and issued further 12,000,000 ordinary shares of Tk. 10.00 each totaling Tk. 120,000,000 for which consent has been accorded by the Securities and Exchange Commission on February 04, 2008 and cash Tk. 12,00,00,000.00 has been received through Private Placement. Considering the above events, total number of issued ordinary and preference shares (i.e. Paid-up capital) of the Company, with existing shares, stood at 30,000,000 and 4,000,000 respectively and the **adjusted Net Asset Value per ordinary share** of Maksons Spinning Mills Ltd. has been arrived at Tk. **11.74**.

MARKET FOR THE SECURITIES BEING OFFERED

The issuer shall apply to

Dhaka Stock Exchange Limited (DSE)
9/F, Motijheel C/A, Dhaka-1000.

And

Chittagong Stock Exchange Limited (CSE).
CSE Building, 1080 Sheikh Mujib Road, Chittagong.

within 7 (seven) working days from the date of consent accorded by the Commission to issue prospectus.

DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED

DIVIDEND, VOTING, PREEMPTION RIGHT

VOTING:

a) Subject to any special rights and restrictions as to voting upon which any share may be held, on a show of hands every member present in person or by proxy or by attorney or representative of a corporation appointed in accordance with the provisions of the Section 86 of the Act, shall have one vote and upon a poll every member present in person or by proxy or by attorney or representative under Section 86 of the Act, shall have one vote for every share held by him, provided that no Company shall vote by proxy so long as a resolution of its Directors under the provisions of Section 86 of the Act, is not in force.

b) Where a Company registered under the provisions of the Act, is a member of the Company, a person duly appointed to represent such Company at a meeting of the Company in accordance with the provisions of Section 86 of the Act, shall not be deemed to be a proxy, and the production at the meeting of a copy of such resolution duly signed by Chairman of such Company and certified by him as being a true copy of the resolution shall on production at the meeting be accepted by the Company as sufficient evidence of the validity of his appointment.

c) Any person entitled under the Transmission article to transfer any shares, may vote at any General Meeting in respect thereof in the same manner as if he was the registered holder of such shares provided that forty eight hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares, or the Directors shall have previously admitted his right to vote at such meeting in respect thereof. If any member be a lunatic, idiot or non-composmentis, he may vote whether by a show of hands or at poll by his committee of curators or other legal curator and such last mentioned persons may give their votes by proxy.

d) Where there are joint registered holders of any share any of such persons may vote at any meeting either personally or by proxy in respect of such shares as if he was solely entitled thereto and if more than one of such joint holders be present at any meeting either personally or by proxy, that one of the said persons so present whose name stands first on the Register in respect of such shares shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of these Articles be deemed as joint-holders thereof.

e) Votes may be given either personally or proxy, or in the case of a Company, by a representative duly authorized as aforesaid.

f) The instrument appointing a proxy, and the Power of Attorney or other authority, if any, under which it is signed or notarially certified copy of that power or authority, shall be deposited at the office not less than forty eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid.

- g) The instrument appointing proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing or if such appointer is a corporate body under its common seal under the hand of its Attorney. A proxy who is appointed for specified meeting only shall be called a special proxy. Any other proxy shall be called a General proxy.
- h) A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the death or insanity of the principal or revocation of the instrument of transfer of the share in respect of which the vote is given provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received at the office before the meeting. Provided nevertheless that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.
- i) Every instrument appointing a Special Proxy shall, as nearly as circumstances will admit, be in the form or to the effect following and shall be retained by the Company.
- j) No member shall be entitled to be present or to vote on question either personally or otherwise in the capacity or attorney, representative or proxy at any General Meeting or upon a pool or be reckoned in a quorum whilst any call or other sums shall be due and payable to the Company in respect of any of the shares of such member.

CONVERSION & LIQUIDATION RIGHT

The company is issuing ordinary shares through this prospectus with the consent of the SEC. Company in its General Meeting may convert any fully paid up shares into stock and reconvert such stock into paid up shares of any denomination if it is so determined by the company.

DIVIDEND POLICY:

- a) Subject to the rights of members entitled to shares if any with preferential or special rights attached thereto as to dividends and subject to the provisions of these presents as to the reserve fund and depreciation fund the net profits of the Company in respect of any year or other period shall be applied in the payment of dividend on the ordinary shares of the Company but so that a partly paid up share only entitles the holder with respect thereto to such proportion of the Distribution upon a fully paid up share as the amount paid thereon bears to the nominal amount of each share.
- b) The Company in general meeting may declare a dividend to be paid to the members according to their rights and interests in the profits and may fit the time for payment.
- c) The declaration of the Directors as to the amount of net profits of the Company shall be conclusive.
- d) There is no limitation on the payment of dividend to the common shareholder. Preference shareholder is getting guaranteed return of 13.50% P.A.

Other Rights of Stock Holders

The shareholders shall have the right to receive all periodical reports and statements audited as well as un-audited published by the company from time to time. The Directors shall present the financial statements as required under the law and International Accounting Standards. Financial Statements will be prepared in accordance with Accounting Standards, consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and International Accounting Standard to the shareholders regarding the Financial and operational position of the Company.

In Case of any declaration of Stock dividend by issue of bonus shares, all shareholders shall be entitled to it in proportion to their shareholdings on the date of book closure for the purpose. The shareholders holding not less than 10% of the issued / fully paid up capital of the company shall have the right to requisition Extra-Ordinary General Meeting of the Company as provided under Section 84 of the Companies Act, 1994.

DEBT SECURITIES

The Company has not issued or is planning to issue any debt security within six months.

LOCK - IN PROVISION

All issued shares of the issuer at the time of according consent to public offering shall be subject to a **lock - in period of three years** from the date of issuance of prospectus or commercial operation, whichever comes later:

Provided that the persons, other than directors and those who hold 5% or more, who have subscribed to the shares of the Company within immediately preceding two years of according consent, shall be subject to a **lock – in period of one year** from the date of issuance of prospectus or commercial operation, whichever comes later.

| Sl. No. | Name of shareholder | Status | No. of Shares hold | Amount in Taka | Percentage of ownership | Date of allotment | Expire date of lock-in |
|---------|---|------------------------|--------------------|---------------------|-------------------------|-------------------|------------------------|
| 1. | Al-haj Abdul Ali | Chairman | 20,40,000 | 2,04,00,000 | 6.00% | 25.09.2003 | 13.07.2011 |
| 2. | Mohammad Ali Khokon | Managing Director | 28,80,000 | 2,88,00,000 | 8.4706% | 25.09.2003 | 13.07.2011 |
| 3. | Mohd. Showkat Ali | Director | 6,00,000 | 60,00,000 | 1.7647% | 25.09.2003 | 13.07.2011 |
| 4. | Mohd. Ferdous Kawser Masud | Director | 9,00,000 | 90,00,000 | 2.6471% | 25.09.2003 | 13.07.2011 |
| 5. | Laila Ali | Director | 10,80,000 | 1,08,00,000 | 3.1765% | 25.09.2003 | 13.07.2011 |
| 6. | Mohd. Amjad Ali | Director | 8,40,000 | 84,00,000 | 2.4706% | 25.09.2003 | 13.07.2011 |
| 7. | Sanjid Hasan | Shareholder | 60,000 | 6,00,000 | 0.1765% | 25.09.2003 | 13.07.2011 |
| 8. | Polly Yeasmin | Shareholder | 7,20,000 | 72,00,000 | 2.1176% | 25.09.2003 | 13.07.2011 |
| 9. | Maksons properties & Development Ltd. | Shareholder | 6,00,000 | 60,00,000 | 1.7647% | 06.12.2004 | 13.07.2011 |
| 10. | Maksons knit & Rotor Spinning Ltd. | Shareholder | 30,00,000 | 3,00,00,000 | 8.8235% | 06.12.2004 | 13.07.2011 |
| 11. | Metro Spinning Limited | Shareholder | 30,00,000 | 3,00,00,000 | 8.8235% | 05.09.2007 | 13.07.2011 |
| 12. | Makcot International | Shareholder | 18,00,000 | 1,80,00,000 | 5.2941% | 05.09.2007 | 13.07.2011 |
| 13. | Khadiza Akhter Shilpi | Shareholder | 4,80,000 | 48,00,000 | 1.4778% | 05.09.2007 | 13.07.2009 |
| 14. | Investment Corporation of Bangladesh | Shareholder | 20,00,000 | 2,00,00,000 | 5.8824% | 26.04.2008 | 13.07.2011 |
| 15. | ICB Unit Fund | Shareholder | 5,00,000 | 50,00,000 | 1.4706% | 26.04.2008 | 13.07.2009 |
| 16. | 1st ICB Mutual Fund. | Shareholder | 15,000 | 1,50,000 | 0.0441% | 26.04.2008 | 13.07.2009 |
| 17. | 2nd ICB Mutual Fund | Shareholder | 15,000 | 1,50,000 | 0.0441% | 26.04.2008 | 13.07.2009 |
| 18. | 3rd ICB Mutual Fund | Shareholder | 30,000 | 3,00,000 | 0.0882% | 26.04.2008 | 13.07.2009 |
| 19. | 4th ICB Mutual Fund | Shareholder | 30,000 | 3,00,000 | 0.0882% | 26.04.2008 | 13.07.2009 |
| 20. | 5th ICB Mutual Fund | Shareholder | 50,000 | 5,00,000 | 0.1471% | 26.04.2008 | 13.07.2009 |
| 21. | 6th ICB Mutual Fund | Shareholder | 1,40,000 | 14,00,000 | 0.4118% | 26.04.2008 | 13.07.2009 |
| 22. | 7th ICB Mutual Fund | Shareholder | 80,000 | 8,00,000 | 0.2353% | 26.04.2008 | 13.07.2009 |
| 23. | 8th ICB Mutual Fund | Shareholder | 1,40,000 | 14,00,000 | 0.4118% | 26.04.2008 | 13.07.2009 |
| 24. | ICB Capital Management Limited | Shareholder | 20,00,000 | 2,00,00,000 | 5.8824% | 26.04.2008 | 13.07.2011 |
| 25. | Bay Leasing & Investment Limited | Shareholder | 15,00,000 | 1,50,00,000 | 4.4118% | 26.04.2008 | 13.07.2009 |
| 26. | Southeast Bank limited | Shareholder | 15,00,000 | 1,50,00,000 | 4.4118% | 26.04.2008 | 13.07.2009 |
| 27. | Prime Finance & Investment Ltd. | Shareholder | 5,00,000 | 50,00,000 | 1.4706% | 26.04.2008 | 13.07.2009 |
| 28. | ICB Asset Management Company Limited. | Shareholder | 1,00,000 | 10,00,000 | 0.29412% | 26.04.2008 | 13.07.2009 |
| 29. | ICB AMCL Unit Fund | Shareholder | 1,00,000 | 10,00,000 | 0.29412% | 26.04.2008 | 13.07.2009 |
| 30. | ICB AMCL First Mutual Fund | Shareholder | 1,00,000 | 10,00,000 | 0.29412% | 26.04.2008 | 13.07.2009 |
| 31. | ICB AMCL Pension Holders Unit Fund | Shareholder | 1,00,000 | 10,00,000 | 0.29412% | 26.04.2008 | 13.07.2009 |
| 32. | ICB AMCL First NRB Mutual Fund | Shareholder | 1,00,000 | 1,00,0,000 | 0.29412% | 26.04.2008 | 13.07.2009 |
| 33. | Union Capital Limited | Shareholder | 2,50,000 | 25,00,000 | 0.7353% | 26.04.2008 | 13.07.2009 |
| 34. | Union Capital Limited Investors' Account | Shareholder | 7,50,000 | 75,00,000 | 2.2059% | 26.04.2008 | 13.07.2009 |
| 35. | Peoples Leasing and Financial Services Ltd. | Shareholder | 10,00,000 | 1,00,00,000 | 2.9412% | 26.04.2008 | 13.07.2009 |
| 36. | New Capital Finance & Coe (MCS) Ltd. | Shareholder | 1,50,000 | 15,00,000 | 0.4412% | 26.04.2008 | 13.07.2009 |
| 37. | Sazzat Hossain | Shareholder | 2,00,000 | 20,00,000 | 0.5882% | 26.04.2008 | 13.07.2009 |
| 38. | Md. Mezanur Rahman | Shareholder | 1,00,000 | 10,00,000 | 0.29412% | 26.04.2008 | 13.07.2009 |
| 39. | Abdur Rahim | Shareholder | 10,000 | 1,00,000 | 0.0294% | 26.04.2008 | 13.07.2009 |
| 40. | Mahfuzur Rahman Bhuiyan | Shareholder | 2,00,000 | 20,00,000 | 0.5882% | 26.04.2008 | 13.07.2009 |
| 41. | Md. Abdul Salim | Shareholder | 50,000 | 5,00,000 | 0.1471% | 26.04.2008 | 13.07.2009 |
| 42. | Md. Shariful Islam | Shareholder | 50,000 | 5,00,000 | 0.1471% | 26.04.2008 | 13.07.2009 |
| 43. | Mrs. Afsari Begum | Shareholder | 50,000 | 5,00,000 | 0.1471% | 26.04.2008 | 13.07.2009 |
| 44. | Dr. Mohd. Yusuf Haider | Shareholder | 1,00,000 | 10,00,000 | 0.29412% | 26.04.2008 | 13.07.2009 |
| 45. | Jabun Nahar Moyeen | Shareholder | 90,000 | 9,00,000 | 0.2647% | 26.04.2008 | 13.07.2009 |
| 46. | Investment Corporation of Bangladesh | Preference Shareholder | 40,00,000 | 4,00,00,000 | 11.7647% | 05.09.2006 | - |
| | Total | | 3,40,00,000 | 34,00,00,000 | 100% | | |

REFUND OF SUBSCRIPTION MONEY

In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue and other banks as mentioned below, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms.

| | |
|--|---|
| Islami Bank Bangladesh Limited | Dhaka Bank Limited |
| Exim Bank Limited | Dutch-Bangla Bank Limited |
| Investment Corporation of Bangladesh (ICB) | Southeast Bank Limited |
| United Commercial Bank Limited | Social Investment Bank Limited |
| Jamuna Bank Limited | National Credit and Commerce Bank Limited |
| Standard Bank Limited | Al-Arafah Islami Bank Limited |
| One Bank Limited | National Bank Limited |
| HSBC | |

Otherwise, refund will be made only through "Account Payee" cheque(s) with bank account number and name of bank branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.

For this purpose the number of the bank account along with name of bank and branch shall be indicated in the securities application form.

SUBSCRIPTION BY AND REFUND TO NON-RESIDENT BANGLADESHI (NRB)

1. A Non-Resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a Bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concern Bank, for the value of Securities applied for through crossed Bank cheque marking "Account Payee only".
2. The value of Securities applied for by such person may be paid in Taka or US Dollar, UK Pound Sterling or Euro at the rate of exchange mentioned in the securities application form.
3. Refund against over subscription shall be made in the currency in which the value of securities was paid for by the applicant through Account Payee bank cheque payable at Dhaka with bank account number, Bank's name and Branch as indicated in the securities application form. If the applicant's bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue and other bank as mentioned above, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application forms.

AVAILABILITY OF SECURITIES

1. IPO will be for 8,000,000 shares @ TK. 10.00 each totaling Tk. 80,000,000.00 as per the Securities and Exchange Commission (Public Issue) Rules, 2006, 10% of total public offering shall be reserved for non-resident Bangladeshi (NRB) and 10% for mutual funds and collective investment schemes registered with the commission and remaining 80% shall be open for subscription by the general public. The position is thus as follows:

| | Securities | Number of shares | Total amount (Tk.) |
|---|---|------------------|----------------------|
| A | 10% of IPO i.e. 800,000 shares shall be reserved for Non-Resident Bangladeshis (NRB). | 800,000 | 8,000,000.00 |
| B | 10% of IPO i.e. 800,000 shares shall be reserved for mutual funds and collective investment schemes registered with the Commission. | 800,000 | 8,000,000.00 |
| C | Remaining 80% of IPO i.e. 6,400,000 shares shall be open for subscription by the general public. | 6,400,000 | 64,000,000.00 |
| | Total | 8,000,000 | 80,000,000.00 |

2. All securities as stated in clause – 1(A) shall be offered for subscription and subsequent allotment by the issuer, subject to any restriction, which may be imposed, from time to time, by the Securities and Exchange Commission.
3. In case of over-subscription under any of the categories mentioned in clause – 1(A), the issuer and the issue managers shall jointly conduct an open lottery of all the applications received under each category separately in accordance with the letter of consent issued by the Securities and Exchange Commission.

4. In case of under subscription under any of the 10% categories mentioned in clause – 1(A), 1(B), the unsubscribed portion shall be added to the general public category and, if after such addition, there is over subscription in the general public category, the issuer and the issue manager shall jointly conduct an open lottery of all the applications added together.
5. In case of under subscription of the public offering, the unsubscribed portion of securities shall be taken up by the underwriter (s).
6. The lottery as stated in clause – 3 and 4 shall be conducted in presence of representatives from the issuer, the stock exchanges, and the applicants, if there be any.

UNDERWRITER

The Initial Public Offering (IPO) is for 8,000,000 shares @ TK. 10.00 each at par totaling Tk. 80,000,000.00 of MAKSONS SPINNING MILLS LIMITED As per guidelines of Securities & Exchange Commission, 50% of the IPO amount i.e. 4,000,000 shares @ TK. 10.00 each at par totaling Tk. 40,000,000.00 has been underwritten by the following underwriters:

| Sl. No. | Name and Address of the Underwriters | No. Shares Underwritten | Underwriting Amount in Tk. |
|--------------|---|-------------------------|----------------------------|
| 1. | ICB Capital Management Limited 8, Rajuk Avenue (14 th Floor), Dhaka-1000. | 1,500,000 | 15,000,000 |
| 2. | Bay Leasing & Investment Ltd. Printers Building (7 th Floor) 5, Rajuk Avenue, Motijheel C/A, Dhaka-1000. | 500,000 | 5,000,000 |
| 3. | Southeast Bank limited 1, Dilkusha C/A (3 rd Floor) Dhaka-1000 | 500,000 | 5,000,000 |
| 4. | Prime Finance & Investment Ltd. 63, Dilkusha C/A Dhaka-1000. | 500,000 | 5,000,000 |
| 5. | Union Capital Limited Noor Tower (5 th Floor) 73 Sonargaon Road Dhaka-1205. | 500,000 | 5,000,000 |
| 6. | Grameen Capital Limited Grameen Bank Bhaban Mirpur-2, Dhaka-1216. | 500,000 | 5,000,000 |
| Total | | 4,000,000 | 40,000,000.00 |

PRINCIPAL TERMS AND CONDITIONS OF UNDERWRITING AGREEMENTS

- 1) If and to the extent that the shares offered to the public through a prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within 10 (ten) days of the closure of subscription call upon the underwriters in writing to subscribe the shares not so subscribed and ask the underwriters to pay for them in cash in full within 15 (fifteen) days of the date of the said notice and the said amount shall have to be credited into shares subscription account within the said period.
- 2) If payment is made by Cheque /Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his underwriting commitment under his Agreement, until such time as the Cheque / Bank Draft has been encashed and the Company's account credited.
- 3) In any case within 7 (seven) days after the expiry of the aforesaid 15(fifteen) days, the Company shall send proof of subscription and deposit of share money by the underwriters to the Commission.
- 4) In case of failure by any underwriters to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under this agreement.
- 5) In case of failure by the Company to call upon the underwrites for the aforementioned purpose within the stipulated time, the Company and its directors shall individually and collectively be held responsible for the consequence and/or penalties as determined by the Securities and Exchange Commission under the law.

Commission for Underwriters

The company shall pay to the underwriter an underwriting commission at the rate of 0.50% of 50% of the IPO amount (i.e Tk. 4,00,00,000.00) of the issue value of shares underwritten by them out of the Public Issue.

Right of Underwriters on Company's Shares

Underwriters have not acquired any right to have their representatives in the Board of Directors of the Company.

Officer or director of the underwriters acting as director of the company

No officer or Director of the underwriters is presently engaged as the Director of the Company

DISCLOSURE IN RESPECT OF ISSUANCE OF SECURITY IN DEMAT FORM

As per provisions of the Depository Act, 1999 and regulations made there under, share of the company will be issued in dematerialized form, only and, for this purpose, Maksons Spinning Mills Limited (MSML) has signed an agreement with the Central Depository Bangladesh Limited (CDBL). Therefore, all transfers/transmissions, splitting or conversions will take place in the CDBL system and any further issuance of shares (including rights/bonus) will also be issued in dematerialized form only.

ALLOTMENT

The company reserves the right of accepting any application, either in whole, or in part, successful applicants will be notified by the dispatch on an allotment letter by registered post/courier. Letter of allotment and refund warrants will be issued within 6(six) weeks from the closing of the subscription list. After allotment the company will have to transfer the shares to the allottees' Beneficiary Owners (BO) account, which has been mentioned in the application form.

The company shall issue share allotment letter to all successful applicants, within 6(six) weeks, from the date of the subscription closing date. At the same time, the unsuccessful application shall be refunded with the application money within 6 (six) weeks from the closing of the subscription date, by Account Payee Cheque, without interest payable at Dhaka/Chittagong/Khulna/Rajshahi/Barisal/Sylhet, as the case may be.

Where allotment is made, in whole or in part in respect of joint application, the allotment letter will be dispatched to the person whose name appears first in the application form notwithstanding that the shares have been allotted to the joint applicants. Where joint applicant is accepted in part, the balance of any amount paid on application will be refunded without interest to the person named first in the application form.

APPLICATION FOR SUBSCRIPTION

01. Application for Shares may be made for a minimum lot for **500 (Five Hundred)** Ordinary Shares to the value of **Tk. 5000.00** respectively and should be made on the Company's Printed Application Form. Application Forms and the Prospectus may be obtained from the Registered Office of the Company, Members of the Dhaka and Chittagong Stock Exchange Ltd. or from the Bankers to the Issue. In case of adequate Forms are not available, applicants may use photocopied/cyclostyled/ typed/handwritten copies of the Forms. Application must not be for less than **500** Shares. Any application not meeting the criterion will not be considered for allotment purpose.
02. Joint Application Form for more than two persons will not be accepted. In the case of a joint application each party must sign the Application Form.
03. Application must be in full name of individuals or limited companies or trusts or societies and not in the name of firms, minors or persons of unsound mind. Applications from insurance, financial and market intermediary companies must be accompanied by the Memorandum and Articles of Association.
04. **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.**
05. **An IPO applicant shall ensure his/her BO account remains operational till the process of IPO (including securities allotment or refund of IPO application) is completed. If any BO account mentioned in the IPO application is found closed, the allotted security may be forfeited by SEC.**
06. Bangladeshi Nationals (including Non-Resident Bangladeshi nationals working abroad) and Foreign Nationals shall be entitled to apply for Shares.
07. Payment for subscription by investors other than Non-Resident Bangladeshi may be made to the said branches/office of the Banks mentioned below in Cash/Cheque/Pay Order/Bank Draft. The Cheque/Pay Order/Bank Draft shall be made payable to the Bank to which it is sent and be marked "**MAKSONS SPINNING MILLS LIMITED**" And shall bear the crossing "**Account Payee only**" and must be drawn on a Bank in the same town of the Bank to which Application Form is deposited.
08. All completed Application Forms together with remittance for the full amount payable on Application shall be lodged by investors other than Non-Resident Bangladeshis with any of the branches of the Bankers to the Issue.

09. A Non-Resident Bangladeshi (NRB) shall apply against the IPO either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee (including a Bank or a Company) by paying out of foreign currency deposit account maintained in Bangladesh, for the value of Securities applied for. The value of Securities applied for may be paid in US Dollar or UK Pound Sterling or Euro at the Spot Buying (TT Clean) rate of exchange prevailing on the date of opening of subscription. Refund against over subscription of shares shall be made in the currency in which the value of shares applied for was paid by the applicant. Share Application Form against the quota for NRB shall be sent by the applicant directly along with a draft or cheque to the Company at its Registered Office. Copies of Application Form and Prospectus shall be available with Bangladesh Embassy/High Commission in USA, UK, Saudi Arabia, UAE, Qatar, Kuwait, Oman, Bahrain, Malaysia and South Korea and web site of the SEC, Issuer Company, Issue Managers, DSE and CSE.
10. The IPO subscription money collected from investors (other than non resident Bangladeshis) by the Bankers to the Issue will be remitted to the Company's **STD A/C No 13100002024 with Southeast Bank Limited, Principal Branch, Dhaka**, Bangladesh for this purpose.
11. The subscription money collected from Non-Resident Bangladeshis in US Dollar or UK Pound Sterling or Euro shall be deposited to below mentioned **"FC Account for IPO" Southeast Bank Limited, Pricipal Branch, Dhaka**. In case of over subscription, refund shall be made by the Company out of the respective "FC Accounts for IPO":

| Sl. No. | Name of the FC Accounts | Account No. | Company & Branch |
|---------|-------------------------|-------------|---|
| 1. | US Dollar | 15100006120 | Southeast Bank Limited, Pricipal Branch, Dhaka. |
| 2. | UK Pound Sterling | 15100006137 | Southeast Bank Limited, Pricipal Branch, Dhaka. |
| 3. | Euro | 15100006143 | Southeast Bank Limited, Pricipal Branch, Dhaka. |

12. In the case of over-subscription of securities to the NRB applicants, refund shall be made by Southeast Bank Limited out of the "FC Account for IPO". MAKSONS SPINNING MILLS LIMITED has already opened the aforesaid FC Accounts and shall close these FC Accounts after refund of over-subscription if any.
13. Applications not in conformity with the above requirements and the instructions printed on the applicant form are liable to be rejected.

Declaration about Listing of Shares with Stock Exchanges

None of the Stock Exchanges, if for any reason, grant listing within 75 days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchange, or from the date of expiry of the said 75(seventy five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the company directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the Company rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money.

Trading and Settlement

Trading And Settlement Regulation of the Stock Exchanges shall apply in respect of trading and settlement of the shares of the company.

MATERIAL CONTRACTS

1. Issue Management Agreement between the Company and ICB Capital Management Ltd. & Bay Leasing and Investment Ltd.
2. Underwriting Agreement between the Company and the Underwriters.
3. Agreement between the company and the Central Depository Bangladesh Ltd. (CDBL).

Copies of the aforementioned contracts and documents and a copy of Memorandum and Articles of Association of the Company and the Consent Order from the Securities and Exchange Commission may be inspected on any working day during office hours at the Company's Registered Office.

MANAGER TO THE ISSUE

ICB Capital Management Ltd. 8, Rajuk Avenue (14th Floor), Dhaka-1000 and Bay Leasing Bay Leasing & Investment Ltd. Printers Building (7th Floor) 5, Rajuk Avenue, Motijheel C/A, Dhaka-1000 are the joint Manager to the Issue. The Issue Managers will get Tk. 8.00 lac only as issue management fee.

COMMISSION TO THE BANKER TO THE ISSUE

Commission at the rate of 0.1% of the amount collected will be paid to the Bankers to the Issue for the services to be rendered by them.

CORPORATE DIRECTORY

Miscellaneous Information:

| | |
|------------------------------|---|
| Registered Office | 28, Dilkusha C/A (3 rd & 4th Floor), Suite # 303 & 402, Dhaka-1000, Bangladesh. |
| Auditors | Hoda Vasi Chowdhury & Co. Chartered Accountants BTMC Bhaban (8th Floor) 7-9, Karwan Bazar, Dhaka-1215 Phone: 9120090, 9140094. |
| Managers to the Issue | ICB Capital Management Ltd. 8, Rajuk Avenue, (14 th Floor) Dhaka-1000. Bay Leasing & Investment Limited Printers Building(7 th Floor) 5, Rajuk Avenue, Motijheel C/A, Dhaka-1000. |
| Banker | Southeast Bank Limited Principal Branch, Dhaka. |
| Company's Compliance Officer | Mohd. Mohsin Adnan Executive Director (Com) & Company Secretary |

All investors are hereby informed by the Company that the Company Secretary would be designated as compliance officer who will monitor the compliance of the Acts, and rules, regulations, notification, guidelines, conditions, orders/directions etc. issued by the Commission and/or stock exchange(s) applicable to the conduct of the business activities of the Company so as to promote the interest of the investors in the security issued by the Company, and for redressal of investors' grievances.

BANKERS TO THE ISSUE

| | | | |
|---|--|--|--|
| <p>Investment Corporation Of Bangladesh Head Office, 8 DIT Avenue, Dhaka Local Office, Nayapalton, Dhaka -1000. Barisal Branch, Barisal Bogra Branch, Bogra. Chittagong Branch, Chittagong. Khulna Branch, Khulna Rajshahi Branch, Rajshahi Sylhet Branch, Sylhet</p> <p>National Bank Ltd. Agrabad Branch, Chittagong Anderkilla Branch, Chittagong Babubazar Branch, Dhaka Bangshal Road Branch, Dhaka. Barisal Branch, Barisal Bogra Branch, Bogra. Comilla Branch, Comilla Dhanmondi Branch, Dhaka. Dilkusha Branch, Dhaka. Elephant Road Branch, Dhaka. 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 Brnch, Dhaka. Mohakhali Branch, Dhaka. Mohammadpur Branch, Dhaka. Motijheel Branch, Dhaka. Narayanganj Branch, N'Gonj. Narsingdi Branch, Narsingdi. North Brook Hall Branch, Dhaka. 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. Utara Branch, Dhaka. Z H Sikder M.C. Branch, Dhaka.</p> <p>Southeast Bank Limited Aganagar Branch, Keraniganj, Dhaka Aragaoon Branch, Dhaka Agrabad Branch, Chittagong Ashulia Branch (Rural), Dhaka Banani Branch, Banani, Dhaka Bandar Bazar Branch Bandar Bazar, Sylhet Bangshal Branch, Dhaka Bashurhat Branch (Rural), Companyganj, Noakhali CDA Avenue Branch, Pechlaish, Chittagong Chouhatta Branch, Chouhatta, Sylhet Chowmunani Branch (Rural), Begumganj, Noakhali Corporate Branch, Dhaka Cox's Bazar Branch, Cox's Bazar Chagalnaiya Bazar, Chagalnaiya, Feni Dhanmondi Branch, Dhanmondi R/A, Dhaka Feni Branch, Feni Gulshan Branch, Gulshan Avenue, Dhaka Halishahar Branch, Chittagong Hetimgonj Branch, Sylhet Imamganj Branch, Dhaka Joypara Branch (Rural), Dhaka Jubilee Road Branch, Chittagong Kakrai Branch, Ramna, Dhaka Karwan Bazar Branch, Dhaka Khatunganj Branch Chittagong Khulna Branch, Khulna Kulaura Branch (Rural), Moulivi Bazar Laldighirpar Branch, Sylhet Madhbd Branch (Rural), Narsingdi Mouvibazar Branch, Mouvibazar Narayanganj Branch, Narayanganj New Elephant Road Branch, Dhanmondi, Dhaka Pahartali Branch, Pahartali, Chittagong Panthantula Branch, Panthantula, Sylhet Principal Branch, Dhaka Rangpur Branch, Radhaballab, Rangpur, Shahjalal Uposhahar Branch, Sylhet Shaymoli Branch, Shaymoli, Dhaka. Shahjalal Uposhahar Branch, Sylhet. Utara Branch, Dhaka</p> <p>Al-Arafah Islami Bank Limited Agrabad Branch, Chittagong Banani Branch, Dhaka. Barisal Branch, Barisal. Bogra Branch, Bogra. Comilla Branch, Comilla. Corporate Branch, Dhaka. Dhanmondi Branch, Dhaka. Elephant Road Branch, Dhaka. Islampur Branch, Dhaka. Jessore Branch, Jessore. Joydebpur Chowrasta Branch, Joydebpur. Jubilee Road Branch, Chittagong. Khatunganj Branch, Chittagong. Khulna Branch, Khulna. Laldighirpar Branch, Sylhet Motijheel Local Office, Dhaka. Mirpur Branch, Dhaka. Mohammadpur Branch, Dhaka. Mouchak Branch, Dhaka. Moulvi Bazar Branch, Dhaka.</p> | <p>Narayanganj Branch, Narayanganj. Nawabpur Road Branch, Dhaka. Northsouth Road Branch, Dhaka. O.R. Nizam Road Branch, Chittagong. Rajshahi Branch, Rajshahi. Utara Branch, Dhaka. VIP Road Branch, Dhaka. Zindabazar Branch, Sylhet.</p> <p>Dutch Bangla Bank Limited Agrabad Branch, Chittagong B. B. Road Branch, Narayanganj Baburhat Branch, Narayanganj Banani Branch, Dhaka Barisal Branch, Barisal Basundhara Branch, Dhaka Biswanath Branch, Sylhet. Board Bazar Branch, Gazipur Bogra Branch, Bogra CDA Avenue Branch, Chittagong Comilla Branch, Comilla Cox's Bazar Branch, Cox's Bazar Dania Branch, Dhaka Dhaka EP2 Branch, Dhaka Dhanmondi Branch, Dhaka Elephant Road Branch, Dhaka Feni Branch, Feni Gazipur Chowrasta Branch, Gazipur Golapgonj Branch, Sylhet Gulshan Branch, Dhaka Hathazari Branch, Chittagong Imamgonj Branch, Dhaka Islampur Branch, Dhaka Joypara Branch, Dohar, Dhaka Jubilee Road Branch, Chittagong Kadamtali Branch, Tangail Kawran Bazar Branch, Dhaka Khulna Branch, Khulna Local Office, 1 Dilkusha C/A, Dhaka Lohagara Branch, Chittagong Manikgonj Branch, Manikgonj Mirpur Branch, Dhaka Mirzapur Branch, Tangail Mohakhali Branch, Dhaka Motijheel Foreign Exchange Branch, Zerin Mansion, Dhaka Moulavi Bazar Branch, Moulavi Bazar. Muradpur Branch, Chittagong Nababpur Branch, Dhaka Narayanganj Branch, Narayanganj Naya Bazar Branch, Dhaka Netaiganj Branch, Narayanganj Patherhat Branch, Chittagong Rajshahi Branch, Rajshahi Ring Road Branch, Dhaka Savar Bazar Branch, Dhaka Shantinagar Branch, Dhaka Simrail Branch, Narayanganj Sylhet Branch, Sylhet Utara Branch, Dhaka</p> <p>Export Import Bank Of Bangladesh Limited Agrabad Branch, Chittagong Basundhara Road Branch, Dhaka. Bogra Branch, Bogra. CDA Avenue Branch, Chittagong. Comilla Branch, Comilla. Elephant Road Branch, Dhanmondi, Dhaka. Gazipur Branch, Gazipur. Gulshan Branch, Dhaka. Imamgonj Branch, Dhaka. Jessore Branch, Jessore. Jubilee Road Branch, Chittagong. Kawran Bazar Branch, Dhaka. Khatunganj Branch, Chittagong. Malibagh Branch, Dhaka. Mawna Chowrasta Branch, Sreepur, Gazipur Mirpur Branch, Mirpur, Dhaka. Mouvibazar Branch, Mouvibazar. Narayanganj Branch, Narayanganj. Nawabpur Branch, Dhaka. New Eskaton Branch, Dhaka. Panthapath Branch, Dhaka. Rajuk Avenue Branch, Dhaka. Rangpur Branch, Rangpur. Salmassed Road Branch, Dhanmondi. Shimrail Branch, Narayanganj. Sylhet Branch, Sylhet. Utara Branch, Dhaka.</p> <p>Islami Bank Bangladesh Limited Agrabad Branch, Chittagong Bogra Branch, Bogra Farmgate Branch, Dhaka Foreign Exchange Corp. Branch, Dhaka Gulshan Branch, Dhaka Khatunganj Branch, Chittagong Khulna Branch, Khulna. Local Office, Dhaka Nawabpur Road Corp. Branch, Dhaka Rajshahi Branch, Rajshahi Sadarghat Branch, Dhaka Sylhet Branch, Sylhet</p> <p>National Credit and Commerce Bank Ltd. Agrabad Branch, Chittagong. Anderkilla Branch, Chittagong. Babu Bazar Branch, Dhaka Bangshal Branch, Dhaka Bogra Branch, Bogra Cox's Bazar Branch, Cox's Bazar Dhanmondi Branch, Dhaka</p> | <p>Dilkusha Branch, Dhaka Elephant Road Branch, Dhaka. Feni Branch, 10 Trank Road, Feni. Foreign Exchange Branch, Dhaka. Gulshan Branch, Dhaka. Hajigonj Branch, Chandpur. Islampur Branch, Dhaka. Jatrabari Branch, Dhaka. Jessore Branch, Jessore. Jubilee Road Branch, Chittagong. Kadamtoli Branch, Chittagong. Kawran Bazar, Branch, Dhaka. Khulna Branch, Khulna. Laldighirpar Branch, Sylhet. Madaripur Branch, Madaripur. Malighat Branch, Chittagong. Malibagh Branch, DIT Road, Dhaka. Mirpur Branch, Dhaka Mitford Branch, Dhaka Mogh Bazar Branch, Dhaka Motijheel Main Branch, Dhaka Moulvi Bazar Branch, Moulvi Bazar. O.R Nizam Road, Chittagong Rajshahi Branch, Rajshahi. Utara Branch, Dhaka.</p> <p>One Bank Limited Agrabad Branch, Chittagong Banani Branch, Dhaka. Bogra Branch, Bogra, Chowmunani Branch, Noakhali. Chandragonj Branch, Laxmipur. Cox's Bazar Branch, Main Road, Cox's Bazar Dagon Bhuiyan Branch, Feni Dhanmondi Branch, Dhaka Elephant Road Branch, Dhaka Feni Branch, Feni, Ganakbari (EP2) Branch, Dhaka Gulshan Branch, Dhaka Imamganj Branch, Imamganj, Dhaka Islampur Branch, Islampur Bazar, Sylhet Jatrabari Branch, Dhaka Jessor Branch, Jessore. Joypara Branch, Raipara, Dohar, Dhaka Jubilee Road Branch, Laxshmipur Kakrail Branch, Dhaka. Kawran Bazar Branch, Dhaka. Khatunganj Branch, Chittagong Mirpur Branch, Mirpur -11, Dhaka Motijheel Branch, Dhaka Narayanganj Branch, Narayanganj Principal Branch, Dhaka Progati Sharani Branch, Dhaka Raipur Branch, Raipur, Laxmipur Sherpur Branch, Moulvi Bazar Sylhet Branch, Sylhet Utara Branch, Dhaka</p> <p>Social Investment Bank Limited Agrabad Branch, Chittagong Bogra Branch, Bogra Dhanmondi Branch, Dhaka Foreign Exchange Branch, Dhaka Gulshan Branch, Dhaka Jubilee Road Branch, Chittagong. Khulna Branch, Khulna, Moulvi Bazar Branch, Dhaka Principal Branch, Dhaka Rajshahi Branch, Rajshahi Sylhet Branch, Sylhet</p> <p>Standard Bank Limited Agrabad Branch, Chittagong Banani Branch, Dhaka CDA Avenue Branch, Chittagong Dhanmondi Branch, Dhaka, Foreign Exchange Branch, Dhaka Gulshan - 1 Branch, Dhaka Gulshan Branch, Dhaka Imamganj Branch, Dhaka Jessore Branch, Jessore Jubilee Road Branch, Chittagong Khatunganj Branch, Chittagong Khulna Branch, Khulna Munshikhola Branch, Dhaka Narayanganj Branch, Narayanganj Panthapath Branch, Dhaka Principal Branch, Dhaka Rajshahi Branch, Rajshahi Sylhet Branch, Sylhet Topkhana Road Branch, Dhaka Utara Branch, Dhaka</p> <p>United Commercial Bank Limited Agrabad Branch, Chittagong. Amberkhana Branch, Sylhet. Anderkilla Branch, Chittagong. Bahaddarhat Branch, Chittagong. Bangshal Branch, Dhaka. Barisal Branch, Barisal. Barlekha Branch, Sylhet. Beanibazar, Sylhet Bhulta Branch, Narayanganj. Biswanath Branch, Sylhet. Bogra Branch, Bogra. Brahmanbaria Branch, Brahmanbaria Chandpur Branch, Chandpur. Chapai Nawabgonj Branch, Chapai Nawabgonj Chawk Bazar, Chittagong. Chokoria Branch, Cox's Bazar. Chowmohani Branch, Noakhali. Chuadanga Branch, Chuadanga.</p> | <p>Comilla Branch, Comilla. Cox's Bazar Branch, Cox's Bazar. Dhanmondi Branch, Dhaka. Dinajpur Branch, Dinajpur. Dohazari Branch, Chittagong. Elephant Road Branch, Dhaka. Faridpur Branch, Faridpur. Fatkhari Branch, Chittagong. Feni Branch, Feni. Foreign Exchange Branch, Dhaka. Goalabazar Branch, Sylhet. Gohira Branch, Chittagong. Gulshan Branch, Dhaka. Hesabed Branch, Dhaka. Islampur Branch, Dhaka. Jessore Branch, Jessore. Jhenaidah Branch, Jhenaidah. Jubilee Road Branch, Chittagong. Kadamtali Branch, Chittagong. Karnal Bazar Branch, Chittagong. Kawran Bazar Branch, Dhaka. Khan Jahan Ali Road Branch. Khatunganj Branch, Chittagong. Khulna Branch, khulna Kushtia Branch, Kushtia. Lakshipur Branch, Lakshipur. Lohagara Branch, Chittagong Madhadi Branch, Narsingdi. Madunaghat Branch, Chittagong. Maizdee Court Branch, Noakhali. Malibag Branch, Dhaka. Mirpur Branch, Dhaka. Mohakhali Branch, Dhaka. Mohammadpur Branch, Dhaka. Moulvi Bazar Branch, Moulvi Bazar. Muradpur Branch, Chittagong. Mymensingh Branch, Mymensingh Nabigonj Branch, Sylhet. Naogon Branch, Naogon Narayanganj Branch, Narayanganj. Narsingdi Branch, Narsingdi. Natore Branch, Natore. Nawabpur Branch, Dhaka. Nayabazar Branch, Dhaka. Nazirhat Branch, Chittagong. Noapara Bazar Branch, Jessore. Noapara Branch, Chittagong. North Brook Hall Road Branch, Dhaka. O.R. Nizam Road, Chittagong. Pabna Branch, Pabna. Paglabazar Branch, Narayanganj. Port Branch, Chittagong. Principal Branch, Dhaka. Rajshahi Branch, Rajshahi Rangpur Branch, Rangpur. Serajgonj Branch, Serajgonj. Sherpur Branch, Sylhet. Shigonj Branch, Sylhet. Station Road Branch, Chittagong. Sylhet Branch, Sylhet. Tangail Branch, Tangail. Tongi Branch, Gazipur. Utara Branch, Dhaka. Zindabazar Branch, Sylhet. Zinzira Branch, Dhaka.</p> <p>Dhaka Bank Ltd. Local Office, Dhaka - 1000. Banani Branch, Dhaka. Utara Branch, Dhaka. Laldighirpar Branch, Sylhet. Bangshal Branch, Dhaka Foreign Exchange Branch, Dhaka. Amin Bazar Branch, Savar, Dhaka. Agrabad Branch, Chittagong. Imamgonj Branch, Dhaka. Dhanmondi Branch, Dhaka. Islami Banking Branch, Dhaka. Jubilee Road Branch, Chittagong. Islampur Branch, Dhaka. Kawran Bazar Branch, Dhaka. Narayanganj Branch, Narayanganj. Khatunganj Branch, Chittagong.</p> <p>Jamuna Bank Ltd. Mohakhali Branch, Dhaka. Sonargaon Road Branch, Dhaka. Mouvibazar Branch, Dhaka Dilkusha Branch, Dhaka. Motijheel Branch, Dhaka Shantinagar Branch, Dhaka. Gulshan Branch, Dhaka. Dhanmondi Branch, Dhaka. Naya Bazar Branch, Dhaka. Foreign Exchange Branch, Dhaka. Christal Market Branch, Dhaka. Dholaikhal Branch, Dhaka Banani Branch, Dhaka Mawna Branch, Gazipur. Agrabad Branch, Chittagong. Khatunganj Branch, Chittagong. Jubilee Road Branch, Chittagong. Bahaddarhat Branch, Chittagong. Kadamtali Branch, Chittagong. Sylhet Branch, Sylhet. Naogon Branch, Naogon. Bogra Branch, Bogra. Narayanganj Branch, Narayanganj. Rajshahi Branch, Rajshahi. Bashurhat Branch, Noakhali. Sirajganj Branch, Sirajganj. Dinajpur Branch, Dinajpur. Kushtia Branch, Kushtia.</p> |
|---|--|--|--|

AUDITORS' REPORT

To the Shareholders of Maksons Spinning Mills Ltd.

We have audited the accompanying balance sheet of MAKSONS SPINNING MILLS LIMITED as at 31 December 2007 and the related income statement and cash flow statement for the period from 01 October 2007 to 31 December 2007.

Respective Responsibilities of Management and Auditors

The Company's management is responsible for preparing the financial statements, which give a true and fair view, in accordance with the Generally Accepted Accounting Principles (GAAP) and Bangladesh Accounting Standards (BAS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Our responsibility is to express an independent opinion on the financial statements presented to us based on our audit.

Basis of Audit Opinion

We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Our audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. Our audit also includes an assessment of the significant estimates and judgments made by the company in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations, which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements, prepared in accordance with Bangladesh Accounting Standards, give a true and fair view of the state of affairs of the company as on 31 December 2007 and of the results of its operations for the period then ended and comply with the Companies Act 1994, Securities and Exchange Rules 1987 and other applicable laws and regulations.

Further to our opinion in the above paragraph, we state that:

1. 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 there of;
2. in our opinion proper books of account as required by law have been kept by the company so far appears from our examination of such books;
3. the Company's balance sheet and profit & loss account dealt with by this report are in agreement with the books of account.
4. the expenditures incurred were for the purposes of the company's business.

Dhaka, 04 June 2008

Sd/-
Hoda Vasi Chowdhury & Co.
Chartered Accountants

MAKSONS SPINNING MILLS LIMITED
BALANCE SHEET
AS ON 31 DECEMBER 2007

| | Notes | 31-Dec-2007 | 30-Sep-2007 |
|---|-------|----------------------|----------------------|
| | | Taka | Taka |
| ASSETS | | | |
| Non-Current Assets | | | |
| | | 840,551,191 | 851,260,030 |
| Property, Plant & Equipment net of accumulated depreciation | 3 | 840,551,191 | 851,260,030 |
| Current Assets | | | |
| | | 860,540,414 | 797,834,609 |
| Inventories | 4 | 115,986,196 | 46,508,782 |
| Accounts Receivable(Trade Debtors) | 5 | 578,384,704 | 566,448,492 |
| Investment | 6 | 4,419,477 | 1,000,000 |
| Advance, Deposit & Prepayments | 7 | 136,816,431 | 117,652,430 |
| Cash & Bank Balances | 8 | 24,933,606 | 66,224,905 |
| TOTAL ASSETS | | 1,701,091,604 | 1,649,094,639 |
| EQUITY AND LIABILITIES | | | |
| Shareholders' Equity | | | |
| | | 272,113,767 | 256,084,168 |
| Ordinary Share Capital | 9 | 150,000,000 | 150,000,000 |
| 13.5% Preference Share Capital | | 40,000,000 | 40,000,000 |
| Reserve & Surplus | 10 | 82,113,767 | 66,084,168 |
| Non-Current Liabilities | | | |
| | | 366,694,819 | 293,510,547 |
| Long Term Loan | 11 | 366,694,819 | 293,510,547 |
| Current Liabilities | | | |
| | | 1,062,283,018 | 1,099,499,924 |
| Trade and Other Payables | 12 | 71,580,061 | 35,562,028 |
| Deferred liability | 13 | 31,178,000 | 70,107,975 |
| WPPF | 14 | 4,255,689 | 3,454,209 |
| Current Portion of Long Term Loan | 15 | 19,568,156 | 113,024,564 |
| Short Term Loan | 16 | 914,480,988 | 855,351,416 |
| Liabilities for Expenses | 17 | 21,220,124 | 21,999,733 |
| TOTAL EQUITY AND LIABILITIES | | 1,701,091,604 | 1,649,094,639 |

These financial statements should be read in conjunction with the annexed notes

Sd/-
 Mohammad Ali Khokon
Managing Director

Sd/-
 Mohd. Ferdous Kawser Masud
Director

Sd/-
 Mohd. Mohsin Adnan
Company Secretary

Auditors' Report to the shareholders
 See annexed report to date

Sd/-
 Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, 04 June 2008

MAKSONS SPINNING MILLS LIMITED
PROFIT & LOSS ACCOUNT
FOR THE PERIOD FROM 01 OCTOBER TO 31 DECEMBER 2007

| Particulars | Notes | 1 Oct 2007 to | 1 Oct 2006 to |
|--|-----------|--------------------|--------------------|
| | | 31-Dec-2007 | 31-Dec-2006 |
| | | Taka | Taka |
| Sales | 18 | 260,466,436 | 176,676,773 |
| Less : Cost of Goods Sold | 19 | <u>190,755,238</u> | <u>136,943,254</u> |
| Gross Profit | | 69,711,198 | 39,733,519 |
| Less : Operating Expenses | | 8,555,210 | 7,303,873 |
| Administrative Expenses | 20 | 4,441,892 | 4,724,341 |
| Selling & Distribution Expenses | 21 | 4,113,318 | 2,579,532 |
| Operating Profit | | 61,155,988 | 32,429,646 |
| Add. Non-operating income | 22 | <u>2,078,374</u> | <u>259,635</u> |
| Profit before financial expenses & WPPF | | 63,234,362 | 32,689,281 |
| Financial Expenses | 23 | <u>46,403,282</u> | <u>18,951,362</u> |
| Net Profit before WPPF | | 16,831,080 | 13,737,919 |
| Provision for WPPF | | <u>801,480</u> | <u>654,186</u> |
| Net Profit before Income Tax | | 16,029,600 | 13,083,733 |
| Tax Holiday Reserve @ 40% | | <u>6,411,840</u> | <u>5,233,493</u> |
| Profit available for Appropriation | | 9,617,760 | 7,850,240 |
| | | | |
| Basic Earning per Share (EPS) | 24 | 10.69 | 21.81 |

These financial statements should be read in conjunction with the annexed notes

| | | |
|--|--|---|
| Sd/- Mohammad Ali Khokon Managing Director | Sd/- Mohd. Ferdous Kawser Masud Director | Sd/- Mohd. Mohsin Adnan Company Secretary |
|--|--|---|

Auditors' Report to the shareholders
See annexed report to date

Sd/-
Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, 4 June 2008

MAKSONS SPINNING MILLS LIMITED
CASH FLOW STATEMENT
FOR THE PERIOD ENDED FROM 01 OCTOBER TO 31 DECEMBER 2007

| Particulars | 1 Oct 2007 to | 1 Oct 2006 to |
|--|---------------------|----------------------|
| | 31-Dec-2007 | 31-Dec-2006 |
| | Taka | Taka |
| CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Cash Received from Turnover and Others | 250,608,598 | 27,187,480 |
| Payment for Cost and Other Expenses | (273,380,698) | (524,198,078) |
| Interest Paid | (46,403,282) | (18,951,362) |
| Net Cash Outflow from Operating Activities | (69,175,382) | (515,961,960) |
| CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Addition of Fixed Assets | (7,553,877) | (68,761,607) |
| Investment in Associate | (3,419,477) | - |
| Cash Outflow from Investing Activities | (10,973,354) | (68,761,607) |
| CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Dividend Paid | - | - |
| Short Term Loan from Bank | 59,129,572 | 719,303,201 |
| Share Capital | - | - |
| Long Term Loan | (20,272,136) | (132,265,093) |
| Cash Inflow from Financing Activities | 38,857,436 | 587,038,108 |
| Net Cash Inflow / (Outflow) | (41,291,300) | 2,314,541 |
| Gain/(Loss) on foreign currency fluctuation | | - |
| Opening Cash & Bank Balances | 66,224,905 | 782,509 |
| Closing Cash & Bank Balances | 24,933,605 | 3,097,050 |

Sd/-
 Mohammad Ali Khokon
Managing Director

Sd/-
 Mohd. Ferdous Kawser Masud
Director

Sd/-
 Mohd. Mohsin Adnan
Company Secretary

MAKSONS SPINNING MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 01 OCTOBER 2007 TO 31 DECEMBER 2007

| Particulars | Share Capital | Tax Holiday Reserve | Proposed Dividend | Retained Earnings | Total |
|---------------------------------|----------------------|----------------------------|--------------------------|--------------------------|--------------------|
| Balance as on 01-10-2007 | 190,000,000 | 27,633,667 | 30,000,000 | 8,450,501 | 256,084,168 |
| Net Profit after Taxes | - | - | - | 9,617,760 | 9,617,760 |
| Share Capital | - | - | - | - | - |
| Tax Holiday Reserve | - | 6,411,840 | - | - | 6,411,840 |
| Proposed Dividend | - | - | - | - | - |
| Dividend | - | - | - | - | - |
| Balance as on 31-12-2007 | 190,000,000 | 34,045,507 | 30,000,000 | 18,068,261 | 272,113,768 |

FOR THE PERIOD FROM 01 OCTOBER 2006 TO 31 DECEMBER 2006

| Particulars | Share Capital | Tax Holiday Reserve | Proposed Dividend | Retained Earnings | Total |
|---------------------------------|----------------------|----------------------------|--------------------------|--------------------------|--------------------|
| Balance as on 01-10-2006 | 100,000,000 | 3,256,393 | 3,000,000 | 1,884,590 | 108,140,983 |
| Net Profit after Taxes | - | - | - | 7,850,240 | 7,850,240 |
| Share Capital | - | - | - | - | - |
| Tax Holiday Reserve | - | 5,233,493 | - | - | 5,233,493 |
| Proposed Dividend | - | - | - | - | - |
| Dividend | - | - | - | - | - |
| Balance as on 31-12-2006 | 100,000,000 | 8,489,886 | 3,000,000 | 9,734,830 | 121,224,716 |

Sd/-
 Mohammad Ali Khokon
Managing Director

Sd/-
 Mohd. Ferdous Kawser Masud
Director

Sd/-
 Mohd. Mohsin Adnan
Company Secretary

MKSONS SPINNING MILLS LIMITED

Notes to the Financial Statements

For the period ended from 01 October 2007 to 31 December 2007

1. Legal form of the Company

The Company was incorporated in Bangladesh on 25 September, 2003 with the Registrar of Joint Stock Companies and firms as a Private Limited Company under the Companies Act, 1994. Subsequently, it was converted into a public limited company on 25th January, 2005 by Special Resolution. The registered office of the Company is located at 28, Dilkusha C/A, 4th Floor, Dhaka-1000 and the factory is located at Ashulia, Savar.

Main business of the company is to produce and sale of cotton yarn.

2. Summary of significant accounting principles

2.1 Basis of preparation and presentation of the financial statements

The financial statements have been prepared and the disclosures of information made in accordance with the requirements of the Companies Act 1994, and International Accounting Standards (IAS) as adopted by the Institute of Chartered Accountant of Bangladesh (ICAB), as Bangladesh Accounting Standard (BAS). The balance sheet and income statement have been prepared according to BAS 1 (Presentation of Financial Statements) based on accrual basis following going concern assumption under Generally Accepted Accounting Principles (GAAP) and practices in Bangladesh.

2.2 Accounting convention and assumption

The financial statements are prepared under the historical cost convention on going concern basis following generally accepted accounting principles.

2.3 Principal accounting policies

The specific Accounting Policies selected and applied by the company's management for significant transactions and events that have a material effect within the framework of BAS-1 "Presentation of Financial Statements" in preparation and presentation of financial statements.

2.4 Revenue recognition

In compliance with the requirements of BAS 18 "Revenue", revenue is recognized only when:

- a. The products are invoiced and dispatched to the customers;
- b. Interest income is accrued on a time basis by reference to the principal outstanding at the effective interest rate applicable;

2.5 Property, plant and equipment

Property, Plant & Equipment except freehold land is stated at cost less accumulated depreciation in accordance with BAS 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, but do not include any capitalized borrowing cost. No depreciation is charged on freehold land.

Expenditure on repairs and maintenance of Property, Plant & Equipment is treated as expense when incurred. Subsequent expenditure on Property, Plant & Equipment is only recognized when the expenditure improves the condition of the asset beyond its originally assessed standard of performance.

2.6 Depreciation of fixed assets

Depreciation has been charged on addition from the date of acquisition and no depreciation is provided on retirement/disposal of assets. Depreciation was computed using the diminishing balance method. The cost and accumulated depreciation of depreciable assets retired or otherwise disposed of are eliminated from the assets and accumulated depreciation.

The annual depreciation rates applicable to the principal categories are:

| | |
|-------------------------|-----|
| Land & Land Development | Nil |
| Building & other | 5% |
| Plant & Machinery | 10% |
| Furniture & Fittings | 15% |
| Office Equipment | 10% |
| Motor Vehicles | 20% |

Depreciation has been charged to Income Statement consistently.

2.7 Borrowing Costs

Interest on loan is treated in line with the requirement of BAS 23 “Borrowing Cost”. Interest on loan for on-going projects is shown under project in progress as interest during construction (IDC) and project to date IDC is capitalized after completion of the project. Interest on loan for completed project is charged in the income statement as expenses in the period in which it is incurred.

2.8 Measurement of lease payments

Lease payments (excluding cost for services such as insurance and maintenance) are recognized as expense in the income statement on a straight-line- basis as per the requirements of BAS 17.

Company has signed 2(two) Lease agreement with Bay Leasing & Investment Ltd as on November 13, 2006 & December 3, 2006 for 60(sixty) months effective from the date of Lease execution (from March 15, 2007).

Details of Operating Lease are given below:

| SI No | Product Name | Finance Amount | Lease From | Lease term | Monthly Rental | Rental Paid | Future Payment |
|-------|--------------|----------------|-----------------------------|--------------------------------------|----------------|-------------|----------------|
| 1 | Machinery | 24,241,340 | Bay Leising& Investment Ltd | 60 Month Effective from 15 March, 07 | 635,550 | 5,084,400 | 33,048,600 |
| 2 | Machinery | 100,900,000 | Bay Leising& Investment Ltd | 60 Month Effective from 15 March, 07 | 2,645,250 | 21,162,000 | 137,553,000 |

2.9 Valuation of inventories

Inventories comprise Raw Materials, Finished Yarn, Waste Cotton, Stores & Spares, Stores-in- transit and Work in process. They are stated at the lower of cost and net realizable value in accordance with IAS 2 “Inventories” after making due allowance for any obsolete or slow moving item. The costs of inventories are assigned by using weighted average cost formula. Net realizable value of Work in Process is determined after deducting the estimated cost of completion and estimated costs necessary to make the sale from estimated selling price.

2.10 Related Party Transaction:

Disclosure about related party transactions as per BAS-24 has given below:

| Particulars | Nature of Relationship | Types of Transaction | Amount | Outstanding balance |
|--------------------|-----------------------------|----------------------|------------|---------------------|
| Metro Spinning Ltd | 5(five) common directorship | cash & bank | 24,610,569 | Nil |

2.11 Taxation

Current Tax:

The Company is enjoying tax holiday facilities for 4 (four) years from 1st May 2006 to 30 April, 2010 (Vide letter ref: 11(71) ANU-1/2006) dt: 17/10/2006, hence no current tax provision has been made in the Financial Statements.

Deferred Tax:

As the company is enjoying Tax Holiday Scheme, no Deferred Tax Provision has been made as per BAS-12.

2.12 Provision

In accordance with the guidelines as prescribed by BAS 37 provisions were recognized when all the following criteria are met:

- When the Company has a present obligation as a result of past event;
- When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- Reliable estimates can be made of the amount of the obligation.

2.13 Employee Benefit

The Company, through the trustees, has been maintaining a recognized contributory provident fund for all eligible permanent employees in accordance with BAS 19.

2.14 Foreign currency transaction

Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction date in accordance with BAS 21 “The Effects of Changes in Foreign Exchange Rates”. Foreign currency transactions are translated at the exchange rate ruling on the date of transaction. Foreign currency monetary assets and liabilities at the balance sheet date are translated at the rates prevailing on that date. Exchange differences at the balance sheet date are

Credited/charged to the profit and loss account, to the extent that this treatment does not contradict with the schedule XI of Companies Act 1994. This schedule required all exchanges gains and losses arising from foreign currency borrowings, taken to finance acquisition on construction of fixed assets, to be credited/charged to the cost/value of such assets.

2.15 Debtors

These are carried at original invoice amount. This is considered good and collectible, and therefore, no amount was written off as bad debt and no debt was considered as doubtful to provide for.

2.16 Cash and cash equivalents

Accordance to BAS 7 “Cash Flow Statement” cash comprises cash in hand and bank deposits and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value IAS 1 “Presentation of Financial Statements” provides that cash and cash equivalent are not restricted in use. Considering the provision of BAS 7 and BAS 1, cash in hand and bank balances have been considered as cash and cash equivalents.

2.17 Cash flow statement

Statement of Cash Flows is prepared principally in accordance with BAS 7 “Cash Flow Statement” and the cash flow from the operating activities have been presented under direct method as prescribed by Securities and Exchange Rules, 1987.

2.18 Earnings per Share (EPS)

The company calculates Earnings Per Shares (EPS) in accordance with BAS - 33 “Earnings Per Share” which has been shown on the face of income statement.

2.19 Preference Share

| | |
|--------------------------------|------------------|
| No of Unit | 400,000 |
| Paid Up Value per Share | 100 |
| Total Value | 40,000,000 |
| Nature | Fully Redeemable |
| Guaranteed Return | 13.50% |

The preference share will be redeemed at per by the company in 10 (ten) Half yearly installment.

3. Property Plant & Equipment

Figures in Taka

| Particulars | Cost | | | | Rate % | Depreciation | | | | Written Down Value | |
|---|---------------------|-----------------------------|----------------------------------|---------------------|-----------|---------------------|-------------------------------|---------------------------|---------------------|---------------------|---------------------|
| | As on 01-10-2007 | Addition during the year | Disposal/Adj. during the year | As on 31-12-2007 | | As on 01-10-2007 | Charged during the year | Adj during the year | As on 31-12-2007 | As on 31-12-2007 | As on 30-09-2007 |
| Land & Land Development Building & Other Construction | 63,461,772 | - | - | 63,461,772 | - | - | - | - | - | 63,461,772 | 63,461,772 |
| Plant & Machinery | 149,256,150 | 2,676,058 | - | 151,932,208 | 5 | 7,128,718 | 1,787,911 | - | 8,916,629 | 143,015,579 | 142,127,432 |
| Furniture & Fixture | 703,250,459 | 4,824,779 | - | 708,075,238 | 10 | 74,818,533 | 15,781,866 | - | 90,600,399 | 617,474,839 | 628,431,926 |
| Office Equipment | 4,342,204 | - | - | 4,342,204 | 15 | 469,140 | 145,240 | - | 614,380 | 3,727,824 | 3,873,064 |
| Motor Vehicle | 5,536,951 | 53,040 | - | 5,589,991 | 10 | 660,824 | 123,215 | - | 784,039 | 4,805,952 | 4,876,127 |
| | 10,240,770 | - | - | 10,240,770 | 20 | 1,751,061 | 424,485 | - | 2,175,546 | 8,065,224 | 8,489,709 |
| Total | 936,088,306 | 7,553,877 | - | 943,642,183 | | 84,828,276 | 18,262,717 | - | 103,090,992 | 840,551,191 | 851,260,030 |

Depreciation charged for the year has been allocated as follows:

| Particulars | Amount (Tk.) |
|-------------------------|-------------------|
| Factory Overhead | 17,569,777 |
| Administrative Expenses | 692,940 |
| | 18,262,717 |

| | <u>31-Dec-2007</u> | <u>30-Sep-2007</u> |
|-----------------------------|---------------------------|--------------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 4 Inventories | | |
| Raw Cotton (Note- 4.1) | 95,295,187 | 29,684,706 |
| Work-in-Process (Note- 4.2) | 7,559,075 | 2,992,244 |
| Finished Goods (Note- 4.3) | 7,177,982 | 7,413,553 |
| Stores & Spares | 3,809,585 | 988,324 |
| Oil & Lubricant | 617,447 | 760,875 |
| Packing Material | 1,408,963 | 1,824,228 |
| Construction Material | 117,957 | 2,844,852 |
| Total | <u>115,986,196</u> | <u>46,508,782</u> |

| | | <u>31-Dec-2007</u> | | <u>30-Sep-2007</u> |
|----------------------------|-------------------------|--------------------------|-----------------------|--------------------------|
| | Qty. (Lbs) | Taka | Qty. (Lbs) | Taka |
| 4.1 Raw Cotton | | | | |
| CIS- 1.1/8 | 2,000,069 | 95,295,187 | 660,851 | 29,684,706 |
| Total | <u>2,000,069</u> | <u>95,295,187</u> | <u>660,851</u> | <u>29,684,706</u> |
| 4.2 Work-in-Process | | | | |
| Blow Room | 67,338 | 2,814,411 | 3,296 | 148,866 |
| Carding | 2,315 | 99,349 | 1,350 | 61,586 |
| Drawing | 3,020 | 136,285 | 2,302 | 107,318 |
| Simplex | 13,219 | 657,938 | 18,793 | 911,479 |
| Ring | 52,764 | 3,033,470 | 31,810 | 1,649,330 |
| Cone Winding | 12,829 | 817,622 | 2,081 | 113,665 |
| Total | <u>151,485</u> | <u>7,559,075</u> | <u>59,632</u> | <u>2,992,244</u> |
| 4.3 Finished Goods | | | | |
| 20s | 32,973 | 2,011,201 | 28,900 | 1,472,360 |
| 24s | 31,559 | 1,966,818 | 28,660 | 1,507,602 |
| 26s | 49,454 | 3,199,963 | 65,300 | 3,497,911 |
| 30s | - | - | 16,921 | 935,681 |
| Total | <u>113,986</u> | <u>7,177,982</u> | <u>139,781</u> | <u>7,413,554</u> |

| | <u>31-Dec-2007</u> | <u>30-Sep-2007</u> |
|---|---------------------------|---------------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 5 Accounts Receivable(Trade Debtors) | | |
| Trade Debtors-unsecured | 578,384,704 | 566,448,492 |
| Total | <u>578,384,704</u> | <u>566,448,492</u> |

Details of Trade Debtors including aging are given in Annexure-1.

| | | |
|----------------------|-------------------------|-------------------------|
| 6 Investment | | |
| Investment in Shares | 4,419,477 | 1,000,000 |
| Total | <u>4,419,477</u> | <u>1,000,000</u> |

| Particulars | Purchase Value | Market Value as on 31.12.07 |
|----------------------|----------------|-----------------------------|
| Investment in Shares | 4,419,477 | 5,987,275 |

*Investment were shown in the Balance sheet at Cost Price as per BAS -25 .

Details of Investments are given below:

| Name of Securities | Qty | Purchase Value |
|--------------------|-------|------------------|
| | | Taka |
| Beximco Pharma | 12000 | 688,815 |
| Exim Bank | 1800 | 709,600 |
| Matro Spinning Ltd | 96000 | 1,384,850 |
| NCC Bank | 3650 | 1,636,212 |
| Total | | 4,419,477 |

Note:

| 7 Advance, Deposit & Prepayment | 31-Dec-2007 | 30-Sep-2007 |
|--------------------------------------|---------------------------|---------------------------|
| | Taka | Taka |
| Advance | | |
| Advance against Parties | 102,546,323 | 37,964,320 |
| Advance against Lease | 1,526,565 | 1,526,565 |
| Raw Cotton in transit | 4,450,667 | 49,483,236 |
| Asset in transit | 8,525,654 | 6,904,679 |
| Claim | 6,349,702 | 4,899,334 |
| | <u>123,398,911</u> | <u>100,778,134</u> |
| Deposit | | |
| Titas Gas | 2,652,510 | 2,652,510 |
| Others | 3,729,319 | 3,764,322 |
| | <u>6,381,829</u> | <u>6,416,832</u> |
| Prepayments | | |
| Insurance | 842,737 | 3,991,461 |
| Deferred Expense | 6,192,954 | 6,466,003 |
| | <u>7,035,691</u> | <u>10,457,464</u> |
| Total | <u>136,816,431</u> | <u>117,652,430</u> |
| 8 Cash & Bank Balance | | |
| Cash in Hand | 847,003 | 130,634 |
| <u>Cash at Bank:</u> | | |
| <u>Current A/C</u> | | |
| Dhaka Bank Ltd. | 5,081 | 8,605 |
| Dutch Bangla Bank Ltd. | 3,790 | 4,630 |
| Southeast Bank Ltd. | 3,650 | 4,650 |
| Exim Bank Ltd. | 4,778 | 4,778 |
| Mutual Trust Bank Ltd. | 642,152 | 7,175 |
| NCC Bank Ltd. | 364,322 | 4,120,870 |
| City Bank | 2,488,224 | 1,330,533 |
| | <u>3,511,997</u> | <u>5,481,241</u> |
| <u>Short Term Deposit A/C</u> | | |
| Southeast Bank Ltd. | 3,016,931 | 9,956,832 |
| City Bank | 3,071,823 | 46,299,975 |
| | <u>6,088,754</u> | <u>56,256,807</u> |
| <u>Foreign Currency A/C</u> | | |
| City Bank | 14,485,852 | 4,356,223 |
| | <u>14,485,852</u> | <u>4,356,223</u> |
| Total | <u>24,933,606</u> | <u>66,224,905</u> |

| | <u>31-Dec-2007</u> | <u>30-Sep-2007</u> |
|--|---------------------------|---------------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 9 Share Capital | | |
| <u>Authorized Capital on 31 December, 2007</u> | | |
| 4,600,000 -Ordinary Shares of Tk. 100 each | 460,000,000 | 460,000,000 |
| 400,000 -13.5% Preference Shares of Tk. 100 each | 40,000,000 | 40,000,000 |
| | <u>500,000,000</u> | <u>500,000,000</u> |
| <u>Issued, Subscribed, and Paid-up Capital</u> | | |
| <u>Share position on 31 December, 2007:</u> | | |
| 1,500,000 -Ordinary Shares of Tk. 100 each | 150,000,000 | 150,000,000 |
| 600,000 -Ordinary Shares of Tk. 100 each | - | |
| 400,000 -13.5% Preference Shares of Tk. 100 each | 40,000,000 | 40,000,000 |
| | <u>190,000,000</u> | <u>190,000,000</u> |
| <u>Note: Opinion on Un-issued Shares</u> | | |
| There is no opinion regarding the authorized capital not yet issued can be used to increase the Issued, Subscribed, and Paid up Capital through the issuance of new shares against cash contribution and bonus. | | |
| 10 Reserve and surplus | | |
| Tax holiday reserve | 34,045,506 | 27,633,667 |
| Proposed Dividend | 30,000,000 | 30,000,000 |
| Retained Earnings | 18,068,261 | 8,450,501 |
| Total | <u>82,113,767</u> | <u>66,084,168</u> |
| 11 Long term Loan | | |
| Syndicated Term Loan(11.1) | 366,694,819 | 293,510,547 |
| Total | <u>366,694,819</u> | <u>293,510,547</u> |
| Note - 11.1 | | |
| The above syndicate loan received from Southeast Bank Limited, The City Bank Limited, NCC Bank Limited and Exim Bank Limited which is repayable by 22 equal installment Tk.195.69 lac per installments within March 2012.This loan is secured against land, building, plant and machinery. | | |
| 12 Accounts Payable(Trade and others) | | |
| Trading suppliers | 71,580,061 | 35,562,028 |
| Total | <u>71,580,061</u> | <u>35,562,028</u> |
| Details of Accounts Payable including aging are given in Annexure-2. | | |
| 13 Deferred Liabilities | | |
| Capital Expenditure | 31,178,000 | 70,107,975 |
| Total | <u>31,178,000</u> | <u>70,107,975</u> |

| | <u>31-Dec-2007</u> | <u>30-Sep-2007</u> |
|-------------------------------|-------------------------|-------------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 14 WPPF | | |
| Opening balance | 3,454,209 | 407,049 |
| Add: Provided during the year | 801,480 | 3,047,160 |
| Total | <u>4,255,689</u> | <u>3,454,209</u> |

Provision for Workers Participation Fund has been made @ 5% of net profit after charging the contribution and such contribution provided as per provision of the Companies Profits (Workers Participation) (amendment) Ordinance, 1985 and payable to workers as defined in the said Ordinance.

15 Current portion of long term loan Syndicated term loan)

| | | |
|-----------------------------|--------------------------|---------------------------|
| Syndicated Term Loan | 19,568,156 | 113,024,564 |
| Total | <u>19,568,156</u> | <u>113,024,564</u> |

Note: The installments, which will fall due during the period from 01 October 2007 to 31 December 2007 are transferred from long term loan to current portion of long term loan. Since this amount will be payable in the next financial year. This is as per requirement of Para 60(b) of BAS 1. "Presentation of Financial Statements".

16 Short Term Loan from Bank

| | | |
|---------------------------------------|---------------------------|---------------------------|
| Southeast Bank Ltd.- Overdraft A/C | 51,839,638 | 51,889,203 |
| Loan on Export | 401,987,190 | 329,490,837 |
| Southeast Bank Ltd.- LTR | 140,580,189 | 146,850,089 |
| City Bank- LTR | 50,313,924 | 49,061,705 |
| NCC Bank Ltd.- LTR | 45,409,528 | 73,516,460 |
| Southeast Bank Ltd.- Time Barred Loan | 224,350,519 | 204,543,122 |
| Total | <u>914,480,988</u> | <u>855,351,416</u> |

Note:

Southeast Bank Ltd.- LTR

The loan against trust receipt (LTR) were sanctioned by Southeast Bank Limited (Principal Branch) for 180 days with a revolving limit of Tk. 150,000,000 and is usually renewed on annual basis. The interest rate is subject to change from time to time. Such loan is secured against project finance security.

The Overdraft limit was sanctioned by Southeast Bank Limited (Principal Branch) for 1 year with a revolving limit of Tk. 50,000,000 and is usually this kind of account is renewed on annual basis. The interest rate is subject to change from time to time.

City Bank- LTR

The loan against trust receipt (LTR) were sanctioned by City Bank Limited (Foreign Exchange Branch) for 180 days with a revolving limit of Tk. 50,000,000 and is usually renewed on annual basis. The interest rate is subject to change from time to time. Such loan is secured against project finance security.

NCC Bank Ltd.- LTR

The loan against trust receipt (LTR) were sanctioned by NCC Bank Limited (Dilkusha Branch) for 180 days with a revolving limit of Tk. 50,000,000 and is usually renewed on annual basis. The interest rate is subject to change from time to time. Such loan is secured against project finance security.

| | 31-Dec-2007 | 30-Sep-2007 |
|------------------------------------|----------------------|----------------------|
| | Taka | Taka |
| 17 Liabilities for Expenses | | |
| Audit fees | - | 100,000 |
| Insurance Premium | 1,833,083 | 4,177,005 |
| Salary & Wages | 3,466,324 | 3,810,278 |
| Other expenses | 15,920,717 | 13,912,450 |
| Total | 21,220,124 | 21,999,733 |
| | 1 Oct 2007 to | 1 Oct 2006 to |
| | 31-Dec-2007 | 31-Dec-2006 |
| 18 Sales | Taka | Taka |
| Export | 260,466,436 | 176,676,773 |
| Total | 260,466,436 | 176,676,773 |
| 19 Cost of Goods Sold | 190,755,238 | 136,943,254 |

Details are given below on period basis:

| | Quantity (lbs) | 1 Oct 2007 to 31-Dec-2007 Total Taka | Quantity (lbs) | 1 Oct 2006 to 31-Dec-2006 Total Taka |
|--------------------------------------|-------------------|---|-------------------|---|
| Opening Work in Process | 59,632 | 2,992,244 | 49235 | 2,933,567 |
| Raw Material Consumed (Note-19.1) | 3,554,919 | 145,561,290 | 2734044 | 105,466,893 |
| | 3,614,551 | 148,553,534 | 2783279 | 108,400,460 |
| Less: Recovery | 395,605 | - | 312118 | - |
| | 3,218,946 | 148,553,534 | 2471161 | 108,400,460 |
| Less: Invisible | 24,345 | - | 19208 | - |
| Material available for Consumption | 3,194,601 | 148,553,534 | 2451953 | 108,400,460 |
| Less: Closing Work in Process | 151,485 | 7,559,075 | 51033 | 2,157,625 |
| Production | 3,043,116 | 140,994,459 | 2400920 | 106,242,835 |
| Add: Direct Expenses (Note-19.2) | - | 7,307,660 | 0 | 5,987,548 |
| Add: Factory Overhead (Note-19.3) | - | 42,217,547 | 0 | 28,343,069 |
| Cost of Production | 3,043,116 | 190,519,666 | 2400920 | 140,573,452 |
| Opening Finished Goods | 139,781 | 7,413,554 | 30127 | 2,305,085 |
| Finished Goods available for Sale | 3,182,897 | 197,933,220 | 2431047 | 142,878,537 |
| Less: Closing Finished Goods | 113,986 | 7,177,982 | 112793 | 5,935,283 |
| Total | 3,068,911 | 190,755,238 | 2318254 | 136,943,254 |
| 19.1 Raw Material Consumed | | | | |
| Opening Stock of Raw Cotton | 660,851 | 29,684,704 | 1315189 | 50,987,704 |
| Add: Purchase of Raw Cotton | 4,894,137 | 211,171,772 | 4105747 | 154,281,743 |
| Raw Cotton available for Consumption | 5,554,988 | 240,856,476 | 5,420,936 | 205,269,447 |
| Less: Sales of Raw Cotton | - | - | - | - |
| | 5,554,988 | 240,856,476 | 5,420,936 | 205,269,447 |
| Less: Closing Stock of Raw Cotton | 2,000,069 | 95,295,185 | 2686892 | 99,802,554 |
| Raw Material Consumed | 3,554,919 | 145,561,290 | 2,734,044 | 105,466,893 |

| | 1 Oct 2007 to 31-Dec-2007 | 1 Oct 2006 to 31-Dec-2006 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| | Taka | Taka |
| 19.2 Direct Expenses | | |
| Direct Labour/Wages | 7,109,763 | 5,373,744 |
| Overtime (Workers) | 88,072 | 197,735 |
| Loading & unloading | 37,211 | 64,825 |
| Carriage Inward | 72,614 | 351,244 |
| Total | 7,307,660 | 5,987,548 |
| 19.3 Factory Overhead | | |
| Factory Salary & Allowances | 1,675,027 | 1,402,005 |
| Factory Overtime (Staff and Officer) | 32,077 | |
| Factory Bonus | 1,828,075 | 1,392,414 |
| Power & Fuel | 581,000 | 285,752 |
| Gas Bill | 5,032,803 | 4,677,052 |
| Store & Spares | 2,812,680 | 1,669,918 |
| Entertainment (Factory) | 120,097 | 127,540 |
| Printing & Stationery | 63,685 | 59,471 |
| Vehicle Running & Maintenance | 37,724 | 35,166 |
| Gas for vehicle | 47,691 | |
| Fuel for vehicle | 187,350 | 157,544 |
| Fire fighting and safety expense | 30,650 | 660 |
| Other Expenses | 21,698 | 18,125 |
| Repairs & Maintenance | 56,483 | |
| Repairs & Maintenance (machinery) | 679,561 | 558,689 |
| Workers hose rent | 79,200 | 64,800 |
| Repairs & Maintenance (gas generator) | 727,184 | 58,287 |
| Insurance | 503,238 | 1,214,778 |
| Telephone and Fax | 3,775 | 3,131 |
| Medical Expenses | 693 | 24,131 |
| Lease Rent | 9,975,800 | 197,725 |
| TA /DA conveyance | 28,468 | 41,518 |
| Office Expenses (Factory) | 107,927 | 150,183 |
| Sanitation | 7,264 | 21,163 |
| Uniform | 7,620 | 8,141 |
| Depreciation | 17,569,777 | 16,174,876 |
| Total | 42,217,547 | 28,343,069 |

| | <u>1 Oct 2007 to 31-Dec-2007</u> | <u>1 Oct 2006 to 31-Dec-2006</u> |
|---|--------------------------------------|--------------------------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 20 Administrative Expenses | | |
| Salary & Allowance | 1,698,096 | 1,424,963 |
| Festival Bonus | 351,600 | 574,109 |
| Legal expenses | 1,000 | |
| Printing & Stationery | 29,730 | 61,065 |
| Traveling & Conveyance | | 16,150 |
| TA/ DA Conveyance | 49,255 | 16,735 |
| Vehicle Maintenance | 467,016 | 160,857 |
| Telephone & Fax | 219,493 | 179,586 |
| Office Expenses | 297,129 | 494,399 |
| Entertainment | 51,069 | 59,688 |
| Fees & Professionals | 10,000 | 40,000 |
| Medical Expenses | 208 | 61 |
| Gas for Vehicles | 23,169 | 30,881 |
| Fuel for Vehicles | 132,381 | 22,910 |
| Fuel for Generator | 8,040 | |
| Ceremonial Expenses | 28,750 | 452,751 |
| Repairs & Maintenance | - | 100 |
| Sanitation | - | 2,780 |
| Documentation | 107,939 | 705,670 |
| Miscellaneous Expenses | 256,890 | 111,320 |
| Postage & Telegram | - | 15 |
| Contribution to PF | 17,187 | |
| Deprecation | 692,940 | 370,301 |
| Total | <u>4,441,892</u> | <u>4,724,341</u> |
| 21 Selling & Distribution Expenses | | |
| Packing Materials | 3,492,840 | 2,504,927 |
| Carriage Outward | 147,100 | 50,855 |
| Commission against Export Sales | 443,378 | |
| Advertisement | 30,000 | 23,750 |
| Total | <u>4,113,318</u> | <u>2,579,532</u> |
| 22 Non operating income | | |
| Fluctuation Gain | 1,700,088 | 259,635 |
| Interest Income | 378,286 | |
| Total | <u>2,078,374</u> | <u>259,635</u> |

| | 1 Oct 2007 to 31-Dec-2007 | 1 Oct 2006 to 31-Dec-2006 |
|---|--------------------------------------|--------------------------------------|
| | Taka | Taka |
| 23 Financial Expenses | | |
| Interest on Bank & Other Financial Interest | 45,679,030 | 18,223,296 |
| Bank Charges and Commission | 724,252 | 728,066 |
| Total | 46,403,282 | 18,951,362 |

Details break up of Interest on Bank & Other Financial Interest is given below:

| | | |
|---------------------------------|-------------------|-------------------|
| Preference Share (ICB) | 1,350,000 | |
| SEBL term loan | 14,496,095 | 4,225,955 |
| Loan on Export | 10,085,580 | 1,409,529 |
| Southeast Bank Ltd. (Overdraft) | 1,869,269 | 1,086,053 |
| Time Loan | 10,820,084 | 9,639,398 |
| LTR A/C | 7,058,002 | 1,862,361 |
| Total Taka | 45,679,030 | 18,223,296 |

24 Basic Earning Per Share (EPS):

The computation of EPS is given below:

| | 1 Oct 2007 to 31-Dec-2007 | 1 Oct 2006 to 31-Dec-2006 |
|---|--------------------------------------|--------------------------------------|
| (a) Earning attributable to the ordinary shareholders (Net Profit after WPPF) | 16,029,600 | 13,083,733 |
| (b) Weighted average number of ordinary shares outstanding during the year | 1,500,000 | 600,000 |
| (c) Basic EPS | 10.69 | 21.81 |

Annualized EPS for the period from 1 Oct 2007 to 31 Dec 2007 is Tk. 42.76 at per value 100 each.

Annualized EPS for the period from 1 Oct 2006 to 31 Dec 2006 is Tk. 87.24 at per value 100 each

24.1 Restatement of EPS:

As the company has issued Bonus Share as on 16.01.08 , the EPS of the prior periods needs to be restated.

| | 1 Oct 2007 to 31-Dec-2007 | 1 Oct 2006 to 31-Dec-2006 |
|---|--------------------------------------|--------------------------------------|
| Considering split up of all ordinary shares of Tk 100/- to Tk 10/- & Bonus Issue | | |
| Original EPS (as calculated in note no. 24) | 10.69 | 21.81 |
| Number of Original Ordinary share | 1,500,000 | 600,000 |
| After split up , total number of shares including bonus share stands as on 16.01.08 | 18,000,000 | 18,000,000 |
| Restated EPS = Original EPS x Original Share / Revised Share | 0.89 | 0.73 |

25 Approval of the financial statements

These financial statements were authorized for issue in accordance with a resolution of the Company's Board of Directors on **17 January 2008**.

26 General

26.1 Comparative figures

Wherever considered necessary, previous year's figures have been restated, in order to conform to current year's presentation of 3 months. Comparative figures have been given as per the instruction of BAS-34, Interim Financial Reporting.

26.2 Presentation currency

The annexed financial statements are presented in Bangladeshi currency (Taka), which have been rounded off to the nearest Taka.

26.3 Disclose as per requirement of schedule XI, part II of Companies Act 1994

A Disclose as per requirement of schedule XI, part II, note 5 of para 3

Employee Position (as on 31 Dec 2007)

| Salary Range | Officer & Staff | | Worker | Total Employee |
|--------------|-----------------|-------------|--------------|----------------|
| | Factory | Head Office | | |
| Bellow 3000 | 43 | - | 1,016 | 1,059 |
| Above 3000 | 90 | 32 | 43 | 165 |
| Total | 133 | 32 | 1,059 | 1,224 |

B Disclose as per requirement of schedule XI, part II para 4

Payment to Directors(From 1 Oct to 31 Dec 2007)

| Particulars | | Amounts | Remarks |
|-------------------------|-------------------|---------|---------|
| Mohammad Ali Khokon | Managing Director | 270,000 | Salary |
| Al haj Abdul Ali | Chairman | 105,000 | Do |
| Md. Shawkat Ali | Director | 90,000 | Do |
| Md Ferdous Kawser Masud | Do | 30,000 | Do |
| Ms Laila Ali | Do | 30,000 | Do |
| Md. Amzad Ali | Do | 90,000 | Do |

C Disclose as per requirement of schedule XI, part II para 7

Details of capacity has given below

| Particulars | Licence Capacity | Installed Capacity | Actual Production (1 Jan to 31 dec 2007) |
|---------------------------------|--------------------------|--------------------|--|
| Annual Production of Yarn in KG | Not Mentioned in Licence | 9,160,000 Kg | 6,584,512 Kg |

D Disclose as per requirement of schedule XI, part II para 8

Value of Raw material, spare parts, packing materials and Capital goods

| Particulars | Local Purchase | Inport | Total Purchase | Consumption | % of consumption |
|-----------------------|----------------|-------------|----------------|-------------|------------------|
| Raw Material | 59,386,098 | 151,785,674 | 211,171,772 | 145,561,290 | 68.93 |
| Spare and Accessories | 5,661,885 | 1,174,698 | 6,836,583 | 5,879,287 | 86.00 |
| Packing Materials | 4,611,348 | - | 4,611,348 | 3,492,840 | 75.74 |
| Capital Goods | | 1,204,750 | 1,204,750 | | |

Value of Export

| Particulars | In foreign Currency \$ | In BDT |
|-------------|------------------------|-------------|
| Export | 3,747,719 | 260,466,436 |

26.7 Event after the Balance Sheet Date:

- a) SEC has given consent through letter no. SEC/IPO/CPLC-99/2005/120 dated 4th Feb 2008 on issuance of 30 lakh Bonus Share of Tk. 10 each to the existing shareholders approved by the Board of Directors in 3rd Annual General Meeting held on 16th Jan 2008.
- b) As on 8 January company splited up all its ordinary & preference share valuing Tk 100 each into Tk 10.

Sd/-
Mohammad Ali Khokon
Managing Director

Sd/-
Mohd. Ferdous Kawser Masud
Director

Sd/-
Mohd. Mohsin Adnan
Company Secretary

**Schedule of Accounts Receivable(Trade Debtor)
As on 31.12.07**

Annexure-1

| Bayer Name | L/C No. | Sub.Total | Aging | Total |
|-----------------------------|--|------------------|--------------|--------------|
| A.B.L Design & Fashion | 240,440,421,455,475,488,488,490,545,555 | 7,344,711 | 30-Sep-07 | 17,158,182 |
| A.B.L Design & Fashion | 1742,1743,1741,1752,1766,1758,1759,1757,1815 | 8,053,036 | 19-Dec-07 | |
| A.B.L Design & Fashion | 1555-07-04-1967 | 571,985 | 20-Nov-07 | |
| A.B.L Design & Fashion | 1555-07-04-3148 | 1,188,450 | 27-Dec-07 | |
| Abir Fashion | 235707040245 | | 31-Jul-07 | 761,056 |
| Abloom Designer Ltd. | 010807040452 | | 29-Aug-07 | 880,440 |
| AL- Sahabi Modemaker | 1527,1626,1676,1674,17100,1816,1818,1863 | 5,500,297 | 29-Aug-07 | 8,209,581 |
| AL- Sahabi Modemaker | 2436,2147,2791,2576 | 2,608,509 | 19-Nov-07 | |
| AL- Sahabi Modemaker | 1816-07-04-2791 | 100,775 | 10-Dec-07 | |
| AL- Tahsin Apparels | 181607042106 | 12,895,020 | 30-Sep-07 | 15,731,315 |
| AL- Tahsin Apparels | 1816-07-04-2366 | 1,482,609 | 29-Oct-07 | |
| AL- Tahsin Apparels | 1816-07-04-2430 | 1,353,686 | 04-Nov-07 | |
| Alliance Garments Ltd. | 20107040858 | 79,195 | 02-Oct-07 | 3,657,055 |
| Alliance Garments Ltd. | 1065,1063,1067 | 2,126,700 | 29-Nov-07 | |
| Alliance Garments Ltd. | 201-704-1113 | 1,451,160 | 18-Dec-07 | |
| Amex Knitting & Dyeing Ind. | 2843,2844,2924 | 3,829,841 | 29-Aug-07 | 8,976,316 |
| Amex Knitting & Dyeing Ind. | 0330-07-04-4095 | 368,350 | 21-Nov-07 | |
| Amex Knitting & Dyeing Ind. | 4273,4268 | 4,778,125 | 05-Dec-07 | |
| Apex Lingeric Ltd. | 147807042341 | | 30-Sep-07 | 63,070 |
| Apex Spinning and Knitting | 565,796,451,455 | 6,373,300 | 30-Sep-07 | 10,161,050 |
| Apex Spinning and Knitting | 1478-07-04-2838 | 1,051,188 | 31-Oct-07 | |
| Apex Spinning and Knitting | BBCDAK708738 | 2,736,563 | 26-Nov-07 | |
| Apex Textile Printing Mills | 033042428 | | 31-Jul-07 | 3,620,634 |
| Apparel 21 Ltd. | 074906040054 | | 01-Nov-07 | 294,019 |
| Arman Fabrics | 959,988,051 | 3,868,465 | 29-Aug-07 | 11,301,768 |
| Arman Fabrics | 1551,1553 | 7,433,303 | 27-Nov-07 | |
| Arty Composite Ltd. | 161607040531 | 1,261,400 | 30-Sep-07 | 3,747,763 |
| Arty Composite Ltd. | 1616-07-04-0628,116-704-0590 | 2,486,363 | 29-Oct-07 | |
| Azmeri Composite Knit | 033807041520,033807041619 | 977,364 | 30-Sep-07 | 7,060,525 |
| Azmeri Composite Knit | 0338-07-04-1861 | 386,768 | 22-Oct-07 | |
| Azmeri Composite Knit | 2314,2027,1869,1961 | 5,696,393 | 18-Dec-07 | |
| Bangladesh. E.W.Ltd. | 303507040767 | | 29-Aug-07 | 1,549,243 |
| BARLIN KNITWEAR LTD | 0339-07-04-3316 | 1,584,600 | 03-Dec-07 | 4,850,892 |
| BERLIN KNIT WEAR | 339-07-04-3119 | 2,500,054 | 15-Nov-07 | |
| BERLIN KNITWEAR | 0339-07-04-3380 | 766,238 | 10-Dec-07 | |
| BFB GARMENTS LTD | 02020-07040402 | | 20-Nov-07 | 1,012,963 |
| BHS FASHION | 1609-07-04-0826 | | 30-Oct-07 | 1,270,808 |
| BHUIYAN FABRICS | 871-07-04-234 | 307,538 | 30-Oct-07 | 881,955 |
| BHUIYAN FABRICS | 871-07-04-0240 | 574,418 | 11-Nov-07 | |
| Cad Tex Garments | 0200-0704-1000 | 2,144,423 | 27-Sep-07 | 2,676,098 |
| Cad Tex Garments | 200-07-04-1121 | 531,675 | 28-Oct-07 | |
| Capital International Ltd. | 222407040050,222407040041 | 285,430 | 29-Aug-07 | 7,610,209 |
| Capital International Ltd. | 2224-07-04-0087 | 5,073,500 | 30-Sep-07 | |
| Capital International Ltd. | 2224-07-04-125, 130& 131 | 2,251,279 | 15-Nov-07 | |
| Classic Supplier Ltd. | 174107042904 | | 30-Sep-07 | 504,560 |
| COEVAL TEXTILES | 1563-07-04-0002 | 1,739,238 | 24-Oct-07 | 6,036,075 |
| COEVAL TEXTILES | 1746-07-04-0631 | 1,125,900 | 20-Nov-07 | |
| COEVAL TEXTILES | 03310-07-04-0786,0331-07-04-768 | 3,170,938 | 27-Nov-07 | |
| CORDIAL APPARELS LTD | 033-07-04-0308,033-07-04-305 | | 26-Nov-07 | 3,148,350 |
| Dalas Fashion Ltd. | 000407040644 | | 30-Sep-07 | 1,275,000 |
| Design Sweeter Ltd. | 120707990037 | | 29/08/07 | 2,546,891 |
| Divine Tex Ltd. | 050007040529,554 | 2,486,902 | 31/07/07 | 5,454,308 |
| Divine Tex Ltd. | 050007040595,596 | 1,528,096 | 29-Aug-07 | |
| Divine Tex Ltd. | 500-07-04-924, 926 | 1,439,310 | 17-Nov-07 | |
| Doel Apparel Ltd. | 94707041368 | 2,085,000 | 30-Sep-07 | 9,508,017 |
| Doel Apparel Ltd. | 947-07-04-1495 | 7,423,017 | 22-Oct-07 | |
| Dress Up Ltd. | 033107040753,752,796,795 | | 22-Nov-07 | 2,798,070 |
| Esha Knit tex Ltd. | 288407040149,288407040166 | 2,456,274 | 31/07/07 | 3,796,371 |
| Esha Knitex Ltd. | 28840704279,221,249,270 | 1,340,097 | 30-Sep-07 | |

| Bayer Name | L/C No. | Sub.Total | Aging | Total |
|-------------------------------|----------------------------|------------------|--------------|--------------|
| EUROPA APPARELS | 4387-07-04-110 | 1,722,036 | 04-Oct-07 | 3,718,076 |
| EUROPA APPARELS | 0438-07-04-121 | 1,139,800 | 21-Nov-07 | |
| EUROPA APPARELS | 0438-07-04-0126 | 856,240 | 09-Dec-07 | |
| Ever Youth Apparels Ltd. | 195207040528 | 1,479,000 | 30-Sep-07 | 2,021,100 |
| Ever Youth Apparels Ltd. | 1952-07-04-654 | 542,100 | 22-Nov-07 | |
| Exotic Fabrics | 051207040134 | 92,049 | 29-Aug-07 | 279,699 |
| Exotic Fabrics | 051207040191 | 187,650 | 04-Oct-07 | |
| ER Fashion | 0339-07-04-2568,2338 | | 26-Sep-07 | 1,250,270 |
| FARIHA | 1952-704-554 | | 30-Sep-07 | 3,429,825 |
| Fair & Fame Knit Fabrics Ltd. | 100307040441 | | 31-Mar-07 | 345,712 |
| Fair composite Designer | 037307040258,241 | 1,784,216 | 29-Aug-07 | 8,751,503 |
| Fair composite Designer | 037307040263,264 | 4,769,697 | 13-Sep-07 | |
| Fair composite Designer | 709,752,309 | 2,197,590 | 20-Nov-07 | |
| FAME DESIGN LTD | 0339-07-04-3286 | | 29-Nov-07 | 2,866,875 |
| Future Clothing Ltd. | 045807040122 | 724,200 | 30-Sep-07 | 10,316,833 |
| Future Clothing Ltd. | 0458-07-04-0149,143 | 985,163 | 30-Oct-07 | |
| Future Clothing Ltd. | 154,149,162,158 | 8,607,470 | 12-Nov-07 | |
| FIROZA APPARELS | 2287-07-04-0179 | | 20-Nov-07 | 858,673 |
| GULF KNITTING | 1955-07-04-1295 | | 25-Nov-07 | 286,688 |
| Genne Knitwear | 1206040683 | | 29-Aug-07 | 404,250 |
| Harvest Rich Ltd. | 026307040527,493,534,526 | | 29-Aug-07 | 8,911,861 |
| Haypoid Composite Knit | 134607040214,212 | | 29-Aug-07 | 3,380,500 |
| Ital Tex Knit wear Ltd. | 101307040769,768 | 1,989,090 | 25-Oct-07 | 4,790,635 |
| Ital Tex Knit wear Ltd. | 1013-0704-936,907 | 2,801,545 | 09-Dec-07 | |
| Intramex Knitwear | 372 | 9,510,782 | 31/07/07 | 24,304,292 |
| Intramex Knitwear | 432,506,507 | 11,770,260 | 30-Sep-07 | |
| Intramex Knitwear | 1616-07-04-0765 | 3,023,250 | 05-Dec-07 | |
| IFS Texwear | 242,476,339 | | 29/08/07 | 3,282,027 |
| Jannat Fashion Ltd. | 033407040328 | 1,164,683 | 23/09/07 | 1,649,966 |
| Jannat Fashion Ltd. | 0334-07-04-454 | 485,283 | 05-Dec-07 | |
| K.N.Z Knit wear Ltd. | 304507040448 | 836,400 | 30-Sep-07 | 836,400 |
| K.S Knit Composite | 033907041590 | 5,116,678 | 30-Jun-07 | 5,867,278 |
| K.S Knit Composite | 16190704327 | 750,600 | 12-Nov-07 | |
| Kader Knit wear | 0339070411498 | 1,588,913 | 30/06/07 | 27,919,084 |
| Kader Knit wear | 033907041837 | 8,914,183 | 31-Jul-07 | |
| Kader Knit wear | 033907042014,15 | 3,889,600 | 29-Aug-07 | |
| Kader Knit wear | 033907042328,2494 | 6,875,238 | 30-Sep-07 | |
| Kader Knit wear | 339-07-04-2744,1923 | 6,651,150 | 04-Oct-07 | |
| Kamal Textile Mills Ltd. | 0172,185,208 | 16,027,851 | 31-Jul-07 | 41,368,040 |
| Kamal Textile Mills Ltd. | 155207040227,208,244,247 | 12,651,400 | 30-Sep-07 | |
| Kamal Textile Mills Ltd. | 1552-07-04-172,267,256,258 | 3,820,764 | 24-Oct-07 | |
| Kamal Textile Mills Ltd. | 1552-07-04-292,280,293,300 | 1,926,887 | 20-Nov-07 | |
| Kamal Textile Mills Ltd. | 1552-07-04-0309,310 | 6,941,139 | 09-Dec-07 | |
| Kayaba Knit wear Ltd. | 106607041079 | | 12-Aug-07 | 3,392,617 |
| Knit world Ltd. | 033907042173 | | 29-Aug-07 | 1,756,878 |
| KRC COMPOSIT | 200-704-1097 | 806,200 | 17-Oct-07 | 2,549,781 |
| KRC COMPOSIT | 200-704-1229 | 1,476,006 | 15-Nov-07 | |
| KRC COMPOSIT | 0200-07-04-1300 | 267,575 | 04-Dec-07 | |
| Luminous Apparels Ltd. | 051207040152,154,165,143 | 2,817,070 | 30-Sep-07 | 4,156,856 |
| Luminous Apparels Ltd. | 0512-07-04-236,208 | 1,339,786 | 10-Dec-07 | |
| Le Nouveautex (Pvt.) Ltd | | | 28-Nov-07 | 2,250,000 |
| Maa Knitting & Dyeing Ind. | 033007042761 | 4,010,674 | 29-Aug-07 | 8,511,872 |
| Maa Knitting & Dyeing Ind. | 033007043318,3319,3320 | 3,587,273 | 23-Sep-07 | |
| Maa Knitting & Dyeing Ind. | 0330-07-04-3978 | 913,925 | 12-Nov-07 | |
| MARS FASHION | 0339-07-04-3287 | | 29-Nov-07 | 1,657,575 |
| MASCOT KNIT LTD | 0093-07-04-4449,4453 | | 21-Nov-07 | 6,028,951 |
| Mallik fabrics | 1619-704-276 | | 27-Aug-07 | 2,458,188 |
| Miswar Hosiery Mills Ltd. | 079607042503 | | 05-Aug-07 | 18,673,000 |
| NEMCON DESIGN LTD | 0339-07-04-3313 | | 02-Dec-07 | 187,650 |
| Oniyx Knitex Ltd. | 1355-07-04-1508,1603 | | 30-Sep-07 | 2,882,180 |
| PANDEMIC FASHION LTD | 1877-07-04-1449 | | 11-Nov-07 | 2,870,350 |
| POLO COMPOSIT | 221807041305,1370,1472 | | 05-Nov-07 | 28,220,823 |
| P.A Knit Composite Lrtd. | 100507040405 | | 30-Sep-07 | 8,011,463 |
| Paramount Apparels Ltd. | 190906040240,140907040410 | | 01-Oct-07 | 1,654,429 |

| Bayer Name | L/C No. | Sub.Total | Aging | Total |
|-------------------------------|----------------------------------|------------|-----------|-------------|
| Perfect Fashion | 033907042042 | | 29-Aug-07 | 4,338,922 |
| Pritom Fashion wear Ltd. | 100907041037,216207040265 | | 30-Sep-07 | 5,369,960 |
| PRITOM TEXTILES | 1009-07-04-1131 | | 07-Oct-07 | 1,240,575 |
| Probir Knit wear Ltd. | 188107040022 | | 20-Aug-07 | 246,500 |
| Prottasha Dyeing & Printing | 049907040283 | | 31-Mar-07 | 1,042,100 |
| Proud Textile | 195207040421 | | 29-Aug-07 | 489,867 |
| RAIFUL KNIT GERMENTS LTD | 500-07-04-840 | | 28-Oct-07 | 591,098 |
| Radial International Ltd. | 009307041130 | | 30-Apr-07 | 1,194,624 |
| Rahnuma Fashion Ltd. | 100507040364 | | 29-Aug-07 | 2,806,970 |
| Raihana Apparels | 162307040067 | | 31-Mar-07 | 3,304,847 |
| Rupshi Knit wears Ltd. | 033907041597,1785,1787,1778 | 35,278,102 | 31-Jul-07 | 44,880,067 |
| Rupshi Knit wears Ltd. | 033907042241 | 306,340 | 30-Sep-07 | |
| Rupshi Knit wears Ltd. | 339-07-04-1778,1778 | 9,295,625 | 30-Dec-07 | |
| S. Islam Fashion | 033070402994 | 1,841,229 | 29-Aug-07 | 3,759,082 |
| S. Islam Fashion | 033-07-04-3741 | 1,250,653 | 24-Oct-07 | |
| S. Islam Fashion | 0330704-04103 | 667,200 | 22-Nov-07 | |
| S.F. Knit wear Ltd. | 033907042144 | | 29-Aug-07 | 606,900 |
| SA RAHMAN TEXTILES | 0336-07-04-1397,1333 | 3,277,794 | 23-Oct-07 | 3,640,931 |
| SA RAHMAN TEXTILES | 0336-07-04-1573 | 363,137 | 22-Nov-07 | |
| SEAM KNITWEAR | 339-07-04-2892,2649,2647 | | 28-Oct-07 | 4,604,375 |
| SHAMSUL ALAMIN FABRICS | 1945-07-04-5091 | | 14-Nov-07 | 4,778,125 |
| SADMA FASHION WEAR LTD | 2966-07-04-0406,321 | | 08-Nov-07 | 1,307,168 |
| Sariha Knit wear Ltd. | 050007040656,589 | | 06-Sep-07 | 2,129,363 |
| Seaco Tex Dyeing & Prin. | 000607040772,811,816,808,845,880 | 13,777,945 | 30-Sep-07 | 16,582,270 |
| Seaco Tex Dyeing & Prin. | 006-07-04-995,942 | 2,804,325 | 01-Nov-07 | |
| SEACOTEX FABRICS | 006-07-04-816,956 | 2,267,437 | 09-Sep-07 | 5,259,760 |
| SEACOTEX FABRICS | 0006-704-1079.1130.1127.1058 | 2,992,323 | 22-Nov-07 | |
| Sharif Knitting & Dyeing Ltd. | 000507040387 | | 31-Jul-07 | 3,128,204 |
| Shatabdi Apparels Ltd. | 033907042116 | | 29-Aug-07 | 793,022 |
| Shoeb Knit Composite Ltd. | 033407040309,289,292 | | 30-Sep-07 | 5,206,618 |
| Sindhu Knit Composite | 120807040240 | 2,857,048 | 30-Sep-07 | 3,779,660 |
| Sindhu Knit Composite | 1208-07-04-0388 | 922,612 | 27-Nov-07 | |
| South east Compisite | 195507040840 | 360,400 | 29-Aug-07 | 2,005,437 |
| South east Compisite | 195507040903,840,927,99,139 | 1,645,037 | 30-Sep-07 | |
| Squire Attires | 0373-07-04-309 | | 29-Nov-07 | 2,866,875 |
| Tex ture heaven Ltd. | 033907042117 | 5,391,615 | 20-Aug-07 | 6,056,556 |
| Tex ture heaven Ltd. | 339-07-04-2875 | 664,941 | 27-Oct-07 | |
| TANGON KNITWEAR | 0500-0704-970 | | 27-Nov-07 | 2,015,500 |
| TURAG garments | 214907040355 | 8,505,139 | 31/07/07 | 11,100,755 |
| TURAG garments | 2149-07-04-0566,565 | 2,595,616 | 04-Nov-07 | |
| Thu-ha Textile | 1822,289,,277,290 | | 27-Sep-07 | 3,114,556 |
| THE NEW DELTA APPARELS | 1949-07-04-4020 | | 22-Nov-07 | 286,688 |
| TILOTTOMA | 1075-07-04-551 | 525,768 | 02-Oct-07 | 1,757,308 |
| TILOTTOMA FASHION LTD | 1075-07-04-660 | 1,231,540 | 24-Nov-07 | |
| Unity Knit wear Ltd. | 033907041569 | 4,527,406 | 21-Jun-07 | 14,227,983 |
| Unity Knit wear Ltd. | 033907041994,1995 | 9,700,577 | 29-Aug-07 | |
| UNITED APPARELS | 1887-07-04-0023,0108-07-04-578 | | 04-Nov-07 | 2,273,693 |
| Uttara Knitting & Dyeing Ltd. | 086407041522,1625 | 2,184,705 | 29-Aug-07 | 7,441,893 |
| Uttara Knitting & Dyeing Ltd. | 086407041823,1739,1797,1898 | 5,257,188 | 27-Sep-07 | |
| VAAJON APPARELS LTD | 435-07-04-595 | | 29-Oct-07 | 1,507,247 |
| Wave Tex Apparles Ltd. | 228507040404 | 539,131 | 06-Aug-07 | 720,283 |
| Wave Tex Apparles Ltd. | 228507040466 | 181,152 | 30-Sep-07 | |
| Z- 3 Composite Knit | 174107042899,897 | 4,590,000 | 20-Sep-07 | 7,905,150 |
| Z- 3 Composite Knit | 1741-07-04-4002 | 3,315,150 | 25-Nov-07 | |
| Z-3 DRESS LTD | 1741-07-04-3734 | | 06-Nov-07 | 860,758 |
| Z-3IT KNITWEAR | 1741-07-04-4002 | | 25-Nov-07 | 2,762,625 |
| Zong Shine | MSL/ZTIL/07/64 | | 31-Aug-07 | (8,244,390) |
| | | | | 578,384,704 |

Schedule of Accounts Payable(Trade & others)

As on 31 Dec 2007

Annexure-2

| ID | Name | Amount | Ageing |
|-----------|---------------------------------------|----------------------|---------------|
| SUL-00044 | ABRARS | 1,132,047.00 | 31.12.07 |
| SUL-00002 | AMANIA BRICKS | 1,032.00 | 05.12.07 |
| SUL-00084 | ASHIM TRADERS (PVT) LTD | 1,750.00 | 31.10.07 |
| SUL-00014 | ASMA STEEL HOUSE | 703,448.99 | 19.12.07 |
| SUL-00013 | AUTOMATION ENGINEERING & CONTROLS LTD | 37,007.96 | 18.12.07 |
| SUL-00018 | BEARING SALES CORPORATION | 315,805.00 | 18.12.07 |
| SUL-00015 | BENGAL AGENCIES | 11,416.00 | 11.02.07 |
| SUL-00056 | BENGAL ROOTS | 60,923.50 | 18.12.07 |
| SUL-00026 | BILAL CORPORATION | 1,600.00 | 06.11.06 |
| SUL-00037 | CHATANA ENTERPRISE | 38,255.00 | 07.10.07 |
| SUL-00001 | CREATIVE COMMUNICATION | 6,985.00 | 24.12.07 |
| SUL-00057 | DELCOT ENTERPRISE | 21,800.00 | 18.12.07 |
| SUL-00071 | DOLPHIN AIRCONDING & ENGINEERING CO | 135,000.00 | 08.10.07 |
| SUL-00054 | JASHIM ENGINEERING & STEEL WORKS | 361,275.41 | 31.12.07 |
| SUL-00045 | KEYA ENTERPRISE | 25,700.00 | 03.08.07 |
| SUL-00005 | M I CEMENT FACTORY LTD. | 65,000.00 | 01.12.07 |
| SUL-00006 | MARS CORPORATION | 497,076.58 | 27.12.07 |
| SUL-00023 | MASTER ENTERPRISE | 262,300.00 | 10.12.07 |
| SUL-00047 | MAXIM ENGINEERING WORKS | 22,882.00 | 31.10.07 |
| SUL-00069 | MINARVA ENGINEERING WORKS | 165,848.00 | 18.12.07 |
| SUL-00042 | MOSHARRAF ENTERPRISE | 77,061.00 | 22.08.07 |
| SUL-00021 | MOUSUMI SANITARY | 79,196.00 | 19.12.07 |
| SUL-00092 | NAHAR CONSORTIUM | 223,458.00 | 31.12.07 |
| SUL-00024 | NANDITA KARIGARI KARKHANA | 33,639.00 | 28.08.07 |
| SUL-00035 | NEW DIAMOND PLASTIC TRADERS | 76,692.00 | 08.10.07 |
| SUL-00058 | PACIFIC COTTON | 17,846,290.00 | 19.12.07 |
| SUF-00025 | PAUL REINHEART/N & N MARKETING | 46,941,902.00 | 19.11.07 |
| SUL-00010 | PEOPLES MILL STORE | 162,082.00 | 30.12.07 |
| SUL-00068 | PROLIX COMPUTERS | 18,670.00 | 18.12.07 |
| SUL-00053 | PUBAIL OIL COMPANYS | 95,176.00 | 13.12.07 |
| SUL-00038 | PYRAMID ELECTRIC CO. (POWER CABLE) | 41,562.62 | 08.09.07 |
| SUL-00070 | RASHID ENTERPRISE | 25,500.00 | 12.12.07 |
| SUL-00075 | REID ENGINEERING | 235,000.00 | 06.11.07 |
| SUL-00059 | S.S PAPER CONE | 55,980.00 | 17.10.07 |
| SUL-00040 | SHUVO & BROTHERS | 1,330,654.00 | 29.12.07 |
| SUL-00033 | STANDARD SPRING INDUSTRIES | 423,925.00 | 27.12.07 |
| SUL-00019 | THE GLOBE ENGINEERING CO. | 17,291.04 | 17.11.07 |
| SUL-00052 | UNIVERSAL TRADE CENTRE | 21,230.00 | 18.12.07 |
| SUL-00072 | WAVE TECH NETWORK | 7,600.00 | 01.12.07 |
| | | 71,580,061.11 | |

Maksons Spinning Mills Limited

Selected Ratio as specified in rule 8 B (20) I-Annexure B of the "Securities and Exchange Commission (Public Issue) Rules ,2006"

| | Formula | 31/12/2007* | 30/09/2007 | 30/09/2006 | 30/09/2005 | 30/09/2004 |
|-------------------------------------|---|--------------------|-------------------|-------------------|-------------------|-------------------|
| Liquidity Ratios | | | | | | |
| Current Ratio(Times) | Current Asset/Current Liability | 0.81 | 0.73 | 0.40 | 1.47 | 6.08 |
| Quick Ratio (Times) | (Current Asset-Stock-Prepaid Exp/Current Liability | 0.57 | 0.58 | 0.21 | 0.11 | 0.47 |
| Time Interest Earned Ratio (Times) | EBIT/Int Charges | 1.363 | 1.429 | 1.967 | N/A | N/A |
| Debt-Equity Ratio(Times)** | (Long Term Loan+Current portion of Long term Loan+Pref Share)/Owners Equity | 1.6 | 1.7 | 2.6 | | |
| Operating Ratios | | | | | | |
| Accounts Receivable Turnover Ratio* | Sales/Avg Receivables | 1.820 | 3.096 | 2.000 | N/A | N/A |
| Inventory Turnover Ratio* | COGS/Avg Inventory | 9.391 | 14.798 | 12.901 | N/A | N/A |
| Asset Turnover Ratio* | Sales/ Avg Assets | 2.479 | 1.371 | 0.180 | N/A | N/A |
| Profitability Ratios | | | | | | |
| Gross Margin Ratio | Gross Margin/Sales | 26.76% | 22.92% | 18.14% | N/A | N/A |
| Operating Income Ratio (%) | Operating Income/ Sales | 23.48% | 19.79% | 13.43% | N/A | N/A |
| Net income Ratio (before Tax) (%) | NIBT/Sales | 6.15% | 5.66% | 6.29% | N/A | N/A |
| Net income Ratio (After Tax) (%) | NIAT/Sales | 3.69% | 3.39% | 3.77% | N/A | N/A |
| Return on Assets (%) | Net Profit before WPPF/Fixed Assets-Dep | 7.96% | 8.14% | 1.10% | N/A | N/A |
| Return on Equity (%) | Net Profit before Tax holiday Res/Shareholders Equity | 23.56% | 23.80% | 7.53% | N/A | N/A |
| Earnings per share (Taka) * | Earnings/No of ordinary shares | 42.76 | 40.63 | 36.19 | N/A | N/A |
| Restated Earnings per share (Taka) | Original EPS x Original Shares/Revised Shares | 3.56 | 3.39 | 1.21 | | |

Note-1: Company started commercial operation from 16th May ,2006

Note-2: As on 8 January,2008 the company splitted up its all ordinary shares and preference shares from tk 100.00 to Tk 10.00 each. And in the 3rd Annual General Meeting held on 16.01.2008, the Board approved 30,00,000 bonus shares @ Tk 10.00 each to its existing equity shareholders.

Note - 3: Figures marked with *(Star) regarding 2007 and all EPSs are annualized for smooth comparison.

Note - 4 : Preference Share Capital treated like other external liabilities by considering its nature.

Sd/-

Hoda Vasi Chowdhury & Co.

Chartered Accountants

Dhaka, 7 June, 2008

Considering par value of share Tk. 100.00 original EPS for three months (October 2007 to December 2007) is Tk. 10.69

Maksons 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 Maksons Spinning Mills Limited for the years ended on 30 September 2007, and for the period from 01 October to 31 December, 2007 and the figures extracted from the financial statements for the remaining years 2004, 2005, 2006 audited by Haque Shahalam Mansur & 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 statements of assets & liabilities of the company as under:

| Particulars | 31.12.07 Taka | 30.09.07 Taka | 30.09.06 Taka | 30.09.05 Taka | 30.09.04 Taka |
|--|----------------------|----------------------|--------------------|-------------------|-------------------|
| ASSETS | | | | | |
| Non -Current Assets | 840,551,191 | 851,260,030 | 720,277,948 | 54,276,197 | 9,309,025 |
| Fixed Assets less accumulated Depreciation | 840,551,191 | 851,260,030 | 720,277,948 | 54,276,197 | 9,309,025 |
| Current Asset | 860,540,414 | 797,834,609 | 250,742,319 | 17,834,417 | 826,975 |
| Inventories | 115,986,196 | 46,508,782 | 65,694,578 | - | - |
| Trade Debtors | 578,384,704 | 566,448,492 | 129,423,902 | - | - |
| Investment | 4,419,477 | 1,000,000 | - | - | - |
| Advance Deposit & Prepayments | 136,816,431 | 117,652,430 | 54,841,330 | 16,486,385 | 762,395 |
| Cash & Bank Balances | 24,933,606 | 66,224,905 | 782,509 | 1,348,032 | 64,580 |
| TOTAL ASSETS | 1,701,091,605 | 1,649,094,639 | 971,020,267 | 72,110,614 | 10,136,000 |
| EQUITY & LIABILITIES | | | | | |
| Share holder Equity | 272,113,767 | 256,084,168 | 108,140,983 | 60,000,000 | 10,000,000 |
| Share capital* | 190,000,000 | 190,000,000 | 100,000,000 | 60,000,000 | 10,000,000 |
| Reserve & Surplus | 82,113,767 | 66,084,168 | 8,140,983 | - | - |
| Non -current Liabilities | 366,694,819 | 293,510,547 | 238,872,488 | - | - |
| Long term loan | 366,694,819 | 293,510,547 | 238,872,488 | - | - |
| Current Liabilities | 1,062,283,018 | 1,099,499,925 | 624,006,796 | 12,110,614 | 136,000 |
| Trade and other liabilities | 71,580,061 | 35,562,028 | 218,377,161 | 12,110,614 | 136,000 |
| Deferred liability | 31,178,000 | 70,107,975 | 326,617,151 | - | - |
| WPPF | 4,255,689 | 3,454,209 | 407,049 | - | - |
| Current portion of Long term loan | 19,568,156 | 113,024,564 | - | - | - |
| Short term loan | 914,480,988 | 855,351,416 | 70,556,493 | - | - |
| Liability for Expense | 21,220,124 | 21,999,733 | 8,048,942 | - | - |
| TOTAL EQUITY & LIABILITIES | 1,701,091,604 | 1,649,094,640 | 971,020,267 | 72,110,614 | 10,136,000 |

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

| Particulars | 1.10.07 to 31.12.07 Taka | 1.10.06 to 30.09.07 Taka | 16.05.06 to 30.09.06 Taka |
|--|-----------------------------------|-----------------------------------|------------------------------------|
| Sales | 260,466,436 | 1,077,103,280 | 129,423,902 |
| less Cost of Goods sold | 190,755,238 | 830,208,490 | 105,939,945 |
| Gross profit | 69,711,198 | 246,894,790 | 23,483,957 |
| Less Administrative & Selling Expense | 8,555,210 | 33,759,217 | 6,098,543 |
| Operating Profit | 61,155,988 | 213,135,573 | 17,385,414 |
| Add . Non-operating income | 2,078,374 | 92,402 | - |
| Profit before financial expense & WPPF | 63,234,362 | 213,227,975 | 17,385,414 |
| Less Financial Expense | 46,403,282 | 149,237,630 | 8,837,382 |
| Net Profit before WPPF | 16,831,080 | 63,990,345 | 8,548,032 |
| Provision for WPPF | 801,480 | 3,047,160 | 407,049 |
| Net profit before tax holiday reserve | 16,029,600 | 60,943,185 | 8,140,983 |
| Tax holiday Reserve | 6,411,840 | 24,377,274 | 3,256,393 |
| Profit Available for Appropriation | 9,617,760 | 36,565,911 | 4,884,590 |

C. Cash Flow Statement

| Particulars | 1.10.07 to 31.12.07 | 1.10.06 to 30.09.07 | 16.05.06 to 30.09.06 |
|---|---------------------------|---------------------------|----------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES: | | | |
| Cash Received from Turnover and Others | 250,608,598 | 640,171,092 | - |
| Payment for Cost and Expenses | (273,380,698) | (1,259,232,733) | (158,896,680) |
| Interest Paid | (46,403,282) | (149,237,630) | (8,837,382) |
| Net Cash Generated from Operating Activities | (69,175,382) | (768,299,271) | (167,734,062) |
| CASH FLOW FROM INVESTING ACTIVITIES: | | | |
| Acquisition of Fixed Assets | (7,553,877) | (204,715,878) | (58,727,825) |
| Investment in Associate | (3,419,477) | (1,000,000) | - |
| Net Cash used in Investing Activities | (10,973,354) | (205,715,878) | (58,727,825) |
| CASH FLOW FROM FINANCING ACTIVITIES: | | | |
| Dividend Paid | - | (3,000,000) | - |
| Share Capital | - | 90,000,000 | 20,000,000 |
| Short Term Loan from Bank | 59,129,572 | 784,794,923 | 70,556,493 |
| Long Term Loan | (20,272,136) | 167,662,623 | 132,975,784 |
| Net Cash Generated from Financing Activities | 38,857,436 | 1,039,457,546 | 223,532,277 |
| Net Cash Inflow / (Outflow) | (41,291,300) | 65,442,397 | (2,929,610) |
| Opening Cash & Bank Balances | 66,224,905 | 782,509 | 3,712,119 |
| Closing Cash & Bank Balances | 24,933,605 | 66,224,906 | 782,509 |

| Particulars | 1.10.07 to 31.12.07 | 1.10.06 to 30.09.07 | 16.05.06 to 30.09.06 |
|--------------------------------|---------------------------|---------------------------|----------------------------|
| D. Dividend Declared | | | |
| Final cash dividends per share | - | - | 5% |
| Stock dividend per share | - | 20% | - |

E. The Company was incorporated as a "Private" limited company & obtained the certificate of commencement under the Companies Act 1994, on 25 September, 2003. Subsequently it was converted to public limited company on 25 January, 2005. by special resolution.

F. The Company has started its manufacturing from 16 May, 2006. So, the statement of operating results and cash flow statement have been given from 16 May, 2006.

G. The company has no subsidiaries.

H. No proceeds or part of proceeds of the issue of shares were applied directly to the company in the purchase of any business.

I. The Company did not prepared any accounts for any period subsequent to 31 December, 2007.

J. Figures relating to previous years have been rearranged whether considered necessary.

K. Share Capital includes Preference Share Capital Taka 4,00,00,000.

Dhaka, 22 March 2008

Sd/-
Hoda Vasi Chowdhury & Co.
Chartered Accountants

INSTRUCTIONS

1. As per provision of the Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) Account number in the Application Form. If you do not mention your valid BO (Beneficiary Owner) Account, your application will be treated as invalid.
2. All information must be typed or written in full (in Block letters) in English or in Bengali and must not be abbreviated.
3. Application must be made on the Company's printed form/photocopy or on typed copy/hand written form thereof.
4. Application must not be for less than **500** Ordinary Shares and must be for a multiple of **500** Ordinary Shares. Any Application not meeting these criterions will not be considered for allotment purpose.
5. Remittance for the full amount of the Shares must accompany each Application and must be forwarded to any of the Banker's to the Issue. Remittance should be in the form of Cash/Cheque/Bank Draft/Pay Order payable to one of the Banker's to the Issue favoring "**Maksons Spinning Mills Limited**" and crossed "**A/C Payee only**" and must be drawn on a Bank in the same town as the Bank to which the Application form has been sent.
6. In the case of Joint Application Form, the Allotment Letter will be dispatched to the person whose name appears first on this Application Form.
7. Joint Application form for more than two persons will not be accepted. In case of joint Application, each party must sign the Application Form.
8. Application must be in full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Application from financial and market intermediary companies must be accompanied by Memorandum of Association and Articles of Association and Certificate of Incorporation.
- 9. An applicant can not 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.**
- 10. An IPO applicant shall ensure his/her BO account remains operational till the process of IPO (including securities allotment or refund of IPO application) is completed. If any BO account mentioned in the IPO application is found closed, the allotted security may be forfeited by SEC.**
11. No receipt will be issued for the payment made with Application, but the bankers will issue a provisional acknowledgment to the Issue for Application lodged with them.
12. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue and HSBC, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms. Otherwise, refund will be made only through "Account Payee" cheque(s) with bank account number and name of bank branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
13. Allotment shall be made solely in accordance with the instructions of the Securities and Exchange Commission (SEC).
14. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the Application liable to rejection and subject to forfeiture of Application money. The said forfeited Application money will be deposited in account specified by the Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by law.
15. Applications, which do not meet the above requirements, or Applications, which are incomplete, shall not be considered for allotment purpose.
16. The Banker's to the Issue Banks shall be obliged to receive the A/C Payee Cheque(s) on the closing day of the subscription of the IPO.
- 17. No sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until 25 (twenty five) days after the prospectus has been published.**

| | | | |
|--|---|---|--|
| <p>Investment Corporation Of Bangladesh Head Office, 8 DIT Avenue, Dhaka Local Office, Nayapalton, Dhaka - 1000. Barishal Branch, Barishal Bogra Branch, Bogra. Chittagong Branch, Chittagong. Khulna Branch, Khulna Rajshahi Branch, Rajshahi Sylhet Branch, Sylhet</p> <p>National Bank Ltd. Agrabad Branch, Chittagong Anderkilla Branch, Chittagong Babubazar Branch, Dhaka Bangshal Road Branch, Dhaka. Barisal Branch, Barisal Bogra Branch, Bogra. Comilla Branch, Comilla. Dhanmondi Branch, Dhaka. Dilkusha Branch, Dhaka. Elephant Road Branch, Dhaka. Foreign Ex. Branch, Dhaka. Gazipur Branch, Gazipur. Gulshan Branch, Dhaka. Imamganj Branch, Dhaka. Isampur Branch, Dhaka. Jatrabari Branch, Dhaka. Jubilee Road Branch, Chittagong Kawan Bazar Branch, Dhaka. Khatunganj Branch, Chittagong Khulna Branch, Khulna. Lake Circus Branch, Kalabagan, Dhaka Malibagh Branch, Dhaka. Mirpur Brnch, Dhaka. Mohakhali Branch, Dhaka. Mohammadpur Branch, Dhaka. Motijheel Branch, Dhaka. Narayanganj Branch, N'Gonj. Narsingdi Branch, Narsingdi. North Brook Hall Branch, Dhaka. 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.</p> <p>Southeast Bank Limited Aganagar Branch, Keranigonj, Dhaka Agargaon Branch, Dhaka Agrabad Branch, Chittagong Ashulia Branch (Rural), Dhaka Banani Branch, Banani, Dhaka Bandar Bazar Branch Bandar Bazar, Sylhet Bangshal Branch, Dhaka Bashurhat Branch (Rural), Companyganj, Noakhali CDA Avenue Branch, Pachlaish, Chittagong Chouhatta Branch, Chouhatta, Sylhet Chowmunani Branch (Rural), Begumganj, Noakhali Corporate Branch, Dhaka Cox's Bazar Branch, Cox's Bazar Chagalnaiya Bazar, Chagalnaiya, Feni Dhanmondi Branch, Dhanmondi R/A, Dhaka Feni Branch, Feni Gulshan Branch, Gulshan Avenue, Dhaka Halishahar Branch, Chittagong Hetimongj Branch, Sylhet Imamganj Branch, Dhaka Joypara Branch (Rural), Dhaka Jubilee Road Branch, Chittagong Kakrail Branch, Ramna, Dhaka Karwan Bazar Branch, Dhaka Khatunganj Branch Chittagong Khulna Branch, Khulna Kulaura Branch (Rural), Moulvi Bazar Laldighirpaar Branch, Sylhet Madhobi Branch (Rural), Narsingdi Moulvibazar Branch, Moulvibazar Narayanganj Branch, Narayanganj New Elephant Road Branch, Dhanmondi, Dhaka Pahartali Branch, Pahartali, Chittagong Panthantula Branch, Panthantula, Sylhet Principal Branch, Dhaka Rangpur Branch, Radhaballab. Rangpur, Shahjalal Uposhahar Branch, Sylhet Shaymoli Branch, Shaymoli, Dhaka. Shahjalal Uposhahar Branch, Sylhet. Uttara Branch, Dhaka</p> <p>Al-Arafa Islami Bank Limited Agrabad Branch, Chittagong Banani Branch, Dhaka. Barishal Branch, Barishal. Bogra Branch, Bogra. Comilla Branch, Comilla. Corporate Branch, Dhaka. Dhanmondi Branch, Dhaka. Elephant Road Branch, Dhaka. Isampur Branch, Dhaka. Jessore Branch, Jessore. Joydebpur Chowrasta Branch, Joydebpur. Jubilee Road Branch, Chittagong. Khatunganj Branch, Chittagong. Khulna Branch, Khulna. Laldighirpur Branch, Sylhet Motijheel Local Office, Dhaka. Mirpur Branch, Dhaka. Mohammadpur Branch, Dhaka. Mouchak Branch, Dhaka. Moulvi Bazar Branch, Dhaka.</p> | <p>Narayanganj Branch, Narayanganj. Nawabpur Road Branch, Dhaka. Northsouth Road Branch, Dhaka. O.R. Nizam Road Branch, Chittagong. Rajshahi Branch, Rajshahi. Uttara Branch, Dhaka. VIP Road Branch, Dhaka. Zindabazar Branch, Sylhet.</p> <p>Dutch Bangla Bank Limited Agrabad Branch, Chittagong B. B. Road Branch, Narayanganj Baburhat Branch, Narayanganj Banani Branch, Dhaka Barisal Branch, Barisal Basundhara Branch, Dhaka Biswanath Branch, Sylhet. Board Bazar Branch, Gazipur Bogra Branch, Bogra CDA Avenue Branch, Chittagong Comilla Branch, Comilla Cox.s Bazar Branch, Cox.s Bazar Dania Branch, Dhaka Dhaka EPZ Branch, Dhaka Dhanmondi Branch, Dhaka Elephant Road Branch, Dhaka Feni Branch, Feni Gazipur Chowrasta Branch, Gazipur Golagongj Branch, Sylhet Gulshan Branch, Dhaka Hathazari Branch, Chittagong Imamganj Branch, Dhaka Isampur Branch, Dhaka Joypara Branch, Dohar, Dhaka Jubilee Road Branch, Chittagong Kadamtali Branch, Tangail Kawran Bazar Branch, Dhaka Khulna Branch, Khulna Local Office, 1 Dilkusha C/A, Dhaka Lohagara Branch, chittagong Manikgonj Branch, Manikgonj Mirpur Branch, Dhaka Mirzapur Branch, Tangail Mohakhali Branch, Dhaka Motijheel Foreign Exchange Branch, Zerim Mansion, Dhaka Moulavi Bazar Branch, Moulavi Bazar. Muradpur Branch, Chittagong Narayanganj Branch, Dhaka Narayanganj Branch, Narayanganj Naya Bazar Branch, Dhaka Nelaiganj Branch, Narayanganj Patherhat Branch, Chittagong Rajshahi Branch, Rajshahi Ring Road Branch, Dhaka Savar Bazar Branch, Dhaka Shantinagar Branch, Dhaka Simrail Branch, Narayanganj Sylhet Branch, Sylhet Uttara Branch, Dhaka</p> <p>Export Import Bank Of Bangladesh Limited Agrabad Branch, Chittagong Basundhara Road Branch, Dhaka. Bogra Branch, Bogra. CDA Avenue Branch, Chittagong. Comilla Branch, Comilla. Elephant Road Branch, Dhanmondi, Dhaka. Gazipur Branch, Gazipur. Gulshan Branch, Dhaka. Imamganj Branch, Dhaka. Jessore Branch, Jessore. Jubilee Road Branch, Chittagong. Kawran Bazar Branch, Dhaka. Khatunganj Branch, Chittagong. Malibagh Branch, Dhaka. Mawna Chowrasta Branch, Sreepur, Gazipur Mirpur Branch, Mirpur, Dhaka. Moulvibazar Branch, Moulvibazar. Narayanganj Branch, Narayanganj. Nawabpur Branch, Dhaka. New Eskaton Branch, Dhaka. Panthapath Branch, Dhaka. Rajuk Avenue Branch, Dhaka. Rangpur Branch, Rangpur. Satmasjed Road Branch, Dhanmondi. Shimrail Branch, Narayanganj. Sylhet Branch, Sylhet. Uttara Branch, Uttara, Dhaka.</p> <p>Islami Bank Bangladesh Limited Agrabad Branch, Chittagong Bogra Branch, Bogra Farmgate Branch, Dhaka Foreign Exchange Corp. Branch, Dhaka Gulshan Branch, Dhaka Khatunganj Branch, Chittagong Khulna Branch, Khulna. Local Office, Dhaka Nawabpur Road Corp. Branch, Dhaka Rajshahi Branch, Rajshahi Sadarghat Branch, Dhaka Sylhet Branch, Sylhet</p> <p>National Credit and Commerce Bank Ltd. Agrabad Branch, Chittagong, Anderkilla Branch, Chittagong. Babu Bazar Branch, Dhaka Bangshal Branch, Dhaka Bogra Branch, Bogra Cox's Bazar Branch, Cox's Bazar Dhanmondi Branch, Dhaka</p> | <p>Dilkusha Branch, Dhaka Elephant Road Branch, Dhaka. Feni Branch, 10 Trank Road, Feni. Foreign Exchange Branch, Dhaka. Gulshan Branch, Dhaka. Haigonj Branch, Chandpur. Isampur Branch, Dhaka. Jatrabari Branch, Dhaka. Jessore Branch, Jessore. Jubilee Road Branch, Chittagong. Kadamtoli Branch, Chittagong. Kawran Bazar, Branch, Dhaka. Khulna Branch, Khulna. Laldighirpur Branch, Sylhet. Madaripur Branch, Madaripur. Majrighat Branch, Chittagong. Malibagh Branch, DIT Road, Dhaka. Mirpur Branch, Dhaka Miford Branch, Dhaka Mogh Bazar Branch, Dhaka Motijheel Main Branch, Dhaka Moulvi Bazar Branch, Moulvi Bazar. O.R Nizam Road, Chittagong Rajshahi Branch, Rajshahi. Uttara Branch, Dhaka.</p> <p>One Bank Limited Agrabad Branch, Chittagong Banani Branch, Dhaka. Bogra Branch, Bagra. Chowmuhuni Branch, Noakhali. Chandragonj Branch, Laxmipur. Cox's Bazar Branch, Main Road, Cox.s Bazar 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 Isampur Branch, Isampur Bazar, Sylhet Jatrabari Branch, Dhaka Jessor Branch, Jessore. Joypara Branch, Raipara, Dohar, Dhaka Jubilee Road Branch, Laxshmipur Kakrail Branch, Dhaka. Kawran Bazar Branch, Dhaka. Khatunganj Branch, Chittagong Mirpur Branch, Mirpur -11, Dhaka Motijheel Branch, Dhaka Narayanganj Branch, Narayanganj Principal Branch, Dhaka Pragati Sharanj Branch, Dhaka Rangpur Branch, Raipur, Laxmipur Sherpur Branch, Moulvi Bazar Sylhet Branch, Sylhet Uttara Branch, Dhaka</p> <p>Social Investment Bank Limited Agrabad Branch, Chittagong Bagra Branch, Bogra Dhanmondi Branch, Dhaka Foreign Exchange Branch, Dhaka Gulshan Branch, Dhaka Jubilee Road Branch, Chittagong. Khulna Branch, Khulna. Moulvi Bazar Branch, Dhaka Principal Branch, Dhaka Rajshahi Branch, Rajshahi Sylhet Branch, Sylhet</p> <p>Standard Bank Limited Agrabad Branch, Chittagong Banani Branch, Dhaka CDA Avenue Branch, Chittagong Dhanmondi Branch, Dhaka. Foreign Exchange Branch, Dhaka Gulshan - 1 Branch, Dhaka Gulshan Branch, Dhaka Imamganj Branch, Dhaka Jessore Branch, Jessore Jubilee Road Branch, Chittagong Khatunganj Branch, Chittagong Khulna Branch, Khulna Munshikhola Branch, Dhaka Narayanganj Branch, Narayanganj Panthapath Branch, Dhaka Principal Branch, Dhaka Rajshahi Branch, Rajshahi Sylhet Branch, Sylhet Tophkana Road Branch, Dhaka Uttara Branch, Dhaka</p> <p>United Commercial Bank Limited Agrabad Branch, Chittagong. Amberkhana Branch, Sylhet. Anderkilla Branch, Chittagong. Bahaddarhat Branch, Chittagong. Bangshal Branch, Dhaka. Barishal Branch, Barishal. Barleka Branch, Sylhet. Beanbazar, Sylhet. Bhulta Branch, Narayanganj. Biswanath Branch, Sylhet. Bogra Branch, Bogra. Brahmanbaria Branch, Brahmanbaria Chandpur Branch, Chandpur. Chapai Nawabgonj Branch, Chapai Nawabgonj Chewk Bazar, Chittagong. Chokoria Branch, Cox's Bazar. Chowmohani Branch, Noakhali. Chuadanga Branch, Chuadanga.</p> | <p>Comilla Branch, Comilla. Cox's Bazar Branch, Cox's Bazar. Dhanmondi Branch, Dhaka. Dinajpur Branch, Dinajpur. Dohazari Branch, Chittagong. Elephant Road Branch, Dhaka. Faridpur Branch, Faridpur. Fatikchhari Branch, Chittagong. Feni Branch, Feni. Foreign Exchange Branch, Dhaka. Goalabazar Branch, Sylhet. Gohira Branch, Chittagong. Gulshan Branch, Dhaka. Hasnabad Branch, Dhaka. Isampur Branch, Dhaka. Jessore Branch, Jessore. Jhenaidah Branch, Jhenaidah. Jubilee Road Branch, Chittagong. Kadamtali Branch, Chittagong. Kamal Bazar Branch, Chittagong. Kawran Bazar Branch, Dhaka. Khan Jehan Ali Road Branch. Khatunganj Branch, Chittagong. Khulna Branch, Khulna Kushtia Branch, Kushtia. Lakshipur Branch, Laxmipur. Lohagara Branch, Chittagong Madhabdi Branch, Narsingdi. Madunaghat Branch, Chittagong. Maizdee Court Branch, Noakhali. Malibag Branch, Dhaka. Mirpur Branch, Dhaka. Mohakhali Branch, Dhaka. Mohammadpur Branch, Dhaka. Moulvi Bazar Branch, Moulvi Bazar. Moulvibazar Branch, Dhaka. Muradpur Branch, Chittagong. Mymensingh Branch, Mymensingh Nabigonj Branch, Sylhet. Naogaon Branch, Naogaon Narayanganj Branch, Narayanganj. Narsingdi Branch, Narsingdi. Natore Branch, Natore. Nawabpur Branch, Dhaka. Nayabazar Branch, Dhaka. Nazirhat Branch, Chittagong. Noapara Bazar Branch, Jessore. Noapara Branch, Chittagong. North Brook Hall Road Branch, Dhaka. O.R. Nizam Road, Chittagong. Pabna Branch, Pabna. Peglabazar Branch, Narayanganj. Port Branch, Chittagong. Principal Branch, Dhaka. Rajshahi Branch, Rajshahi Rangpur Branch, Rangpur. Seraigonj Branch, Seraigonj. Sherpur Branch, Sylhet. Shibgonj Branch, Sylhet. Station Road Branch, Chittagong. Sylhet Branch, Sylhet. Tangail Branch, Tangail. Tongi Branch, Gazipur. Uttara Branch, Dhaka. Zindabazar Branch, Sylhet. Zinzira Branch, Dhaka.</p> <p>Dhaka Bank Ltd. Local Office, , Dhaka - 1000. Banani Branch, Dhaka. Uttara Branch, Dhaka. Laldighirpur Branch, Sylhet. Bangshal Branch, Dhaka Foreign Exchange Branch, Dhaka. Amin Bazar Branch, Savar, Dhaka. Agrabad Branch, Chittagong. Imamgonj Branch, Dhaka. Dhanmondi Branch, Dhaka. Islami Banking Branch, Dhaka. Jubilee Road Branch, Chittagong. Isampur Branch, Dhaka. Kawan Bazar Branch, Dhaka. Narayanganj Branch, Narayanganj. Khatunganj Branch, Chittagong.</p> <p>Jamuna Bank Ltd. Mohakhali Branch, Dhaka. Sonargaon Road Branch, Dhaka. Moulvibazar Branch, Dhaka Dilkusha Branch, Dhaka. Motijheel Branch, Dhaka Shantinagar Branch, Dhaka. Gulshan Branch, Dhaka. Dhanmondi Branch, Dhaka. Naya Bazar Branch, Dhaka. Foreign Exchange Branch, Dhaka. Chistial Market Branch, Dhaka. Dholaikhal Branch, Dhaka Banani Branch, Dhaka Mawna Branch, Gazipur. Agrabad Branch, Chittagong. Khatunganj Branch, Chittagong. Jubilee Road Branch, Chittagong. Bahaddarhat Branch, Chittagong. Kadamtali Branch, Chittagong. Sylhet Branch, Sylhet. Naogaon Branch, Naogaon. Bogra Branch, Bogra. Narayanganj Branch, Narayanganj. Rajshahi Branch, Rajshahi. Bashurhat Branch, Noakhali. Sirajganj Branch, Sirajganj. Dinajpur Branch, Dinajpur. Kushtia Branch, Kushtia.</p> |
|--|---|---|--|

INSTRUCTIONS

1. As per provision of Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) Account number in the Application form. If you do not mention your valid BO (Beneficiary Owner) Account, your application will be treated as invalid.
2. All information must be written or typed in Block Letters in English and must not be abbreviated.
3. An application must not be for less than **500** Ordinary Shares and must be for a multiple of **500** Ordinary Shares. Any Application not meeting this criterion will not be considered for allotment purpose.
4. An application must be accompanied by a foreign demand draft drawn on a bank payable at Dhaka or cheque drawn out of foreign currency deposit account maintained in Bangladesh for the full value of Shares favoring "**Maksons Spinning Mills Limited**" and crossed "**Account Payee Only**".
5. Application shall be sent by the applicant directly to the Company by **16.10.2008** so as to reach the Company by **25.10.2008**. No Application sent after **16.10.2008** or received by the Company after **25.10.2008** will be considered for allotment purpose.
6. Refund against over-subscription shall be made in the currency in which the value of shares was paid for by the applicant at the same rate as stated on the application form through Account Payee cheque payable at Dhaka with bank account number, Bank's name and Branch as indicated in the securities application form.
7. All the applicants shall first be treated as applied for one minimum lot. If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. On the other hand, if there is under subscription, then all the applicants shall first be distributed with a single lot and thereafter, for the balance amount, lottery, shall be held for the applicants who have applied for multiple lots on the basis of dividing the application money by amount of a market lot separately for both NRB and General Public.
8. Money receipt on clearance of draft or cheque, as the case may be, shall be sent by post to the applicant by the Company.
9. Joint Application by two persons will be acceptable. In such a case, allotment or refund shall be made by post to the first applicant.
10. Application must be made by an individual, a corporation or Company, a trust or a society and not by a firm, minor or persons of unsound mind.
11. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue and HSBC, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms. Otherwise, refund will be made only through "Account Payee" cheque(s) with bank account number and name of bank branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
12. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the Application liable to rejection and subject to forfeiture of application money and / or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account specified by the Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by the law.
13. The intending NRB applicants shall deposit share money by US \$/UK Pound Sterling/Euro draft drawn on any bank and payable in Dhaka, Bangladesh, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in taka, supported by foreign currency encashment certificate issued by the concerned Bank, for the value of securities applied for through crossed bank cheque marking "Account Payee only". So that the Issuer's collecting Bank can clear that proceeds and deposit the same into Issuer's Bank account in time.
14. The spot buying rate (TT Clean) in US Dollars, UK Pound Sterling and EURO of Sonali Bank as the day of subscription opening will be applicable for the Non-Resident Bangladeshi (NRB) applicants.
- 15. The applicant shall furnish photocopies of relevant pages of valid passport(s) in support of his being a NRB, dual citizenship or of the foreign passport bearing an endorsement from the concerned Bangladeshi Embassy to the effect that no visa is required for him to travel to Bangladesh.**
16. In case of joint NRB application joint applicant shall also submit supporting papers/ documents in support of their being an NRB as mentioned in para-15 above.
- 17. An applicant can not 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.**
- 18. An IPO applicant shall ensure his/her BO account remains operational till the process of IPO (including securities allotment or refund of IPO application) is completed. If any BO account mentioned in the IPO application is found closed, the allotted security may be forfeited by SEC.**
- 19. No sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until 25 days after the prospectus has been published.**

THE NRB APPLICATION ALONG WITH THE FOREIGN CURRENCY DRAFT/PAY ORDER, AS ABOVE, IS TO BE SUBMITTED TO THE COMPANY'S HEAD OFFICE DIRECTLY WITHIN THE STIPULATED TIME MENTIONED IN PARA 5.

Additional disclosure by the Management of the Company

1. Cash Flows From Operating Activities

Negative cash flow from operating activity is mostly attributable to delay in collection of sales proceeds against export. Maksons Spinning Mills Limited is a 100% export oriented spinning industry, selling its product through 120 days deferred back to back L/Cs but the payment of these L/Cs is not always made on due maturity date. It takes 150 days or even more to realize the payment. The payment of back-to-back L/C is made by the opening bank after realization of payment of master/export L/C. In December '07 debtor balance was Tk. 578.30 million against the yearly sales of Tk. 1160.89 million that means 50% of sales proceeds remained unrealized. We are availing of short term financing against the bills of these BTB L/Cs. Short term loan was Tk. 401.98 million in December '07 which reflected financial activity rather than operating activity. On the other hand Cash Flow Statement furnished for 3 months period whereas 120 days deferred BTB L/Cs received in this period were not realized which also caused negative cash flow.

2. Account Receivable Turnover Ratio

Poor accounts receivable turnover ratio is mostly attributable to delay in collection of sales proceeds against export. Maksons Spinning Mills Limited is a 100% export oriented spinning industry, selling its product through 120 days deferred back to back L/Cs but the payment of these L/Cs is not always made on due maturity date. It takes 150 days or even more to realize the payment. The payment of back to back L/C is made by the opening bank after realization of payment of master/export L/C. In December '07 debtor balance was Tk. 578.30 million against the yearly sales of Tk. 1160.89 million that means 50% of sales proceeds remained unrealized. On the other hand Cash Flow Statement furnished for 3 months period whereas 120 days deferred BTB L/Cs received in this period were not realized which also causes poor accounts receivable ratio.

3. Current and Quick Ratio

The Current and Quick ratio of the Company are 0.81 & 0.70 respectively but the actual scenario is quite different. We have imported capital machinery of Tk. 70.37 Crore against 360 days deferred L/C. At the time of maturity of these L/C's the payment of Tk.43.20 Crore were made by creating syndicated long term loan, Tk. 22.43 Crore by creating short term loan and Tk. 1.56 Crore from own source. Rest Tk. 3.18 Crore yet to mature, lies as deferred liability. Besides, that the installments of Tk. 1.95 Crore, which will fall due during the period from 01 October 2007 to 31 December 2007 are transferred from long term loan to current liability as per requirement of Para 60(b) of BAS 1 "Presentation of Financial Statements". Since this amount will be payable in the next financial year. The inclusion of short term loan of Tk. 22.43 Crore & deferred liability of Tk. 3.18 Crore against capital machinery and current portion of long term loan of Tk. 1.95 Crore as current liability caused poor current and quick ratio. If we recalculate current and quick ratio not considering afore said amount then the current and quick ratio will be 1.09 and 0.94 respectively.

4. Rectification/amendment in the Audited Accounts for the period ended 31st December 2007.

The audited accounts of Maksons Spinning Mills Limited for the period ended 31st December 2007 approved by the board on 17th January 2008 subsequently as per SEC requirement the board of the company in its 13th board meeting held on 4th June 2008 approved the rectification/amendment of Profit and Loss Accounts, Cash Flow Statement, Changes of Equity and Notes to the Financial Statements in the Audited Accounts for the period ended 31st December 2007. The Auditor has also certified the same as on 4th June 2008.

Sd/-
(Al-haj Abdul Ali)
Chairman
&
Director

