

**Safko Spinning Mills Limited**  
**Statement of Financial Position**  
**As on December 31, 2011**

| ASSETS   | NOTES | Amount in Taka     |                    |
|--|-------|--------------------|--------------------|
|  |       | December 31, 2011  | December 31, 2010  |
| <b>Non-Current Assets :</b>                                    |       |                    |                    |
| Property, Plant & Equipment (net of depreciation)              | 3     | 203,649,937        | 216,165,237        |
| <b>CURRENT ASSETS:</b>   |       |                    |                    |
| Inventories  | 4     | 143,522,819        | 131,175,686        |
| Trade Debtors  | 5     | 1,317,531          | 5,147,410          |
| Advance, Deposit & Prepayments                                 | 6     | 6,111,768          | 7,375,351          |
| Cash & Bank Balances   | 7     | 1,248,517          | 4,331,969          |
| <b>Total current assets</b>                                    |       | <b>152,200,635</b> | <b>148,030,416</b> |
| <b>Total Assets</b>  |       | <b>355,850,572</b> | <b>364,195,653</b> |
| <b>Equity &amp; Liabilities</b>                                |       |                    |                    |
| <b>Shareholders Equity</b>                                     |       |                    |                    |
| Share Capital  | 8     | 185,600,000        | 160,000,000        |
| General Reserve  | 9     | 3,029,184          | 6,444,150          |
| Reserve for Tax Holiday  | 10    | -                  | 22,185,034         |
| Retained : Earnings/(Deficit)                                  | 11    | (88,868,930)       | (108,391,622)      |
| <b>Total Shareholders' Equity</b>                              |       | <b>99,760,254</b>  | <b>80,237,562</b>  |
| <b>Current Liabilities :</b>                                   |       |                    |                    |
| Bank Loan & Overdraft  | 12    | 205,424,138        | 244,244,319        |
| Short Term Loan (Lease Finance)                                | 13    | 28,671,457         | 34,766,141         |
| Directors Loan   | 14    | 17,000,000         | 3,275,600          |
| Liabilities for Expenses & other Finance                       | 15    | 3,049,542          | 1,672,031          |
| Provision for Tax  | 16    | 1,945,181          | -                  |
| <b>Total Current Liabilities</b>                               |       | <b>256,090,318</b> | <b>283,958,091</b> |
| <b>Total Liabilities</b>                                       |       | <b>256,090,318</b> | <b>283,958,091</b> |
| <b>Total Equity &amp; Liabilities</b>                          |       | <b>355,850,572</b> | <b>364,195,653</b> |
| <b>Net Assets Value (NAV) Per Share of tk. 10 in Dec. 2011</b> |       | 5.38               | 50.15              |

The annexed notes form an integral part of these financial statements.  
Signed in terms of our separate report of even date.

Managing Director

Director

Company Secretary

Dated : Dhaka  
April 05, 2012

  
**Malek Siddiqui Wali**  
Chartered Accounts

**SAFKO SPINNING MILLS LTD.**  
**DHAKA**  
**Statement of Comprehensive Income (Un-audited)**  
**As at March 31, 2012**

| Particulars                                  | Amount in Taka            |                           |
|--|---------------------------|---------------------------|
|  | January 12 to<br>March 12 | January 11 to<br>March 11 |
| Turnover and other Income                    | 83,563,650                | 105,623,700               |
| <b>Cost and expenses:</b>                    |                           |                           |
| Cost of goods sold                           | 67,670,879                | 87,681,703                |
| Administrative expenses                      | 1,872,925                 | 2,761,413                 |
| Selling expenses                             | 35,400                    | 202,600                   |
| Financial expenses                           | 8,408,925                 | 10,118,430                |
| Total cost and expenses                      | <b>77,988,129</b>         | 100,764,146               |
| <b>Net Profit / (Loss)</b>                   | <b>5,575,521</b>          | <b>4,859,554</b>          |
| Provision for Tax                            | 836,328                   | 728,933                   |
| Net Profit after Tax                         | 4,739,193                 | 4,130,621                 |
| <b>EPS of Tk. 10 in March 2012</b>           | <b>0.26</b>               | <b>2.58</b>               |
| <b>EPS Annualized of Tk.10 In March 2012</b> | <b>1.02</b>               | <b>10.33</b>              |

  
 (Abu Bakar Siddique)  
 Chief Financial Officer

## Safko Spinning Mills Limited

Statement of Cash Flow  
For the year ended December 31, 2011

| Particulars   | Amount in Tk.        |                      |
|---|----------------------|----------------------|
|   | December<br>31, 2011 | December<br>31, 2010 |
| <b>Cash flows from operating activities :</b>                     |                      |                      |
| Collection from customers and other income                        | 350,695,261          | 194,262,898          |
| Payment to Suppliers and employees and other expenses             | (315,813,472)        | (185,022,566)        |
| Income tax paid   | (1,500,000)          | (2,773,468)          |
| <b>Net cash flows / (used) from operating activities</b>          | <b>33,381,789</b>    | <b>6,466,864</b>     |
| <b>Cash flow from investing activities :</b>                      |                      |                      |
| Purchase of property, plant and equipment                         | (5,274,776)          | (1,899,044)          |
| <b>Net Cash used in investing activities</b>                      | <b>(5,274,776)</b>   | <b>(1,899,044)</b>   |
| <b>Cash flows from financing activities :</b>                     |                      |                      |
| Loan repaid/Received  | (31,190,465)         | (1,525,733)          |
| Dividend Paid   | -                    | -                    |
| Bank Overdraft  | -                    | -                    |
| <b>Net cash flows from financing activities</b>                   | <b>(31,190,465)</b>  | <b>(1,525,733)</b>   |
| Net increase/ (Decrease) in cash and cash equivalents             | (3,083,452)          | 3,042,087            |
| Cash and cash equivalents at the beginning of the financial year  | 4,331,969            | 1,289,882            |
| <b>Cash and cash equivalents at the end of the financial year</b> | <b>1,248,517</b>     | <b>4,331,969</b>     |
| <b>Net operating Cash Flow per Share of tk. 10 in Dec. 2011</b>   | <b>1.80</b>          | <b>4.04</b>          |

The annexed notes form an integral part of these financial statements.

**Managing Director**

**Director**

**Company Secretary**

Dated : Dhaka  
April 05, 2012

**Safko Spinning Mills Limited**  
**Statement of changes in equity**  
For the year ended December 31, 2011

| Particulars                       | Share Capital | General Reserve | Tax Holiday Reserve | Retained earnings | Total Amount in Taka |
|-----------------------------------|---------------|-----------------|---------------------|-------------------|----------------------|
| Balance as on 01.01.2010          | 160,000,000   | 6,444,150       | 22,185,034          | (97,207,688)      | 91,421,496           |
| Loss for the year ended           | -             | -               | -                   | (9,570,887)       | (9,570,887)          |
| Adjustment of Income Tax for 2007 | -             | -               | -                   | (1,613,047)       | (1,613,047)          |
| Balance as on 31.12.2010          | 160,000,000   | 6,444,150       | 22,185,034          | (108,391,622)     | (80,237,562)         |
| Balance as on 01.01.2011          | 160,000,000   | 6,444,150       | 22,185,034          | (108,391,622)     | 80,237,562           |
| Transfer for Stock Dividend       | -             | (3,414,966)     | (22,185,034)        | -                 | (25,600,000)         |
| 16% Bonus Share of Tk 100         | 25,600,000    |                 |                     |                   | 25,600,000           |
| Net Profit/Loss                   |               |                 |                     | 19,522,692        | 19,522,692           |
| Balance as on 31.12.2011          | 185,600,000   | 3,029,184       | -                   | (88,868,930)      | 99,760,254           |

The annexed notes form an integral part of these financial statements.

**Managing Director**

**Director**

**Company Secretary**

Dated : Dhaka  
April 05, 2012

**SAFKO SPINNING MILLS LTD.**

Property, Plant and Equipment  
For the year ended Dec.31 2011

Schedule - A

| Particulars                         | COST               |                            |                               | DEPRECIATION |                      |                   | Written down value as on 31st December '11 |
|-------------------------------------|--------------------|----------------------------|-------------------------------|--------------|----------------------|-------------------|--|
|                                     | As on 01.01.2011   | Addition during the Period | Total as on 31st December '11 | Rate %       | As on 1st January 10 | For the period    |  |
| Land and Land Development           | 4,025,860          | -                          | 4,025,860.00                  | -            |                      | -                 | 4,025,860.00                               |
| Factory Bldg. & others Construction | 80,406,553         | 266,000                    | 80,672,553.00                 | 5            | 37,903,362           | 2,138,460         | 40,041,822                                 |
| Plant & Machinery                   | 358,892,082        | 4,213,022                  | 363,105,104.00                | 7.5          | 223,035,503          | 10,505,220        | 233,540,723                                |
| Generator                           | 72,272,238         | 661,000                    | 72,933,238.00                 | 15           | 40,186,847           | 4,911,959         | 45,098,806                                 |
| Gas Line Installation               | 887,758            | -                          | 887,758.00                    | 15           | 730,771              | 23,548            | 754,319                                    |
| Furniture & Fixtures                | 1,640,618          | 1,000                      | 1,641,618.00                  | 10           | 854,093              | 78,753            | 932,846                                    |
| Transport & Vehicles                | 2,525,307          | -                          | 2,525,307.00                  | 20           | 2,257,251            | 53,611            | 2,310,862                                  |
| Office Equipment                    | 429,180            | 133,754                    | 562,934.00                    | 15           | 225,231              | 50,655            | 275,886                                    |
| Sundry Assets                       | 584,045            | -                          | 584,045.00                    | 10           | 305,346              | 27,870            | 333,216                                    |
|                                     | <b>521,663,641</b> | <b>5,274,776</b>           | <b>526,938,417.00</b>         |              | <b>305,498,404</b>   | <b>17,790,076</b> | <b>323,288,480</b>                         |

Depreciation Charged:

Cost of Production 17,579,187

Administrative exp. 210,889

17,790,076