PROSPECTUS

The Peninsula Chittagong Limited

Publication date: February 25, 2014

LankaBangla Investments Limited
Eunoos Trade Centre, Level 21, 52-53, Dilkusha C/A, Dhaka
Tel: 02-7113585, Fax: 02-7115756

This prospectus has been made available for public use with a view to disclose all the material information for the purpose of a Public Offering of Shares.

"If you have any query about this document, you may consult Issuer, Issue Manager and Underwriters"

PROSPECTUS

For

PUBLIC OFFERING OF 55,000,000 ORDINARY SHARES OF TK. 10.00 EACH AT AN ISSUE PRICE OF TK. 30.00 EACH INCLUDING A PREMIUM OF TK. 20.00 PER SHARE TOTALING TO TK. 1,650,000,000.00

Of

THE PENINSULA CHITTAGONG LIMITED

Opening Date for Subscription: March 30, 2014 **Closing Date for Subscription: April 03, 2014**

For Non-Resident Bangladeshi (NRB) quota:

Opening Date for Subscription: March 30, 2014 **Closing Date for Subscription: April 12, 2014**

MANAGER TO THE ISSUE

LANKABANGLA INVESTMENTS LIMITED
Eunoos Trade Centre, Level # 21, 52-53, Dilkusha C/A, Dhaka-1000

UNDERWRITERS	
GSP Finance Company (Bangladesh) Limited 1, Paribagh, Mymensingh Road, Ramna, Dhaka-1000	**Union Capital Limited** Noor Tower (5th Floor), 73, Sonargaon Road, Dhaka-1205
EBL Investments Limited 59, Motijheel C/A (1st floor) Dhaka-1000	**Swadesh Investment Management Limited** Suite 01, Level 11 & 15, Unique Trade Centre, 8, Panthapath, Dhaka-1215
IDLC Investments Limited Eunoos Trade Centre, Level # 21, 52-53, Dilkusha C/A, Dhaka-1000	**LankaBangla Investments Limited** Eunoos Trade Centre, Level # 21, 52-53, Dilkusha C/A, Dhaka-1000

CREDIT RATING STATUS	Long Term	Short Term
Entity Rating	AA_3	ST-1
Validity of Rating	June 30, 2014	Expiry date of respective credit facilities or June 30, 2014 whichever is earlier
Date of Rating	September 12, 2013	
Outlook	Positive	
Rated by	Credit Rating Agency of Bangladesh Limited (CRAB)	

Date of Publication of the Prospectus: February 25, 2014

The Issue shall be placed in "N" Category

The Peninsula Chittagong
(Best Business Hotel in Town)

The Peninsula Chittagong Limited
Bulbul Center, 486/B O.R. Nizam Road
CDA Avenue, Chittagong 4100
Tel: +88 031 2850860-9 (10 lines auto-hunting)
Fax: +88 (031) 624385, 632506
Email : ipoinfo@peninsulactg.com
Website: www.peninsulactg.com

"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."

AVAILABILITY OF PROSPECTUS

Prospectus of The Peninsula Chittagong Limited may be obtained from the Issuer Company, the Manager to the Issue, the Underwriters and the Stock Exchanges as follows:

The Issuer:

Institution	Contact Person	Contact
The Peninsula Chittagong Limited Bulbul Center, 486/B O.R. Nizam Road, CDA Avenue, Chittagong 4100	**Mr. Mohammad Nurul Azim** Company Secretary and CFO	Tel: +88 031 2850860-9 (10 lines auto-hunting) Fax: +88 (031) 624385, 632506 E-mail: acctmgnr@peninsulactg.com

The Manager to the Issue:

Institution	Contact Person	Contact
LankaBangla Investments Limited Eunoos Trade Centre, Level # 21, 52-53, Dilkusha C/A, Dhaka-1000	**Mr. M Shakil Islam Bhuiyan** Chief Executive Officer	Tel: 7113585, Fax: 7115756 E-mail: shakil.bhuiyan@lankabangla-investments.com

Underwriters to the Issue:

Institution	Contact Person	Contact
LankaBangla Investments Limited Eunoos Trade Centre, Level # 21, 52-53, Dilkusha C/A, Dhaka-1000	**Mr. M Shakil Islam Bhuiyan** Chief Executive Officer	Tel: 7113585, Fax: 7115756 E-mail: shakil.bhuiyan@lankabangla-investments.com
GSP Finance Company (Bangladesh) Limited 1, Paribagh, Mymensingh Road, Ramna, Dhaka-1000	**Mr. Toaha Muhammad** GM & Chief Operating Officer (MBU)	Tel: 9674306, Fax: 9674194 E-mail: toaha@gspfinance.com
Union Capital Limited Noor Tower (5th Floor), 73, Sonargaon Road, Dhaka-1205	**Mr. Tauhidul Ashraf, FCS** SVP & Company Secretary	Tel: 9662888, Fax: 8616878 E-mail: tauhidul@unicap-bd.com
Swadesh Investment Management Limited Suite 01, Level 11 & 15, Unique Trade Centre, 8, Panthapath, Dhaka-1215	**Mr. Mamun Ahmed** Managing Director	Tel: 01713-400500, Fax: 8158344 Email: mamunahmed@msn.com
IDLC Investments Limited Eunoos Trade Centre, Level # 21, 52-53, Dilkusha C/A, Dhaka-1000	**Mr. Md. Moniruzzaman, CFA** Managing Director	Tel: 9571170, Fax: 9571171 Email: mzaman@idlc.com
EBL Investments Limited 59, Motijheel C/A (1st floor) Dhaka-1000	**Mr. Md. Tanvir Hashem** Assistant Manager	Tel: 7118975, Fax: 7120251 Email: tanvir@eblinvestmetns.com

Stock Exchanges:

Name	Available At	Contact
Dhaka Stock Exchange Limited 9/F Motijheel C/A, Dhaka-1000	DSE Library	Tel: 02 7175705-9
Chittagong Stock Exchange Limited CSE Building, 1080, Sheikh Mujib Road, CTG-4100	CSE Library	Tel: 031-714632-3 Tel: 031-720871-3

Prospectus is also available on the websites of The Peninsula Chittagong Limited(www.peninsulactg.com), LankaBangla Investments Limited (www.lankabangla-investments.com), BSEC (www.sec.gov.bd.), DSE (www.dsebd.org), CSE (www.csebd.com) and Public Reference room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and study.

Auditor:

Name	Address	Contact
Hoda Vasi Chowdhury & Co. Chartered Accountants	Delwar Bhaban-4th floor, 104 Agrabad C/A, Chittagong-4100.	Tel: +88- 031 -716305 & 723391 Fax: +88 (031) 2512485 Email : hvc@globalctg.net

The Peninsula Chittagong
(Best Business Hotel in Town)

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DEFINITION AND ABBREVIATION WORDS AND TECHNICAL TERMS USED IN THE PROSPECTUS

General Terms

Terms	Description
"The Company" /"TPCL" /"the Issuer"	The Peninsula Chittagong Limited, a company incorporated under the Companies Act, 1994 having its Registered Office at 8A, Chandrashila Suvastu Tower, 69/1 Green Road, Panthapath, Dhaka-1205.
"LBIL" /"the Issue Manager"	LankaBangla Investments Limited, a company incorporated under the Companies Act, 1994, carries on the business as Merchant Bank as defined in the Merchant Banker and Portfolio Manager Rules, 1996 having its Registered Office at Eunoos Trade Centre (Level # 21), 52-53, Dilkusha C/A, Dhaka-1000.

Company Related Terms

Terms	Description
Articles / Articles of Association / AOA	Articles of Association of the Company, unless the context otherwise specified.
Auditor / Statutory Auditor	The statutory auditor of the Company; Hoda Vasi Chowdhury & Co., Chartered Accountants, Delwar Bhaban-4th floor, 104 Agrabad C/A, Chittagong-4100.
Board / Board of Directors / the Board	The board of directors of the Company or a duly constituted committee thereof, unless the context otherwise specified.
Director(s) / the Directors	The director(s) of the Company, unless the context otherwise specified.
Employee (s)	Employees of The Peninsula Chittagong Limited
Equity Shares/ Shares/ Security (s)	Equity Shares of the Company of the face value BDT 10 each, fully paid-up, unless the context otherwise specified.
Executive Director (s)	Managing Director or Whole Time Director(s) of the Company.
Key Management Personnel	Key Management Personnel of the Company.
Memorandum / Memorandum of Association / MOA	Memorandum of Association of the Company, unless the context otherwise specified
Promoters/ Sponsors/ Subscriber to the memorandum	The persons and entities constituting the promoter group of the Company and disclosed in the chapter titled "Ownership of the Company's Securities" of this Prospectus
Registered Office	The registered office of the Company, located at 8A, Chandrashila Suvastu Tower, 69/1 Green Road, Panthapath, Dhaka-1205.
Stock Exchange (s)	Unless the context requires otherwise, refers to DSE Limited & CSE Limited

Issue Related Terms

Terms	Description
Allotment of Shares / Allotment/ Allotted / Letter of Allotment	Unless the context otherwise requires, means the allotment of Equity Shares pursuant to this Issue to successful applicants.
Allottee	The successful applicant to whom the Shares have been allotted
Applicant (s)	Any prospective investor who makes an application for Shares in terms of this Prospectus
Application Form(s) / Application	The Form in terms of which the applicant shall apply for the Equity Shares of the Company
Banker(s) to the Issue	Banker to the Issue with whom the subscription amount for the Public Issue can be deposited.
BO Account	Beneficial Owners Account
IPO	Initial Public Offering
CRAB	Credit Rating Agency of Bangladesh
Issue / Issue Size / Public Issue / Offering	The Public Offering of 55,000,000 Ordinary Shares of Tk. 10/- each at an issue price of Tk. 30/- each including a premium of Tk. 20.00 per share totaling to Tk. 1,650,000,000/-
Issue Price/ Offer Price/ Offering Price	The price at which the Ordinary Shares are being issued by the Company under this Prospectus being BDT 30/- (including a premium of BDT 20/-) per Share unless the context otherwise specified
NRB	Non-Resident Bangladeshi

SND Account	Short Notice Deposit Account
Subscription	Application Money for the Issue
Underwriter (s)	The Underwriters who have underwritten this Issue pursuant to the provisions of the BSEC on Firm Commitment Basis

Technical / Industry Related Terms

Terms	Description
ADR	Average Daily Rate
ARR	Average Room Rate
F & B	Food and Beverage
HACCP	Hazard Analysis and Critical Control Point
MICE	Meetings, Incentives, Conferencing & Exhibitions
RevPAR	Revenue Per Available Room

Conventional Terms / Abbreviations

Terms	Description
A/C	Account
AGM	Annual General Meeting
BAS	Bangladesh Accounting Standards
BDT/TK.	Bangladeshi Taka
BFRS	Bangladesh Financial Reporting Standards
BSEC	Bangladesh Securities and Exchange Commission
CAGR	Compounded Annual Growth Rate
CDBL	Central Depository Bangladesh Limited
CEO	Chief Executive Officer
CIB	Credit Information Bureau
Commission/ The Commission	Bangladesh Securities and Exchange Commission
Companies Act	Companies Act, 1994 (Act. No. XVIII of 1994)
CSE	Chittagong Stock Exchange
DSE	Dhaka Stock Exchange
EGM	Extra Ordinary General Meeting
EPS	Earnings Per Share
Financial Year / Fiscal / FY	The period of twelve months ending on June 30 of each year
FC Account	Foreign Currency Account
GBP	Great Britain Pound
ICAB	The Institute of Chartered Accountants of Bangladesh
Income Tax Ordinance/ ITO	Income Tax Ordinance, 1984
MOU	Memorandum of Understanding
N.A.	Not Applicable
NAV	Net Asset Value
P/E	Price-Earnings Ratio
RJSC	Registrar of Joint Stock Companies and Firms
Rules	Securities and Exchange Commission (Public Issue) Rules, 2006
TIN	Tax Identification Number
TPCL	The Peninsula Chittagong Limited
USD	United States Dollar
VAT	Value Added Tax

All other words and expressions used but not defined in this Prospectus, but defined in the Companies Act, the BSEC Rules or the rules and the regulations made there under, shall have the meanings respectively assigned to them in such acts or the rules or the regulations made there under or any statutory modification or re-enactment thereto, as the case may be.

FORWARD-LOOKING STATEMENTS

Section: I

This Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "will", "will continue", "will pursue" or other words or phrases of similar important. Similarly, statements that describe the Company's strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are based on proposed plans, estimates and expectations subject to risks, uncertainties and assumptions about the Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties. Important factors that could cause actual results to differ materially from the Company's expectations include, but are not limited to, the following:

- failure to manage growth and scalability or adapt to industry trends, consumer behavior and technological developments;
- inability to provide better products or services than the competitors;
- failure to maintain and enhance awareness of the brand;
- inability to control cost related to the service;
- unprecedented and challenging economic conditions; and
- political instability or change in economic liberalization and deregulation policies.
- the downturn in the global economy and the risk of a protracted recession;
- the risk of a potential fall in export;
- the integration of companies or business acquired by the Company;
- the implementation of new projects, including future acquisitions and financings;
- the Company's substantial indebtedness and ability to meet its debt service obligations;
- changes in government regulation;
- terrorist attacks, civil disturbances, regional conflicts, accidents and natural disasters;
- general economic and business conditions in the markets in which the Company operates and in the local, regional and national economies;
- increasing competition in or other factors affecting the industry segments in which the Company operates;
- changes in laws and regulations relating to the industries in which the Company operates;
- the Company's ability to meet its capital expenditure requirements or increases in capital expenditure requirements;
- fluctuations in operating costs and related impact on the financial results of the Company;
- the Company's ability to attract and retain qualified personnel;
- changes in technology in the future;
- any adverse outcome in legal proceedings in which the Company is or may become involved including, with respect to product liability claims.

For further discussion of factors that could cause the actual results to differ from the expectations, please see the section titled "Risk Factors" and section titled "Information about the Company" of this Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views as on the date of this Prospectus and are not a guarantee of future performance. These statements are based on the Management's beliefs and assumptions, which in turn are based on currently available information. Although TPCL believes the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither the Company, the Directors, the Issue Manager nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. The Company will ensure that investors in Bangladesh are informed of material developments until the time of the grant of listing and trading permission by the Designated Stock Exchange(s).

STATUTORY CONDITIONS

Section: II

Disclosure in Respect of Issuance of Security in DEMAT Form

As per provision of the Depository Act, 1999 and regulation made there under, shares will 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 (rights/bonus) will be issued in dematerialized form only.

Conditions under 2CC of the Securities and Exchange Ordinance, 1969

PART–A

1. The company shall go for Initial Public Offer (IPO) for 55,000,000 Ordinary Shares of Tk. 10.00 each at an issue price of Tk. 30.00 per share including a premium of Tk. Tk. 20.00 per share worth Tk. 1,650,000,000.00 (One Hundred Sixty Five 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 4 (Four) national daily newspapers (two in Bangla and two in English), within 5 (Five) working days of issuance of the consent letter. The issuer shall post the full prospectus, vetted by the Bangladesh Securities and Exchange Commission, in the issuer's website and shall also put on the websites of the Commission, stock exchanges, and the issue manager, within 5 (Five) working days from the date of issuance of this letter and shall remain posted till the closure of the subscription list. The issuer shall submit to BSEC, the stock exchanges and the Issue manager 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 manager. 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 Bangladesh 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 manager shall ensure transmission of the prospectus, abridged version of the prospectus and relevant application forms for NRBs through email, 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 5 (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 BSEC jointly by the issuer and the Issue manager within 2 (Two) working days from the date of said dispatch of the prospectus and the forms.

6. The paper clipping of the published abridged version of the prospectus, as mentioned at **condition no. 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 Foreign Currency (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 above-mentioned accounts for IPO purpose; and close these accounts after refund of over-subscription money. 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 for traveling to Bangladesh.

8. The issuer company shall apply to all the stock exchanges in Bangladesh for listing within 7 (Seven) working days from the date of issuance of this letter and shall simultaneously submit the vetted prospectus with all exhibits, as submitted to BSEC, 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 (Seventy Five) 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 15 (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 15 (Fifteen) days, the Directors of the company, 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 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 7 (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 9 (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 Ltd, 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 manager shall ensure prompt collection/clearance of the foreign remittances of NRBs and other non-Bangladeshi(s), if applicable, for allotment of shares.

14. Upon completion of the period of subscription for securities, the issuer and the issue manager shall jointly provide the Commission and the stock exchanges with the preliminary status of the subscription within 5 (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 bankers to the issue.

15. The issuer and the issue manager shall jointly provide the Commission and the stock exchanges with the list of valid and invalid applicants (i.e. final status of subscription) in electronic form in 2 (Two) CDs and 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. 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 5 (Five) 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. **20% of total public offering shall be reserved for ক্ষতিগ্রস্থ ক্ষুদ্র বিনিয়োগকারী, 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 60% shall be open for subscription by the general public. In case of under-subscription under any of the 20% and 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 managers to the issue 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 **200 shares** worth **Tk. 6,000/- (Taka Six Thousand only)**. 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 manager 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 the other 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, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.

20. **The applicant shall provide with the same bank account number in the application form as it is in the BO account of the application.**

21. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money too.**

22. Lottery (if applicable) shall be held within **4 (Four) weeks** from closure of the subscription date.

23. The company shall issue share allotment letters to all successful applicants within **5 (Five) weeks** from the date of the subscription closing. 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 direct deposit to the applicant's bank account as far as possible/ 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 no. 19 and 21 above.

    Refund money of the unsuccessful applicants shall be credited directly to their respective bank accounts, who have chosen the option in the IPO application forms, as maintained with the bankers to the issue or any other banks mentioned in the application.

    A compliance report in this regard shall be submitted to the Commission within 7 (Seven) weeks from the date of closure of subscription.

24. 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.

25. 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 underwriters to take up the underwritten shares within 10 (Ten) days of the closing of subscription 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 manager, other underwriters, issuer or the sponsor group.

26. All issued shares of the issuer at the time of according this consent shall be subject to **a lock-in period of 3 (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 in the company), 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 1 (One) year** from the date of issuance of prospectus or commercial operation, whichever comes later.

27. In respect of shares of Sponsors/Directors/Promoters (if in paper format) shall be handed over to security custodian bank registered with BSEC and shall remain till completion of lock in and the name and branch of the bank shall be furnished to the Commission jointly by the issuer and Issue manager, along with a confirmation thereof from the custodian bank, within one week of listing of the shares with the stock exchange(s). Or they (shares of Sponsors/ Directors/ Promoters) can be demated and will remain in lock-in under CDBL system and issuer will submit a dematerialization confirmation report generated by CDBL and attested by Managing Director of the company along with lock-in confirmation with BSEC within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters the issuer will ensure their lock-in of those shares and submit a statement to this effect to BSEC.

28. 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.

29. The Company shall not declare any benefit/dividend based on the Financial Statements for the year ended June 30, 2014 before listing of its capital with stock exchange(s).

PART–B

1. The Issuer and the Issue Manager shall ensure that the abridged version of the prospectus and the full prospectus is published correctly and in strict conformity with the conditions of this letter without any error/omission, as vetted by the Bangladesh Securities and Exchange Commission.

2. The issue manager shall carefully examine and compare the published abridged version of the prospectus on the date of publication with the copy vetted by BSEC. If any discrepancy/ inconsistency is found, both the issuer and the issue manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to BSEC and the stock exchange(s) concerned, correcting the discrepancy/inconsistency as required under 'Due Diligence Certificates' provided with BSEC.

3. Both the issuer company and the issue manager 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 Public Offering shall not be utilized prior to listing with stock exchanges 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 status report on utilization of Public Offering proceeds, audited by foreign affiliated auditors and authenticated by the board of directors, to the Commission and the Stock Exchanges **within 15 (Fifteen) days** of the closing of **each month** 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 Public Offering 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 shareholders Meeting under intimation to BSEC and stock exchanges.

8. Directors on the Company's Board will be in accordance with applicable laws, rules and regulations.

9. The financial statements should be prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) as required by the Securities and Exchange Rules, 1987.

10. A **Compliance Report** on Corporate Governance Guidelines per the provision of the Bangladesh Securities and exchange commission notification no. SEC/CMRRCD/2006-158/134/admin/44 dated 07 August 2012 shall be submitted to the Commission **before 07 (Seven) working days** of the IPO subscription opening.

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 & 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 Owners (BO) account.

2. The company and the issue manager shall ensure due compliance of all the above conditions and the Securities and Exchange Commission (Public Issue) Rules, 2006.

General Information

LankaBangla Investments Limited, the Issue Manager, has prepared this prospectus based on information provided by **The Peninsula Chittagong Limited** and also several discussions with Chairman, Managing Director, Directors and concerned executives of the Company all of which are publicly available. The Board of Directors of **The Peninsula Chittagong Limited** hereby confirm that to the best of their knowledge and belief, the information contained herein is true and correct in all material respects and that there are no other material facts, the omission of which, would make any statement herein misleading.

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 the Issue Manager.

The issue, as contemplated in this Prospectus 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 **The Peninsula Chittagong Limited**, LankaBangla Investments Limited, the Underwriters and the Stock Exchanges where the securities will be traded.

DECLARATIONS AND DUE DILIGENCE CERTIFICATES

Section: III

Issuer's Absolute Responsibility

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Prospectus contains all information with regard to the Issuer and this Issue, which is material in the context of this Issue, that the information contained in this Prospectus is true, correct and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

Declaration about the responsibility of the Director(s), including the CEO of the Company "The Peninsula Chittagong 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/- **Engineer Mosharraf Hossain** Chairperson	Sd/- **Mustafa Tahseen Arshad** Managing Director	Sd/- **Ayesha Sultana** Director	Sd/- **Mustafa Tahir Arshad** Overseas Director
	Sd/- **Mahboob-Ur-Rahman** Executive Director	Sd/- **Bilkis Arshad** Director	Sd/- **M. Sawakat Hossain** Independent Director

Consent of Director(s) to serve as Director(s)

We hereby agree that we have been serving as Director(s) of The Peninsula Chittagong Limited and continue to act as Director(s) of the Company.

Sd/- **Engineer Mosharraf Hossain** Chairperson	Sd/- **Mustafa Tahseen Arshad** Managing Director	Sd/- **Ayesha Sultana** Director	Sd/- **Mustafa Tahir Arshad** Overseas Director
	Sd/- **Mahboob-Ur-Rahman** Executive Director	Sd/- **Bilkis Arshad** Director	Sd/- **M. Sawakat Hossain** Independent Director

Declaration about filing of Prospectus with the Registrar of Joint Stock Companies and Firms

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

For the Issuer
Sd/-
Mustafa Tahseen Arshad
Managing Director
The Peninsula Chittagong Limited

Declaration by the Issuer about the Approval from Bangladesh Securities and Exchange Commission 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 should be published with the approval of the Commission.

For the Issuer
Sd/-
Mustafa Tahseen Arshad
Managing Director
The Peninsula Chittagong Limited

Declaration by the Issue Manager about the Approval from Bangladesh Securities and Exchange Commission for any Material Changes

In case of any material changes in any agreement, contract, instrument, facts and figures operational circumstances and statements 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 should be published with the approval of the Commission.

For Manager(s) to the Issue
Sd/-
M Shakil Islam Bhuiyan
Chief Executive Officer
LankaBangla Investments Limited

Due Diligence Certificate of the Manager to the Issue

Subject: Public offer of 55,000,000 ordinary shares of tk. 10/- each at an issue price of Tk. 30/- each including a premium of Tk. 20/- per share totaling to tk. 1,650,000,000/- of The Peninsula Chittagong Limited

We, the under-noted Manager 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 discussions with the issuer company, it's 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 Manager(s) to the Issue
Sd/-
M Shakil Islam Bhuiyan
Chief Executive Officer
LankaBangla Investments Limited

Due Diligence Certificate of the Underwriter(s)

Subject: Public offer of 55,000,000 ordinary shares of tk. 10/- each at an issue price of Tk. 30/- each including a premium of Tk. 20/- per share totaling to tk. 1,650,000,000/- of The Peninsula Chittagong Limited

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the abovementioned 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 discussions with the issuer company, it's 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
GSP Finance Company (Bangladesh) Limited
EBL Investments Limited
LankaBangla Investments Limited
Union Capital Limited
Swadesh Investment Management Limited
IDLC Investments Limited

RISK FACTORS

Section: IV

An investment in shares involves a high degree of risk. The company is operating in a globally competitive industry involving both external and internal factors having direct as well as indirect effects on the investments. Investors should carefully consider all the information disclosed in this Prospectus, including the risks and uncertainties described below, before making an investment decision in the Company's Shares. The risks described below are not the only ones relevant to the company or its Shares, the industry in which it operates or Bangladesh. Additional risks and uncertainties, not presently known to the company or that the company currently deems immaterial may also impair its business, results of operations and financial condition. To obtain a complete understanding of the Company, prospective investors should read this section in conjunction with the section titled "Information about the Company" and "Plan of Operation & Discussion of Financial Conditions" of this Prospectus, as well as the other financial and statistical information contained in this Prospectus. If any of the risks described below actually occur, its business, prospects, financial condition and results of operations could be adversely affected, the trading price of the Shares could decline, and prospective investors may lose all or part of their investment. One should consult his/her tax, financial and legal advisors about the particular consequences to him/her of an investment in this Issue.

This Prospectus also contains forward-looking statements that involve risks and uncertainties. The actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus. Please see the Section titled "Forward-Looking Statements" of this Prospectus.

Unless specified or quantified in the relevant risks factors below, the company is not in a position to quantify the financial or other implication of any of the risks described in this section. Unless otherwise stated, the financial information of the Company used in this section has been derived from the section titled "Auditor's Report & Related Certificates" of this Prospectus.

Investors should carefully consider all of the information in this prospectus, including the risk factors, both external and internal, and management perceptions enumerated hereunder before making investment decision. If any of the following risks actually occur, their business, results of operations and financial condition could suffer, the trading price of their equity share could decline, and investors may lose all or part of their investment.

General Risk

Investments in shares /securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read all the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Company and the Issue including the risks involved.

Risk in relation to the first issue

This being the first public issue of Shares of the Company, there has been no formal market for the Shares. The face value of the Share is BDT 10 and the Issue Price is **3 (three) times** of the face value. The Issue Price (as determined by the Company in consultation with the Issue Manager) as stated in the Section titled "*Features of IPO*" of this Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Shares are listed. No assurance can be given regarding an active or sustained trading in Shares of the Company or regarding the price at which the Equity Shares will be traded after listing.

Certain Risks and Management's Perception:

a. Interest Rate Risk

It refers to the possible changes in the cash flows or future value of a firm due to changes in the interest rates in the market. Increase in interest rate increases the cost of debt of a company in case of floating rate loans. This also burdens the company with additional financial charges and squeezes the profit of the company.

Management Perception

The Peninsula Chittagong Limited did not borrow funds at flexible rate. This mitigates the interest rate risks to a great extent, since the rise or fall in the rates will not affect company's earnings. Besides, the company has borrowed in a conservative way. However, in case of lower interest rates in the future the company can pay off its dues in advance and apply for new debts at a lower cost, if required. Moreover, the company has been consistently repaying its loans and thus maintaining a good reputation as a borrower.

b. Exchange Rate Risk

The possible direct or indirect losses in the firm's cash flows, assets, liabilities, net profit and in turn its stock market value from an exchange rate movement.

Management Perception

Management changes the prices of the company's services according to any change in exchange rate. Besides, the services are offered in US Dollar denominated price. So, this mitigates the risk of any unfavorable volatility in exchange rate on the company's earnings.

c. Industry Risk

Industry risks refer to the impact that the country's industrial policy can have on the performance of a specific industry. Increased competition from foreign and domestic sources can lead to lower prices, revenues, profit margins, market share etc. which can adversely affect the business.

Management Perception

The new entries in the industry do not pose significant risks as the company continuously carries out research and development (R&D) to understand the current trends of customer choices and fashions.

d. Market Risk

Market risk refers to the risk of adverse market conditions affecting the sales and profitability of a company. The risk mainly arises from falling demand for the product or service which would hamper the performance of the company. On the other hand, strong marketing and brand management can help the company increase its customer base.

Management Perception

The company has made a strong brand image both in the local and international markets for its superior service quality, amenities and luxury. Besides, the demand for four or five star hotels in the country particularly in the port city Chittagong is increasing as there are no such hotels to meet the increasing demand. Strong brand management and quality services have enabled the company to capture significant market share in the sector. Moreover, the company is expanding its current project for penetrating quickly in the market and upgrading the quality of its service to an untouchable height.

e. Technology-related Risk

These are the risks associated with the use of modern technology in providing services in an efficient manner. Firms are exposed to technology risks when there are better technologies available in the market which may cause technological obsolescence and negative operational efficiency.

Management Perception

The Company has all the state of the art facilities and amenities that are considered as standards for such hotels. Management is very much keen to adopt new technologies for not only the rooms but also for managing its day to day operations. Furthermore, routine and proper maintenance of the equipment carried out by the professionals of the Company ensures uninterrupted service and longer service life for the existing equipment and facilities.

f. Potential or Existing Government Regulations

Government regulations are broadly defined as imposition of rules by government, backed by the use of penalties that are intended to modify the economic behavior of firms in the private sector. There are various regulatory instruments in Bangladesh like taxation, quality assurance, price ceilings, rates of return, disclosure of information, standards and ownership ceilings etc.

Management Perception

From the very beginning, the Government regulations in the hospitality sector were mostly investment-friendly. Besides, Ministry of Tourism is always in a try to promote this sector for its shoring up. However, adverse changes in the policies may affect not only the Company but also the industry as a whole. As it is one of the remarkably emerging sectors, the Government is very much unlikely to frustrate the growth of the industry with adverse policy measures.

g. Potential changes in the global or national policies

Global and national policies have huge impact on the performance of business in any sector. Hospitality sector is heavily dependent on the political situation, both nationally and globally. Any change in these policies may have adverse effects on the profitability of the business.

Management Perception

First of all, the effects of adverse changes in global or national policies are beyond the control of any organization. In spite of that, the management of the company is always concerned about the prevailing and future global & national policy changes and is ready to respond appropriately and timely to safeguard the company's interest. The reputation, brand value and worldwide customer base will always enable the company to take a strong position against such risks.

h. History of non operation, if any

Is there any history of the company to have become non-operative?

Management Perception

The Company has no history of non operation in the past. The Company is an independent body. It has been in operation by its Memorandum & Articles of Association and other applicable laws Implemented by the Government. Besides, the Company's financial strength is satisfactory. It has very experienced Directors and Management team to make the Company more efficient and stronger in market capturing. So, the chances of becoming non-operative of the Company in future are minimal.

i. Operational Risk

Operational risk arises from improper execution of company's business. This risk can also be summarized as human risk which occurs due to human error. Operational risk will change from industry to industry.

Management Perception

The location of the Hotel premises is situated on a flood free Zone. It is equipped with a three-laired power backup and security (CCTV) systems, which reduces operational risk. Besides, all the equipments are under Premium Insurance coverage in order to get replacement compensation/back-up for any unwanted damages. Besides, scheduled security check and proper maintenance of the equipment also shrink the operational risk.

j. Dividend to the Future Shareholders

During 30th June 2009 to 30th June 2013 paid up capital of the company has been increased from Tk. 25,00,000 to Tk. 58,01,60,000 through issuance of bonus shares and proposed 10% cash dividend for the year 2012-13. Thus, surplus earnings of the company have been distributed to the existing shareholders as such there is not enough retained earnings remaining for the upcoming shareholders to declare dividend in future;

Management Perception

The Company has capitalized its earnings time to time from the year 2009 to 2012 through issuing stock dividend except the year 2013 where the board of directors has recommended cash dividend. This depicts that the company has consistent profitability over the years and prosperous dividend policy for its ordinary shareholders. Again, capitalizing its earnings over the years has made it a strong capital base company. The company still has an amount of BDT 90,206,411/- (deducting the proposed cash dividend) reserved for the upcoming shareholders. Moreover, the company has already established an up-warded profitability record and thus it is well capable of distributing its profit to the shareholders from its current earnings. However, listing in the stock exchanges will lessened the company's corporate tax rate from 37.5% to 27.5% after full filling certain requirements which may eventually strengthen the dividend paying ability of the company in the upcoming years.

ISSUE SIZE AND PURPOSE OF THE PUBLIC OFFERING

Section: V

Capital Structure of the Company

Particulars	No. of Shares	Amount in BDT
Authorized Capital (Tk. 10 each)	**300,000,000**	**3,000,000,000.00**
Paid-up Capital as per audited accounts on June 30, 2013	58,016,000	580,160,000.00
Paid-up Capital before IPO	**58,016,000**	**580,160,000.00**
Initial Public Offer (IPO) **	55,000,000	550,000,000.00
Total Paid-up Capital after IPO	**113,016,000**	**1,130,160,000.00**

** The Company has applied to the Bangladesh Securities and Exchange Commission for the consent of raising capital through Initial Public Offering of 55,000,000 ordinary shares of Tk. 10 each.

A. USE OF IPO PROCEEDS

The entire proceeds after meeting the IPO expenses will be used to expand the business of the company through implementing an extension of the existing hotel building and constructing a new five star standard hotel named "**The Peninsula Chittagong–Airport Garden Hotel**" adjacent to the Chittagong Shah Amanat International Airport.

To meet the increasing demand and upgrading the quality of its services, the Company is planning to expand its existing hotel building for grabbing a better market share. Business just at the hub of the city with no such competitors in comparison to luxury has strengthened its objectivity towards extension.

By having the advantage of being country's premier port city, Chittagong is experiencing the rising demands for comfortable accommodation and better hospitality services for businesses including foreign buyers but none takes footstep to go for an Airport Hotel. A rise in industrial activities and overseas trade has recently pulled in investments for establishing hotels in Chittagong, the major business city after the capital Dhaka. The near future projects i.e. Chittagong WASA new water plant, Chittagong City Ring Road, Karnafully River Dredging and land reclamation, Strengthening Chittagong Sea Port and Deep Sea Port Project, Naval Academy upgrades, Karnafully River Tunnel to KEPZ, etc show the future demand for a luxury hotel at the Chittagong Airport.

In Chittagong, there are 5,000 to 6,000 factories in EPZs, International Air Lines etc. and more than 1,000 buyers come to Chittagong every month to place orders to these factories. They look for hotels with International Standard that ensure safety and security along with comfortable accommodation, hygienic international standard food and modern communication facilities. Due to no hotel in airport, many foreigners, especially buyers tended not to stay in Chittagong overnight and don't like to go through the congested traffic which takes hours to get to the city. Most of them used to return to Dhaka on evening flights. There is a huge potential of growth of businesses in Chittagong in the coming days. With the newly added aircraft space and auto re-fueling system already in place more airlines are planning to fly to Chittagong. In order to meet their demand The Peninsula Chittagong is planning to add an ultra modern **HACCP** (Hazard Analysis and Critical Control Point) approved Flight Catering Kitchen to the future Airport Hotel. Addition to this kitchen directors are seriously thinking about putting very large **MICE** (Meetings, Incentives, Conferencing, Exhibitions) facility into its future Airport Hotel. Chittagong city currently lack a good venue where more 5000 persons could be accommodate. Due to extreme traffic jam and lack of proper space in the city our directors decided to built this facility with the future airport hotel with bi-level underground parking facility for more than 1000 vehicles. With **GO-GREEN** concept more eco friendly services will be added and self depended concept like wind power generation, water-recycling facility and many more features will be added. More than 300 people will be employed to this hotel which will contribute to the economy. As the project move towards the reality more features will be added to make this a unique place for all and additional revenue source for the government and the investors.

The Peninsula Chittagong Limited is offering each share at an issue price of Tk. 30 with a premium of Tk. 20 per share Totaling Tk. 1,650,000,000 which will be utilized as per following schedule:

Particulars	Amount in BDT
The Peninsula Chittagong -(Extension)	70,000,000.00
The Peninsula Chittagong– Airport Garden Hotel	1,410,526,766.00
Repayment of Long Term Loan	132,973,234.00
IPO Expenses (Estimated)	36,500,000.00
Total	**1,650,000,000.00**

B. SCHEDULE OF IMPLEMENTATION

Particulars	Amount in BDT	Approximate date of Implementation
The Peninsula Chittagong -(Extension):		
Machineries and equipments	30,250,000.00	By April 2014
Interior Decoration	39,750,000.00	By May 2014
Total Project Cost	**70,000,000.00**	**-**
The Peninsula Chittagong– Airport Garden Hotel:		
Land	396,450,000.00	By November 2014
Land Development & Registration	23,500,000.00	By November 2014
Civil Works	180,000,000.00	By March 2016
Machineries and equipments	276,000,000.00	By June 2016
Interior Decoration	284,000,000.00	By June 2016
Parking	33,000,000.00	By March 2016
Kitchen	50,000,000.00	By March 2016
Laundry	26,000,000.00	By April 2016
Restaurant	65,000,000.00	By April 2016
SPA	25,000,000.00	By May 2016
Swimming Pool	13,200,000.00	By June 2016
Lift & Generator	38,376,766.00	By June 2016
Total Project Cost	**1,410,526,766.00**	**-**
IPO Expenses (Estimated)	**36,500,000.00**	When applicable.
Repayment of Long Term Loan	**132,973,234.00**	When applicable.
Total proceeds to be utilized	**1,650,000,000.00**	**-**

* All the figures are assumed to be incurred as near to actual.

However, The Company has started the expansion work of the existing hotel building during the year and already spent Tk. 230,394,385 for the construction which was presented as a capital work in progress in the audited financials of the TPCL at the year end. Moreover, TPCL will continue the expansion work of the existing hotel by further bank finance if it gets delayed to receive the proceeds from IPO and the debt arising from the continual expansion work will be adjusted or repaid from the IPO proceeds other than the loan repayment as mentioned in the Use of Proceeds.

Sd/-
Managing Director
The Peninsula Chittagong Limited

Sd/-
Chief Financial Officer
The Peninsula Chittagong Limited

C. CONTRACT FOR USE OF PROCEEDS:

As per rule 8B-4(C) of Securities and Exchange Commission (Public Issue) Rules, 2006, there is no contract covering any of the activities of The Peninsula Chittagong Limited for which the proceed of sale of securities from IPO is to be used except as it is mentioned in 'Material Commitments of Capital Expenditure'.

INFORMATION ABOUT THE COMPANY

Section: VI

Company Profile

The Peninsula Chittagong Limited- WHERE HOSPITALITY IS OUR CULTURE

The Company has been incorporated as a private limited company on July 25, 2002 under the companies Act 1994 vide registration no C-46488(2961)/2002 in the name of Voyager Bangladesh Limited. Later, it was renamed as The Peninsula Chittagong Limited on June 07, 2010 vide special resolution of the shareholders in the Extra Ordinary General meeting (EGM) and Registrar of Joint Stock Companies & Firms, Dhaka & approved the same accordingly. The Company started its commercial operation from February 17, 2006.

The Peninsula Chittagong Limited is situated at the prestigious GEC circle of the Port City; the hotel provides superior services combining western sophistication and Chittagonian hospitality in a scenic and convenient location. Tourists can discover this unique retreat for business or pleasure just minutes from the commercial center surrounded by famous retail shops, restaurants and corporate offices.

The registered office of the company is located at 8/A, Chandrashila Suvastu Tower, 69/1 Green Road, Panthapath, Dhaka-1205 and Business Project (4 Star Hotel premises) located at Bulbul Center, 486/B , O.R Nizam Road, C.D.A Avenue, Chittagong 4100, Bangladesh.

The Company has been converted to Public Limited Company on November 30, 2010. At present, the authorized capital of the Company stands at Tk. 300 Crore (Three Hundred Crore) and paid-up capital stands at Tk. 58.01 Crore.

Nature of Business

The Peninsula Chittagong Limited is a hotel based service oriented Company. The Company offers a premier setting for conferences, meetings, and corporate events. Participants are treated by a gracious environment, where personalized service is the standard. For important events, there is a wide range of meeting rooms and venue options to choose from.

Competitive Strengths:

1. **Experienced and Competent Management Team:**

   The Chairman and the Managing Director of TPCL have strong sense of hospitality & tourism. The General Manager of the company has been working for major international chains for the last 14 years. Specially, the head of departments carry wealth of knowledge & experience from the hospitality industry all over the world. The unique strength about the management is most of the department heads are with the company since the opening.

2. **The only selected hotel for all international games:**

   The Peninsula Chittagong Limited has been selected by a number of national and international sporting organizations including International Cricket Council (ICC), Asian Football Confederation (AFC) and Bangladesh Cricket Board (BCB) for any international games in Chittagong. It was the only selected official hotel in Chittagong for Cricket World Cup 2011. The Hotel is also the number one selected venue for:

   - World Bank and IMO
   - All UN Bodies
   - ORBIS International
   - EPZ / KEPZ Companies
   - 95% Foreign Embassies and High Commissions in Bangladesh
   - Foreign Airlines and Shipping companies

   TPCL is proud to be the only selected hotel for all international games and place to stay for the all kinds of foreign delegates.

3. **Located just at the hub of the town:**

   TPCL is situated at the prestigious GEC circle of the Port City. GEC circle has become the most happening place after TPCL opened its door in 2006. Many business and offices moved to this area and made the place as the most expensive real estate in the city. One can easily get TPCL in his way at any place he intends to visit. TPCL stands just on the very renowned C.D.A. Avenue and connects with all the commercial areas and places of tourist interests of the city.

4. The highest rated Star Hotel in Chittagong town:

It is the only Four Star rated Hotel in Chittagong town. In no way, other hotels in Chittagong are comparable to TPCL at Brand, Comfort, Location, Hospitality and Quality. Being front stray here the brand & friendly service, people in Chittagong with all over the world enjoy the hospitality.

5. Brand Equity & Heritage:

The Peninsula Chittagong Limited has become very rapidly a household name not only in Chittagong but also all over Bangladesh. Moreover, it is already established as an international brand, since opening till today. TPCL became the selected hotel by ICC, BCB, AFC, UN Bodies & all Embassy & High commission and all many international organizations because of its unique & personalized service.

TPCL strongly believes & value CHITTAGONIAN hospitality & its traditions. Being an international standard hotel, it provides services where the Chittagong people can be proud of.

Competitive Strategies:

1. Increasing market share by the expansion of the existing Hotel:

To meet the increasing demand and upgrading the quality of its services, the Company is planning to expand its existing hotel building for grabbing a better market share. Business just at the hub of the city with no such competitors in comparison to luxury has strengthened its objectivity towards extension.

2. Corporate Focused:

No other hotel in Chittagong is so famous for its corporate amenities. The hotel has designed its offers best suited for its corporate clients and as a result it maintains a high occupancy rate consistently around the whole year except the month of Ramadan. However, keeping the ongoing extension in mind, the company has engaged its experienced and dedicated marketing team to put the focus on the individual customers alongside with the corporate.

3. Diversify geographically in to the new locations:

TPCL at present is more focused on corporate clients and have future plan to add more facilities for individual clients, which may increase its present occupancy rate and ARR of the Hotel. The management is already under process to enhance its property, and in this regard, the Company has already acquired land in Pahartali and it is under process to acquire land near Airport of Chittagong city. Moreover, TPCL intends to expand its services to Inani Beach, Saint Martin and Bandarban in near future through expansion.

4. Plan of a Five Star Hotel adjacent to the Airport:

By having the advantage of being country's premier port city, Chittagong is experiencing the rising demands for comfortable accommodation and better hospitality services for businesses including foreign buyers. A rise in industrial activities and overseas trade has recently pulled in investments for establishing hotels in Chittagong, the major business city after the capital Dhaka. The near future projects i.e. Chittagong WASA new water plant, Chittagong City Ring Road, Karnafully River Dredging and land reclamation, Strengthening Chittagong Sea Port and Deep Sea Port Project, Naval Academy upgrades, Karnafully River Tunnel to KEPZ, etc show the future demand for a luxury hotel at the Chittagong Airport.

Huge number of factories in EPZs, International Air Lines etc. and more than 1,000 buyers come to Chittagong every month to place orders to these factories. They look for hotels with International Standard that ensure safety and security along with comfortable accommodation, hygienic international standard food and modern communication facilities. Due to no hotel in airport, many foreigners, especially buyers tended not to stay in Chittagong overnight and don't like to go through the congested traffic which takes hours to get to the city. Most of them used to return to Dhaka on evening flights. With the newly added aircraft space and auto re-fueling system already in place more airlines are planning to fly to Chittagong. In order to meet their demand The Peninsula Chittagong is planning to add an ultra modern **HACCP** (Hazard Analysis and Critical Control Point) approved Flight Catering Kitchen to the future Airport Hotel. Addition to this kitchen the management is seriously thinking about putting very large **MICE** (Meetings, Incentives, Conferences & Exhibitions) facility into its future Airport Hotel. Chittagong city currently lack a good venue where more 5,000 persons could be accommodate. Due to extreme traffic jam and lack of proper space in the city the management decided to built this facility with the future airport hotel with bi-level underground parking facility for more than 1000 vehicles. With **GO-GREEN** concept more eco friendly services will be added and self depended concept like wind power generation, water-recycling facility and many more features will be added. As the project move towards the reality more features will be added to make this a unique place for all.

Principal Products and Services

i) Rooms and Suites

The Peninsula Chittagong Limited has 122 rooms of different categories. All rooms are centrally air-conditioned with individual temperature control, with attached toilet, running hot and cold water, satellite TV Channels. To provide further comfort separate smoking and non-smoking floors are available. All doors are with electronic card key locks and entire building is equipped with CCTV monitor, smoke detections and sprinkler systems. High Speed (12 Mbps) wired and wireless network is available throughout the facility. Central Music systems play music from 60's to the date.

Room Type	Number of rooms	Room size
Deluxe	71	265 sq. ft.
Executive Twin	18	265 sq. ft.
Super Deluxe	25	265 sq. ft.
Luxury Suite	8	800 sq. ft.

Deluxe
This is the most popular room and requested by most of the guests. The room is equipped with a queen size bed, Teakwood flooring and full amenities like TV, Mini Fridge, well stocked mini bar, electronic safety locker.

Executive Twin
Two single size beds are provided in this room for sharing. Teakwood flooring, full amenities (TV, Mini Fridge, well stocked mini bar, electronic safety locker) are available. Double amenities are provided when two person shares the room.

Super Deluxe
This room contains large king size beds which provide extra room for families or three or just for them who need extra space. These are equipped with full amenities like TV, Mini Fridge, well stocked mini bar, Teakwood flooring which bring warmth to the room. Extra set of comfortable chairs and coffee table are also available.

Luxury Suite
These are the most luxurious rooms that are elegantly furnished with solid wood furniture along with teak wood flooring, King size Bed with orthopedic bedding. All suite rooms have large windows overlooking the front of the hotel and to the distant hills. Two toilets, two LCD TVs, Microwave and large Refrigerator, with separate living room with sofa and chairs make this ideal for business meeting.

ii) Restaurants and Bars

The Peninsula Chittagong features three international standard dining facilities - Flamingo Café, Laguna multi cuisine and **Club 21 Indian BBQ Restaurant**. We also have two private dining facilities i.e. The Coral A and The Coral B for small group of people. We offer room service from the dining facilities.

Flamingo Café
The Flamingo Café of four Asian countries - Bangladesh, India including Tandoor, Thailand and China are offered in this Hotel. The restaurant provides a more "formal" dining experience and is one of the favorite meeting places of Chittagong's business and social elites.

Laguna Multi Cuisine
Laguna Multi Cuisine is a spacious and a modern cafe, which is the hotel's popular all day dining restaurant, specializing in breakfast, lunch and dinner buffets. A continental menu including Korean dishes are also available here.

Club 21 Indian BBQ Restaurant
An authentic Indian restaurant located at level 15, especially for BBQ, Indian & Sri Lankan foods. This restaurant is situated at poolside area along with rooftop garden and fine natural ambience.

Café 24
Café 24 Pastry Shop provides freshly in-house produced cakes, pastries and confectionaries, seven days of the week.

Isles Bar
This part of the Hotel provides the guests with a quiet rendezvous before dinner or a late night cap. The intention was to offer a refreshing environment to eradicate day long stress.

Services and Amenities

The Peninsula Chittagong has a wide range of services and facilities available for the guests.

i) Spa

This is the only authentic Thai Spa in the city of Chittagong, professionally managed by expert masseur from Thailand.

Tararom Spa

It has all the treatments to suit a customer's requirements. The signature spa treatments are prepared with care, experience and collective knowledge and are available in different programs or packages. Oils and herbal products that are used here are from the finest and freshest indigenous, ingredients, nutrient-rich and luxuriously aromatic. Using traditional beauty essences, focusing on the lemongrass, ginger, cinnamon, bergamot and natural ingredients such as coffee, all treatments are especially created to deliver true relaxation, functional radiance and a sense of wellbeing.

The Spa Journeys (Signature Treatments)

The program includes four season-themes spa journey's that suites the needs and mood.

- Fall Mood Balancer - Floral foot bath + Thai Herbal Steam Bath + Oriental Spice Bath + Warm Harmony Massage + Refreshment
- Spring Inspiration - Floral foot bath + Green Tea Scrub + Green Tea Bath + Floral Oil Massage + Green Tea Refreshment
- Winter Body Glow - Floral foot bath + Spicy Herbal Scrub + Warm Herbal Bath + Thai Massage + Refreshment
- Summer Spirit - Floral foot bath + Aroma Coffee Scrub + Aromatic Floral Bath + Lymphatic Massage + Refreshment

Luxury Face Treatment

Facials are an important part of every smart skincare routine. The benefits are obvious-healthy-looking skin that's incredibly clean, smooth, and radiant. And the overall experience is so relaxing and luxurious.

Signature Spa Packages

Aroma Hot Stone Therapy - An ancient thermal stone massage techniques, combine message with thermodynamic benefits of warmed basalt stones placed on key energy points, whilst the heat from the stones and therapeutic quality of essential oils using traditional technique to release muscular tension and balance the spirit.

ii) Club 21 - Swimming Pool, Fitness Centre, Sauna, Steam, Jacuzzi

'Shakti' fitness centre is there for the guests for a healthy workout. There is also a rooftop ***Sky Pool*** which offers the guests a refreshing experience after massage, sauna, steam bath or Jacuzzi. There is ***Club 21*** for fresh juices, sherbets, sandwiches, and fresh fruit skewers with music from local artists.

Membership to Club 21 is available to qualifying members from countries business and social elites to enjoy all the facilities seven days a week.

iii) Business Centre

The business centre provides a range of services including secretarial services, e-mail, fax spiral binding & cyber cafe etc.

iv) Gift Shop

The Hotel has a small shop called ***Mini Mart*** at the lobby where guests can find cosmetic products, travel kits and items, cigarettes, books, magazines, DVDs and the likes.

v) Concierge

Located in the front desk of the lobby, or concierge desk is there to provide details of hotel services as well as assistance.

vi) Meetings and Events

The Peninsula Chittagong Limited has Banquet hall of 4000 sq. feet area with 500 seating capacity Theatre style & 350 seating capacity for dinner, Board meeting room with 20 seating capacity and 2 private dining rooms. Depending on the requirement, The Hotel is able to provide the Laguna for special occasion e.g. Wedding reception, Cocktail reception etc.

The Hotel has a 5000 sq. feet area conference and exhibition facility which can accommodate meeting space for 600 people and 24 stalls facility, 300 seating capacity for dinner.

Facility Name	Size	Theatre	Class room	U shape	Cocktail	Banquet
Coral(A,B,C)	800+700 sq. ft	-	30	25	25+30	-
Seashell	500 sq. ft	-	-	25	-	-
Dahlia	7500 sq. ft	700	350	200	700	500
Club 21	6500 sq. ft	-	-	-	200	120
Zinnia	6500 sq. ft	600	200	180	500	350

Coral Rooms
These are 800 sq. ft rooms, ideal for any private meeting and dining for up to 22 people.

Seashell Conference Room
This room is meant for corporate meetings, board meetings and conferences. It is equipped with projector, microphone, printing, white board and other meeting facilities. Sitting arrangement can be done for up to 25 persons.

Dahlia Banquet Hall
A 4000 sq. ft area with up to 500 seating capacity, it is ideal for large gatherings such as weeding, workshops, business activities, business promotions etc.

Club 21
There is an outdoor swimming pool on the 16th floor. On the 15th floor there are a fully equipped health club, sauna, steam bath and barber shop with massage facility.

Zinnia Banquet Hall
A 6550 sq. ft. area with up to 600 seating capacity, it is an ideal place for large gatherings such as weeding, workshop, business activities, business promotion etc.

Special Facilities

i) Weekend Getaway for Couples and Family

The Peninsula Chittagong has the following special offers on a Fridays, Saturdays or Sundays:

- Room at "Best Rate".
- Daily Breakfast for two.
- Late check out until 3:00 PM.

ii) Business at Peninsula

Peninsula offers 'Business at Peninsula' within all its hotels and resorts throughout the:

- Club Room with Club facilities and normal services.
- Free local calls.
- 24 hours free internet access daily.
- Facility of Luggage storage
- In-house Valet Laundry Facility for guests/customers.
- Car parking for 100+ vehicles to accommodate for meetings and events.

Four Lifts for guests/customers providing the guests with the Opportunity to avoid waiting in lines.

Product/Services that accounts for more than 10% of the Company's total revenue

SL	Particulars	Contribution in BDT	Percentage contribution
1	Rooms	313,468,111	78%
2	Food and Beverage	66,205,899	16%

Associates, Subsidiary/Related Holding Company and their core areas of business

The Peninsula Chittagong Limited does not have any associate, subsidiary or holding company.

Distribution of Services

The company operates through its hotel premise "The Peninsula Chittagong Limited" located at GEC Circle, Chittagong. It provides the service directly to its customers through the sales counter. Besides, the company has its own professional marketing team for promotion of the brand.

Competitive Condition of Business

Industry Prospect (Current State of the Industry in Bangladesh)

The tourism and hospitality industry is changing fast for the better; to be on par with other recognized sectors. Not many people were aware of its potential in Bangladesh even a decade ago, although it has long been the largest service industry and the biggest provider of jobs in the world. In 2012, the direct contribution of Travel and Tourism to GDP was BDT 195.0 billion or 2.1% of Bangladesh's GDP, the World Travel and Tourism Council said in its latest report. It was forecasted to rise by 7.3 % to BDT 195.9 billion in 2012 and by 6.4% per annum to BDT 384.7 billion (2.2% of GDP) by 2023, the London-based institute said. The sector created 1.3 million jobs directly in 2012 or 1.8% of the country's total employment. It was expected to generate 1.4 million jobs by 2012 and 1.8 million jobs by 2023, according to the report.

Market Demand and Growth

New hotels and guesthouses are coming up in the country's premier port city Chittagong to tap the rising demands for comfortable accommodation and better hospitality services for businesses including foreign buyers. A rise in industrial activities and overseas trade has recently pulled in investments for establishing hotels in Chittagong, the major business city after the capital Dhaka. In recent years, more than 20 hotels and guesthouses launched their operations in Chittagong targeting local business executives and professionals, and foreign buyers, who frequently visit the port city for business purposes.

In Chittagong, there are 5,000 to 6,000 factories in EPZs and a good number of buyers come to Chittagong every month to place orders to these factories. They look for hotels with better standard that ensure safety and security along with comfortable accommodation, hygienic food and modern communication facilities.

Only few hotels could partly meet the expectations of foreigners. Due to limited accommodation capacity in those hotels, many foreigners especially buyers tended not to stay in Chittagong overnight. Most of them used to return to Dhaka on evening flights, said hoteliers and businesses.

Investment to set up better standard hotels and guesthouses in Chittagong began to rise since 2000. It got a boost further after the success of The Peninsula Chittagong which launched operation in the port city in 2006 in a bid to attract foreign travelers. Over 30 hotels and guesthouses launched operation in the city in the past decade. A vacuum is still there considering the prospect of growth in business centering the Chittagong port.
However, the entrepreneurs in Chittagong did not come to hotel business due to slow return of investment. But there is a huge potential of growth of businesses in Chittagong in the coming days after construction of the deep-sea port.

Scale & Diversification

To create brand, to attract and retain the visitors, scale of the business plays an important role. Like previous year, TPCL runs with its 122 rooms having 4 Star international standards at the CDA Avenue of Chittagong city. The hotel is currently managed by an in-house professional team. Dedicated management and geographical advantage of the property make TPCL as one of the best hotels in Chittagong. At present, more than 400 local and international companies are the corporate client of the hotel.

TPCL's Revenue Per Available Room (RevPAR) witnessed average growth of around 26% in last 6 years of analysis mainly driven by growth in occupancy rate and stable Average Room Rate (ARR). In FY13, such growth was quite slower than FY12 due to political instability and marginal slowdown in demand prevailing economic conditions. Although, there is a huge potential of growth of businesses in Chittagong in the long run after construction of the deep-sea port, but political unrest in recent and upcoming period may create pressure to the management on holding such above moderate occupancy rate in the short run.

The mix of revenue from room, which in Food & Beverage; and retail revenue streams which is originating from restaurants, banquette hall etc. plays an importing role to mitigating volatility in room sales. TPCL's Food & Beverage (F&B) to room sales ratio is in downward slope, accounting 20.2% in FY13, which should be improving for increasing low cost revenue growth.

Over the last few years, the larger hotel companies are seeking to diversify into specialized or niche products like wildlife, spa tourism as customers are looking to new options. TPCL at present is more focused on corporate clients and have future plan to add more facilities for individual clients, which may increase its present occupancy rate and ARR of the Hotel. The management is already under process to enhance its property, and in this regard, the Company has already acquired land in Pahartali and it is under process to acquire land near Airport of Chittagong city, Inani Beach, Saint Martin, and Bandarban.

Investment in renovation, branding and marketing

Regular hotel renovation is one of the key drivers of competitive advantage in the hotel industry with an ability to influence market share and guest profile. TPCL in last two years invested BDT 229.4 million as a capital expenditure to add other facilities.

Branding and marketing strengths are critical success factors for any hotel Company. TPCL from the very beginning has been managed by an in-house professional team and has already created own brand value. It has no plan in the medium term to tie up with any international brand to attract customers. TPCL provides extra facilities to its clients like room at best rate, daily breakfast, late checkout, etc on Friday, Saturday or Sunday which reward the customers for attracting and retaining customers. Reservation system of the Company is also up to the international standard (e-booking reservation system under process to launch).

Sources and Availability of Raw Materials and Principal Suppliers

The major raw materials of the company are food and beverage, housekeeping materials, toiletries, etc. The company purchases the raw materials from both local and foreign suppliers.

SL.	Name of the Suppliers	Supply Materials
1	M/s. Fahim Brothers	Food
2	M/s. M M Enterprise	Fish
3	M/s. Abdur Rahim	Meat
4	M/s. Bismillah Fish Supplier	Fish
5	M/s. Mokbul & Yeasin Enterprise	Fruits
6	M/s. Siddiqur Rahman	Food

Sources of and requirement for Power, Gas and Water or any other Utilities

Utilities	Requirements	Sources
Power	6 MW (Annually)	The company has one regular line and one special line from *BPDB* for constant supply of electricity. In addition, it has two *1.65 MW Generator*.
Water	72,00,000 Gallon (Annually)	The company has its own Deep Tube well.
Gas	7,26,000 CM (Annually)	Source of gas supply is Karnaphuli Gas distribution Company Ltd.
Telephone	12 Lines	The Company has Regular line from BTCL (Bangladesh Telecommunication Company Limited)
Wi-Fi	12 mbps (Shared)	Wireless internet facility is accessible from all guest rooms and lobby and high-speed internet access throughout the hotel provided by Qubee.
Cable Line	150 Connections	The Company is provided with cable lines from Red Rose Communication.

Customer providing 10% or more revenues

The company's products or services are sold to various customers. However, no single customer provides 10% or more of the company's revenue.

Description of Contract with Principal Suppliers/Customers

The company does not have any contract with any of its suppliers/customers.

Number of Employees

Particulars	Officers, Staffs & Workers		Total
	Permanent	Temporary	
Employees	209	40	**249**

Service Rendering Capacity and Current Utilization

Utilization of Capacity during July 01, 2012 to June 30, 2013		
Service Rendering Capacity (Room Capacity)	**Current Utilization** (Rooms Occupied)	**Percentage of Utilization** (Occupancy rate)
44,652	36,179	**81.02%**

Note: Utilization of 25% of the Service Rendering Capacity (Room Capacity) is considered the Break-even utilization for the company.

Description of any Material Patents, Trademarks, License or Royalty Agreements

The Peninsula Chittagong Limited has several regulatory licenses and certificate in order to continue its operation. The table below lists the company's licenses and certification that are material:

Particular	License Issuer/Issuing Authority	Certificate/ License No	Issue Date	Current Status
Certificate of Incorporation	Register of Joint Stock Companies and Firms, Government of Bangladesh	C-46488(2961)/ 2002	25/07/2002	N/A
TIN Certificate	National Board Of Revenue, Government of Bangladesh	210-201-0921/ C-139	02/09/13	N/A
VAT Certificate	Customs, Excise and VAT Commissionarate, Government of Bangladesh	2021035236 Area 20102	15/01/2006	N/A
Import Certificate	Office of the Chief Controller of Export & Import, Government of Bangladesh	24872	10/04/2007	Valid for the year 2013-2014
Trade License	Chittagong City Corporation	4574	16/07/2009	Valid for the year 2013-2014
Fire License	Fire Services & Civil Defense, Government of Bangladesh	AD/Chatto-1088/07-08	26/07/2007	Valid Till 30 June 2014
BOI License	Board of Investment, Government of Bangladesh	J-94000303008-H	24/07/2011	N/A
Form Of License (Labor)	Ministry of Labor & Employment, Government of the people's republic of Bangladesh	3624/Chittagong	08/02/2007	Valid till the Year 2014
Environment Certificate	Environment Department, Chittagong Division	Paw A/Cha B/4754/2003/223	03/09/2013	Valid Till 23 July 2014
Bar License	Narcotic Department, Chittagong	178.01/2006-2007	03/05/2007	Valid for the year 2013-2014
Form Of License (Laundry)	Ministry of Labor & Employment, Government of the people's republic of Bangladesh	3625/Chittagong	08/02/2007	Valid till the Year 2014
Health & Safety Certificate	Department of Health, Chittagong City Corporation	22395	10/07/2013	Valid Till 30 June 2014
Form Of License (Bakery)	Ministry of Labor & Employment, Government of the people's republic of Bangladesh	3625/Chittagong	08/02/2007	Valid till the Year 2014
Hotel license	Ministry of Civil Aviation & Tourism Government of Bangladesh	39/05	17/01/2013	Valid till the Year 2014
Water License	Water Supply & Sewerage Authority.	89	10/04/2013	Valid Till 28 February 2014

DESCRIPTION OF PROPERTY

Section: VII

Location of Principal Plants and Other Properties and their condition

a) The Hotel Building and other Property of the Company are mostly located at 486/B, O.R Nizam Road, C.D.A Avenue, Chittagong 4100, Bangladesh. The registered office of the company is located at 8/A, Chandrashila Suvastu Tower, 69/1 Green Road, Panthapath, Dhaka-1205. The company possesses the following fixed assets as on June 30, 2013:

(BDT, June 30, 2013)

Name of the Asset	Cost value	Revaluation Surplus	Accumulated Depreciation	Written Down Value
Land & Development*	205,836,564	1,228,413,842	-	1,434,250,406
Building and civil construction	414,786,215	-	81,020,238	333,765,977
Plant & Machinery	64,331,762	-	23,200,548	41,131,214
Equipment & Appliances	278,794,902	-	122,275,395	156,519,507
Furniture & Fixtures	41,254,258	-	14,993,393	26,260,865
Office Decoration	39,217,358	-	21,682,674	17,534,684
Motor Vehicles	22,923,605	-	7,693,945	15,229,660
Total	**1,067,144,664**	**1,228,413,842**	**270,866,193**	**2,024,692,313**

NB: The above mentioned properties are situated at Company's Hotel premises and are in good condition. The plant and machinery of the company have been owned by the company and were purchased in new condition.

*****The Company has 51.29 decimals of land located as under:

SL. No.	Deed No.	Date	Mouza	Khatian No.		Purchased Area of land (Decimal)
				BS	RS	
1.	2681/11	30/06/11	North Pahartali, Khulsi, 9 no. ward, Chittagong.	2/1	N/A	24.75
2.	5987	12/04/11	East Nasirabad,15 no. ward, Panchlish, Chittagong	330	461	6.04
3.	380	09/07/05	East Nasirabad,15 no. ward, Panchlish, Chittagong	398	463	4.88
4	10099	31/12/02	East Nasirabad,15 no. ward, Panchlish, Chittagong	398	461, 463 & 904	15.62
Total Are of Land (Decimal)						**51.29**

b) All the above-mentioned properties are owned by the company.

c) The Hotel Building with measuring 20.50 decimal of land, all the plant & machineries and all spare parts of the company are under registered mortgaged to the lending bank namely Sonali Bank Limited, Agrabad Corporate Branch, Chittagong. Details of land under mortgage is as under:

SL. No.	Deed No.	Date	Purchased Area of land (Decimal)	Location
01	Deed #380, Sanction # Proka / IPFD / Voyager Bangladesh / 2222	04/08/2009 & 15/03/2011	4.88	486/B, O.R Nizam Road, CDA Avenue
02	Deed # 10099, Sanction # Proka / IPFD / Voyager Bangladesh / 2222	12/04/2009 & 15/03/2011	15.62	486/B, O.R Nizam Road, CDA Avenue
Total Area of Land (Decimal) under Mortgage			**20.50**	**-**

d) No property was taken on lease during Last Five Years.

PLAN OF OPERATION AND DISCUSSION OF FINANCIAL CONDITION

Section: VIII

Internal and External sources of Cash

The internal sources of the cash of the company are the share capital and retained earnings. The external sources of cash are bank loans.

(Amount in BDT)

Particulars	As of June30, 2013	As of June30, 2012	As of June 30, 2011
Internal Sources of Cash			
Paid up Capital	580,160,000	453,250,000	92,500,000
Retained Earnings	148,222,411	132,694,246	363,585,306
Sub-Total	**728,382,411**	**585,944,246**	**456,085,306**
External Sources of Cash			
Long Term Portion of Term Loan	132,973,234	149,227,458	177,931,339
Current Portion of Long Term Loan	29,085,115	29,452,452	27,447,137
Short Term Loan	9,275,098	-	27,049,500
Sub-Total	**171,333,447**	**178,679,910**	**232,427,976**
Grand Total	**899,715,858**	**764,624,156**	**688,513,282**

Material Commitments of Capital Expenditure

The company has no material commitment of capital expenditure except it has already signed an Memorandum of Understanding (MOU) on September 10, 2013 to purchase a Land measuring 4.405 Acre or 220.25 Gonda or 440.50 Shatak at Mouza-South Patenga, PS-Patenga, Chittagong, Bangladesh @ Tk. 1,800,000/= Per Gonda at a total cost of Tk. 396,450,000/= (Thirty Nine Crore Sixty Four Lac Fifty Thousand Only) from NAMREEN ENTERPRISE LIMITED, Address: J.M Paradise (2nd Floor), 22, Momin Road Anderkilla, Chittagong, Bangladesh.

#	Schedule of Land	Measurement
1.	**B.S. Khatian No.** 884, 2167, 736, 1494, 67, 885, 1496, 1135, 289, 2167, 2498, 182, 298, 1151, 1804, 649, 2508, 306, 2509 **B.S. Plot No.** 10899, 10917, 10916, 10903, 10904, 10905, 10880, 10884, 10885, 10886, 10936, 10939, 10942, 10937, 10943, 10900, 10907, 10899, 10898, 10918, 10926, 10927, 10938, 10901, 10902, 10906, 10944, 10934, 10935, 10917, 10945, 10914, 10930, 10931, 10881, 10893.	In part and full area measuring 5.055 acre less acquired by CDA 1.7150 acre net land 3.340 Acre
2.	**B.S. Khatian No**. 298, 653, 67, 1804, 2425, 1504, 1896, 1135, 2509, 306, 885, 2498, 1342, 597, 884, 182 **B.S. Plot No.** 10898, 10899, 10900, 10907, 10903, 10904, 10905, 10934, 10935, 10909, 10888, 10932, 10933, 10889, 10941, 10942, 10943, 10887, 10930, 10914, 10915, 10881, 10883, 10879, 10875, 10901, 10902, 10906, 10893, 10894, 10895, 10910, 10918, 10927	In part and full area measuring 0.700 Acre
3.	**B.S. Khatian No.** 926, 298, 884, 2167, 2498, 597 **B.S. Plot No.** 10928, 10915, 10929, 10907, 10899, 10900, 10881, 10889	In part and full area measuring 0.3650 Acre
	Total area of land	**4.405 Acre**

Terms and conditions:

1. That the owner of the land First Party is agreed to sell the Land measuring 4.405 Acre or 220.25 Gonda or 440.50 Shatak at Mouza-South Patenga, PS-Patenga, Chittagong, Bangladesh @ Tk. 1,800,000/= Per Gonda at a total cost of Tk. 396,450,000/= (Thirty Nine Crore Sixty Four Lac Fifty Thousand Only).
2. That the First Party NAMREEN ENTERPRISE LIMITED and the second party THE PENINSULA CHITTAGONG LIMITED may change any clause on mutual understanding.
3. The Ownership of above Land will be transferred on execution and registration of Title Deed.
4. The Memorandum of Understanding will remain valid for 1 (one) year from the date of MOU.
5. This MOU shall take effect from September 10, 2013 and continue in force up to 9th September, 2014 unless terminated earlier by either party. NAMREEN ENTERPRISE LIMITED and THE PENINSULA CHITTAGONG LIMITED reserve the right to terminate this MOU at any time during the tenure of this MOU by giving thirty 30 (thirty) days prior written notice to each other.

Causes for material changes from period to period

(Amount in BDT)

Particulars	30-Jun-2013	30-Jun-2012	30-Jun-2011
Revenue	**420,264,263**	**402,928,882**	**355,156,655**
Cost of Sales	(111,424,625)	(116,645,592)	(103,223,460)
Gross Profit/ (Loss)	**308,839,638**	**286,283,290**	**251,933,195**
Administrative Expenses	(33,185,954)	(31,752,626)	(29,011,044)
Selling & Distribution Expenses	(3,982,575)	(3,737,770)	(3,211,021)
Operating Profit	**271,671,109**	**250,792,894**	**219,711,130**
Financial Expenses	(27,823,778)	(25,655,657)	(19,641,341)
Other Income	8,460,178	6,530,647	13,361,292
Net Profit before WPPF and Tax	**252,307,509**	**231,667,884**	**213,431,081**
Workers Profit Participation Fund (WPPF)	(12,615,376)	(11,583,394)	(10,671,554)
Net Profit before Tax	**239,692,133**	**220,084,490**	**202,759,527**
Provision for Tax:			
Current	(89,884,550)	(82,531,685)	(72,649,018)
Deferred	(5,357,691)	(5,503,362)	(1,832,970)
Net Profit after Tax	**144,449,892**	**132,049,443**	**128,277,539**
Unrealized Gain (Loss) on available for Sale Financial Assets (Restated)	(2,011,727)	(2,190,503)	(3,999,016)
Total Comprehensive Income	**142,438,165**	**129,858,940**	**124,278,523**
Basic & Diluted Earnings Per Share	**2.49**	**2.28**	**2.21**

The revenue of TPCL has grown at a CAGR of 23.6% from 2006-2007 to reach BDT 420.3 million in 2012-2013 on the back of improvement in the occupancy levels, ARRs, F&B sales, MOD revenue and rental income. The occupancy level has been in the range of 59% – 81% for the last four years. In 2012-2013, the occupancy level increased to 81% coupled with a substantial increase in ARR had a favorable impact on the turnover of the Company. The operating profitability of the Company has grown consistently till 2010-2011 on back of increase in ARRs. After expiry of the Tax Holiday period in 2009-2010, the company had to pay a 37.5% tax on the profit it earned which subsequently lessened the attributable profit to the shareholders (Net profit after tax) from the year 2010-2011 and onwards. But, the company had a consistent operating profit during the years.

However, the large supply addition in recent and coming up in the Chittagong market and recent and upcoming political unrest is likely to mute RevPAR over the short and medium term. Although new properties in Chittagong city, the Management hopes to boost up its business vis-à-vis revenue growth in future.

As a nature of business, hotel industry's profitability margin is historically higher than other industry. TPCL is not out of that. The Operating profit margin of the Company was 65.68% on average in last five years. The net profit margin of the Company was average at 34.24% in last five years, which was also in upward trend in 2012-2013 despite the increase in financial expenses & taxes.

Seasonal aspect of the Company's Business

The Peninsula Chittagong Limited experiences a constant demand throughout the year as there is no shortage of customers seeking hospitality services in Bangladesh. However, the demand for hotels services increases in the winter season. Likewise, the demand for hospitality services reduces in rainy season.

Known Trends, Events or Uncertainties

Political unrest, strike, natural/social disasters are the known events that may affect the company's ability to conduct businesses in full force and may affect its performance in future.

Change in Assets of the Company used to pay off any Liabilities

No assets of the Company have been used to pay off any liability.

Loan taken from or given to Holding/Parent Company or Subsidiary Company

The Peninsula Chittagong Limited does not have any Sister / Subsidiary / Associate / Holding Company according to the Companies Act, 1994. Therefore, there is no loan taken from or given to any Sister / Subsidiary / Associate / Holding Company.

Future Contractual Liabilities

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

Future Capital Expenditure

The Company does not have any plan for capital expenditure in near future other than as specified in 'Utilization of IPO Proceeds' and 'Material Commitments of Capital Expenditure'.

VAT, Income Tax, Customs Duty or other Tax Liability

a. VAT: The Company has VAT registration no 2021035236, area code-20102 and its pays VAT in times and submits return accordingly. But the company has an unsettled VAT claim total TK. 3,219,017/-; TK. 2,890,803/- as unpaid supplementary duty on the receipt against catering service and TK. 328,214/- as unpaid VAT on supplementary duty for the period from JULY 2007 to JUNE 2011 (writ petition No-8377) which is yet to be settled. Further, Customs, Exercise & VAT Commissionarate, Bangladesh has claimed an amount of BDT 137,466,731/- from the company for evasion of VAT and issued a Show-cause dated September 16, 2013 and the company has submitted the reply of the Show-cause with the denial of the claim on October 10, 2013.

b. Income Tax: The Company has TIN No-210-201-0921/C-139 (Companies). Year wise income tax statues of the company depicted below:

Accounting Year	Assessment Year	Status	Remarks
2005-2006	2006-2007	Assessment completed.	Enjoyed Tax Holiday
2006-2007	2007-2008	Assessment completed.	Enjoyed Tax Holiday.
2007-2008	2008-2009	Assessment completed.	Enjoyed Tax Holiday.
2008-2009	2009-2010	Assessment completed.	Enjoyed Tax Holiday.
2009-2010	2010-2011	Assessment completed.	Settlement completed.
2010-2011	2011-2012	Assessment completed.	Settlement completed.
2011-2012	2012-2013	Assessment completed.	Under process for settlement.
2012-2013	2013-2014	Will be submitted on due course.	-

NB: The company has availed tax holiday on February 01, 2006 as per approval granted by National Board Of Revenue vide there Order no-11(60) anu-1/2006/368(2) dated September 04, 2006 under section 46A (2) of income tax ordinance 1984 which was expired on January 31, 2010.

c. Customs Duty & Others Liabilities: The Company does not have any outstanding custom duty or similar liabilities as on 30 June 2013.

Operating Lease Agreement during last five (5) years

The Company does not have any operating lease agreement during the last five years.

Financial Lease Commitment during last five (5) years

The Company does not have any financial lease agreement during the last five years.

Personnel Related Scheme

Short Term Employee Benefits:
Salaries, bonuses and allowances are accrued in the financial year in which the associated services are rendered by the employees of the Company.

Worker's Profit Participation Fund:
The company had created a fund for workers as "Worker's Profit Participation Fund" by 5% of the profit before charging such expenses.

Breakdown of Estimated Expenses for IPO

The following amounts to be paid to the Issue Manager, Underwriters and other costs are estimated as follows:

#	Particulars	Nature of Expenditure	Amount in BDT (approx.)
Issue Management Fees			
1	Manager to the Issue Fee	@ 1% of the total amount raised or Tk. 2 million Whichever is lower	2,000,000.00
2	VAT against Issue Management Fees	@ 15 % of Issue Management Fees	300,000.00
Listing Related Expenses			
3	Application Fee for DSE	Fixed	5,000.00
4	Listing Fees for Stock Exchange(s)	@ 0.25% on Tk. 100 million and 0.15% on the rest amount of paid up capital; maximum Tk. 2 million for each exchanges	4,000,000.00
5	Annual Fee for DSE & CSE	Fixed	150,000.00
SEC Fees			
6	Application Fee	Fixed	10,000.00
7	SEC Consent Fee	Fee @ 0.15% on the public offering amount	2,475,000.00
IPO Commission			
8	Underwriting Commission	Commission @ 0.50% on Underwritten Amount	4,125,000.00
9	Bankers to the Issue Commission	Commission @ 0.10% of Amount Collected	5,775,000.00
10	Credit Rating Fees	---	300,000.00
11	Legal & Consultancy Fees	---	1,000,000.00
12	Auditor Certification Fees	---	300,000.00
CDBL Fees and Expenses			
13	Security Deposit	---	500,000.00
14	Documentation Fee	---	2,500.00
15	Annual Fee	---	100,000.00
16	Connection Fee	---	6,000.00
17	IPO Fees	@ .025% of total issue size	412,500.00
Printing and Post IPO Expenses			
18	Publication of Prospectus	Estimated (to be paid at actual)	500,000.00
19	Abridged version of Prospectus and Notice in 4 daily newspaper	Estimated (to be paid at actual)	500,000.00
20	Notice for Prospectus, Lottery, Refund etc. in 4 daily news paper	Estimated (to be paid at actual)	300,000.00
21	Printing of Forms	Estimated (to be paid at actual)	200,000.00
22	Lottery Conducting Expenses & BUET Fee	Estimated (to be paid at actual)	300,000.00
23	Collection of forms, Data Processing, Allotment & Refund	Estimated (to be paid at actual)	11,550,000.00
24	SATCOM Software for Share Management	Estimated (to be paid at actual)	200,000.00
25	Stationeries and Other Expenses	Estimated (to be paid at actual)	1,489,000.00
Grand Total			**36,500,000.00**

N.B.: Actual costs will vary if above mentioned estimates differ and will be adjusted accordingly.

Revaluation of Company's Assets

Since its inception, The Peninsula Chittagong Limited revalued its fixed assets for the first time in the year 2010-2011. Revaluation was made on April 30, 2011 by Syful Shamsul Alam & Co, Chartered Accountants as per BAS -16 following the resolution of the Board of Directors' meeting on March 23, 2011. Details of the revaluation of the assets are given below:

Name of the Valuer : Syful Shamsul Alam & Co.

Qualification of the Valuer : Chartered Accountants

Important valuation works conducted by Syful Shamsul Alam & Co:

Sl. No	Name of the Company
1	Ananda Shipyard and Slipways Limited
2	Modern Poly Industries Limited
3	Orion Pharma Limited
4	Dutch Bangla Power and Associates Limited
5	IEL Consortium and Associates Limited
6	Regent Textile Mills Limited

Reasons for valuation:

Revaluation was done to reflect the fair value of the fixed assets in the financial statements as on June 30, 2011.

Basis of Revaluation:

The value of the company was estimated under Net Realizable Value Method and Depreciated Replacement Cost Method depending on the nature of the assets.

Summary of Revaluation:

Revaluation surplus except Land & Land development of Tk. 657,136,384 was initially incorporated at the time of assets revaluation in the financial statements as at June 30, 2011 along with Revaluation Surplus of Land and Land Development of Tk. 1,228,413,842. The revaluation surplus of Tk. 599,960,942 (after depreciation and related adjustments) was reported at the last audited financial statement as at June 30, 2012 other than the Revaluation Surplus amount of Land and Land Development. However, due to complexities in current tax and deferred tax calculation & presentation and to keep conformity with the previous financials, the board of directors of the company decided to discard the revaluation surplus of Tk. 599,960,942 as reported at the last audited financial statement as at June 30, 2012 other than the amount of Land and Land Development. Retrospective effects were considered for previous years.

Revaluation was made considering the Net Book Value as on April 30, 2011 and Fair Value as on April 30, 2011 of fixed assets and subsequently incorporated the revaluation surplus amount in the financial statements as of June 30, 2011:

Particulars	Net Book value as on April 30, 2011 (BDT)	Fair Value as on April 30, 2011 (BDT)	Revaluation Surplus as on April 30, 2011 (BDT)
Land & Land Development	75,584,158	1,296,750,000	1,221,165,842
Total	**75,584,158**	**1,296,750,000**	**1,221,165,842**

Transaction between Subsidiary/Holding/Associate Company and the Issuer

The Company has no subsidiary / holding company or associate company. Therefore, no transaction has taken place.

Auditor's Certificate regarding any allotment of shares to the directors and the subscriber to the Memorandum of Association and Article of Association for any consideration otherwise than for cash

After due verification, we certify that the paid-up capital of 'The Peninsula Chittagong Limited' as of June 30, 2013 was Tk. 580,160,000 divided into 58,016,000 no. of Ordinary shares of Tk. 10/- each, made up as follows:

Particulars of allotment	Date of Allotment	Number of shares issued		Amount of share capital (BDT)
		Consideration in Cash	Consideration other than Cash	
First (Subscription to the Memorandum & Articles of Association at the time of incorporation)	25.07.2002	250,000	-	2,500,000
Second Allotment (Bonus Issue)	20.06.2010	-	9,000,000	90,000,000
Third Allotment (Bonus Issue)	16.10.2011	-	23,125,000	231,250,000
Fourth Allotment (Bonus Issue)	31.12.2011	-	12,950,000	129,500,000
Fifth Allotment (Bonus Issue)	31.01.2013	-	12,691,000	126,910,000
Total		**250,000**	**57,766,000**	**580,160,000**

This is also certified that the amounts shown against paid-up capital as cash consideration was deposited in the company's bank account.

The Company, however has sub-divided the face value of its ordinary share from Tk. 1,000/- to Tk. 10/- by passing a special resolution in its Extra-ordinary General Meeting (EGM) held on 30.11.2010 and necessary amendments in the capital clause of the Memorandum and Articles of Association were made accordingly. Hence, the paid up capital of the Company comes to Tk. 580,160,000 divided into 58,016,000 no. of ordinary shares of Tk. 10/- each.

Chittagong,
Date: 04 September 2013

Sd/-
Hoda Vasi Chowdhury & Co.
Chartered Accountants

Declaration regarding 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.

For Issuer,

Sd/-
Mustafa Tahseen Arshad
Managing Director
The Peninsula Chittagong Limited

Information regarding Directors and Officers

Section: IX

Directors of the Company

SL	Name	Position	Qualification	Age (Years)	Experience (Years)
1	Engineer Mosharraf Hossain	Chairman	BSc Engineering (Mining), Lahore Engineering University	70	45
2	Mr. Mustafa Tahseen Arshad	Managing Director	BSc Engineering (EET), Southeastern Oklahoma State University	53	32
3	Mrs. Ayesha Sultana	Director	Higher Secondary School Certificate, Chittagong College	62	26
4	Mrs. Bilkis Arshad	Director	Graduate, Chittagong Govt. College	44	16
5	Mr. Mustafa Tahir Arshad	Overseas Director	BFA Honors, Chittagong University and Associate of the Fashion Art Institute, Dallas, Texas	55	32
6	Mr. Mahboob- Ur-Rahman	Executive Director	M.B.A. Helsinki School of Economics, Finland & BSc in Information Systems and Computer Science, University of Texas	43	19
7	Mr. M. Sawakat Hossain	Independent Director	MSc in Finance & Accounting from WLV Business School, UK	30	3

Information regarding Directors and Directorship

SL	Name	Position	Date of becoming Director for the first time	Expiry of current term
1	Engineer Mosharraf Hossain	Chairman	13/08/2002	14th AGM of TPCL
2	Mr. Mustafa Tahseen Arshad	Managing Director	13/08/2002	16th AGM of TPCL
3	Mrs. Ayesha Sultana	Director	13/08/2002	12th AGM of TPCL
4	Mrs. Bilkis Arshad	Director	13/08/2002	12th AGM of TPCL
5	Mr. Mustafa Tahir Arshad	Overseas Director	13/08/2002	12th AGM of TPCL
6	Mr. Mahboob- Ur-Rahman	Executive Director	13/08/2002	12th AGM of TPCL
7	Mr. M. Sawakat Hossain	Independent Director	11.09.2013	14th AGM of TPCL

Director's involvement with other Organizations

SL	Name	Position in TPCL	Entities where they have interests	Position in the Entities
1	Engineer Mosharraf Hossain	Chairman	Rahman Enterprise Limited	Managing Director
			Trams Oriental Limited	Director
			Pioneer Concrete Block Limited	Director
			Sayeman Feed & Hatchery Limited	Director
			The Peninsula Holdings Limited	Chairman
			Sayeman Holdings Limited	Chairman
			Sayeman Beach Resort Limited	Chairman
2	Mr. Mustafa Tahseen Arshad	Managing Director	The Peninsula Holdings Limited	Director
3	Mrs. Ayesha Sultana	Director	Gasmin Limited	Chairman
			The Peninsula Holdings Limited	Director
			Re-Public Insurance Company Limited	Shareholder
			Sayeman Holdings Limited	Director
			Rahman Enterprise Limited	Director
4	Mrs. Bilkis Arshad	Director	The Peninsula Holdings Limited	Managing Director
5	Mr. Mustafa Tahir Arshad	Overseas Director	The Peninsula Holdings Limited	Director
6	Mr. Mahboob- Ur-Rahman	Executive Director	Rahman Enterprise Limited	Director
			Pioneer Concrete Block Limited	Director
			Sayeman Feed & Hatchery Limited	Director
			The Peninsula Holdings Limited	Executive Director
			Gasmin Limited	Managing Director
			Sayeman Holdings Limited	Managing Director
			Sayeman Beach Resort Limited	Managing Director
			Orient Poultry & Hatchery Limited	Managing Director
			Wave Technology Limited	Director
			Base Limited	Managing Director
			Show-motion Limited	Chairman
			Re-public Insurance Company Limited	Director
7	Mr. M. Sawakat Hossain	Independent Director	N/A	N/A

Family relationship among Directors and Top Five Officials

a) Family relationship among Directors:

Sl. No.	Name	Position	Relationship
1	Mr. Engineer Mosharraf Hossain	Chairman	Spouse of Mrs. Ayesha sultana- Director, Father of Mr. Mahboob-Ur- Rahaman- Director
2	Mr. Mustafa Tahseen Arshad	Managing Director	Spouse of Mrs. Bilkis Arshad-Director, Brother of Mr. Mustafa Tahir Arshad- director, Brother of Mrs. Ayesha Sultana
3	Mrs. Ayesha Sultana	Director	Spouse of Mr. Engineer Mosharraf Hossain -Chairman, Sister of Mr. Mustafa Tahir Arshad-Director, Sister of Mr. Mustafa Tahseen Arshad-Director, Mother of Mr. Mahboob-Ur- Rahaman
4	Mrs. Bilkis Arshad	Director	Spouse of Mr. Mustafa Tahseen Arshad-Managing-Director.
5	Mr. Mustafa Tahir Arshad	Overseas Director	Brother of Mr. Mustafa Tahseen Arshad-Managing Director and Brother of Mrs. Ayesha Sultana-Director
6	Mr. Mahboob- Ur-Rahman	Executive Director	Son Of Engineer Mr. Mosharraf Hossain-Chairman & Mrs. Ayesha Sultana-Director.

b) Family relationship among Directors and Top Five Officials:

Sl. No.	Name	Position	Relationship
1	Engineer Mosharraf Hossain	Chairman	Spouse of Mrs. Ayesha Sultana, Director and Father of Mr. Mahboob- Ur-Rahman, Executive Director.
2	Mr. Mustafa Tahseen Arshad	Managing Director	Spouse of Mrs. Bilkis Arshad, Director; Brother of Mr. Mustafa Tahir Arshad, Director and Brother of Mrs. Ayesha Sultana-Director

Note: Others than those on the above table, there is no family relationship between the directors and the top five Executives of the company.

Profiles of the Directors

Engineer Mosharraf Hossain
Chairman, The Peninsula Chittagong Limited

Engr. Mosharraf Hossain (born January 12, 1943) is the Founder and Chairman of The Peninsula Chittagong Limited. Mr. Hossain is a renowned political leader, businessman and a social worker in Chittagong, Bangladesh.

Mr. Hossain earned his Bachelor of Science degree from the department of Mining Engineering at the Lahore Engineering University, Pakistan in 1966.He joined politics and was elected as Member of Provincial Assembly (MPA) of then East Pakistan in 1970. He was a valiant Freedom Fighter (Mukti Bahini) in the Liberation War of Bangladesh in 1971 as a Sub-sector Commander He was also the member of Constituent Assembly of Bangladesh and one of the lawmaker of the Constitution of Bangladesh in 1972. After the independence of Bangladesh, he was elected as the Member of Parliament (MP) in 1973, 1986, 1996, 2008 & 2014. He served the country as Minister of two portfolios: Ministry of Civil Aviation & Tourism; and Ministry Housing and Public Works during 1996-2001. Currently he is serving as Minister of Ministry of Housing and Public Works. At present, he is one of Presidium Member of Bangladesh Awami League.

Mr. Hossain has 44 years of experience in the Hospitality Industry as a developer, owner and operator. After the liberation war of 1971 Engr. Mosharraf started to look after his inherited family businesses. In 1983, he founded GasMin Limited a Construction and Engineering Firm primarily providing services in the energy sector development in Bangladesh. As an Engineer and Managing Director of GasMin, he has successfully completed many major Gas Pipeline Construction and other energy sector development projects in the country. He further expanded the Hotel Sayeman which was first built by his father in 1964 into a 75 room resort with swimming pool and other modern amenities. In order to develop the tourism and investment atmosphere in the port city of Chittagong, he further went into development of a long awaited Four Star Hotel With vision to further expand the tourism sector of Bangladesh and his hotelier heritage, Mr. Hossain embarked into new venture to develop a beach front condominium hotel with Sayeman Beach Resort Limited as its Chairman.

Mr. Mustafa Tahseen Arshad
Managing Director, The Peninsula Chittagong Limited

Mr. Mustafa Tahseen Arshad, achieved Bachelor of Science in Electronic Engineering Technology from Southeastern Oklahoma State University, USA. He also specialized in Industrial Technology and Management System under direct Supervision of University of Oklahoma, USA. He also the Director of The Peninsula Holdings Limited and Proprietor of Voyager Trading.

During school year he was working part-time with several famous restaurant chains during summer job and well as his management training period. From 1981-1985 he was working as management and employee trainer for Steak & Ale Corporation's subsidy, Bennigan's (An Irish restaurant), a very famous restaurant all over USA and 15 countries worldwide. His prime duty was to introduce new line of food and menu implementation from scratch including ensuring the food to be taste for multi ethnic people upscale clientele. From selection of ingredients, shelve life; ease of preparation with minimum training time, waste control. Costing was the main area of his job activity. He play a very vital role in his current project and spend a very good number of hours every week with the F&B team and Executive Chef to design and implement new and wide varieties International and fusion menu for the hotel food outlets. His favorite hobby of cooking different international fusion food became very handy on his practical life. In addition of his present job responsibilities, he is currently consulting for few properties as a freelancer namely Sayeman Beach Resort in Cox's Bazaar and upcoming Sayeman Heritage in Cox's Bazaar.

Mr. Mustafa Tahseen Arshad attended Special Programmed on National Aero Space on Waste Water Management and Retrieval system, course organized by NASA, USA. He attended an International Training Course 'Natural Gas Pipeline Construction and Management' Course Conducted by Canadian Petroleum Institute (CPI), Canada under Canadian International Development Agency (CIDA) development Fund. He attended Special Seminar on Waste Management in Industrial Area and Surroundings, Industrial Gas Recovery and Management. This Course Organized by Environment Protection Agency (EPA), USA, and a Special Seminar on Occupational Safety and Health Alert (OSHA).USA.

Mr. Mustafa Tahseen Arshad is an IT expert; He managed network for Knoll Inc. New York office, Support 86+ users with Lotus CC Mail and internal database, Upgrade PC's and large Scale Printer, ACAD plug-ins and other Software Support. He managed network and user support for Boardman Publishing, New York. He managed PC and MAC network Support for Scot Rudin Production (A famous Hollywood Director/Producer, New York).

Mr. Mahboob-Ur-Rahman
Executive Director, The Peninsula Chittagong Limited

Mr. Mahboob Ur Rahman has been the Executive Director of The Peninsula Chittagong Limited since its inception. Mr. Rahman started his career in the USA as an Information Communication Technology Expert. In the year 1999, he returned to his home country Bangladesh after 12 years and became an innovative entrepreneur starting two successful companies in Entertainment and Information Technology and running two leading companies in Construction and Hospitality industry.

Mr. Rahman is the Founder Chairman of Show Motions Limited, the first and only Multiplex Cinema Theater in Bangladesh under the STAR Cineplex brand. He has also founded BASE Limited, a leading ITES company providing information technology solutions, consulting services in management and finance and technical training to enterprises and government in Bangladesh. In Finland Mr. Rahman co-founded IT Services Company and assisted the Finnish companies to set up an offshore development center in Bangladesh. Since 1999, in the capacity of Managing Director, Mr. Rahman has been leading GasMin Limited, one of the largest Gas Pipeline Construction firm in the country completing many large projects in Gas Pipeline, Drill Pad Development and Civil Structures. Mr. Rahman recently founded Sayeman Holding Limited with a vision to build, operate and own several destination resorts in Bangladesh. He is also the Executive Director of Sayeman Beach Resort Limited the most remarkable beach front hotel in Cox's Bazar.

Mr. Rahman earned his Bachelor degree in Information Systems and Computer Science from the University of Texas, USA and an M.B.A from Helsinki School of Economics, Finland.

Mrs. Ayesha Sultana
Director, The Peninsula Chittagong Limited
Mrs. Ayesha Sultana is the Director of The Peninsula Chittagong Limited. Mrs. Sultana completed her Higher Secondary School Certificate (HSC) from Chittagong College in 1966. She is the daughter of Founder-Chairman of The Peninsula Chittagong, Late Dr. Golam Arshad and wife of current Chairman, Engr. Mosharraf Hossain, MP.
Mrs. Ayesha Sultana holds positions and shares in several leading companies in Bangladesh. Mrs. Sultana is the Chairman of GasMin Limited, a leading Pipeline and Civil Construction Company and Director of Sayeman Holdings Limited and The Peninsula Holdings Limited. Mrs. Sultana is a shareholder of Republic Insurance Company Limited.

Mrs. Bilkis Arshad
Director, The Peninsula Chittagong Limited

Mrs. Bilkis Arshad, graduated from Chittagong Govt. College, is the Director of The Peninsula Chittagong Limited. She is also the Managing Director of The Peninsula Holdings Limited. She is an Ex-Director of VOYAGER COMPUTER & COMMUNICATION NY, an IT Company based in Long Island, NY from 1993 to 2001. She also manages total inventory, ordering require equipments for each jobs, managing shipments, warranties etc. related issues.

Mrs. Bilkis Arshad, active director of The Peninsula Chittagong Limited, managed all the businesses during the long time absence of the managing director in the country in 2008-09. Managing F&B sections ideas, as well as all events taken place through-out the year. She worked closely with Executive Chef on rolling out new menu lines and popular new food to create a new taste among the guest.

Mr. Mustafa Tahir Arshad
Overseas Director, The Peninsula Chittagong Limited

Mr. Mustafa Tahir Arshad, achieved BFA Honors from Chittagong University and Associate of the Fashion Art Institute, Dallas, Texas. He served as main designer for a leading sign company. Since 1997, he is successfully running a sign designing and manufacturing company based in Woodside, New York, USA. He is a Fine Arts and Music lover. He has hosted numerous art exhibitions both in New York and in Bangladesh. He was the convener for Chittagong Art Exhibition Forty Years Celebration held at Chittagong on January 2012. He also has large collection of Painting and Artifacts in his New York residence. He has been selected as the Overseas Director of The Peninsula Chittagong Limited since 2006. He is the President of Sign Media International, New York and awarded for his contribution for the Bangladeshi community and the first Bangladeshi Digital Sign Maker in Tri-State Area of the New York and vicinity states for a long time. He designed and made the first Shahid Minar in New York City for the Bangladesh Associate of New York.

Mr. Mustafa Tahir Arshad is also the Director of Peninsula Holdings Limited. He is engaged in various social welfare organizations and world famous foreign artists who work with Bangladesh.

Mr. M. Sawakat Hossain
Independent Director, The Peninsula Chittagong Limited

Mr. M. Sawakat Hossain is an Independent Director of The Peninsula Chittagong Limited, appointed on September 12, 2013. With a distinguished academic record, Mr. Hossain currently served as a faculty member of Jahangirnagar University.

He is considered one of the most promising minds in business academic arena for his recent publications. His recent publications, 'A test and extension of Fama French Three (FF3) factor model: the perceived need for and implementation of arbitrage pricing theory' and 'A Test Of Asset Pricing Model: The Real World Application As Investment Strategy' draw the attention of business academicians. His extensive interest on hospitality management and implication of modern business theories enable him to contribute on this sector. Mr. M. Sawakat Hossain obtained his MSc. in Finance & Accounting from WLV Business School, UK with International open scholarship.

Credit Information Bureau (CIB) Status

Neither The Peninsula Chittagong Limited nor any of its Sponsors or Directors or shareholders who hold 5% or more shares in paid-up capital of the issuer is loan defaulter in terms of the CIB Report of the Bangladesh Bank.

Description of Top Executives and Departmental Heads

Name	Age	Position	Educational Qualification	Date of Joining	Experience	Last Five Years Experience
Engineer Mosharraf Hossain	70	Executive Chairman	B.Sc. Engineering (Mining)	17-FEB-2006	45 Years	Serving The Peninsula Chittagong Limited from its inception.
Md. Mustafa Tahseen Arshad	53	Managing Director	B.Sc. Engineering (EET)	17-FEB-2006	32 Years	Serving The Peninsula Chittagong Limited from its inception.
Mr. Mahboob-Ur-Rahman	43	Executive Director	M.B.A. & B.Sc. Engineering (IS&CS)	17-FEB-2006	19 Years	Serving The Peninsula Chittagong Limited from its inception.
MOHAMMED MUSHTAK HUSSAIN LUHAR	35	General Manager	BBA in hospitality Management	05-FEB-2011	11 Years	8 Years in Ramada Jarvis London and 3 years in peninsula
MR. MOHDAMMAD NURUL AZIM	36	Company Secretary & CFO	M. Com. (Accounting), CA (CC)	01-MAR-2006	12 Years	Hotel Seagull 3 years, E N P I Group (UAE)-CUPCO 2 years and The Peninsula Chittagong 7 years
MR. MIR KASHEM	57	Sr. Manager	M.A.	01-JAN-2006	36 Years	Draging V O 2 in Holand 2 yrs and 34 yrs in (Gasmin, Pioneer, Voyager & Peninsula ctg) Peninsula group
MR. MOHAD. AKKASH UDDIN	33	Manager (F&B)	H.S.C.	15-OCT-2005	15 Years	2 years as a Sr. waiter in Hotel Harbour View, 4 years as a captain in Hotel Silver Spoon, 1 year as a captain in hotel tower Inn & Sticky Finger as a captain 1 year and in Peninsula 7.5 yrs
MR. EDWARD GOMES	49	Executive Chef	H.S.C.	01-MAR-2009	25 Years	12 years in Sheraton Hotel Dubai, 9.5 years in Sofitel Hotel, Dubai and in Peninsula 4 yrs
MR. FARIDUL ISLAM	42	Chief Engineer	B. Sc. Engineering	01-JAN-2006	20 Years	(Gasmin, Voyager & Peninsula ctg) Peninsula group 20 years
MR. PANNA CHOWDHURY	38	Chief Security Officer	H.S.C.	03-NOV-2009	6 Years	In US Embassy Asstt. as Sy manager 3 yrs and in Peninsula 3.5 yrs
MR. RAMEN DAS GUPTA	29	IT Manager	M. Sc. (Computer science)	13-MAY-2011	5 Years	Application Instructor 1 year, Technical Instructor 1.5 year & sr. Technical Instructor 3 years and in Peninsula 2 yr
MR. ANOWAR PASHA	46	Executive Housekeeper	B.A.	01-JAN-2006	19 Years	5 years as supervisor & 7 years as Assistant Housekeeper in Harvour view int. hotel and in Peninsula 7 yrs

Involvement of Directors and Officers in Certain Legal Proceedings

No director or officer of The Peninsula Chittagong Limited was involved in any of the following types of legal proceedings in the last 10 (Ten) years except the following cases mentioned in (b) & (c):

a) No bankruptcy petition was filed by or against any company of which any officer or director of the issuer company filing the prospectus was a director, officer or partner at the time of the bankruptcy.

b) No conviction of director, officer in a criminal proceeding or any criminal proceeding pending against them except their Honorable Chairman Mr. Engineer Mosharraf Hossain M. P. During period of 1/11, the then army backed Govt. entangled their chairman Mr. Engineer Mosharraf Hossain M. P. in some false & frivolous politically harassing cases. The proceedings of those false cases were been subsequently challenged in the honorable high court division. The honorable high court division was pleased to issue rule in every cases and all the further proceeding of all those politically harassing cases were being state permanently till disposal of the rule. The rule is still pending in all cases.

c) No order, judgment or decree of any court of competent jurisdiction against any director, officer permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities still now except the orders which were given by the honorable high court division as mentioned in (b) against their Honorable Chairman Mr. Engineer Mosharraf Hossain M. P.

d) No order of the Bangladesh 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, securities or banking activities.

Certain Relationship and Related Transactions

The auditor has certified the following related party transactions which were made in accordance with BAS-24 in their audit report (Note-31) which is as follows:

Name of the Party	Relationship with Company	Nature of Transaction	Transacted Amount in BDT	
			July 01, 2012 to June 01, 2013	July 01, 2011 to June 01, 2012
Md. Mustafa Tahseen Arshad	Managing Director & Shareholder	Board Meeting fee	20,000.00	-
		Remuneration	4,020,000.00	4,020,000.00
Engineer Mosharraf Hossain	Executive Chairman & Shareholder	Board Meeting fee	20,000.00	-
		Remuneration	1,200,000.00	1,200,000.00
Mr. Mahboob-Ur-Rahman	Executive Director & Shareholder	Board Meeting fee	17,500.00	-
		Remuneration	300,000.00	300,000.00
Md. Mustafa Tahir Arshad	Overseas Director & Shareholder	Board Meeting fee	20,000.00	-
		Remuneration	-	-
Mrs. Ayesha Sultana	Director & Shareholder	Board Meeting fee	17,500.00	-
		Remuneration	-	-
Ms. Bilkis Arshad	Director & Shareholder	Board Meeting fee	20,000.00	-
		Remuneration	-	-
Total			**5,635,000.00**	**5,520,000.00**

Except the above the Company neither entered into any transaction nor proposed any transaction during the last 02 (two) years between the issuer and any of the following persons:

a. Any Director or Executive officer of the issuer.
b. Any director or officer.
c. Any person owning 5% or more of the outstanding share 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.
f. The company did not take or give any loan from or to any Director or any person connected with any Director nor did any Director or any person connected with any Director.
g. Any director holding any position, apart from being a director in the issuer company, in any company, society, trust, organization, or proprietorship or partnership firm is already disclosed in involvement of directors with other organizations
h. There were no facilities whether pecuniary or non-pecuniary enjoyed by the Directors except salary as mentioned in 'Executive Compensation' part of the prospectus.

Executive Compensation

a) Remuneration paid to Top Five Salaried officers:

Name	Designation	30-Jun-2013 Taka	30-Jun-2012 Taka
Md. Mustafa Tahseen Arshad	Managing Director	4,020,000	4,020,000
Mr. Mohammed Mushtak Hussain Luhar	Asst. General Manager (Currently General Manager)	2,028,000	2,028,000
Engineer Mosharraf Hossain	Executive Chairman	1,200,000	1,200,000
Mr. Mohammad Nurul Azim	Chief Financial Officer	813,660	777,876
Mr. Edward Gomes	Executive Chef	780,000	745,500
Total		**8,841,660**	**8,771,376**

NB: The Chairman, Engineer Mosharraf Hossain and the Director, Mr. Mahboob-Ur-Rahman hold offices and are executives of the company.

b) Aggregate amount of Remuneration paid to Directors and Officers:

Particular	Nature of Payments	Amount Paid (July'12 to June'13)	Amount Paid (July'11 to June'12)
Directors	Board Meeting Fees	115,000	-
Directors	Remuneration*	5,520,000	5,520,000
Executives & Employees	Salary, Festival Bonus & Other Allowance	29,414,160	28,389,734
Total		**35,049,160**	**33,909,734**

c) Remuneration paid to any Director who was not an Officer of the Company:

The company does 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:

There is no material commitment for increase in the pay structure of the employees. However, the company provides annual increment to the employees considering business growth, rate of inflation, performance of the individual's etc.

Options granted to Directors, Officers and Employees

The Company has not offered any option for issue of shares to any of the officers, directors and employees or to any outsiders.

Transaction with the Directors and Subscribers to the Memorandum

a) Benefit from the Company:
The Directors and subscribers to the memorandum of Association have not received any benefit except remuneration directly or indirectly during the last five years.

b) Directors' and Subscribers' assets to the Company:
Directors and subscribers to the memorandum have not transferred any asset to the Company. Besides, the issuer has not received any assets, services or other consideration from its directors and subscribers to the memorandum except fund against allotment of shares.

Net Tangible Assets per Share

Net Tangible Asset Backings per unit of the securities being offered at the date of the latest Statement of Financial Position (30/06/2013) are presented below:

Particulars	Amount (BDT)
Total Assets	2,403,904,957
Less: Intangible Assets	-
Less: Liabilities	447,108,704
Net Tangible Assets	**1,956,796,253**
Number of ordinary shares outstanding	58,016,000
Net Tangible Assets per share	**33.73***

NB: However, in a situation, if the company would have distributed the proposed dividend at the reporting date, the Shareholders Equity would decrease to BDT. 1,898,780,253 and for the same reason NAV would decrease to **BDT. 32.73** per share.

CORPORATE GOVERNANCE

Section: X

Corporate Governance

The provisions of corporate governance will be applicable to the Company immediately upon the listing of the Shares on the Stock Exchange (s). The Company believes that it is in compliance with the requirements of the applicable regulations of Corporate Governance Guidelines of BSEC, including the Listing regulation of the Stock Exchange (s), in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under applicable law.

The Company's Board of Directors has been constituted in compliance with the Companies Act, 1994 and in accordance with best practices relating to corporate governance. The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. The Company's executive management provides the Board of Directors with detailed reports on its performance periodically.

As of date of this Prospectus, the Board has 7 (Seven) Directors. The Chairman Mr. Engineer Mosharraf Hossain, the Managing Director Mr. Mustafa Tahseen Arshad and the Executive Director Mr. Mahboob- Ur-Rahman of the Company are whole time directors and executives of the company.

Information regarding the constitution of the Committees

#	Name of the Committee Member	Position
Audit Committee:		
1	Mr. M. Sawkat Hossain	Chairman
2	Engineer Mosharraf Hossain	Member
3	Mr. Mahboob-Ur-Rahman	Member
4	Mr. Mohammad Nurul Azim	Member
Policy Committee:		
1	Mr. Mahboob-Ur-Rahman	Chairman
2	Mr. Mohammad Nurul Azim	Member
3	Mr. Mir Kashem	Member
Compensation Committee:		
1	Mr. Mustafa Tahseen Arshad	Chairman
2	Mr. Mahboob-Ur-Rahman	Member
3	Mrs. Bilkis Arshad	Member
4	Mr. Mohammad Nurul Azim	Member
Corporate Social Responsibility (CSR) Committee:		
1	Mrs. Bilkis Arshad	Chairman
2	Mr. Mustafa Tahseen Arshad	Member
3	Mr. Mohammad Nurul Azim	Member
Management Team:		
1	Mr. Engineer Mosharraf Hossain	Executive Chairman
2	Mr. Mustafa Tahseen Arshad	Managing Director
3	Mr. Mahboob- Ur-Rahman	Executive Director
4	Mr. Mustak Luhar	General Manager
5	Mr. Mohammad Nurul Azim	Company Secretary & CFO
6	Mr. Mir Kashem	Senior Manager (Accounts & Estate)
7	Mr. Faridul Islam	Chief Engineer

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE GUIDELINES

To the Members of The Peninsula Chittagong Limited,

This is to certify that **The Peninsula Chittagong Limited** has complied with the conditions of Corporate Governance Guidelines imposed by the Bangladesh Securities and Exchange Commission vide their Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012.

Sd/-
Showkat Hossain, FCA
(Partner)
Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dated: 03 November, 2013
Chittagong

Status of compliance with the conditions imposed by the Securities and Exchange Commission's Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012.

Condition No.	Titles	Compliance Status		Remarks (If Any)
		Complied	Not Complied	
1.1	**Board's Size: The number of the board members shall not be less than 5 (five) and more than 20 (twenty).**	√		
1.2	**Independent Directors:**			
1.2 (i)	One fifth (1/5) of the total number of directors.	√		
1.2 (ii) a)	Does not hold any share or holds less than 1% shares of the total paid-up shares.	√		
1.2 (ii) b)	Not connected with any sponsor/director/ shareholder who holds 1% or more shares of the total paid-up shares on the basis of family relationship.	√		
1.2 (ii) c)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies.	√		
1.2 (ii) d)	Not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market.	√		
1.2 (ii) e)	Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any statutory audit firm.	√		
1.2 (ii) g)	Not be an independent director in more than 3 (three) listed companies; 1.2 (ii) d) Not a member, director or officer of any stock exchange.	√		
1.2 (ii) h)	Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a NBFI.	√		
1.2 (ii) i)	Not been convicted for a criminal offence involving moral turpitude.	√		
1.2 (iii)	Nominated by the board of directors and approved by the shareholders in the AGM.	√		
1.2 (iv)	Not remain vacant for more than 90 (ninety) days.	√		
1.2 (v)	Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	√		
1.2 (vi)	Tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	√		

1.3	Qualification of Independent Director (ID)			
1.3 (i)	Knowledge of Independent Directors.	√		
1.3 (ii)	Background of Independent Directors.		√	Less than 12 yrs of professional experience.
1.3 (iii)	Special cases for qualifications.			N/A
1.4	Individual Chairman of the Board and CEO	√		
1.5	**The Directors' Report to Shareholders :**			
1.5 (i)	Industry outlook and possible future developments in the industry.	√		
1.5 (ii)	Segment-wise or Product wise performance.	√		
1.5 (iii)	Risks and concerns.	√		
1.5 (iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	√		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.	√		
1.5 (vi)	Basis for related party transactions.	√		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others.			N/A
1.5 (viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, and Direct Listing.			N/A
1.5 (ix)	Explanation about significant variance occurs between Quarterly Financial performance and Annual Financial Statements.			N/A
1.5 (x)	Remuneration to directors including independent directors.	√		
1.5 (xi)	Fairness of Financial Statements.	√		
1.5 (xii)	Maintenance of proper books of accounts.	√		
1.5 (xiii)	Adoption of appropriate accounting policies and estimates.	√		
1.5 (xiv)	Followed IAS, BAS, IFRS and BFRS in preparation of financial statements.	√		
1.5 (xv)	Soundness of internal control system.	√		
1.5 (xvi)	Ability to continue as a going concern.	√		
1.5 (xvii)	Significant deviations from the last year's.	√		
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years.	√		
1.5 (xix)	Reasons for not declared dividend.			N/A
1.5 (xx)	Number of board meetings held during the year and attendance.	√		
1.5 (xxi)	**Pattern of shareholding:**			
1.5 (xxi-a)	Parent/Subsidiary/Associated Companies and other related parties			N/A
1.5 (xxi-b)	Directors, CEO, CS, CFO, HIA and their spouses and minor children.	√		
1.5 (xxi-c)	Executives.	√		
1.5 (xxi-d)	10% or more voting interest.	√		
1.5 (xxii)	Appointment/re-appointment of director:	√		
1.5 (xxii-a)	Resume of the director.	√		
1.5 (xxii-b)	Expertise in specific functional areas.	√		
1.5 (xxii-c)	Holding of directorship and membership of committees of the board other then this Company.	√		

2.1	**Appointment of CFO, HIA and CS:**			
2.2	Attendance of CFO and CS at the meeting of the Board of Directors.		√	The company has not appointed individual CFO & CS & HIA yet.
3	**Audit Committee :**			
3 (i)	Constitution of Audit Committee.	√		
3 (ii)	Assistance of the Audit Committee to Board of Directors.	√		
3 (iii)	Responsibility of the Audit Committee.	√		
3.1	**Constitution of the Audit Committee:**			
3.1 (i)	At least 3 (three) members.	√		
3.1 (ii)	Appointment of members of the Audit Committee.	√		
3.1 (iii)	Qualification of Audit Committee members.	√		
3.1 (iv)	Term of Service of Audit Committee members.	√		
3.1 (v)	Secretary of the Audit Committee.	√		
3.1 (vi)	Quorum of the Audit Committee.	√		
3.2	**Chairman of the Audit Committee:**			
3.2 (i)	Board of Directors shall select the Chairman.	√		
3.2 (ii)	Chairman of the audit committee shall remain present in the AGM.	√		
3.3	**Role of Audit Committee:**			
3.3 (i)	Oversee the financial reporting process.	√		
3.3 (ii)	Monitor choice of accounting policies and principles.	√		
3.3 (iii)	Monitor Internal Control Risk management process.	√		
3.3 (iv)	Oversee hiring and performance of external auditors.	√		
3.3 (v)	Review the annual financial statements before submission to the board for approval.	√		
3.3 (vi)	Review the quarterly and half yearly financial statements before submission to the board for approval.	√		
3.3 (vii)	Review the adequacy of internal audit function.	√		
3.3 (viii)	Review statement of significant related party transactions.	√		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	√		
3.3 (x)	Disclosure about the uses/applications of funds raised by IPO/RPO/Right issue.	√		
3.4	**Reporting of the Audit Committee:**			
3.4.1	Reporting to the Board of Directors:	√		
3.4.1 (i)	Activities of Audit Committee.	√		
3.4.1 (ii) a)	Conflicts of interests.	√		
3.4.1 (ii) b)	Material defect in the internal control system.	√		
3.4.1 (ii) c)	Infringement of laws, rules and regulations.	√		
3.4.1 (ii) d)	Any other matter.	√		

3.4.2	Reporting to the Authorities.	√		
3.5	Reporting to the Shareholders and General Investors.	√		
4	**Engagement of External / Statutory Auditors:**			
4 (i)	Appraisal or valuation services or Fairness opinions.	√		
4 (ii)	Financial information systems design and implementation.	√		
4 (iii)	Book-keeping.	√		
4 (iv)	Broker-dealer services.	√		
4 (v)	Actuarial services.	√		
4 (vi)	Internal audit services.	√		
4 (vii)	Services that the Audit Committee determines.	√		
4 (viii)	Audit firms shall not hold any share of the company they audit.	√		
4 (ix)	Audit/certification services on compliance of corporate governance.		√	As Directed by BSEC.
5	**Subsidiary Company :**			
5 (i)	Composition of the Board of Directors.			N/A
5 (ii)	At least 1 (one) independent director to the subsidiary company.			N/A
5 (iii)	Submission of Minutes to the holding company.			N/A
5 (iv)	Review of Minutes by the holding company.			N/A
5 (v)	Review of Financial Statement by the holding company.			N/A
6	**Duties of Chief Executive Officer and Chief Financial Officer:**			
6 (i) a)	Reviewed the materially untrue of the financial statement.	√		
6 (i) b)	Reviewed about compliance of the accounting standard.	√		
6 (ii)	Reviewed about fraudulent, illegal or violation of the company's code of conduct.	√		
7	**Reporting and Compliance of Corporate Governance:**			
7 (i)	Obtain certificate about compliance of conditions of Corporate Governance Guidelines.	√		
7 (ii)	Annexure attached in the directors' report.	√		

Declaration regarding Compliance to the Corporate Governance Guideline

The Company will comply with the Corporate Governance Guideline as per the provision of SEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012, as soon as Bangladesh Securities and Exchange Commission grants its consent for raising capital through Initial Public Offering (IPO) of The Peninsula Chittagong Limited or when applicable.

Yours truly,

Sd/-
Mustafa Tahseen Arshad
Managing Director
The Peninsula Chittagong Limited

OWNERSHIP OF THE COMPANY'S SECURITIES

Section: XI

Shareholding Structure:

SL	Name of Shareholder	Address	Number of Shares Held	Shareholding Percentage at present (%)	Shareholding Percentage after IPO (%)
1	Mr. Mustafa Tahseen Arshad	50-11-64th Street, Woodside, NY11377, U.S.A	13,923,840	24.00%	12.32%
2	Mrs. Bilkis Arshad	50-11-64th Street, Woodside, NY11377, U.S.A	8,702,400	15.00%	7.70%
3	Engineer Mosharraf Hossain	8, Nandan kanon, 2nd lane, CTG-4000, Bangladesh	6,961,920	12.00%	6.16%
4	Mr. Mustafa Tahir Arshad	50-11-64th Street, Woodside, NY11377, U.S.A	5,221,440	9.00%	4.62%
5	Mrs. Ayesha Sultana	8, Nandan kanon, 2nd lane, CTG-4000, Bangladesh	4,641,280	8.00%	4.11%
6	Mrs. Arifa Sultana	388, Middle Peerarbag, Mirpur Dhaka	3,480,960	6.00%	3.08%
7	Mr. Aminur Rahman	8, Nandan kanon, 2nd lane, CTG-4000	2,900,800	5.00%	2.57%
8	Mr. Mahboob- Ur-Rahman	8, Nandan kanon, 2nd lane, CTG-4000	2,900,800	5.00%	2.57%
9	Mr. Sabedur Rahman	8, Nandan kanon, 2nd lane, CTG-4000	2,900,800	5.00%	2.57%
10	Mrs. Mirka Rahman	Muukonniementie, 66, Lappeenranta, 53400, Finland	2,900,800	5.00%	2.57%
11	Mr. Afzal Bin Tarique	House No. 16/A, Amirbagh, Mehedibagh, Chittagong.	2,320,640	4.00%	2.05%
12	Mrs. Shaheda Sultana	House No.21, Jamal Khan Lane. Askardigir Par, Chittagong.	1,160,320	2.00%	1.03%
	Total		**58,016,000**	**100%**	**51.33%**

Allotment History:

Name of Allotee	First Allotment (At Incorporation) 25.07.2002	Second Allotment (Bonus Issue) 20.06.2010	Third Allotment (Bonus Issue) 16.10.2011	Fourth Allotment (Bonus Issue) 31.12.2011	Fifth Allotment (Bonus Issue) 31.01.2013	Total Number of Shares Allotted
Engineer Mosharraf Hossain	30,000	1,080,000	2,775,000	1,554,000	1,522,920	**6,961,920**
Mrs. Ayesha Sultana	20,000	720,000	1,850,000	1,036,000	1,015,280	**4,641,280**
Mr. Mustafa Tahseen Arshad	60,000	2,160,000	5,550,000	3,108,000	3,045,840	**13,923,840**
Mrs. Bilkis Arshad	37,500	1,350,000	3,468,750	1,942,500	1,903,650	**8,702,400**
Mr. Mustafa Tahir Arshad	22,500	810,000	2,081,250	1,165,500	1,142,190	**5,221,440**
Mr. Mahboob- Ur-Rahman	12,500	450,000	1,156,250	647,500	634,550	**2,900,800**
Mrs. Mirka Rahman	12,500	450,000	1,156,250	647,500	634,550	**2,900,800**
Mr. Aminur Rahman	12,500	450,000	1,156,250	647,500	634,550	**2,900,800**
Mr. Sabedur Rahman	12,500	450,000	1,156,250	647,500	634,550	**2,900,800**
Mrs. Arifa Sultana	15,000	540,000	1,387,500	777,000	761,460	**3,480,960**
Mr. Afzal Bin Tarique	10,000	360,000	925,000	518,000	507,640	**2,320,640**
Mrs. Shaheda Sultana	5,000	180,000	462,500	259,000	253,820	**1,160,320**
Total	**250,000**	**9,000,000**	**23,125,000**	**12,950,000**	**12,691,000**	**58,016,000**

Shareholding of 5% or more of the Company's Securities:

SL	Name of Shareholder	Address	Number of Shares Held	Shareholding Percentage at present (%)	Shareholding Percentage after IPO (%)
1	Mr. Mustafa Tahseen Arshad	50-11-64th Street, Woodside, NY11377, U.S.A	13,923,840	24.00%	12.32%
2	Mrs. Bilkis Arshad	50-11-64th Street, Woodside, NY11377, U.S.A	8,702,400	15.00%	7.70%
3	Engineer Mosharraf Hossain	8, Nandan kanon, 2nd lane, CTG-4000, Bangladesh	6,961,920	12.00%	6.16%
4	Mr. Mustafa Tahir Arshad	50-11-64th Street, Woodside, NY11377, U.S.A	5,221,440	9.00%	4.62%
5	Mrs. Ayesha Sultana	8, Nandan kanon, 2nd lane, CTG-4000, Bangladesh	4,641,280	8.00%	4.11%
6	Mrs. Arifa Sultana	388, Middle Peerarbag, Mirpur Dhaka	3,480,960	6.00%	3.08%
7	Mr. Mahboob- Ur-Rahman	8, Nandan kanon, 2nd lane, CTG-4000	2,900,800	5.00%	2.57%
8	Mrs. Mirka Rahman	Muukonniementie, 66, Lappeenranta, 53400, Finland	2,900,800	5.00%	2.57%
9	Mr. Aminur Rahman	8, Nandan kanon, 2nd lane, CTG-4000	2,900,800	5.00%	2.57%
10	Mr. Sabedur Rahman	8, Nandan kanon, 2nd lane, CTG-4000	2,900,800	5.00%	2.57%
Total			**54,535,040**	**94%**	**48.25%**

Securities of the Company owned by the Directors and top ten salaried Officers

a) Securities Owned by Directors:

SL	Name of Shareholder	Position	Number of Shares Held	Shareholding Percentage at present (%)	Shareholding Percentage after IPO (%)
1	Mr. Mustafa Tahseen Arshad	Managing Director	6,961,920	24.00%	12.32%
2	Mrs. Bilkis Arshad	Director	13,923,840	15.00%	7.70%
3	Engineer Mosharraf Hossain	Executive Chairman	8,702,400	12.00%	6.16%
4	Mr. Mustafa Tahir Arshad	Overseas Director	5,221,440	9.00%	4.62%
5	Mrs. Ayesha Sultana	Director	4,641,280	8.00%	4.11%
6	Mr. Mahboob- Ur-Rahman	Executive Director	2,900,800	5.00%	2.57%
Total Shareholdings by the Directors			**42,351,680**	**73.00%**	**37.47%**

b) Securities Owned by Top Ten Salaried Officers:

SL	Name of Shareholder	Position	Number of Shares Held	Shareholding Percentage at present (%)	Shareholding Percentage after IPO (%)
1	Mr. Mustafa Tahseen Arshad	Managing Director	13,923,840	24.00%	12.32%
2	Engineer Mosharraf Hossain	Executive Chairman	6,961,920	12.00%	6.16%
3	Mr. Mahboob- Ur-Rahman	Executive Director	2,900,800	5.00%	2.57%
Total Shareholdings by Salaried Officers			**23,786,560**	**41.00%**	**21.05%**

Features of IPO

Section: XII

Determination of Offering Price

The Issue Price is determined by the Company in consultation with the Issue Manager on the basis of assessment of market demand and on the basis of the following qualitative and quantitative factors for the Shares/Securities offered by the Company. The face value of the Shares is BDT 10/- and the Issue Price reasonably higher than the face value. The financial data presented in this section are based on our Company's Audited Financial Statements. Investors should also be referred to the sections titled "Risk Factors" and "Plan of Operation & Discussion of Financial Conditions" of this Prospectus in order to make an informed investment decision.

Quantitative Factors:
The issue price at Tk. 30/- each including a premium of Tk. 20/- per share is justified by considering the following methods:

Methods Followed			Amount (BDT)
Method 1	**:**	Net Asset Value per share at Current Cost	32.73
Method 2	**:**	Historical earnings based Value per Share based on weighted average Number of Shares Outstanding	36.81
Method 3(A)	**:**	Valuation with reference to the P/E ratio of similar stocks	64.31
Method 3(B)	**:**	Valuation with reference to the P/NAV ratio Of similar stocks	35.68
Average			**42.38**

Qualitative Factors:
The qualitative factors (See the section titled "Information about the Company" for details) which form the basis for computing the price are:

- Experienced and Competent Management Team.
- The only selected hotel for all international games.
- Located just at the hub of the town.
- The highest rated Star Hotel in Chittagong town.
- Brand Equity & Heritage.

Considering above factors, the management of The Peninsula Chittagong Limited believes that the issue price of Tk. 30/- (Taka Thirty only) is justified.

METHOD 1: NET ASSET VALUE (NAV) PER SHARE AT CURRENT COST

NAV per share is based on the information of the latest audited financial statements as on 30/06/2013. NAV per share at current cost is Tk. 33.73/- which has been derived by dividing the Total Shareholders' Equity at the yearend considering revaluation surplus by the number of outstanding shares before IPO as shown in the table below:

Particulars	Amount (in Taka)
Share Capital	580,160,000
Revaluation Surplus	1,228,413,842
Retained Earnings	148,222,411
Total Shareholders' Equity	**1,956,796,253**
Number of Ordinary Shares Outstanding	58,016,000
Net Asset Value (NAV) per share	33.73*

*****NB: However, in a situation, if the company would have distributed the proposed dividend at the reporting date, the Shareholders Equity would decrease to BDT. 1,898,780,253 and for the same reason NAV would **decrease to BDT. 32.73** per share.

METHOD 2: HISTORICAL EARNINGS BASED VALUE PER SHARE BASED ON WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING

Historical Earnings Based Value per Share (EBVPS) based on historical information sourced from Audited Financial Statements and statistics from Dhaka Stock Exchange Limited. The value was calculated by considering weighted Net Profit after Tax for last 5 years operation as per audited accounts with market earnings multiple which has been guided by BSEC.

The Earnings per Share based on weighted average Number of Shares is Tk. 2.44/- and the Market Earnings Multiple is 15.08. The Historical EBVPS has been derived Tk. Tk. 36.81/-.

Year (Ended on June 30)	Number of Shares	Weight of Total Number of Shares	Net Profit After Tax (BDT)	Weighted Net Profit After Tax (BDT)
2008-09	250,000	0.0020	93,480,356	191,415
2009-10	9,250,000	0.0758	185,435,659	14,049,192
2010-11	9,250,000	0.0758	128,277,539	9,718,712
2011-12	45,325,000	0.3712	132,049,443	49,021,967
2012-13	58,016,000	0.4752	144,449,892	68,640,645
Total	**122,091,000**	**1.00**	**683,692,889**	**141,621,930**
Number of Ordinary Shares Outstanding before IPO				58,016,000
EPS based on Weighted Average of Net Profit After Tax				**2.44**
Market Earnings Multiple (DSE Monthly Review, November-2013)				**15.08**
Earnings Based Value Per Share (EBVPS)				**36.81**

Method 3: Valuation based on Average Market Price per Share of Similar Stocks

The share price under this method has been derived considering the P/E ratio and P/NAV ratio of similar stock. For the price data, last one year average prices i.e. December, 2012 – November, 2013 of the peer company as similar stock of The Peninsula Chittagong Limited have been considered. Earnings per Share (EPS) and Net Asset Value (NAV) per Share have been taken from the latest audited financial statements of the peer company. The peer company is belonging to the same industry and has taken in to consideration for valuation purpose.

Closing Price	Similar Stock
	Unique Hotel & Resorts Limited
December, 2012	126.2
January, 2013	123.6
February, 2013	112.9
March, 2013	79.2
April, 2013	69.5
May, 2013	76.9
June, 2013	114.1
July, 2013	86.4
August, 2013	89.8
September, 2013	86.3
October, 2013	76.3
November, 2013	84.2
Average Closing Price (BDT)	**93.78**

Source: DSE Monthly Review, December, 2012 – November, 2013

Method 3 (A): Valuation with reference to the P/E ratio of similar stocks

The peer company has been selected based on the daily traded securities that are similar to The Peninsula Chittagong Limited. Average closing prices of the two peer companies have been derived from the above table. Average P/E ratio of the peer company has been derived as 26.34 and the Earnings Based EPS of Tk. 2.44 based on weighted average net profit after tax of The Peninsula Chittagong Limited. Therefore, the price per share in comparison with the similar stocks based on P/E ratio amounts to BDT 64.31.

Name of the Peer Companies	Average Closing Price (BDT) of Last One Year	EPS (BDT) as on September, 2013	P/E Ratio
	(i)	(ii)	(i)/(ii)
Unique Hotel & Resorts	93.8	3.56 (annualized)	26.34
Average P/E Ratio			**26.34**
EPS based on Weighted Average of Net Profit After Tax			**2.44**
Price per share (BDT) based on P/E ratio of similar stock	**(2.44 × 26.34)**		**64.31**

Method 3 (B): Valuation with reference to the P/NAV ratio of similar stocks

Average P/NAV ratio of the peer company has been derived as 1.09 and the NAV per share of Tk. 32.73 of The Peninsula Chittagong Limited. Therefore, the price per share in comparison with the similar stock based on P/NAV ratio amounts to BDT 35.68.

Name of the Peer Companies	Average Closing Price (BDT) of Last One Year	NAV (BDT) as on September, 2013	P/NAV Ratio
	(i)	(ii)	(i)/(ii)
Unique Hotel & Resorts	93.8	86.29	1.09
Average P/NAV Ratio			**1.09**
Net Asset Value (NAV) per Share			**32.73**
Price per share (BDT) based on P/NAV ratio of similar stock	**(32.73 × 1.09)**		**35.68**

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.

Declaration about Listing of Shares with Stock Exchange(s)

None of the stock exchange(s), if for any reason, grants listing within seventy five (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 seventy five (75) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen (15) days, the company's 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 Manager, in addition to the Issuer Company, shall ensure due compliance of the above mentioned conditions and submit compliance report, thereon, to the Commission within seven (7) days of expiry of the aforesaid fifteen (15) 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.

The issue shall be placed in "N" Category with DSE and CSE.

Description of Securities Outstanding or being offered

Dividend, Voting, Preemption Rights

The share capital of the company is divided into Ordinary Shares, carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act 1994 and the Articles of Association of the company. All Shareholders shall have the usual voting right in person or by proxy in connection with, among others, election of Directors & Auditors and other usual agenda of General Meeting – Ordinary or Extra Ordinary. On a show of hand, every shareholder present in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote for every share held by him or her.

In case of any additional issue of shares for raising further capital the existing shareholders shall be entitled to Issue of Right shares in terms of the guidelines issued by the BSEC from time to time.

Conversion and Liquidation Rights

In terms of the provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are freely transferable. The Company shall not charge any fee for registering transfer of shares. No transfer shall be made to a firm, an infant or person of unsound mind.

Dividend Policy

a) The profit of the company, subject to any special right relating thereto created or authorized to be created by the Memorandum of Association and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the capital paid-up on the shares held by them respectively.

b) No larger dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of Net Profit of the Company shall be conclusive.

c) No dividend shall be payable except out of profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.

d) The Directors may from time to time pay the members such interim dividend as in their judgment the financial position of the Company may justify.

e) A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.

f) There is no limitation on the payment of dividends to the common stockholders of the Company.

Other Rights of Shareholders

In terms of provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering transfer of shares. No transfer shall be made to a minor or person of unsound mind.

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

The shareholder holding minimum of 10% shares of 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 planning to issue any debt securities within six months.

SUBSCRIPTION AND MARKET

Section: XIII

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 3 (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 2 (Two) years of according consent, shall be subject to a lock-in period of 1 (One) year from the date of issuance of prospectus or commercial operation, whichever comes later.

The following table indicates the lock-in status of the shareholders of The Peninsula Chittagong Limited:

Sl.	Name of the Shareholders	Status	No. of Shares Subscribed	Total Amount Subscribed	Percentage (%) of Shareholding	Last Allotment Date	Lock-in-period from the date of Prospectus Issuance
Shareholding Above 5%							
1	Mr. Mustafa Tahseen Arshad	Managing Director	13,923,840	139,238,400	24%	31.01.2013	3 years
2	Mrs. Bilkis Arshad	Director	8,702,400	87,024,000	15%	31.01.2013	3 years
3	Engineer Mosharraf Hossain	Executive Chairman	6,961,920	69,619,200	12%	31.01.2013	3 years
4	Mr. Mustafa Tahir Arshad	Overseas Director	5,221,440	52,214,400	9%	31.01.2013	3 years
5	Mrs. Ayesha Sultana	Director	4,641,280	46,412,800	8%	31.01.2013	3 years
6	Mrs. Arifa Sultana	Shareholder	3,480,960	34,809,600	6%	31.01.2013	3 years
7	Mr. Mahboob-Ur-Rahman	Executive Director	2,900,800	29,008,000	5%	31.01.2013	3 years
8	Mrs. Mirka Rahman	Shareholder	2,900,800	29,008,000	5%	31.01.2013	3 years
9	Mr. Aminur Rahman	Shareholder	2,900,800	29,008,000	5%	31.01.2013	3 years
10	Mr. Sabedur Rahman	Shareholder	2,900,800	29,008,000	5%	31.01.2013	3 years
Sub-total			**54,535,040**	**545,350,400**	**94%**	**-**	**-**
Shareholding Below 5%							
11	Mr. Afzal Bin Tarique	Shareholder	2,320,640	23,206,400	4%	31.01.2013	3 years
12	Mrs. Shaheda Sultana	Shareholder	1,160,320	11,603,200	2%	31.01.2013	3 years
Sub-total			**3,480,960**	**34,809,600**	**6%**	**-**	**-**
Total			**58,016,000**	**580,160,000**	**100%**	**-**	**-**

NB: As per condition 2CC of the consent letter, Lock-in-period of the above shares will start from February 25, 2014.

Refund of Subscription Money

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

a) Through banking channel for onward deposit of the refund money into the applicant's bank account as provided in the respective application form for subscription; or
b) Through issuance of refund warrant in the name and address of the applicant as provided in the respective application form for subscription

Provided that, in case of deposit into the applicant's bank account, the applicant will bear the applicable service charge, if any, of the applicant's banker, and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.

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 concerned 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 or UK pound sterling or EURO at the rate of exchange mentioned in the securities application form.

3. Refund against oversubscription 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 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.

Availability of Securities

1. Securities:

Securities		Number of shares	Total Amount (Tk.)
A.	20% of IPO of Ordinary Shares shall be reserved for affected small investors. (ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী)	11,000,000	330,000,000.00
B	10% of IPO of Ordinary Shares shall be reserved for Non- Resident Bangladeshis.	5,500,000	165,000,000.00
C.	10% of IPO of Ordinary Shares shall be reserved for Mutual funds and Collective Investment schemes registered with the Commission.	5,500,000	165,000,000.00
D.	The remaining 60% of IPO of Ordinary Shares shall be opened for subscription by the General Public.	33,000,000	990,000,000.00
Total (A+B+C+D)		**55,000,000**	**1,650,000,000**

2. All securities as stated in 1 (A), 1(B), 1(C) and 1(D) 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 Bangladesh Securities and Exchange Commission.
3. In case of over-subscription, under any of the categories mentioned in the clause 1 (A), 1(B), 1(C) and 1(D), the Issue Manager shall conduct an open lottery of all the applications received under each category separately in accordance with the letter of consent issued by the Bangladesh Securities and Exchange Commission.
4. In case of under-subscription, under any of the 20% and 10% category as mentioned in clause 1(A), 1(B) and 1(C), 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 applicants added together.
5. In case of under-subscription of the public offering, the unsubscribed portion of shares shall be taken up by the underwriter(s).
6. The lottery as stated in clause (3) and (4) should be conducted in the presence of the representatives of Issuer, Stock Exchange(s) and the applicants, if there be any.

Application for Subscription

1. Application for shares may be made for a minimum lot for **200** Ordinary shares to the value of **Tk. 6,000/- (Taka Six Thousand Only)** and should be made on the Company's Printed Application Forms. Application Forms and Prospectus may be obtained from the Registered Office of the Company, members of Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, or from the Bankers to the issue. In case, adequate forms are not available, applicants may use photocopied / cyclostyled / handwritten / typed copies of the forms. Applications must not be for less than **200** shares. Any application not meeting this criterion will not be considered for allotment purpose.
2. Joint application form for more than two persons will not be accepted. In the case of joint application each party must sign the application form.
3. 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 and limited companies must be accompanied by Memorandum and Articles of Association.
4. **An applicant cannot submit more than two applications, one in his/her own name and the other 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, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
5. **The applicant shall provide with the same bank account number in the application form as it is in the BO account of the application.**
6. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission may forfeit whole or part of their application too.**
7. 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 BSEC.
8. Bangladeshi Nationals (including non-resident Bangladeshi Nationals working abroad) and Foreign Nationals shall be entitled to apply for shares.
9. 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 **"The Peninsula Chittagong 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.
10. 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 Taka, 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 the Bangladesh Embassy/High Commission in USA, UK, Saudi Arabia, UAE, Qatar, Kuwait, Oman, Bahrain, Malaysia and South Korea and web site of the issuer, issue manager, DSE, CSE and the BSEC.
11. All completed application forms together with remittances 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.
12. The IPO subscription money collected from investors (other than Non-Resident Bangladeshis in US Dollar or UK Pound Sterling or EURO) by the bankers to the issue will be remitted to the Company's **HPAC A/C No. 0011360813331** with **Eastern Bank Limited, Agrabad Branch**, Chittagong, Bangladesh for this purpose.
13. The subscription money collected from Non-Resident Bangladeshis in US Dollar or UK Pound Sterling or EURO shall be deposited to three FC accounts opened by the Company for IPO purpose are as follows:

Sl.	Name of the FC Accounts	Currency	Account No.	Bank
1.	The Peninsula Chittagong Limited	US Dollar	0013050813341	Eastern Bank Limited
2.	The Peninsula Chittagong Limited	GB Pound	0013060813352	Eastern Bank Limited
3.	The Peninsula Chittagong Limited	EURO	0013070813363	Eastern Bank Limited

14. In the case of over-subscription of securities to the NRB applicants, refund shall be made by **The Peninsula Chittagong Limited** out of the "FC Account for IPO NRB Subscription". **The Peninsula Chittagong Limited** has already opened the aforesaid FC Accounts and shall close these FC accounts after refund of over-subscription, if any.
15. ড়্গাতিগ্রস্থ্ ড়্গুদ্র বিনিয়োগকারীগণ সকল পাবলিক ইস্যুতে একক অথবা যৌথ হিসাবের যে কোনটি অথবা উভয়টি হতে সংরড়্গিত ২০% কোটায় আবেদন করতে পারবেন। তবে তারা ইচ্ছা করলে ড়্গাতিগ্রস্থ্ সংরড়্গিত ২০% কোটায় আবেদন না করে সাধারণ বিনিয়োগকারীদের জন্য নির্ধারিত কোটায়ও আবেদন করতে পারবেন।চ

APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS AND THE INSTRUCTIONS PRINTED ON THE APPLICANT FORM ARE LIABLE TO BE REJECTED.

PLAN OF DISTRIBUTION

Section: XIV

Underwriting of Shares

Initial Public Offering (IPO) is for 55,000,000 Ordinary Shares of Tk. 10.00 each at a price of Tk. 30.00 each including a premium of Tk. 20.00 each total amounting Tk. 1,650,000,000/- (Taka One Hundred Sixty Five only). As per guideline of the Securities and Exchange Commission (Public Issue) Rules, 2006, 50% of the issue has been underwritten on a firm commitment basis by the following underwriters:

Sl.	Name of Underwriters	Number of Shares Underwritten	Underwriting Amount (Tk.)
1.	GSP Finance Company (Bangladesh) Limited	10,000,000	300,000,000.00
2.	EBL Investments Limited	7,500,000	225,000,000.00
3.	LankaBangla Investments Limited	5,250,000	157,500,000.00
4.	Union Capital Limited	2,500,000	75,000,000.00
5.	Swadesh Investment Management Limited	1,250,000	37,500,000.00
6.	IDLC Investments Limited	1,000,000	30,000,000.00
Total		**27,500,000**	**825,000,000.00**

Principal terms and conditions of Underwriting Agreement

1. If and to the extent that the shares offered to the public by 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 underwriter in writing with a copy of said writing to the Bangladesh Securities and Exchange Commission, to subscribe for the shares not subscribed by the closing date and to pay for in cash in full for such unsubscribed shares in cash in full within 15 (Fifteen) days of the date of 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 the Agreement, until such time as the Cheque/Bank Draft has been en-cashed 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 payment by the underwriter to the Commission.
4. In the case of failure by the underwriter to pay for the shares under the terms mentioned above, the said Underwriter will not be eligible to underwrite any issue, until such time as he fulfils his underwriting commitment under the Agreement and also other penalties as may be determined by the Commission may be imposed on him.
5. In case of failure by any underwriter to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under the Agreement.
6. In case of failure by the Company to call upon the underwriter 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 Bangladesh Securities and Exchange Commission under the law may be imposed on them.

Commission for the Underwriters

The company shall pay to the underwriter an underwriting commission at the rate of 0.50% of the IPO amount of the issue value of shares underwritten by them out of the Public Issue.

Right of Underwriters on the Company's Board

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

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 5 (five) weeks from the closing of the subscription list. After allotment the company will have to transfer the shares to the allotee's Beneficiary Owners (BO) account, which has been mentioned in the application form.

The company shall issue share allotment letter to all successful applicants, within 5 (five) weeks, from the date of the subscription closing date. At the same time, the unsuccessful application shall be refunded with the application money within 5 (five) 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.

MATERIAL CONTRACTS AND CORPORATE DIRECTORY

Section: XV

Material Contracts

The following are material contracts in the ordinary course of business, which have been entered into by the Company:

a. Underwriting Agreements between the Company and the Underwriters.
b. Issue Management Agreement between the Company and LankaBangla Investments Limited.
c. Contract between the Company and the Central Depository Bangladesh Limited (CDBL).
d. Credit Rating Agreement between the Company and Credit Rating Agency of Bangladesh Limited.

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 Bangladesh Securities and Exchange Commission may be inspected on any working day during office hours at the Company's Registered Office.

Manager to the Issue

LankaBangla Investments Limited is the Manager to the Issue. The Issue Manager will get Tk. 2,000,000/- as issue management fee.

Underwriters to the Issue

The Issue is wholly underwritten by the underwriters as mentioned in the cover page. The Underwriters will get a Commission of 0.50% of the amount Underwritten.

Commission to the Bankers to the Issue

Commission at the rate of 0.10% of the amount collected will be paid to the Bankers to the Issue for the services to be rendered by them.

Corporate Directory

Registered Office	8/A, Chandrashila Shuvastu Tower, 69/1 Green Road, Panthapath, Dhaka-1205
Corporate Office	Bulbul centre, 486/B, O. R. Nizam Road, CDA Avenue, Chittagong
Auditor	**Hoda Vasi Chowdhury & Co.** Chartered Accountants Delwar Bhaban-4th floor, 104 Agrabad C/A, Chittagong-4100.
Corporate Advisor	**S. Ahmed & Co.** Chartered Accountants Sultan Market (4th floor), 151 S.K. Mujib Road, Agrabad C/A, Chittagong Tel: +88- 031 -721485; Fax: +88 (031) 2510817 Email : s.ahmed_co@yahoo.com
Legal Advisor	**Dr. Mohammad Zahir & Associates** 50, Dhanmondi R/A, Road#11/A, Dhaka
Tax Consultant	**Advocate Kamrul Islam** 61, Motijheel, Red Cresent Bhaban, Level -12, Suit- 01, Dhaka -1000
Manager to the Issue	**LankaBangla Investments Limited** Eunoos Trade Centre (Level # 21), 52-53, Dilkusha C/A., Dhaka - 1000
Company Secretary and Compliance Officer	**Mohammad Nurul Azim** Bulbul centre, 486/B, O. R. Nizam Road, CDA Avenue, Chittagong

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. issue 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 redressing investors' grievances.

Bankers to the Issue

ONE Bank Limited

Agrabad Branch	Dhanmondi Branch	Khulna Branch	Ramganj Branch
Banani Branch	Elephant Road Branch	Laksham Branch	Rangamati Branch
Banasree Branch	Feni Branch	Laldighirpar	Rangpur Branch.
Bangshal Branch	Ganakbari(EPZ) Branch	Madhabdi Branch	Ranirhat Branch
Basabo Branch	Gulshan Branch	Maijdee Court Branch	Raozan Branch
Boalkhali Branch, Chittagong	Imamganj Branch	Mirpur Branch	Ring Road Branch/Shamoli
Bogra Branch	Islampur Branch	Moghbazar Branch	Satkhira Branch
Brahmanbaria Branch	Jaggannathpur Branch	Motijheel Branch	Shahjadpur SME/Agriculture Branch
CDA Avenue Branch	Jatrabari Branch	Nanupur Bazar Branch	Sherpur Branch
Chandgaon Branch	Jessore Branch	Narayangonj Branch	Sirajgonj Branch
Chandragonj Branch	Joypara Branch	Nawabgonj Branch	Sitakunda Branch
Chowmuhuni Branch	Jubilee Road Branch	Principal Branch	Sylhet Branch
Comilla Branch	Kakrail Branch	Progoti Sarani Branch	Tongi SME/Agriculture Branch
COX's Bazar Branch	Kawranbazar Branch	Raipur Branch	Uttara Branch
Dagon Bhuiyan Branch	Khatungonj Branch	Rajshahi Branch	-

IFIC Bank Limited

Stock Exchange Branch,Dhaka	Narayanganj Branch,Narayanganj.	Faridpur Branch,Faridpur	Narsingdi Branch,Narsingdi.
Banani Branch,Dhaka	Naya Paltan Branch,,Dhaka	Federation Branch,Dhaka	Pallabi Branch,Dhaka
Islampur Branch,Dhaka	North Brook Hall Road Branch,,Dhaka	Kawran Bazar Branch,Dhaka	Pragati Sarani Branch,Dhaka
Mirpur Branch,Dhaka	Dhanmondi Branch,Dhaka	Malibagh Branch,Dhaka	Shantinagar Branch,Dhaka
Mymensingh BranchMymensingh	Elephant Road Branch,Dhaka	Moakhali Branch,Dhaka	Uttara Branch,Dhaka

National Bank Limited

Agrabad Br., Chittagong	Faridpur Br., Faridpur	Malibagh Br., Dhaka	Pahartali Br.,Chittagong
Anderkilla Br., Chittagong	Feni Br., Feni	Mirpur Br., Dhaka	Pragati Sarani Br., Dhaka
Babubazar Br., Dhaka	Foreign Ex. Br., Dhaka	Mohakhali Br., Dhaka	Rajshahi Br., Rajshahi
Banani Branch., Dhaka	Gazipur Br. Gazipur	Mohammadpur Br., Dhaka	Rangpur Br., Rangpur
Bandura Br., Dhaka	Gulshan Br., Dhaka	Motijheel Br., Dhaka	Rifles Square Br., Dhaka
Bangsal Road Br., Dhaka	Halishahar Br.,Chittagong	Moulvibazar Br., Moulvibazar	Rokeya Sarani Br., Dhaka
Barisal Br., Barisal	Imamgonj Br., Dhaka	Muradpur Br., Chittagong	S.K. Mujib Road Br., Chittagong
Bogra Br., Bogra	Islampur Br., Dhaka	Mymenshing Br. Mymenshingh	Savar Bazar Br., Savar
CDA Avenue Br., Chittagong	Jatrabari Br., Dhaka	NarayangonjBr.,Narayangonj	Sunamgonj Br., Sylhet
Chowmohoni Br., Noakhali	Jubilee Road Br., Chittagong	Narshingdi Br., Narshingdi	Sylhet Br., Sylhet
Chwak Bazar Br.,Chittagong	Kawran Bazar Br., Dhaka	Netaigonj Br., Narayangonj	Tangail Br., Tangail
Comilla Br., Comilla	Khatungonj Br., Chittagong	New Eskaton Br., Dhaka	Tongi Br., Tongi
Dhanmondi Br., Dhaka	Khulna Br., Khulna	North brookHall Br., Dhaka	Uttara Br., Dhaka
Dilkusha Br., Dhaka	Lake Circus Br., Dhaka	Pagla Bazar Br., Narayanganj	Z. H. Sikder M.C. Br.,Dhaka
Elephant Road Br., Dhaka	-	-	-

Dhaka Bank Limited

Agrabad Branch,Chittagong.	Dhanmondi Model Branch,Dhaka	Kawranbazer Branch,Dhaka.	Nrayangong Branch ,Narayangong.
CDA Avenue Branch,Chittagong.	Faridpur Branch,Faridpur.	KDA Avenue Branch,Khulna	Rajshahi Branch, Rajshahi.
Khilgaong Branch,Dhaka.	Foreign Exchange Branch,Dhaka.	Local Office Dhaka	Rangpur Branch,Rangpur
Barishal Branch,Barisal	Goran SME Service Center, Dhaka.	Mirpur Branch,Dhaka.	Uposahar Branch,sylhet
Bhulta Branch,Dhaka	Gulshan branch,Dhaka.	Moghbazer Branch,Dhaka	Uttara Branch, Dhaka
Comilla Branch,Comilla	Halishahar Branch, Chittagong	-	-

Eastern Bank Limited

Banasree Branch	Jessore Branch	Moulvi Bazar Branch	Savar Branch
Bashundhara Branch	Jubilee Road Branch	Mymensing SME Branch	Shyamoli Branch
Bogra Branch	Khulna Branch	Narayangonj Branch	Upashahar Branch
Chandgaon Branch	Mirpur Dar-us-salam Road Branch	O. R. Nizam Road Branch	Uttara Branch
Chouhatta Branch	Moghbazar Branch	Panchlaish Branch	Uttara Garib-E-Newaz Branch
Halishahar Branch	Motijheel Branch	Rajshahi Branch	-

Shahjalal Islami Bank

Agrabad Branch, Chittagong	Eskaton Branch, Dhaka	Jubilee Road Branch, Chittagong	Panthopath Branch, Dhaka
Banani Branch, Dhaka	Foreign Exchange Branch, Dhaka	Kawran Bazar Branch, Dhaka	Satmasjid Road Branch, Dhaka
Bijoynagar Branch, Dhaka	Gulshan Branch, Dhaka	Khatungonj Branch, Chittagong	Sylhet Branch, Sylhet
Dhaka Main Branch, Dhaka	Gulshan South Avenue Branch, Dhaka	Mirpur Branch, Dhaka	Uttara Branch, Dhaka
Dhanmondi Branch, Dhaka	Joydevpur Chowrasta Branch, Dhaka	Motijheel Branch, Dhaka	-

Mutual Trust Bank Limited			
Agrabad Branch, Chittagong	Cox's Bazar Branch, Cox's Bazar	Jubilee Road Branch, Chittagong	Principal Branch, Dhaka
Alankar Mour Branch, Chittagong	Dagonbhuiyan Branch, Feni	Khatungonj Branch, Chittagong	Progati Sarani Branch, Dhaka
Aman Bazar Branch, Chittagong	Dhanmondi Branch, Dhaka	Kushtia Branch, Kushtia	Raipur Branch, Laxmipur
Babu Bazar Branch, Dhaka	Dholaikhal Branch, Dhaka	Mohammadpur Branch, Dhaka	Rajshahi Branch, Rajshahi
Banani Branch, Dhaka	Dilkusha Branch, Dhaka	Moulvi Bazar Branch, Sylhet	Rangpur Branch, Rangpur
Baridhara Branch, Dhaka	Elephant Road Branch, Dhaka	MTB Corporate Center Branch, Dhaka	Savar Branch, Dhaka
Bashundhara Branch, Dhaka	Feni Branch, Feni	Mymensingh Branch, Mymensingh	Shanir Akhra Branch, Dhaka
Bogra Branch, Bogra	Fulbaria Branch, Dhaka	Narayangonj Branch, Narayangonj	Sonargaon Branch, Dhaka
Brahmanbaria Branch, Brahmanbaria	Gournadi Branch, Barisal	Nazirhat Branch, Chittagong	Sreenagar Branch, Dhaka
C D A Avenue Branch, Chittagong	Gulshan Branch, Dhaka	Noria Branch, Shariyatpur	Syedpur Branch, Sunamganj
Chandra Branch, Dhaka	Habigonj Branch, Habigonj	Oxygen Mor Branch, Chittagong	Sylhet Branch, Sylhet
Chawk Moghaltuli Branch, Dhaka	Ishwardi Branch, Ishwardi	Pabna Branch, Pabna	Thakurgaon Branch, Thakurgaon
Chokoria Branch, Chittagong	Jessore Branch, Jessore	Pallabi Branch, Dhaka	Tongi Branch, Dhaka
Comilla Branch, Comilla	Joypurhat Branch, Joypurhat	Panthapath Branch, Dhaka	Uttara Model Town Branch, Dhaka

Mercantile Bank Limited			
Agrabad Branch	Elephant Road Branch	Madam Bibir Hat Branch	Progati Sarani Branch
Banani Branch	Feni Branch	Main Branch	Rajshahi Branch
Barishal Branch	Gulshan Branch	Mirpur Branch	Rangpur Branch
Bijoynagor Branch	Jessore Branch	Mohakhali Branch	Ring Road Branch
Bogra Branch	Jhilongja Branch	Motijheel Branch	Satmasjid Road Branch
Chittagong EPZ Branch	Jubilee Road Branch	Naogaon Branch	Sheikh Mujib Road Branch
Comilla Branch	Kawran Bazar Branch	Narayangonj Branch	Sylhet Branch
Dhanmondi Branch	Khatunganj Branch	Nayabazar Branch	Uttara Branch
Dinajpur Branch	Khulna Branch	O.R. Nizam Road Branch	-

Trust Bank Limited			
Principal Branch, Dhaka	Dilkusha Corp. Branch, Dhaka	Kafrul Br. Dhaka	Radisson Water Garden Hotel Branch, Dhaka
Ashugonj Branch	Elephant Road Br.	Karwan Bazar, Dhaka	Rajshahi Branch
Ashulia Branch	Feni Br. Feni	Khulna Branch	Rangpur Cantonment Branch
Barishal Br.	Halishahar Branch	Khwaja Younus Ali Medical College & Hospital Branch	S.S. Cantt. Branch
Bogra Cantonment Branch	Jalalabad Cant Br.	Mirpur Br, Dhaka	Savar Cantonment Branch
Chowmohoni Branch	Jessore Cantonment Branch	Momenshahi Cantonment Branch	Shahjalal Uposhohor Br, Sylhet
Comilla Branch.	Joydebpur Branch	Narayangonj Branch	Tongi Branch
Comilla Cantt. Br.	Joypara Br.	Narsingdi Branch	Uttara Corporate Br, Dhaka
Dhanmondi Branch, Dhaka	Kadamtali Branch	-	-

Investment Corporation of Bangladesh			
Head Office, Dhaka	Rajshahi Br., Rajshahi	Barishal Br., Barishal	Bogra Br., Bogra
Chittagong Br., Chittagong	Khulna Br., Khulna	Sylhet Br., Sylhet	Local Office, Dhaka

The City Bank Limited			
Agrabad Br., Chittagong	Comilla Br., Comilla	Khatungonj Br., Chittagong	Principal Office Br., Dhaka
Amborkhana Br., Sylhet	Cox's Bazar Br., Chittagong	Khulna Br., Khulna	Rajshahi Br., Rajshahi
Andarkilla Br., Chittagong	Dhanmondi Br., Dhaka	Moulvi Bazar Br., Sylhet	Rangpur Br., Rangpur
B B Avenue Br., Dhaka	Imamgonj Br., Dhaka	Narsingdi Br., Narsingdi	Shaymoli Br., Dhaka
Bandar Bazar Br., Sylhet	Islampur Br., Dhaka	Nawabgonj Br., Dhaka	Sirajgonj Br., Sirajgonj
Bangabandhu Road Br., Narayangonj	Jessore Br., Jessore	Nawabpur Br., Dhaka	Tongi Br., Gazipur
Barisal Br., Barisal	Johnson Road Br., Dhaka	New Market Br., Dhaka	VIP Road Br., Dhaka
Bogra Br., Bogra	Jubilee Road Br., Chittagong	Pahartali Br., Chittagong	Zinda Bazar Br., Sylhet
Chawkbazar Br., Chittagong	Kawran Bazar Br., Dhaka	Pragati Sarani Br., Dhaka	Zinzira Br., Dhaka

BRAC Bank Limited			
Agrabad Branch	Donia Branch	Kazirdeuri Branch	Nawabpur Branch
Asad Gate Branch	Eskaton Branch	Khulna Branch	Rajshahi Branch
Banani Branch	Graphics Building Branch	Manda Branch	Rampura Branch
Barisal Branch	Gulshan Branch	Mirpur Branch	Shyamoli Branch
Bashundhara Branch	Halisohor Branch	Momin Road Branch	Uttara Branch
Bogra Branch	Jessore Branch	Narayanganj Branch	Zindabazar Branch
CDA Avenue Branch	-	-	-

Commercial Bank of Ceylon PLC			
Motijheel Branch, Dhaka	Gulshan Branch, Dhaka	Tejgaon Branch, Dhaka	Sylhet Branch, Sylhet
Dhanmondi Branch, Dhaka	Sonargaon Branch, Dhaka	Agrabad Branch, Chittagong	Narayanganj Branch, Narayanganj
Mirpur Branch, Dhaka	Uttara Branch, Dhaka	-	-

AUDITED FINANCIAL STATEMENTS

Section: XVI

AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE PENINSULA CHITTAGONG LIMITED

We have audited the accompanying financial statements of **The Peninsula Chittagong Limited**, which comprises the Statement of Financial Position as at **30 June 2013** and the related Statement of Comprehensive Income, Statement of Cash Flows for the year ended, Statement of changes in Equity and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion, the Financial Statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at 30 June 2013 and of the results of its operations and its cash flows for the year ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

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

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

(ii) In our opinion, proper books of account as required by law have been kept by **The Peninsula Chittagong Limited** so far as it appeared from our examination of those books;

(iii) The Company's Statement of Financial Position and Statement of Comprehensive Income dealt with by the report are in agreement with the books of account and returns.

(iv) The expenditure incurred was for the purpose of the company's business.

Sd/-

Chittagong, September 28, 2013

Hoda Vasi Chowdhury & Co.
Chartered Accountants

THE PENINSULA CHITTAGONG LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note (s)	30-Jun-2013 Taka	30-Jun-2012 Taka (Restated)
ASSETS			
NON CURRENT ASSETS		**2,258,316,470**	**1,994,676,049**
Property, Plant & Equipment	4	2,024,692,314	1,978,916,396
Capital Work-in-Progress	5	230,394,385	11,722,435
Preliminary Expenses	6	3,229,771	4,037,218
CURRENT ASSETS		**145,588,487**	**200,990,712**
Financial Assets	7	61,550,248	75,594,013
Inventory	8	10,529,534	4,043,109
Accounts Receivables	9	33,868,421	33,920,276
Interest Receivables	10	2,579,716	2,403,409
Advances, Deposits & Prepayments	11	20,261,248	75,956,948
Cash and Cash Equivalents	12	16,799,320	9,072,957
TOTAL ASSETS		**2,403,904,957**	**2,195,666,761**
SHAREHOLDERS' EQUITY & LIABILITIES			
SHAREHOLDERS' EQUITY		**1,956,796,253**	**1,814,358,088**
Share Capital	13	580,160,000	453,250,000
Revaluation Surplus	14	1,228,413,842	1,228,413,842
Retained Earnings	15	148,222,411	132,694,246
NON CURRENT LIABILITIES			
Long Term Portion of Term Loan	16	**132,973,234**	**149,227,458**
CURRENT LIABILITIES AND PROVISIONS		**314,135,470**	**232,081,215**
Current Portion of Long Term Loan	16	29,085,115	29,452,452
Accounts Payables	17	37,313,634	38,800,000
Short Term Loan	18	9,275,098	-
Provision for Taxation	19	238,461,623	163,828,763
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		**2,403,904,957**	**2,195,666,761**
Net Assets Value Per Share With Revaluation	29.2	**33.73**	**31.27**
Net Assets Value Per Share Without Revaluation	29.2	**12.55**	**10.10**

These financial statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on August 26, 2013 and were signed on its behalf by :

Sd/-	Sd/-	Sd/-
COMPANY SECRETARY	**MANAGING DIRECTOR & CEO**	**CHAIRMAN**

Signed in terms of our separate report of even date annexed

Sd/-
Hoda Vasi Chowdhury & Co.
CHARTERED ACCOUNTANTS

Chittagong, August 28, 2013

THE PENINSULA CHITTAGONG LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

	Note (s)	30-Jun-2013 Taka	30-Jun-2012 Taka(Restated)
Revenue	20	**420,264,263**	**402,928,882**
Cost of Sales	21	(111,424,625)	(116,645,592)
Gross Profit/ (Loss)		**308,839,638**	**286,283,290**
Administrative Expenses	23	(33,185,954)	(31,752,626)
Selling & Distribution Expenses	24	(3,982,575)	(3,737,770)
		(37,168,529)	**(35,490,396)**
Operating Profit		**271,671,109**	**250,792,894**
Financial Expenses	25	(27,823,778)	(25,655,657)
		243,847,331	**225,137,237**
Other Income	26	8,460,178	6,530,647
		252,307,509	**231,667,884**
Workers Profit Participation Fund (WPPF)	27	(12,615,376)	(11,583,394)
Net Profit Before Tax		**239,692,133**	**220,084,490**
Provision for Tax:			
Current	19.1	(89,884,550)	(82,531,685)
Deferred	19.2	(5,357,691)	(5,503,362)
Net Profit After Tax		**144,449,892**	**132,049,443**
Other Comprehensive Income:			
Unrealized Gains/(Loss) on Available-for-Sale Financial Assets	2.6 & 7.2	(2,011,727)	(2,190,503)
Total Comprehensive Income		**142,438,165**	**129,858,940**
Basic Earnings Per Share	29.1	**2.49**	**2.28**
Diluted Earnings Per Share	29.1	**2.49**	**2.28**

These financial statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on August 26, 2013 and were signed on its behalf by :

Sd/-	**Sd/-**	**Sd/-**
COMPANY SECRETARY	**MANAGING DIRECTOR & CEO**	**CHAIRMAN**

Signed in terms of our separate report of even date annexed

Sd/-
Hoda Vasi Chowdhury & Co.
CHARTERED ACCOUNTANTS

Chittagong, August 28 2013

THE PENINSULA CHITTAGONG LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

Amount in Taka

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total Equity
Balance as on 01 July 2012 (Restated)	**453,250,000**	**1,228,413,842**	**132,694,246**	**1,814,358,088**
Net Profit after Tax	-	-	144,449,892	144,449,892
Unrealized Gains/(Loss) on Available-for-Sale Financial	-	-	(2,011,727)	(2,011,727)
Issuance of Bonus Share	126,910,000	-	(126,910,000)	-
Balance as at 30 June 2013	**580,160,000**	**1,228,413,842**	**148,222,411**	**1,956,796,253**
Balance as on 01 July 2011 (Restated)	**92,500,000**	**1,228,413,842**	**363,585,306**	**1,684,499,148**
Net Profit after Tax	-	-	132,049,443	132,049,443
Unrealized Gains/(Loss) on Available-for-Sale Financial	-	-	(2,190,503)	(2,190,503)
Issuance of Bonus Share	360,750,000	-	(360,750,000)	-
Balance as at 30 June 2012 (Restated)	**453,250,000**	**1,228,413,842**	**132,694,246**	**1,814,358,088**

These financial statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on August 26, 2013 and were signed on its behalf by :

Sd/-
COMPANY SECRETARY

Sd/-
MANAGING DIRECTOR & CEO

Sd/-
CHAIRMAN

Signed in terms of our separate report of even date annexed

Sd/-
Hoda Vasi Chowdhury & Co.
CHARTERED ACCOUNTANTS

Chittagong, August 28, 2013

THE PENINSULA CHITTAGONG LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

	Note (s)	30-Jun-2013 Taka	30-Jun-2012 Taka (Restated)
Cash flows from Operating Activities			
Cash Received from Customers	28.1	420,316,118	404,787,334
Cash Received from other sources	28.2	67,982,560	5,094,534
Cash Paid to suppliers	28.3	(94,063,056)	(78,996,692)
Cash Paid for admin & selling expense	28.4	(31,727,949)	(92,483,006)
Cash Payment for financial expenses	25	(27,823,778)	(25,655,657)
Income Tax Paid	19.1	(20,609,381)	(31,200,000)
Net cash inflow/(outflow) from operating activities (A)		**314,074,514**	**181,546,513**
Cash flows from investing activities			
Acquisition of property, plant and equipment	4.1	(95,892,296)	(133,552,957)
Deletion of property, plant and equipment	28.5	3,530,520	-
Capital Work in Progress	5	(218,671,950)	(11,722,435)
Investment in Financial Assets	2.6 & 7	12,032,038	(15,090,110)
Net cash inflow/(outflow) from investing activities (B)		**(299,001,688)**	**(160,365,502)**
Cash flows from financing activities			
Long term loan (repaid)/received	16	(16,621,561)	(26,698,566)
Short term loan(repaid)/ received	18	9,275,098	(27,049,500)
Net cash inflow/(outflow) from financing activities (C)		**(7,346,463)**	**(53,748,066)**
Net increase of cash and cash equivalents for the year (A+B+C)		**7,726,363**	**(32,567,055)**
Cash and cash equivalents at the beginning of the year		9,072,957	41,640,012
Cash and cash equivalents at the end of the year		**16,799,320**	**9,072,957**
Net Operating Cash Flows Per Share	29.3	**5.41**	**3.13**

These financial statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on August 26, 2013 and were signed on its behalf by :

Sd/-	Sd/-	Sd/-
COMPANY SECRETARY	**MANAGING DIRECTOR & CEO**	**CHAIRMAN**

Signed in terms of our separate report of even date annexed

Sd/-
Hoda Vasi Chowdhury & Co.
CHARTERED ACCOUNTANTS

Chittagong, August 28, 2013

THE PENINSULA CHITTAGONG LIMITED
Notes to the Financial Statements
For the year ended 30 June 2013

1 Background and Introduction

1.1 Formation and Legal Status

The company was formed on 25 July 2002 under the companies Act 1994 vide registration no C-46488 in the name of Voyeger Bangladesh Limited. Later, it renamed as The Peninsula Chittagong Limited on 7 June 2010 vide special resolution of the shareholders in the Extra Ordinary General Meeting (EGM) & The company converted from Private Limited Company to Public Limited Company on 30 November 2010 vide special resolution of the shareholders in the Extra Ordinary General Meeting (EGM) and Registrar of Joint Stock Companies & Firms, Dhaka & approved the same accordingly.

The registered office of the company is located at 8/A, Chandrishila Shuvastu Tower, 69/1 Green Road, Panthapath, Dhaka-1205 and Business Project (4 Star Hotel premises) located at Bulbul Center, 486/B , O.R Nizam Road, C.D.A Avenue, Chittagong 4100, Bangladesh.

1.2 Nature of Business

The principal activities of the company include carrying of business of modern hotel, restaurants, etc. In this context the company has established a hotel named "**The Peninsula Chittagong"** which offers a range of hotel facilities including fitness centre, a luxurious oasis within the hotel with gymnasium, swimming pool, sauna, steam bath and massage treatments etc. The company started commercial operation on 17th February 2006.

2 Basis of Preparation

2.1 Statement of Compliance

The financial statements of the company under reporting have been prepared under historical cost convention in a going concern concept and on accrual basis in accordance with generally accepted accounting principles and practice in Bangladesh in compliance with The Companies Act 1994, The Securities and Exchange Rules 1987, International Accounting Standards (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), as Bangladesh Accounting Standard (BAS) and other applicable laws and regulations.

2.2 Functional and Presentation Currency

The financial statements are expressed in Bangladesh Taka which is both functional currency and reporting currency of the Company. The figures of financial statements have been rounded off to the nearest Taka.

2.3 Use of Estimates and Judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates and underlying assumptions, which are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the period in which the estimates are revised and in any future periods affected.

2.4 Reporting Period

The financial statements of the Company consistently cover one financial year from 01 July 2012 to 30 June 2013 for all reported periods.

2.5 Preparation and Presentation of Financial Statements of the Company

The Board of Directors of The Peninsula Chittagong Limited is responsible for the preparation and presentation of financial statements of the Company.

2.6 Comparative Information

Comparative information has been disclosed in respect of the year 2012 for all numeric information in the Financial Statements and also the narrative and descriptive information where it is relevant for understanding of the current years Financial Statements.

Re-arrangement

Comparative figures have been rearranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liability as reported in the financial statement.

Re-statement

In finalizing the financial statements for the year ended 30 June 2013, some figures of previous year were restated to conform the provisions in accordance with Para 22, 42 & 49 of BAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

i) Total Revaluation surplus except Land & Land development of Tk 657,136,384 was initially incorporated at the time of Assets Revaluation in the financial statements as at June 30, 2011 along with Revaluation Surplus of Land and Land Development of Tk 1,228,413,842. The revaluation surplus of Tk 599,960,942 (after depreciation and related adjustments) was reported at the last audited financial statement as at June 30, 2012 other than the Revaluation Surplus amount of Land and Land Development. However, as per the decision of the board of directors, the company has discarded the revaluation surplus of Tk 599,960,942 as reported at the last audited financial statement as at June 30, 2012 other than the amount of Land and Land Development. Retrospective effects were considered for previous years.

ii) Statement of Financial Position

Particulars	Investment	Retained Earnings
Previously reported (30.06.2012):	81,778,532	138,878,765
Less: Unrealized Loss on Available-for-Sale Financial Assets for 2011	3,994,016	3,994,016
Less: Unrealized Loss on Available-for-Sale Financial Assets for 2012	2,190,503	2,190,503
Restated Balance (30.06.2012)	**75,594,013**	**132,694,246**

Particulars	Property, Plant & Equipment	Revaluation Surplus
Previously reported (30.06.2012):	2,578,877,338	1,828,374,784
Less: Discarded	599,960,942	599,960,942
Restated Balance (30.06.2012)	**1,978,916,396**	**1,228,413,842**

iii) Statement of Comprehensive Income

Particulars	Profit for the year	Total Comprehensive Income/Loss
Previously reported (30.06.2012):	132,049,443	
Less: Unrealized Loss on Available-for-Sale Financial Assets	(2,190,503)	(2,190,503)
Restated Balance (30.06.2012)	**129,858,940**	**(2,190,503)**

3 Significant Accounting Policies

The financial statements have been prepared in compliance with requirement of BASs (Bangladesh Accounting Standards) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as applicable in Bangladesh. The following BASs are applicable for the financial statements for the year under audit:

BAS-1	Presentation of Financial Statements
BAS-2	Inventories
BAS-7	Statement of Cash Flows
BAS-8	Accounting Policies, Changes in Accounting Estimates and Errors
BAS-10	Events after the Reporting Date
BAS-12	Income Taxes
BAS-16	Property, Plant & Equipment
BAS-18	Revenue
BAS-19	Employee Benefits
BAS-21	The effects of Changes in Foreign Exchange Rate
BAS-23	Borrowing Costs
BAS-24	Related Party Disclosures
BAS-26	Accounting and Reporting by Retirement Benefit Plans
BAS-33	Earnings Per Share
BAS-36	Impairment of Assets
BAS-37	Provisions, Contingent Liabilities and Contingent Assets
BFRS-5	Non-current Assets Held for Sale and Discontinued Operations
BAS-32	Financial Instrument: Presentation
BAS-39	Financial Instrument: Recognition and Measurement
BFRS-7	Financial Instrument: Disclosure

3.01 Property, Plant and Equipment (PPE)

i) Recognition of Property, Plant & Equipment

These are capitalized at cost or fair value and subsequently stated net of accumulated depreciation in compliance with the BAS 16 "Property, plant and equipment". The cost of acquisition of an asset comprises of its purchase price and any directly attributable cost inclusive of inward freight, duties and non-refundable taxes for bringing the asset to its operating condition for its intended use. During Financial year 2010-2011, all fixed assets had been revalued by Syful Shamsul Alam & Co., Chartered Accountants.

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

ii) Depreciation

Depreciation is charged on property, plant and equipment on reducing balance method at the annual rate(s) shown below.

Category	Rate
Hotel Building	5%
Plant & Machineries	15%
Office Equipment	15%
Electrical Equipment	15%
Air Conditioner	15%
Kitchen Equipment	20%
House Keeping Equipment	20%
Bar Equipment	20%
Security Equipment	20%
Linen	25%
SPA	5%
Wooden Floor	10%
Tumbler Drier	10%
Furniture & Fixtures	10%
Office Decoration	15%
Motor Vehicles	15%

iii) Revaluation of Fixed Assets

Since inception, the company revalued its fixed assets for the 1st time in the year 2010-2011 by Syful Shamsul Alam & Co., Chartered Accountants. Reserve was created by the sum of revaluation surplus as per the provision of BAS-16.

The board of directors agreed to discard the revaluation surplus of all assets except Land & Land Development in a board meeting held on 05 August 2012 and instructed the management to consider the proper Accounting Policies for it. Details in note 4.

iv) Retirement and Disposals

An asset is recognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gain or loss arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the assets and is recognized as gain or loss from disposal of asset under other income in the Statement of Comprehensive Income.

3.02 Inventories & Consumables

Inventories comprise of food & beverage, house keeping materials, printing & stationary, hard drinks, stores & spares which are valued lower of cost or net realizable value in accordance with the Para of 21 & 25 of BAS-2 "Inventories". Details of valuation are as follows:

i) Food & Beverage	at cost
ii) House Keeping Materials	at cost
iii) Printing & Stationary	at cost
iv) Store & Spares	at cost
v) Beverage	at cost

3.03 Revenue Recognition

Revenues are recognized at the time of delivery / providing services in accordance with Bangladesh Accounting Standard (BAS) -18 **"Revenue".**

3.04 Taxation

The Tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

i) Current Income tax:

Provision is made at the effective rate of 37.50% of tax applied on 'estimated' taxable profit.

The Company enjoyed tax holiday facilities for four years from 01 February 2006 to 31 January

ii) Deferred Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Current enacted tax rates are used in the determination of deferred income tax.

3.05 Loans and Borrowings

Principal amount of the loans and borrowings are stated at their outstanding amount. Borrowings repayable within twelve months from the reporting date are classified as current liabilities whereas borrowings repayable after twelve months from the reporting date are classified as non-current liabilities. Accrued interest and other charges are classified as current liabilities.

3.06 Provision:

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

i) When the company has a present obligation as a result of past event;

ii) When it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation; and

iii) Reliable estimate can be made of the amount of the obligation.

We have shown the provisions in the balance sheet at an appropriate level with regard to an adequate provision for risks and uncertainties. An amount recorded as a provision represents the best estimate of the probable expenditure required to fulfill the current obligation on the reporting date.

3.07 Contingent Liabilities and Assets

Contingent liabilities and assets are current or possible obligations or assets, arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the company. In accordance with BAS-37 Provisions, Contingent Liabilities and Contingent Assets are disclosed in the Notes to the financial statements.

3.08 Statement of Cash flows

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

3.09 Events after the Reporting Date

Events after the reporting date that provide additional information about the Company's position at the reporting date or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting date that are not adjusting events are disclosed in the Notes when they are material.

3.10 Borrowing Cost:

The company capitalizes borrowing cost for new project such as interest on term loan and other related fees/Charges for the period till to commencement of commercial operation and charges the cost to revenue account as financial expenses after commencement of commercial operation.

3.11 Advertisement and Promotional Expenses

All cost associated with advertising and promotional activities are charged out in the year incurred.

3.12 Creditors and Accrual

Liabilities are recognized for amounts to be paid in the future for goods and services received, whether or not billed by the supplier.

3.13 Cash and Cash Equivalent:

According to BAS 7 "Statement Cash flows" cash comprises cash in hand and bank deposit 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.

3.14 Components of the Financial Statements:

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

i) Statement of Financial Position as at 30 June 2013.
ii) Statement of Comprehensive Income for the year ended 30 June 2013.
iii) Statement of Cash flows for the year ended 30 June 2013.
iv) Statement of Changes in Equity for year then ended 30 June 2013.
v) Accounting Policies and Explanatory Notes.

3.15 Earnings Per Share:

Earnings Per Share (EPS) is calculated in accordance with the Bangladesh Accounting Standard BAS-33 "Earnings Per Share".

i) Basic Earnings Per Share:

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

ii) Diluted Earnings Per Share:

As there is no prospective dilutive securities, diluted earnings per share has been calculated based on the total existing number of share as prescribed in the rules 8 (B), 20 (e) of Securities and Exchange Commission (Public Issue) Rules, 2006.

3.16 Related Party Transactions

The objective of Related Party Disclosure IAS 24 is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operating decisions.

A party is related to an entity if: [IAS 24.9] directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the entity has an interest in the entity that gives it significant influence over the entity, has joint control over the entity, the party is a member of the key management personnel of the entity or its parent, the party is a close member of the family of any individual, the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual and the party is a post-employment benefit plan for the benefit of employees of the entity. Detailed in note-32.

3.17 Financial Expenses

Financial expenses comprise the interest on external borrowings and bank charges and are recognized as they accrue.

3.18 Employee Benefits

i) **Short Term Employee Benefits**
Salaries, bonuses and allowances are accrued in the financial year in which the associated services are rendered by the employees of the Company.

ii) **Worker's Profit Participation Fund:**
The company had created a fund for workers as "Worker's Profit Participation Fund" by contributing 5% of the profit before charging such expenses.

3.19 Going Concern

The company has adequate resources to continue in operation for foreseeable future and hence, the financial statements have been prepared on going concern basis. As per management assessment there are no material uncertainties related to events or conditions which may significant doubt upon the Company's ability to continue as a going concern.

	30-Jun-2013 Taka	30-Jun-2012 Taka (Restated)
4 PROPERTY, PLANT AND EQUIPMENT		
Detail of fixed assets and depreciation as on 30 June 2013 are shown in the notes 4.1, 4.2		
A. Cost		
Opening Balance as on 01 July	2,203,468,512	2,069,915,555
Add: Addition during the year	95,892,296	133,552,957
Less: Decrease Due to Sales	3,802,302	-
Total Cost as on 30 June	**2,295,558,506**	**2,203,468,512**
B. Accumulated Depreciation		
Opening Balance as on 01 July	224,552,116	176,714,634
Add : Depreciation for the year	47,437,169	47,837,482
Less : Adjustments during the year	1,123,093	-
Total Depreciation as on 30 June	**270,866,192**	**224,552,116**
Written Down Value (WDV), (A-B)	**2,024,692,314**	**1,978,916,396**

The board of directors agreed to discard the revaluation surplus of all assets except Land in a board meeting held on 05 August 2012 and instructed the management to incorporate the changes as per BAS 8. Moreover, the changes in policy have been treated as per Para 76 of BAS 16 & Para 22 of BAS 8.

PROPERTY, PLANT & EQUIPMENT

4.1 Fixed Assets - at Cost Less Accumulated Depreciation - note 4

(a) Cost:

Particulars	Cost (Amount in Taka)				Depreciation Rate (%)	Depreciation (Amount in Taka)				Written Down Value as on 30.06.2013 (Taka)
	Opening Balance as on 01.07.2012	Addition During the year	Deletion During the year	Closing Balance as on 30.06.2013		Opening Balance as on 01.07.2012	Charge During the year	Deletion During the year	Closing Balance as on 30.06.2013	
Land and Land Development:										
Free Hold Land	205,836,564	-	-	205,836,564		-	-	-	-	205,836,564
Building:										
Hotel Building	409,972,667	4,813,548	-	414,786,215	5%	63,458,889	17,561,349	-	81,020,238	333,765,977
Plant & Machinery:										
Plant & Machinery	41,059,979	23,271,783	-	64,331,762	15%	19,804,836	3,395,712	-	23,200,548	41,131,214
Equipment & Appliance:										
Office Equipment	5,957,900	8,506,821	-	14,464,721	15%	2,068,637	806,724	-	2,875,361	11,589,360
Electrical Equipment	30,856,658	739,294	-	31,595,952	15%	17,519,213	2,012,611	-	19,531,824	12,064,128
Air Conditioner	67,871,328	46,400	-	67,917,728	15%	39,260,610	4,297,608	-	43,558,218	24,359,510
Kitchen Equipment	26,713,731	11,016,929	-	37,730,660	20%	13,794,357	3,848,176	-	17,642,533	20,088,127
House Keeping Equipment	9,604,812	22,171,092	-	31,775,904	20%	4,059,347	1,123,893	-	5,183,240	26,592,664
Bar Equipment	2,271,149	1,321	-	2,272,470	20%	976,416	259,211	-	1,235,627	1,036,843
Security Equipment	5,713,104	262,232	-	5,975,336	20%	3,697,783	429,265	-	4,127,048	1,848,288
Linen	13,597,825	1,564,136	-	15,161,961	25%	6,778,294	2,046,710	-	8,825,004	6,336,957
SPA	19,982,780	-	-	19,982,780	5%	2,153,499	891,465	-	3,044,964	16,937,816
Wooden Floor	46,033,190	5,652,000	-	51,685,190	10%	12,384,366	3,804,283	-	16,188,649	35,496,541
Tumbler Drier	232,200	-	-	232,200	10%	44,118	18,809	-	62,927	169,273
	228,834,677	**49,960,225**	**-**	**278,794,902**		**102,736,640**	**19,538,755**	**-**	**122,275,395**	**156,519,507**
Furniture & Fixtures	33,955,300	7,298,958	-	41,254,258	10%	12,232,315	2,761,078	-	14,993,393	26,260,865
Office Decoration	34,377,538	4,839,820	-	39,217,358	15%	19,387,441	2,295,233		21,682,674	17,534,684
Motor Vehicles	21,017,945	5,707,962	3,802,302	22,923,605	15%	6,931,996	1,885,042	1,123,093	7,693,945	15,229,660
30.06.2013	**975,054,670**	**95,892,296**	**3,802,302**	**1,067,144,664**		**224,552,117**	**47,437,169**	**1,123,093**	**270,866,193**	**796,278,471**
30.06.2012	**841,501,713**	**133,552,957**	**-**	**975,054,670**		**176,714,634**	**47,837,482**	**-**	**224,552,116**	**750,502,554**

(b) Revaluation:

Particulars	Revaluation (Amount in Taka)				Depreciation Rate (%)	Depreciation (Amount in Taka)				Written Down Value as on 30.06.2013 (Taka)
	Opening Balance as on 01.07.2012	Addition During the year	Deletion During the year	Closing Balance as on 30.06.2013		Opening Balance as on 01.07.2012	Charge During the year	Deletion During the year	Closing Balance as on 30.06.2013	
Land and Land Development:										
Free Hold Land	1,228,413,842	-	-	1,228,413,842	-	-	-	-	-	1,228,413,842
30.06.2013	**1,228,413,842**	**-**	**-**	**1,228,413,842**		**-**	**-**	**-**	**-**	**1,228,413,842**
Total Assets(a+b) 30.06.2013	**2,203,468,512**	**95,892,296**	**3,802,302**	**2,295,558,506**		**224,552,117**	**47,437,169**	**1,123,093**	**270,866,193**	**2,024,692,313**
30.06.2012 (Restated)	**2,069,915,555**	**133,552,957**	**-**	**2,203,468,512**		**176,714,634**	**47,837,482**	**-**	**224,552,116**	**1,978,916,396**

4 Depreciation Allocated to:

	30-Jun-2013 Taka	30-Jun-2012 Taka	Basis
Operating Expenses - note 22.3	37,949,736	38,269,986	80%
Administrative Expenses - note 23	9,487,433	9,567,496	20%
	47,437,169	**47,837,482**	100%

4 Revaluation Surplus

Represent revaluation surplus arised in accordance with the report on revaluation of assets carried out by Syful Shamsul Alam & Co, Chartered Accountants.
The board of directors agreed to discard the revaluation surplus of all assets except Land & Land Developmentin a board meeting held on 05 August 2012 during the reporting period.

The Peninsula Chittagong
(Best Business Hotel in Town)

	30-Jun-2013 Taka	30-Jun-2012 Taka

5 Capital Work -in- Progress

Opening balance	11,722,435	-
Expenses incurred during the year	218,671,950	11,722,435
Closing Balance	**230,394,385**	**11,722,435**

Capital work-in-progress includes all the costs of extension of hotel building which is under construction on North side of the main building.

6 Preliminary Expenses

Opening balance	4,037,218	4,844,665
Less: Amortized during the year - note 22.3	807,447	807,447
Closing Balance	**3,229,771**	**4,037,218**

The Company had decided to amortize the total amount of Preliminary Expenses of Tk8,074,447 from July 01, 2007 to June 17, 2017 of Tk807,447 per year.

Preliminary Expenses has been treated and shown as per Schedule of Part I Para 3 & 7 of the Securities and Exchange Commission Rules -1987.

	30-Jun-2013 Taka	30-Jun-2012 Taka (Restated)

7 FINANCIAL ASSETS

FDR-note 7.1	43,895,315	45,927,708
Shares-note 7.2	17,654,933	29,666,305
	61,550,248	**75,594,013**

7.1 FDR - note 7

Bank name	FDR No	Rate	Maturity Date	Amount
A B Bank	3348601	15%	06 August 2013	11,265,188
A B Bank	3348625	15%	08 August 2013	11,265,188
A B Bank	3374849	12%	08 October 2013	10,332,864
A B Bank	12209	12.50%	23 February 2014	1,032,075
LankaBangla Finance Ltd.	3532	15.50%	11 July 2013	10,000,000
				43,895,315

7.2 Shares - note 7

i) Quoted Securities - note 7.2

Particulars	Qty	Market Price 30.06.2013	Market Price 30.06.2012	Unrealized Gain (Loss)
AB Bank	62,100	1,776,060	2,340,480	(564,420)
BRAC Bank	106,950	3,219,195	3,059,700	159,495
First Securities Bank	8,944	123,428	141,480	(18,052)
Unique Hotel & Resort Ltd.	57,500	6,411,250	8,000,000	(1,588,750)
		11,529,933	**13,541,660**	**(2,011,727)**

ii) Unquoted Securities - note 7.2

Particulars	Qty	Market Price	Cost Price	Unrealized
LankaBangla Securities	52,500	-	3,750,000	-
Energy Prima Ltd	25,000	-	2,375,000	-
		-	**6,125,000**	**-**

Cost price of LankaBangla Securities is Tk 71.42 per share and Energy Prima Ltd is Tk 95 per share.

		30-Jun-2013 Taka	30-Jun-2012 Taka
8	**INVENTORY**		
	Food- note 8.1	1,351,285	765,770
	House Keeping Materials - note 8.2	340,274	337,482
	Printing & Stationary - note 8.3	880,107	900,545
	Store & Spares	231,200	272,000
	Beverage - note 8.4	7,726,668	1,767,312
		10,529,534	**4,043,109**
8.1	**Food - note 8**		
	Opening balance	765,770	653,130
	Add: Purchase during the year	22,152,018	26,508,137
		22,917,788	**27,161,267**
	Less: Consumption during the year	21,566,503	26,395,497
	Closing balance - note 21.1	**1,351,285**	**765,770**
8.2	**House Keeping Materials - note 8**		
	Opening balance	337,482	1,285,008
	Add: Purchase during the year	4,181,586	4,428,243
		4,519,068	**5,713,251**
	Less: Consumption during the year	4,178,794	5,375,769
	Closing balance - note 22.1	**340,274**	**337,482**
8.3	**Printing & stationary - note 8**		
	Opening balance	900,545	647,392
	Add: Purchase during the year	1,593,103	1,544,143
		2,493,648	**2,191,535**
	Less: Consumption during the year	1,613,541	1,290,990
	Closing balance - note 23.1	**880,107**	**900,545**
8.4	**Beverage - note 8**		
	Opening balance	1,767,312	6,185,725
	Add: Purchase during the year	8,824,611	-
		10,591,923	**6,185,725**
	Less: Consumption during the year	2,865,255	4,418,413
	Closing balance - note 21.2	**7,726,668**	**1,767,312**

		30-Jun-2013 Taka	30-Jun-2012 Taka
9	**ACCOUNTS RECEIVABLES**		
	Opening Balance	33,920,276	35,778,728
	Add: Addition during the year	103,646,502	139,274,747
		137,566,778	**175,053,475**
	Less: Realized during the year	103,698,357	141,133,199
		33,868,421	**33,920,276**

There is no related party transaction.

9.1 Disclosure as per Schedule-XI, Part-I, of The Companies Act, 1994

Debts exceeding 6 Months	3,385,629	5,220,059
Other debts less provision	30,482,792	28,700,217
	33,868,421	**33,920,276**

Debts considered Good & secured	33,868,421	33,920,276
Debts considered Good without security	-	-
Debts considered doubtful or Bad	-	-
Debts due by Directors or other Officers	-	-
Debts due from companies under same management	-	-
Maximum debt due by Directors or Officers at any time	-	-
	33,868,421	**33,920,276**

10 INTEREST RECEIVABLES

Accrued Interest Income on FDR	2,579,716	2,403,409
	2,579,716	**2,403,409**

Bank wise interest

Bank name	FDR No	Rate	Maturity Date	Interest Amount
A B Bank	3348601	15%	06 August 2013	675,911
A B Bank	3348625	15%	08 August 2013	666,524
A B Bank	3374849	12%	08 October 2013	175,659
A B Bank	12209	12.50%	23 February 2014	45,512
LankaBangla Finance Ltd.	3532	15.50%	11 July 2013	1,016,110
				2,579,716

10.1 The interest was accrued for the FDR of Tk 43,895,315 maintained with The AB Bank Limited, O.R Nizam Road, CDA Avenue Branch, Chittagong, LankaBangla Finance, Kemal Ataturk Avenue, Dhaka in different date from 01 February 2013.

10.2 Disclosure as per Schedule-XI, Part-I, of the Companies Act, 1994

Debts exceeding 6 Months	2,579,716	2,403,409
Other debts less provision	-	-
	2,579,716	**2,403,409**

Debts considered Good & secured	2,579,716	2,403,409
Debts considered Good without security	-	-
Debts considered doubtful or Bad	-	-
Debts due by Directors or other Officers	-	-
Debts due from companies under same management	-	-
Maximum debt due by Directors or Officers at any time	-	-
	2,579,716	**2,403,409**

	30-Jun-2013 Taka	30-Jun-2012 Taka
11 ADVANCES, DEPOSITS AND PREPAYMENTS		
Advances - note 11.1	16,606,636	73,112,601
Deposits - note 11.2	1,572,508	1,518,508
Prepayments - note 11.3	2,082,104	1,325,839
	20,261,248	**75,956,948**

There is no Related party transaction.

11.1 Advances - note 11

	30-Jun-2013 Taka	30-Jun-2012 Taka
Advance Income Tax	5,207,165	3,147,145
LankaBangla Securities	4,990	8,554
Advances to Others - note 11.1.1	2,200,418	63,676,352
VAT Current Account	3,059,108	3,543,839
SD Account	83,293	327,686
Daffodil Electric Company	1,920,000	-
Store In Transit	4,131,662	2,409,025
	16,606,636	**73,112,601**

11.1.1 Advances to Others - note 11.1

	30-Jun-2013 Taka	30-Jun-2012 Taka
Rainbow CNG Service Station	25,000	25,000
Kuwait Airways	41,882	41,882
Advance against Land	-	60,550,000
Fly Dubai Advance Allowance	1,992,000	888,000
Advance Salary	141,536	2,171,470
	2,200,418	**63,676,352**

Advance against land realized fully during the year.

11.2 Deposits - note 11

	30-Jun-2013 Taka	30-Jun-2012 Taka
T&T	140,000	140,000
Bangladesh Gas System Limited	1,069,148	1,069,148
Power Development Board Chittagong	285,000	285,000
House Rent Deposit	54,000	-
Shah Amanat International Airport(Security Deposit)	24,360	24,360
	1,572,508	**1,518,508**

11.3 Prepayments - note 11

	30-Jun-2013 Taka	30-Jun-2012 Taka
Prepaid Expense (Staff Haj Expense)	100,000	200,000
Prepaid Insurance	1,982,104	1,125,839
	2,082,104	**1,325,839**

All are security deposits against contractual services to be provided by the respective institutions.

Disclosure as per Schedule-XI, Part-I, of The Companies Act, 1994

	30-Jun-2013 Taka	30-Jun-2012 Taka
Advance, deposits and pre-payments exceeding 6 Months	1,572,508	1,518,508
Other advance, deposits & pre-payments less provision	16,524,126	74,438,440
Taka	**18,096,634**	**75,956,948**
Advance, deposits and pre-payments considered Good & secured	18,096,634	75,956,948
Advance, deposits and pre-payments considered Good without security	-	-
Advance, deposits and pre-payments considered doubtful or Bad	-	-
Advance, deposits and pre-payments due by Directors or other Officers	-	-
Advance, deposits and pre-payments due from companies under same management.	-	-
Maximum Advance, deposits and pre-payments due by Directors or Officers at any time.	-	-
	18,096,634	**75,956,948**

		30-Jun-2013 Taka	30-Jun-2012 Taka
12	**CASH AND CASH EQUIVALENTS**		
	Cash in Hand	419,232	1,268,521
	Cash at Banks - note 12.1	16,380,088	7,804,436
		16,799,320	**9,072,957**
12.1	**Cash at Bank : Balances with Schedule Banks - note 12**		
	Prime Bank Ltd, IBB O.R Nizam Road, CD-13411030000449	199,695	686,448
	Standard Bank Ltd, CD-33000324	146,005	149,925
	Standard Chartered Bank Ltd	4,705,282	1,075,408
	AB Bank Ltd, CD-4110-753162-000	18,290	16,991
	AB Bank Ltd, Notice-4110-761221-430	1,626,765	197,154
	Social Islami Bank Ltd, CD-13300025306	1,723	3,965
	AB Bank Ltd, STD-4110-776797-430	6,796,782	2,670,963
	Brac Bank Ltd, CD-02019912560-01	1,150,360	393,223
	City Bank Ltd, CD-1101238038001	992,415	5,609
	Sonali Bank Ltd, CD-33023975	1,709	5,699
	AB Bank(Current A/C-4110-753033-000)	77,985	19,252
	AB Bank Ltd, STD-4110-776797-000	-	25,124
	Prime Bank Ltd- Card Balance	-	49,504
	Brac Bank Ltd- Card Balance	138,012	237,831
	City Bank Ltd- Card Balance	525,065	2,267,340
		16,380,088	**7,804,436**

13 SHARE CAPITAL

13.1 Authorized Capital

	30-Jun-2013 Taka	30-Jun-2012 Taka
300,000,000 (2011 : 300,000,000) Ordinary Shares of Tk 10 (2011: Tk 10) each	3,000,000,000	3,000,000,000
	3,000,000,000	**3,000,000,000**

13.2 Issued, Subscribed and Paid-up Capital

		30-Jun-2013 Taka	30-Jun-2012 Taka
45,325,000	Ordinary Shares of Tk 10 (2011: Tk 10) each	453,250,000	92,500,000
12,691,000	Ordinary Shares of Tk 10 each as Bonus Share	126,910,000	360,750,000
58,016,000	Ordinary Shares of Tk 10 each	**580,160,000**	**453,250,000**

13.3 A. Position of Shares holding as on 30 June 2013

Name of the Shareholders	Nature of Shareholding	Nationality	Percentage (%)	30-Jun-2013 Taka	30-Jun-2012 Taka
Engineer Mosharraf Hossain	Individual	Bangladeshi	12.00	69,619,200	54,390,000
Mrs. Ayesha Sultana	Individual	Bangladeshi	8.00	46,412,800	36,260,000
Mr. Mustafa Tahseen Arshad	Individual	American	24.00	139,238,400	108,780,000
Mrs. Bilkis Arshad	Individual	American	15.00	87,024,000	67,987,500
Mr. Mustafa Tahir Arshad	Individual	American	9.00	52,214,400	40,792,500
Mr. Mahboob- Ur-Rahman	Individual	Bangladeshi	5.00	29,008,000	22,662,500
Mrs. Mirka Rahman	Individual	Finnish	5.00	29,008,000	22,662,500
Mr. Aminur Rahman	Individual	Bangladeshi	5.00	29,008,000	22,662,500
Mr. Sabedur Rahman	Individual	Bangladeshi	5.00	29,008,000	22,662,500
Mrs. Arifa Sultana	Individual	Bangladeshi	6.00	34,809,600	27,195,000
Mr. Afzal Bin Tarique	Individual	Bangladeshi	4.00	23,206,400	18,130,000
Mrs. Shaheda Sultana	Individual	Bangladeshi	2.00	11,603,200	9,065,000
Total			**100**	**580,160,000**	**453,250,000**

B. The details of the above shares holding are as follows:

Name of the shareholders	No. of shares as at 01 July 2012	Movement of shares issued during the year		No. of shares as at 30 June 2013	Share capital in Taka as at 30 June 2013
		In cash	Bonus shares		
Engineer Mosharraf Hossain	5,439,000	-	1,522,920	6,961,920	69,619,200
Mrs. Ayesha Sultana	3,626,000	-	1,015,280	4,641,280	46,412,800
Mr. Mustafa Tahseen Arshad	10,878,000	-	3,045,840	13,923,840	139,238,400
Mrs. Bilkis Arshad	6,798,750	-	1,903,650	8,702,400	87,024,000
Mr. Mustafa Tahir Arshad	4,079,250	-	1,142,190	5,221,440	52,214,400
Mr. Mahboob- Ur-Rahman	2,266,250	-	634,550	2,900,800	29,008,000
Mrs. Mirka Rahman	2,266,250	-	634,550	2,900,800	29,008,000
Mr. Aminur Rahman	2,266,250	-	634,550	2,900,800	29,008,000
Mr. Sabedur Rahman	2,266,250	-	634,550	2,900,800	29,008,000
Mrs. Arifa Sultana	2,719,500	-	761,460	3,480,960	34,809,600
Mr. Afzal Bin Tarique	1,813,000	-	507,640	2,320,640	23,206,400
Mrs. Shaheda Sultana	906,500	-	253,820	1,160,320	11,603,200
Total	**45,325,000**	-	**12,691,000**	**58,016,000**	**580,160,000**

C. A distribution schedule of the shares as at 30 June 2013 is given below as required by listing regulations:

Slabs by number of shares	Number of shareholders	No of Shares	Holding (%)
Less than 500	-	-	-
From 500 to 5,000	-	-	-
From 5,001 to 10,000	-	-	-
From 10,001 to 20,000	-	-	-
From 20,001 to 30,000	-	-	-
From 30,001 to 40,000	-	-	-
From 40,001 to 50,000	-	-	-
From 50,001 to 100,000	-	-	-
From 100,001 to 1,000,000	-	-	-
Above 1,000,000	12	58,016,000	100%
Total	12	**58,016,000**	**100%**

		30-Jun-2013 Taka	30-Jun-2012 Taka(Restated)
14	**REVALUATION SURPLUS**		
	Balance as on 01 July	1,228,413,842	1,228,413,842
	Closing balance	**1,228,413,842**	**1,228,413,842**

Revaluation

Revaluation of Company's assets were carried out by, an Independent Valuer, Syful Shamsul Alam & Co, Chartered Accountants following Estimated Net Realizable Value Method & Depreciated Replacement cost Method of Valuation based on the nature of the Asset as on 30 April 2011 and submitted their report on 23 June 2011. Revaluation Surplus has been credited to Revaluation Surplus Account and treated as per BAS & BFRS and other applicable laws, regulations & guidelines.

The board of directors agreed to discard the revaluation surplus of all assets except Land & Land Development in a board meeting held on 05 August 2012.

	30-Jun-2013 Taka	30-Jun-2012 Taka (Restated)
15 RETAINED EARNINGS		
Opening balance	**132,694,246**	**363,585,306**
Add: Addition during the year	144,449,892	132,049,443
	277,144,138	**495,634,749**
Unrealized Gains/(Loss) on Available-for-Sale Financial Assets	(2,011,727)	(2,190,503)
	275,132,411	**493,444,246**
Less: Bonus shares issued	(126,910,000)	(360,750,000)
	148,222,411	**132,694,246**

16 LONG TERM BANK LOAN

	30-Jun-2013 Taka	30-Jun-2012 Taka (Restated)
Opening Balance	178,679,910	205,378,476
Add: Interest charged during the year	27,674,439	25,481,551
	206,354,349	**230,860,027**
Less: Payment during the year	44,296,000	52,180,117
	162,058,349	**178,679,910**
Less: Current portion of term loan	29,085,115	29,452,452
	132,973,234	**149,227,458**

Particulars of the above term loans are given below :

1	**Bank**		**Sonali Bank Limited**
	Loan Account	:	SBICS Loan-801137006002
	Limit amount	:	Tk 160,000,000
	Purpose	:	For settle down loan from AB Bank.
	Sanction date	:	8 April 2009 rescheduled at 15 March 2011
	Interest rate	:	15% (floating)
	Security	:	Mortgage of Land, Building , Machinery & Equipment related to development of the Project. Bank Guarantee from Directors.
	Tenure	:	Five years
2	**Bank**		**Sonali Bank Limited**
	Loan Account		SBICS Loan-37008989
	Limit amount	:	Tk 80,000,000
	Purpose	:	Buy Back of 2nd floor from Integrated Service Ltd
	Sanction date	:	15-Mar-2011
	Interest rate	:	15% (floating)
	Security	:	Mortgage of Land, Building
	Tenure	:	Five years

		30-Jun-2013 Taka	30-Jun-2012 Taka
17	**ACCOUNTS PAYABLES**		
	Opening Balance	38,800,000	35,402,403
	Add: Addition during the year	226,733,239	148,490,871
		265,533,239	**183,893,274**
	Less: Paid during the year	228,219,605	145,093,274
		37,313,634	**38,800,000**

There is no Related party transaction.

		30-Jun-2013 Taka	30-Jun-2012 Taka
18	**SHORT TERM LOAN**		
	AB Bank Ltd, STD-4110-776797-000	9,275,098	-
		9,275,098	**-**

The loan was taken against FDR on AB Bank Ltd.

		30-Jun-2013 Taka	30-Jun-2012 Taka
19	**PROVISION FOR TAXATION**		
	Current Tax - note 19.1	225,767,600	156,492,431
	Deferred Tax - note 19.2	12,694,023	7,336,332
		238,461,623	**163,828,763**
19.1	Provision for Current Tax - note 19		
	Opening Balance	156,492,431	105,160,746
	Add: Provision made for the year	89,884,550	82,531,685
		246,376,981	187,692,431
	Less: Income Tax paid	20,609,381	31,200,000
		225,767,600	**156,492,431**

Total Tax liability includes the liability for the assessment year 2011-2012 and 2012-2013 on which final assessment is under process.

		30-Jun-2013 Taka	30-Jun-2012 Taka
19.2	Provision for Deferred Tax - note 19		
	Opening Balance	7,336,332	1,832,970
	Add: Provision made for the year	5,357,691	5,503,362
		12,694,023	7,336,332
	Less: Provision realized during the year	-	-
	Closing balance	**12,694,023**	**7,336,332**

		30-Jun-2013 Taka	30-Jun-2012 Taka
20	**REVENUE**		
	Rooms	329,386,912	313,468,111
	Food & Beverages	66,429,421	66,205,899
	Minor Operating Departments	16,626,376	15,954,886
	Rental and Others	7,821,554	7,299,986
		420,264,263	**402,928,882**

Unit price of Food & Beverages has increased during the year comparing to the previous year. Foreign currency exchange rate has also increased in the reporting period.

		30-Jun-2013 Taka	30-Jun-2012 Taka
21	**COST OF SALE**		
	Opening stock	2,533,082	6,838,855
	Purchase during the year- note 21.1 & 21.2	30,976,629	26,508,137
	Cost of goods available for sale	**33,509,711**	**33,346,992**
	Operating Expense note - 22	86,992,867	85,831,682
		120,502,578	119,178,674
	Closing inventory - note 8.1 & 8.4	(9,077,953)	(2,533,082)
		111,424,625	**116,645,592**
21.1	**Food consumed - note 21**		
	Opening inventory	765,770	653,130
	Purchase during the year	22,152,018	26,508,137
	Total materials available	**22,917,788**	**27,161,267**
	Closing inventory - note 8.1	(1,351,285)	(765,770)
		21,566,503	**26,395,497**
21.2	**Beverage consumed - note 21**		
	Opening balance	1,767,312	6,185,725
	Purchase during the year	8,824,611	-
	Total beverage available	**10,591,923**	**6,185,725**
	Closing inventory - note 8.4	(7,726,668)	(1,767,312)
		2,865,255	**4,418,413**
22	**Operating Expense - note 21**		
	Salary & Allowance	19,766,903	19,393,552
	Festival Bonus	1,023,056	897,436
	House Keeping - note 22.1	4,178,794	5,375,769
	Repair & Maintenance - note 22.2	3,804,786	2,900,354
	Depreciation & Amortization - note 22.3	38,757,183	39,077,433
	Fuel & Power - note 22.4	18,276,376	15,637,749
	Function Expense	671,223	2,023,037
	Others-note 22.5	514,546	526,352
		86,992,867	**85,831,682**

	30-Jun-2013 Taka	30-Jun-2012 Taka
22.1 House Keeping Expense - note 22		
Opening balance	337,482	1,285,008
Add: Purchase during the year	4,181,586	4,428,243
	4,519,068	**5,713,251**
Less: Closing Balance- note 8.2	340,274	337,482
Consumption during the year	**4,178,794**	**5,375,769**
22.2 Repair & Maintenance - note 22		
Repair & Maintenance - Building	556,858	388,452
Repair & Maintenance - Machinery	623,881	644,966
Repair & Maintenance - General	1,072,699	701,115
Repair & Maintenance - Kitchen Equipment	56,047	123,600
Repair & Maintenance -Vehicle	497,413	456,893
Repair & Maintenance - Lift	508,110	208,813
Repair & Maintenance - Computer	184,124	141,290
Repair & Maintenance- Electrical Goods	305,654	235,225
	3,804,786	**2,900,354**
22.3 Depreciation & Amortization - note 22		
Depreciation Expense - note 4.2	37,949,736	38,269,986
Amortization Expense- note 6	807,447	807,447
	38,757,183	**39,077,433**
22.4 Fuel & Power - note 22		
Electricity Bill	11,836,298	9,779,609
Generator Fuel	2,176,877	1,889,459
Gas Bill	3,287,642	3,604,337
Fuel & Power	975,559	364,344
	18,276,376	**15,637,749**
22.5 Others - note 22		
Tobacco Expense	407,248	378,100
Carriage Inward	53,898	92,285
Dish Washing	1,363	4,800
Packet & Packing	52,037	51,167
	514,546	**526,352**

		30-Jun-2013 Taka	30-Jun-2012 Taka
23	**ADMINISTRATIVE EXPENSES**		
	Salaries & Allowances	7,311,046	7,172,958
	House Rent Allowance	934,765	593,860
	Festival Bonus	378,390	331,928
	Director Remuneration	5,635,000	5,520,000
	Insurance Expense	2,162,299	1,697,363
	Printing & Stationery - note 23.1	1,613,541	1,290,990
	Dish Line Rent	240,000	240,000
	Telephone & Communication	970,978	976,520
	Fees & Renewals	388,945	328,565
	Rent, Rates & Taxes	1,127,114	259,427
	Staff Uniform	844,757	849,740
	Office Expenses	96,898	26,682
	Paper & Periodicals	153,536	286,960
	Postage & Courier	11,033	20,248
	Conveyance	60,535	50,360
	Tours & Travel Expense	285,566	239,705
	Audit fee - note 23.2	345,000	300,000
	Legal Fees & other professional charges	522,276	903,150
	Medical Expense	11,298	8,698
	Entertainment Expense	77,749	149,975
	Gift & Donation	185,495	666,350
	Depreciation Expense - note 4.2	9,487,433	9,567,496
	Staff Hajj Expense	342,300	271,650
		33,185,954	**31,752,626**
23.1	**Printing & stationery - note 23**		
	Opening balance	900,545	647,392
	Add: Purchase during the year	1,593,103	1,544,143
		2,493,648	**2,191,535**
	Less: Closing Balance - note 8.3	880,107	900,545
	Consumption during the year	**1,613,541**	**1,290,990**
23.2	**Audit Fee- note 23**		
	Audit fee	345,000	300,000
		345,000	**300,000**
24	**SELLING AND DISTRIBUTION EXPENSE**		
	Advertisement	457,339	291,718
	Card Charges	3,525,236	3,446,052
		3,982,575	**3,737,770**
25	**FINANCIAL EXPENSES**		
	Bank Interest - note 25.1, 25.2 & 25.3	27,661,922	25,565,716
	Bank Charges & Commission	161,856	89,941
		27,823,778	**25,655,657**

	30-Jun-2013 Taka	30-Jun-2012 Taka
This is arrived as follows:		
25.1 Sonali Bank Limited		
Interest:		
Interest on Loan (801137006002)	19,620,205	16,284,687
Interest on ISL Loan	8,033,994	9,196,864
	27,654,199	**25,481,551**
25.2 AB Bank Limited		
Interest on Long Term Loan (4110-753033-340)	-	31,019
Interest on Short Term Loan (Time Loan 4110-753162-500)	-	49,591
Interest on Short Term Loan (CC Hypo)	7,723	1,055
	7,723	**81,665**
25.3 Infrastructure Development Leasing Company (IDLC)		
Interest:		
Interest on Long Term Loan		2,500
	-	**2,500**
26 OTHER INCOME		
Gain on Sale of Non Current Assets	851,311	-
Interest on FDR	7,303,334	3,823,721
Bank Interest	57,406	798,866
Dividend Income	60,000	320,901
Sale of Wastages	188,127	1,587,159
	8,460,178	**6,530,647**
27 WORKERS' PROFIT PARTICIPATION FUND (WPPF)		
Net profit before distribution of WPPF	252,307,509	231,667,884
Workers' Profit Participation Fund (WPPF) @ 5%	**12,615,376**	**11,583,394**

	30-Jun-2013 Taka	30-Jun-2012 Taka
28 Related Notes for Statement of Cash Flows		
28.1 Cash Receive from Customers		
Revenue	420,264,263	402,928,882
Add: Opening balance of accounts receivables	33,920,276	35,778,728
Less: Closing balance of accounts receivables	(33,868,421)	(33,920,276)
	420,316,118	**404,787,334**
28.2 Cash Received from other sources		
Other income	7,608,867	6,530,647
Add: Opening balance of interest receivables	2,403,409	967,296
Less: Closing balance of interest receivables	(2,579,716)	(2,403,409)
Add: cash receive back from advance land deposit	60,550,000	-
	67,982,560	**5,094,534**
28.3 Cash Paid to suppliers		
Cost of sales	**111,424,625**	**116,645,592**
Changes in inventories	6,486,425	5,048,546
	117,911,050	**111,597,046**
Changes in accounts payable increase (decrease)	14,101,742	(5,669,632)
	132,012,792	**117,266,678**
Less: Depreciation expenses	37,949,736	38,269,986
	94,063,056	**78,996,692**
28.4 Cash Paid for Admin & Selling Expense		
Admin & selling expense	37,168,529	35,490,396
Add: Decrease in preliminary expenses	(807,447)	(807,447)
	36,361,082	**34,682,949**
Changes in advance deposit & prepayment	4,854,300	67,367,553
	41,215,382	**102,050,502**
Less: Depreciation Expense	(9,487,433)	(9,567,496)
	31,727,949	**92,483,006**
28.5 Deletion of Property, Plant and Equipment		
Cost of property, plant and equipment	3,802,302	-
Less: Accumulated depreciation of property, plant and equipment	(1,123,093)	-
Add: Profit on sale of property, plant and equipment	851,311	-
	3,530,520	**-**

	30-Jun-2013 Taka	30-Jun-2012 Taka
29 INFORMATION BASED ON PER SHARE		
29.1 Earnings Per Share (EPS)		
(a) Basic Earnings per share		
The computation of EPS is given below:		
Earnings from core business	135,989,714	125,518,796
Number of ordinary shares outstanding during the year	58,016,000	58,016,000
Earnings Per Share (From Core Operation)	**2.34**	**2.16**
Earnings from extraordinary income	8,460,178	6,530,647
Number of ordinary shares outstanding during the year	58,016,000	58,016,000
Earnings Per Share (From Extra-ordinary Income)	**0.15**	**0.11**
Basic Earnings Per Share	**2.49**	**2.28**
Weighted Average Number of Shares Outstanding	**58,016,000**	**58,016,000**
Opening Balance (1 Year)	45,325,000	9,250,000
Bonus Share Issue 2011	-	36,075,000
Bonus Share Issue in the year 2012 (Restated)	12,691,000	12,691,000
	58,016,000	**58,016,000**
(b) Diluted Earnings per share		
Net profit after tax	144,449,892	132,049,443
Total Existing Number Of shares Outstanding (Restated)	58,016,000	58,016,000
Diluted Earnings Pre Share	**2.49**	**2.28**
29.2 NET ASSET VALUE PER SHARE (NAV)		
A. Net Assets Value Per Share With Revaluation		
Total Assets	2,403,904,957	2,195,666,761
Less: Intangible Assets	-	-
Less: Liabilities	447,108,704	381,308,673
Net Asset Value (NAV)	1,956,796,253	1,814,358,088
Number of ordinary shares outstanding (Restated)	58,016,000	58,016,000
Net Assets Value Per Share	**33.73**	**31.27**
B. Net Assets Value Per Share Without Revaluation		
Total Assets	1,175,491,115	967,252,919
Less: Intangible Assets	-	-
Less: Liabilities	447,108,704	381,308,673
Net Asset Value (NAV)	728,382,411	585,944,246
Number of ordinary shares outstanding (Restated)	58,016,000	58,016,000
Net Assets Value Per Share	**12.55**	**10.10**

	30-Jun-2013 Taka	30-Jun-2012 Taka
29.3 NET OPERATING CASH FLOW PER SHARE (NOCFPS)		
Net Operating Cash Flows	314,074,514	181,546,513
Number of ordinary shares outstanding (Restated)	58,016,000	58,016,000
Net Operating Cash Flows per share	**5.41**	**3.13**

30 CONTINGENT LIABILITIES AND COMMITMENTS

30.1 Contingencies

There is no contingent event that may require recognition of contingent liabilities for the period ended 30 June 2013.

30.2 Capital expenditure commitment

There was no capital expenditure commitment with the any company on the reporting period.

30.3 Directors' interest in contracts with the company

There was no transaction resulting in Directors' interest with the company and no leasing facilities have been made available to the Directors.

30.4 Segment reporting

As there is a single business and geographic segment within the company operates as such no segment reporting is felt necessary.

30.5 Credit facility not availed

There was no credit facility available to the company under any contract, but not availed as on 30 June 2013 other than trade credit available in the ordinary course of business.

30.6 Events after the reporting period

The Board of directors at their board meeting held on August 10, 2013 recommended to the shareholders 10% Cash Dividend for the year ended June 30, 2013. This will be considered for approval by the shareholders at the next Annual General Meeting (AGM).

31 Related Party Disclosures

i) The Company has no parents, entities with joint control or significant influence over the entity, subsidiaries, joint ventures in which the entity is a venture and associates to which the related party transactions to occur which would require adjustment to or disclosure in the financial statement or notes thereto.

ii) The details of key management personnel of the entity or its partner's transactions during the year along with the relationship is illustrated below in accordance of BAS 24:

Particulars			30-Jun-2013 Taka	30-Jun-2012 Taka
Name of the party	Relationship	Nature of Transaction	Transacted Amount	Transacted Amount
Md. Mustafa Tahseen Arshad	MD & Shareholder	Board Meeting fee	20,000	-
		Remuneration	4,020,000	4,020,000
Engineer Mosharraf Hossain	Chairman & Shareholder	Board Meeting fee	20,000	-
		Remuneration	1,200,000	1,200,000
Mr. Mahboob-Ur-Rahman	Director & Shareholder	Board Meeting fee	17,500	-
		Remuneration	300,000	300,000
Md. Mustafa Tahir Arshad	Director & Shareholder	Board Meeting fee	20,000	-
		Remuneration	-	-
Mrs Ayesha Sultana	Director & Shareholder	Board Meeting fee	17,500	-
		Remuneration	-	-
Mrs. Bilkis Arshad	Director & Shareholder	Board Meeting fee	20,000	-
		Remuneration	-	-
			5,635,000	**5,520,000**

iii) Particulars of Directors of The Peninsula Chittagong Ltd as at 30 June 2013

SL No.	Name of Directors	BOD of The Peninsula Chittagong Ltd.	Entities where they have interests
1	Engineer Mosharraf Hossain	Chairman	Rahman Enterprise Limited, Trams Oriental Limited, Pioneer Concrete Block Limited, Sayeman Feed & Hatchery Limited, The Peninsula Holdings Limited, Sayeman Holdings Limited, Sayeman Beach Resort Limited.
2	Mr. Mustafa Tahseen Arshad	Managing Director	The Peninsula Holdings Limited.
3	Mrs. Ayesha Sultana	Director	Gasmin Limited, The Peninsula Holdings Limited, Re-Public Insurance Company Limited, Sayeman Holdings Limited, Rahman Enterprise Limited.
4	Mrs. Bilkis Arshad	Director	The Peninsula Holdings Limited.
5	Mr. Mustafa Tahir Arshad	Overseas Director	The Peninsula Holdings Limited.
6	Mr. Mahboob- Ur-Rahman	Executive Director	Rahman Enterprise Limited, Pioneer Concrete Block Limited, Sayeman Feed & Hatchery Limited, The Peninsula Holdings Limited, Gasmin Limited, Sayeman Holdings Limited, Sayeman Beach Resort Limited, Orient Poultry & Hatchery Limited, Wave Technology Limited, Base Limited, Show-motion Limited, Re-public Insurance Company Limited.

32 Disclosure as per requirement of Schedule XI, Part II of The Company Act 1994

32.1 Employee Position of The Peninsula Chittagong Limited as per requirement of schedule XI, part II, Para 3

Salary Range (Monthly)	Total Employee	Officer & Staff	Worker & Employee
		Head Office	Head Office
For the year ended 30 June 2013	**249**	**41**	**208**
Below 3,000	-	-	0
Above 3,000	249	41	208
For the year ended 30 June 2012	**264**	**75**	**189**

During the year 2013, 209 no of employees were in the permanent payroll of the Company.

32.2 Payment information to Directors as per requirement of schedule XI, part II, Para 4

a)

Name	Designation	Remuneration	
		30-Jun-2013 Taka	30-Jun-2012 Taka
Md. Mustafa Tahseen Arshad	Managing Director	4,020,000	4,020,000
Engineer Mosharraf Hossain	Executive Chairperson	1,200,000	1,200,000
Mr. Mahboob-Ur-Rahman	Executive Director	300,000	300,000
		5,520,000	**5,520,000**

b)

Name	Designation	Board Meeting Fee	
		30-Jun-2013 Taka	30-Jun-2012 Taka
Md. Mustafa Tahseen Arshad	Managing Director	20,000	-
Engineer Mosharraf Hossain	Executive Chairperson	20,000	-
Mr. Mahboob-Ur-Rahman	Executive Director	17,500	-
Md. Mustafa Tahir Arshad	Director	20,000	-
Mrs Ayesha Sultana	Director	17,500	-
Mrs. Bilkis Arshad	Director	20,000	-
		115,000	**-**

32.3 Service rendering capacity and current utilization as per Companies Act 1994, Schedule-XI para-7

Description	Capacity (Room Per Year)	Utilization during the year	Utilization in Percentage during the year ended June 30, 2013	Utilization in Percentage during the year ended June 30, 2012
Guest Room	44,652	36,179	81.02%	76.77%

32.4 Managerial Remuneration as per Para-4(i)(b), Part-2 of the Securities and Exchanges Commission Rules, 1987.

a) Remuneration paid to top five Salaried Officers

Name	Designation	Remuneration 30-Jun-2013 Taka	Remuneration 30-Jun-2012 Taka
Md. Mustafa Tahseen Arshad	Managing Director	4,020,000	4,020,000
Mr. Mustak Luhar	Asst. General Manager	2,028,000	2,028,000
Engineer Mosharraf Hossain	Chairman	1,200,000	1,200,000
Mr. Mohammad Nurul Azim	Chief Financial Officer	813,660	777,876
Mr. Edward Gomes	Executive Chef	780,000	745,500
		8,841,660	**8,771,376**

b) Aggregate Amount of Remuneration Paid to all Directors & Employees

Particulars	Payment Type	30-Jun-2013 Taka	30-Jun-2012 Taka
Director's	Board Meeting Fees	115,000	-
Director's	Remuneration	5,520,000	5,520,000
Officers & Others	Salary & Allowances	29,414,160	28,389,734
		35,049,160	**33,909,734**

33 Attendance Status of Board Meeting of Directors

During the year ended 30 June 2013, there were eight Board Meetings were held. The attendance status of all the meetings is as follows:

Name of the Directors	Position	Meeting held	Attendance
Engineer Mosharraf Hossain	Chairman	8	8
Mr. Mustafa Tahseen Arshad	Managing Director	8	8
Mrs. Ayesha Sultana	Director	8	7
Mrs. Bilkis Arshad	Director	8	8
Mr. Mustafa Tahir Arshad	Director	8	8
Mr. Mahboob- Ur-Rahman	Director	8	7

The directors of the Company were paid TK 2,500 per meeting for fee for attending board meeting during the year.

34 GENERAL

34.1 Figures appearing in these accounts have been rounded off to the nearest taka.

34.2 Previous year's phrases & amounts have been restated and re-arranged, wherever considered necessary, to conform to the presentation for the year under review.

These financial statements should be read in conjunction with the annexed Notes and were approved by the Board of Directors on August 26, 2013 and were signed on its behalf by :

Sd/- COMPANY SECRETARY	Sd/- MANAGING DIRECTOR & CEO	Sd/- CHAIRMAN

Sd/-
Hoda Vasi Chowdhury & Co.
CHARTERED ACCOUNTANTS

ADDITIONAL DISCLOSURES ON THE FINANCIAL STATEMENT
Section: XVII

Additional Disclosures by TPCL:

1. During 2010-11 property, plant & equipment of Tk.41,85,86,879 have been revalued and has been created of Tk.254,68,94,001 as revaluation surplus and Tk.187,72,62,257 has been accounted for. But, as per decision of board of directors, the company has discarded the revaluation surplus of Tk.59,99,60,942 through re-statement as at June 30, 2013 on fixed assets except revaluation surplus on land and land development amount of Tk.122,84,13,842. In this regard, the following presentation and disclosures regarding re-statement should be given in the relevant pages of the draft prospectus:
   a) The nature of the change;
   b) The reason or reasons why the new policy provides reliable and more relevant information;
   c) The adjustment in the current and each prior period presented and the line items affected;
   d) The adjustment to the basic and diluted earnings per share in current and prior periods;
   e) The adjustments to periods prior to those presented; and
   f) If retrospective application is impracticable, the circumstances that led to the existence of that condition and a description of how and from when the change in accounting policy has been applied.

   Management Disclosures regarding re-statement:
   a) The nature of change is- Changes in Revaluation Surplus and Assets' Revalued Value due to a new policy adopted by the company which is not to recognize the fair value of depreciable assets.
   b) The new policy has enabled the company to present the net profit earned by the company which is attributable (distributable) to the ordinary shareholders.
   c) The adjustment in the current and each prior period presented and the line items affected:
      i. Property, Plant and Equipment (Note-4 of the Financial Statements).
      ii. Revaluation Surplus (Note-14 of the Financial Statements)
   d) The adjustment to the basic and diluted earnings per share in current and prior periods was not affected.
   e) The adjustments to periods prior to those presented were illustrated in the note- 2.6 of the Financial Statements.
   f) Retrospective application is practicable and effects were given in the prior periods presented.

Additional Disclosures by the Auditor:

1. During 30 June 2009 to 30 June 2013 paid up capital of the company has been increased from Tk. 2,500,000 to Tk. 580,160,000 through issuance of bonus shares and proposed 10% cash dividend for the year 2012-13. Thus, surplus earnings of the company have been distributed to the existing shareholders as such there are no retained earnings remaining for the incoming shareholders to declare dividend in future.

   Auditor's Disclosures:
   The Company increased their share capital during 2009 through 2012 from Tk. 2,500,000 to Tk. 580,160,000 through issuance of bonus shares. Only in the year 2013 the Company declared 10% cash dividend out of retained earnings of Tk. 148,222,411 which means after distribution of cash dividend for the year 2013 an amount of Tk. 90,206,411 shall remain in retained earnings, which will be available for distribution as dividend for the year ending 30 June 2014 or later to the Company's shareholders.

2. Cash received back from advance land deposit amount of Tk. 60,550,000 should be recorded in the cash flow from investing activities but it included in the cash flow from operating activities.

   Auditor's Disclosures:
   Advance for land purchase was debited in Advance, Deposit & Prepayments account. This account is tied with Payments of Admin & Selling Expenses. The advance was refunded and same Advance, Deposit & Prepayments account credited. Since expense account was showing credit balance due to crediting of refund, the amount was shown under cash received from other sources. We did not consider the payment as investment activity because the land could not be purchased which means investment could not be effected. We feel our presentation of advance refund in cash inflow under operating activities is more reasonable than investing activities.

3. During 2011 property, plant & equipment of Tk. 418,586,879 have been revalued at Tk. 2,546,894,001 as such revaluation surplus has been created by Tk. 1,877,262,257. But, as per decision of the board of directors, the company has discarded the revaluation surplus amount of Tk. 599,960,942 through re-statement as at 30 June 2013 on fixed assets except land and land development amount of Tk. 1,228,413,842.

   Auditor's Disclosures:
   Presentation of fair value of the land in the accounts does not create any confusion. Method of charging depreciation on revaluation portion of assets may arise confusion among the future stake holders as well as query from regulating body about treatment of transaction and authenticity of revaluation etc. In order to produce a fair value of assets in the accounts and avoid unfair criticism the board decided not to reflect the revaluation reserve of all assets except land in the accounts.

THE PENINSULA CHITTAGONG LIMITED

Auditors' Report under Section 135(I) and paragraph 24(1) of part II of Third Schedule of Companies Act 1994

For the year ended 01 July 2008 to 30 June 2013

We have examined the financial statements of The Peninsula Chittagong Limited for the year ended 30 June, 2013 & 2012,2011 audited by Hoda Vasi Chowdhury & Co, Chartered Accountants and for the year ended 30 June 2010 & 2009 audited by S.Ahmed & Co, Chartered Accountants in pursuance of section 135(I) under para 24(I) of part II of the third Schedule of the Companies Act, 1994. We report that:

STATEMENT OF FINANCIAL POSITION

	30-Jun-2013 Taka	30-Jun-2012 Taka	30-Jun-2011 Taka	30-Jun-2010 Taka	30-Jun-2009 Taka
ASSETS					
NON CURRENT ASSETS	**2,258,316,470**	**1,994,676,049**	**1,898,045,586**	**418,586,879**	**269,946,350**
Property, Plant & Equipment (Restated)	2,024,692,314	1,978,916,396	1,893,200,921	412,934,767	260,143,467
Capital Work -in- Progress	230,394,385	11,722,435	-	-	3,343,325
Preliminary Expenses	3,229,771	4,037,218	4,844,665	5,652,112	6,459,558
CURRENT ASSETS	**145,588,487**	**200,990,712**	**164,203,540**	**117,613,018**	**51,436,991**
Financial Assets(Restated)	61,550,248	75,594,013	62,694,406	60,311,694	3,637,081
Inventory	10,529,534	4,043,109	9,091,655	8,806,507	4,735,368
Accounts Receivables	33,868,421	33,920,276	35,778,728	22,602,506	27,366,853
Interest Receivables	2,579,716	2,403,409	967,296	-	-
Advances, Deposits & Prepayments	20,261,248	75,956,948	8,589,395	6,602,754	12,640,222
Cash & Bank Balances	16,799,320	9,072,957	47,082,060	19,289,557	3,057,467
TOTAL ASSETS	**2,403,904,957**	**2,195,666,761**	**2,062,249,126**	**536,199,897**	**321,383,341**
SHAREHOLDERS' EQUITY & LIABILITIES					
SHAREHOLDERS' EQUITY	**1,956,796,253**	**1,814,358,088**	**1,684,499,148**	**331,801,783**	**144,810,858**
Share Capital	580,160,000	453,250,000	92,500,000	92,500,000	2,500,000
Revaluation Surplus(Restated)	1,228,413,842	1,228,413,842	1,228,413,842	-	-
Tax Holiday Reserve	-	-	-	101,013,531	50,651,075
Retained Earnings(Restated)	148,222,411	132,694,246	363,585,306	138,288,252	91,659,783
NON CURRENT LIABILITIES					
Long Term Portion of Term Loan	132,973,234	149,227,458	177,931,339	133,385,420	155,245,759
CURRENT LIABILITIES AND PROVISIONS	**314,135,470**	**232,081,215**	**199,818,639**	**71,012,694**	**21,326,724**
Current Portion of Long Term Loan	29,085,115	29,452,452	27,447,137	18,781,607	-
Short Term Loan	9,275,098	-	27,049,500	-	-
Accounts Payable	37,313,634	38,800,000	38,328,286	15,304,501	13,765,277
Bank Overdraft	-	-	-	4,414,858	6,490,603
Provision for Taxation	238,461,623	163,828,763	106,993,716	32,511,728	1,070,844
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES	**2,403,904,957**	**2,195,666,761**	**2,062,249,126**	**536,199,897**	**321,383,341**

Sd/-
Hoda Vasi Chowdhury & Co.
CHARTERED ACCOUNTANTS

Date-Chittagong, 04 September 2013

Statement of Comprehensive Income

	30-Jun-2013 Taka	30-Jun-2012 Taka	30-Jun-2011 Taka	30-Jun-2010 Taka	30-Jun-2009 Taka
Revenue	**420,264,263**	**402,928,882**	**355,156,655**	**335,359,674**	**200,018,059**
Cost of Sales	(111,424,625)	(116,645,592)	(103,223,460)	(74,876,971)	(54,204,214)
Gross Profit/ (Loss)	**308,839,638**	**286,283,290**	**251,933,195**	**260,482,703**	**145,813,845**
Administrative Expenses	(33,185,954)	(31,752,626)	(29,011,044)	(25,413,675)	(22,572,571)
Selling & Distribution Expenses	(3,982,575)	(3,737,770)	(3,211,021)	(2,270,244)	(1,145,584)
	(37,168,529)	**(35,490,396)**	**(32,222,065)**	**(27,683,919)**	**(23,718,155)**
Operating Profit	**271,671,109**	**250,792,894**	**219,711,130**	**232,798,784**	**122,095,690**
Financial Expenses	(27,823,778)	(25,655,657)	(19,641,341)	(20,560,850)	(26,770,028)
	243,847,331	**225,137,237**	**200,069,789**	**212,237,934**	**95,325,662**
Other Income	8,460,178	6,530,647	13,361,292	5,709,453	156,706
	252,307,509	**231,667,884**	**213,431,081**	**217,947,387**	**95,482,368**
Workers Profit Participation Fund (WPPF)	(12,615,376)	(11,583,394)	(10,671,554)	-	
Net Profit before Tax	**239,692,133**	**220,084,490**	**202,759,527**	**217,947,387**	**95,482,368**
Provision for Tax:					
Current	(89,884,550)	(82,531,685)	(72,649,018)	(32,511,728)	(2,002,012)
Deferred	(5,357,691)	(5,503,362)	(1,832,970)	-	-
Net Profit after Tax	**144,449,892**	**132,049,443**	**128,277,539**	**185,435,659**	**93,480,356**
Tax Holiday Reserve	-	-	-	(50,362,456)	(38,192,947)
Net Profit after Tax Holiday Reserve	**144,449,892**	**132,049,443**	**128,277,539**	**135,073,203**	**55,287,409**
Prior Year Adjustment	**-**	**-**	**-**	**1,555,266**	**-**
Unrealised Gain (Loss) on available for Sale Financial Assets (Resteated)	**(2,011,727)**	**(2,190,503)**	**(3,999,016)**	**-**	**-**
Total Comprehensive Income	**142,438,165**	**129,858,940**	**124,278,523**	**136,628,469**	**55,287,409**
Earnings Per Share (Basic)	**2.49**	**2.28**	**2.21**	**3.20**	**1.61**
Earnings Per Share (Diluted)	**2.49**	**2.28**	**2.21**	**3.20**	**1.61**

Date-Chittagong, 04 September 2013

Sd/-
Hoda Vasi Chowdhury & Co.
CHARTERED ACCOUNTANTS

Statement of Cash flows

	30-Jun-2013 Taka	30-Jun-2012 Taka	30-Jun-2011 Taka	30-Jun-2010 Taka	30-Jun-2009 Taka
Cash flows from Operating Activities					
Cash Received from Customers	420,316,118	404,787,334	341,679,733	340,424,721	182,402,447
Cash Received from other sources	67,982,560	5,094,534	12,393,996	5,709,453	17,500
Cash Paid to suppliers	(94,063,056)	(78,996,692)	(64,431,710)	(55,384,811)	(31,767,287)
Cash Paid for admin & selling expense	(31,727,949)	(92,483,006)	(23,955,166)	(15,114,750)	(18,300,129)
Cash Payment for financial expenses	(27,823,778)	(25,655,657)	(19,641,341)	(20,560,850)	(26,770,028)
Income Tax Paid	(20,609,381)	(31,200,000)	-		-
Net cash inflow/(outflow) from operating activities (A)	**314,074,514**	**181,546,513**	**246,045,512**	**255,073,763**	**105,582,503**
Cash flows from investing activities					
Acquisition of property, plant and equipment	(95,892,296)	(133,552,957)	(297,579,278)	(182,368,136)	(58,240,444)
Capital Work in Progress	(218,671,950)	(11,722,435)	-	-	(3,343,325)
Disposal of Fixed Assets	3,530,520	-	-	-	1,600,000
Investment in Financial Assets	12,032,038	(15,090,110)	(6,376,728)	(53,394,805)	(3,637,081)
Net cash inflow/(outflow) from investing activities (B)	**(299,001,688)**	**(160,365,502)**	**(303,956,006)**	**(235,762,941)**	**(63,620,850)**
Cash flows from financing activities					
Long term loan (repaid)/received	(16,621,561)	(26,698,566)	53,211,449	(3,078,732)	(43,048,210)
Short term loan(repaid)/ received	9,275,098	(27,049,500)	27,049,500	-	-
Net cash inflow/(outflow) from financing activities (C)	**(7,346,463)**	**(53,748,066)**	**80,260,949**	**(3,078,732)**	**(43,048,210)**
Net increase of cash and cash equivalents for the year (A+B+C)	7,726,363	(32,567,055)	22,350,455	16,232,090	(1,086,557)
Cash and cash equivalents at the beginning of the year	9,072,957	41,640,012	19,289,557	3,057,467	4,144,024
Cash and cash equivalents at the end of the year	**16,799,320**	**9,072,957**	**41,640,012**	**19,289,557**	**3,057,467**

Date-Chittagong,04 September 2013

Sd/-
Hoda Vasi Chowdhury & Co.
CHARTERED ACCOUNTANTS

Points to be noted :

A. The Company was incorporated on 25 July, 2002 and converted to Public limited on 30 November, 2010.

B. Dividend Declared (Additional disclosure as per requirement from the Securities & Exchange Commission)

Year	Cash Dividend	Stock Dividend	Total Dividend
2006-2007	0%	0%	0%
2007-2008	0%	0%	0%
2008-2009	0%	3600%	3600%
2009-2010	0%	250%	250%
2010-2011	0%	40%	40%
2011-2012	0%	28%	28%
2012-2013	10%	0%	10%

C. Statement of Financial Position as at 30 June 2013, 2012, 2011, 2010 & 2009 of the company has been duly certified by us.

D. Statement of Comprehensive Income for the year ended 30 June 2013, 2012, 2011, 2010 & 2009 of the company has been duly certified by us.

E. Statement of Cash Flows for year ended 30 June 2013, 2012, 2011, 2010 & 2009 of the company are enclosed and certified by us.

F. The Company has no subsidiaries.

G. No proceeds or part of proceeds of the issue of shares were applied directly or indirectly by the company in the purchase of any other business.

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

Sd/-
Hoda Vasi Chowdhury & Co.
CHARTERED ACCOUNTANTS

Date: Chittagong, 04 September, 2013

Ratio Analysis

Section: XIX

THE PENINSULA CHITTAGONG LIMITED

Statement of Ratio Analysis

For the year ended 01 July 2008 to 30 June 2013

The following ratios have been computed from the audited financial statements of The Peninsula Chittagong Limited for the year ended 30 June 2013, 2012, 2011, 2010 & 2009 :

We have examined the calculation of the above ratios of The Peninsula Chittagong Limited for the year ended June 30, 2013, 2012, 2011, 2010 & 2009 and found them correct. The details calculation is presented in **Annexure-A.**

#	Name of Ratio	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009
		Result	Result	Result	Result	Result
A	**Liquidity Ratios:**					
1	Current Ratio	0.46	0.87	0.82	1.66	2.41
2	Quick Ratio	0.43	0.85	0.78	1.53	2.19
3	Times Interest Earned Ratio	9.82	9.81	11.33	11.36	4.59
4	Debt to Equity Ratio (Times)	0.23	0.21	0.22	0.62	1.22
B	**Operating Ratios:**					
1	Accounts Receivable Turnover Ratio (Times)	12.41	11.88	9.93	14.84	7.31
2	Inventory Turnover Ratio (Times)	15.29	17.76	11.53	11.06	18.31
3	Assets Turnover Ratio (Times)	0.18	0.19	0.27	0.78	0.69
C	**Profitability Ratios:**					
1	Gross Margin Ratio (%)	0.73	0.71	0.71	0.78	0.73
2	Operating Income Ratio(%)	0.65	0.62	0.62	0.69	0.61
3	Net Income Ratio (%)	0.34	0.33	0.36	0.55	0.47
4	Return on Assets Ratio (%)	0.06	0.06	0.10	0.43	0.32
5	Return On Equity Ratio (%)	0.07	0.07	0.08	0.56	0.65
6	Earnings Per Share	2.49	2.28	2.21	3.20	1.61

Sd/-
Hoda Vasi Chowdhury & Co.
Date-Chittagong, 04 September 2013 **CHARTERED ACCOUNTANTS**

Annexure- A

SL.	Name of Ratio	Formula	2012-2013 Calculation	2012-2013 Result	2011-2012 Calculation	2011-2012 Result	2010-2011 Calculation	2010-2011 Result	2009-2010 Calculation	2009-2010 Result	2008-2009 Calculation	2008-2009 Result
A	**Liquidity Ratios**											
1	Current Ratio	Current Assets	145,588,487	0.46	200,990,712	0.87	164,203,540	0.82	117,613,018	1.66	51,436,991	2.41
		Current Liability	314,135,470		232,081,215		199,818,639		71,012,694		21,326,724	
2	Quick Ratio	Current Assets-Inventory	135,058,953	0.43	196,947,603	0.85	155,111,885	0.78	108,806,511	1.53	46,701,623	2.19
		Current Liability	314,135,470		232,081,215		199,818,639		71,012,694		21,326,724	
3	Times Interest Earned Ratio	Operating Income	271,671,109	9.82	250,792,894	9.81	219,711,130	11.33	232,798,784	11.36	122,095,690	4.59
		Net Interest Expense	27,661,922		25,565,716		19,394,757		20,497,639		26,628,281	
4	Debt to Equity Ratio (Times)	Total Debt	447,108,704	0.23	381,308,673	0.21	377,749,978	0.22	204,398,114	0.62	176,572,483	1.22
		Total Shareholders Equity	1,956,796,253		1,814,358,088		1,684,499,148		331,801,783		144,810,858	
B	**Operating Ratios**											
1	Accounts Receivable Turnover Ratio (Times)	Gross Turnover	420,264,263	12.41	402,928,882	11.88	355,156,655	9.93	335,359,674	14.84	200,018,059	7.31
		Accounts Receivable	33,868,421		33,920,276		35,778,728		22,602,506		27,366,853	
2	Inventory Turnover Ratio (Times)	Cost of Sales	111,424,625	15.29	116,645,592	17.76	103,223,460	11.53	74,876,971	11.06	54,204,214	18.31
		Average Inventory	7,286,322		6,567,382		8,949,081		6,770,938		2,960,810	
3	Assets Turnover Ratio (Times)	Gross Turnover	420,264,263	0.18	402,928,882	0.19	355,156,655	0.27	335,359,674	0.78	200,018,059	0.69
		Average Total Assets	2,299,785,859		2,128,957,944		1,299,224,512		428,791,619		291,672,972	
C	**Profitability Ratios**											
1	Gross Margin Ratio (%)	Gross Profit	308,839,638	0.73	286,283,290	0.71	251,933,195	0.71	260,482,703	0.78	145,813,845	0.73
		Total Sales	420,264,263		402,928,882		355,156,655		335,359,674		200,018,059	
2	Operating Income Ratio(%)	Operating Profit	271,671,109	0.65	250,792,894	0.62	219,711,130	0.62	232,798,784	0.69	122,095,690	0.61
		Total Sales	420,264,263		402,928,882		355,156,655		335,359,674		200,018,059	
3	Net Income Ratio (%)	Profit After Tax	144,449,892	0.34	132,049,443	0.33	128,277,539	0.36	185,435,659	0.55	93,480,356	0.47
		Total Sales	420,264,263		402,928,882		355,156,655		335,359,674		200,018,059	
4	Return on Assets Ratio (%)	Profit After Tax	144,449,892	0.06	132,049,443	0.06	128,277,539	0.10	185,435,659	0.43	93,480,356	0.32
		Average Total Assets	2,299,785,859		2,128,957,944		1,299,224,512		428,791,619		291,672,972	
5	Return On Equity Ratio (%)	Profit After Tax	144,449,892	0.07	132,049,443	0.07	128,277,539	0.08	185,435,659	0.56	93,480,356	0.65
		Share Holders Equity	1,956,796,253		1,814,358,088		1,684,499,148		331,801,783		144,810,858	
6	Earnings Per Share	Profit After Tax	144,449,892	2.49	132,049,443	2.28	128,277,539	2.21	185,435,659	3.20	93,480,356	1.61
		No. of Shares	58,016,000		58,016,000		58,016,000		58,016,000		58,016,000	

Sd/-
Hoda Vasi Chowdhury & Co.
CHARTERED ACCOUNTANTS

Date-Chittagong, 04 September 2013

crab

Credit Rating Report

The Peninsula Chittagong Limited (Surveillance)

Particulars	Ratings Outstanding	Previous Ratings	Remarks
The Peninsula Chittagong Ltd	AA3	AA3	Entity
BDT 161.0 million aggregate Long Term Outstanding (LTO)	AA3 (Lr)	AA3 (Lr)	Please see
BDT 30.0 million Cash Credit (Hypo)*	AA3 (Lr)	AA3 (Lr)	Appendix-1
BDT 9.3 million aggregate SOD (FDR) limits**	ST-1	n.a	for details
Rating Outlook	**Positive**	**Stable**	

Lr– Loan Rating, ST– Short Term

* Due to its revolving nature, CRAB views Cash Credit (CC) as long term facility.

** SOD is 100% collateralized by FDR worth BDT 108.8 million (AB Bank). Therefore, the rating captures the credit risk mitigation by financial collateral.

Date of Rating: 12 September 2013.

Validity: The Entity rating is valid up to 30 June 2014 and the Short Term rating is valid up to limit expiry date of respective credit facilities or 30 June 2014 whichever is earlier.

Rating Based on: Audited financial statements up to 30 June 2013, Bank Liability position as on 04 September 2013 and other relevant quantitative as well as qualitative information up to the date of rating declaration.

Methodology: CRAB's Corporate Rating Methodology (www.crab.com.bd)

Analysts:

Rasib Ahmed
rasib.ahmed@crab.com.bd

Tahreen Khan
tahreen15@hotmail.com

Financial Highlights

	Year ended June 30		
Month	(12)	(12)	(12)
	2013	**2012**	**2011**
Revenue (MIL BDT)	420.3	402.9	355.2
EBITDA (MIL BDT)	327.6	305.2	278.8
EBITDA Margin (%)	77.9	75.7	78.5
Net Profit Margin (%)	34.4	32.8	36.1
Return on Average Asset (%)	6.3	6.2	9.9
Quick Ratio (x)	1.6	3.1	1.4
NWC / Revenue (%)	7.1	19.2	4.5
Debt to Equity (x)*	0.6	0.7	0.8
Borrowed Fund to EBITDA (x)	0.5	0.6	0.8
Cash Flow from Operation (MIL BDT)	153.9	253.8	191.3
Free Cash Flow (MIL BDT)	58.0	120.3	(106.3)
EBIT / Interest (x)	10.1	10.0	11.9

*excluding revaluation

*FY2011 amounts have been restated and re-arranged by the auditor, wherever considered necessary

■ PROFILE

The Peninsula Chittagong Ltd was formed on 25 July 2002 in the name of 'Voyager Bangladesh Ltd' as a private limited Company promoted by both renowned Bangladeshi business personnel and nonresident Bangladeshis. Later, it was renamed in its present name on 07 June 2010. It is a 4 star hotel located at CDA Avenue, Chittagong which started its commercial operation on 17 February 2006. The hotel has 122 rooms of various categories and other facilities like restaurant and bar, banquette hall, conference and exhibition facilities, spa, swimming pool, fitness center, business center etc.

■ RATIONALE

Credit Rating Agency of Bangladesh Limited (CRAB) has reaffirmed the long-term Entity rating of The Peninsula Chittagong Ltd (hereinafter referred to as TPCL or the Company) at "**AA3**". CRAB has also reaffirmed **AA3 (Lr)** rating of the long term loan outstanding of BDT 161.0 million and BDT 30.0 million Cash Credit (Hypo) limit of the Company in the Long Term, and assigned **ST-1** rating to BDT 9.3 million SOD (FDR) limit of the Company in the Short Term.

Credit Strengths

1. Experience of the promoters in the hospitality business;
2. Locational advantage of the hotel in Chittagong.
3. Steady contribution from other revenue sources mitigating volatility in room sales;
4. Financial profile characterized by strong margins and sound capital structure with low debt.

Credit Concerns

1. Moderate scale of operation;
2. In-house management and branding might limit quality of service, brand recognition and visibility.
3. Significant existing and proposed supply of hotel rooms in the vicinity of the hotel and present and upcoming political unrest is likely to result in pressures on occupancy rates and Average Room Revenues (ARRs);
4. Cyclical industry, vulnerable to economic cycle and exogenous factors like terrorism and natural calamity.

The ratings affirmation takes into consideration the significant experience of the promoters in the hospitality industry; and the benefits from location of the property in Chittagong. Stability and diversification benefits from F&B sales contribution and rental income have also been factored in. CRAB has also taken note of the strong reputation of the flagship property in Chittagong, enabling it to command premium rates. TPCL's financial profile characterized by healthy margins and sound capital structure with low debt having EBTDA margin and Borrowed fund to EBITDA of 77.9% and 0.52x respectively in FY13; however, gearing levels are likely to increase moderately over the medium term due to the Company's debt-equity mix funded capital expenditure plans - which includes extension of existing property and setting up a new property near Chittagong Airport. The ratings however also take note of TPCL's moderate scale of operations with 122 rooms, having single property concentration risk. With the Chittagong market likely to witness a steep increase in supply over the next three years and present political unrest, occupancy rates and pricing power is likely to be impacted, however the impact on TPCL is likely to be mitigated to an extent by its established presence and future plan to increase its property. CRAB has also considered the project risk associated with the upcoming properties and vulnerability of the Company's performance to economic cycle and exogenous factors like terrorism and natural calamity among others.

▪ BACKGROUND

The Peninsula Chittagong Ltd was formed on 25 July 2002 in the name of 'Voyeger Bangladesh Ltd' as a private limited Company promoted by some renowned business personnel and nonresident Bangladeshis. Later, it was renamed to its present name on 07 June 2010, and the Company converted from Private Limited Company to Public Limited Company on 30 November 2010 vide special resolution of the shareholders in the Extra Ordinary General Meeting (EGM) and Registrar of Joint Stock Companies & Firms, Dhaka & approved the same accordingly. It is a 4 star hotel started its commercial operation on 17 February 2006 located at Bulbul Center, 486/B ,O.R Nizam Road, C.D.A Avenue, Chittagong 4100. At present the Company is under process to make renovation to its existing hotel building and implementing new hotel project near Chittagong airport.

Facilities

The hotel has 122 rooms including 71 Deluxe rooms, 18 Executive Twin rooms, 25 Super Deluxe rooms, and 8 Luxury Suites. The hotel has 4 international standard dining facilities including cuisine and bar. For meeting and events, the hotel has banquette hall of 7,500 Sft (Dahlia) having 700 seating capacity, 2 private dining rooms (Coral and Seashell) for board meeting and cocktail reception, Club 21 facilitate for 200 cocktail and 120 banquette reception, and 6,500 Sft area (Zinnia) for conference and exhibition having meeting place for 600 people and 24 stalls. Business center, outdoor swimming pool, health club, gift shop etc facilities are also available in the Hotel.

Shareholding & Board

The promoters of TPCL include both renowned Bangladeshi businesspersons and nonresident Bangladeshis. The Company has 12 shareholders, where 6 shareholders are the Directors of the Board. Engr. Mosharraf Hossain is designated as Chairman and Mr. Mustafa Tahseen Arshad is designated as Managing Director of the Company.

At initial stage of the Company, the authorized share capital was BDT 150.0 million divided into 1.5 lakh ordinary shares of BDT 1,000 each and paid up capital was BDT 2.5 million and continued up to FY09. In FY10, the Company allotted 90,000 ordinary shares fully paid up as bonus shares among the existing shareholders, and paid-up capital increased to BDT 92.5 million. In FY11, authorized capital of the Company increased to BDT 3,000.0 million divided into 300.0 million ordinary shares of BDT 10 each. Through issuance of stock dividend of 36.075 million and 12.691 million ordinary shares of BDT 10.0 each in FY12 and FY13 respectively, Company's present paid up capital increased to BDT 580.16 million.

Table 1

Directors list & Shareholding Pattern as of 30 June 2013

Name	Status in the Company	Extent of Interest	Name	Status in the Company	Extent of Interest
Engr. Mosharraf Hossain	Chairman	12.0%	Mrs. Mirka Rahman	Share Holder	5.0%
Mr. Mustafa Tahseen Arshad	Managing Director	24.0%	Mr. Aminur Rahman	Share Holder	5.0%
Mrs. Ayesha Sultana	Director	8.0%	Mr. Sabedur Rahman	Share Holder	5.0%
Mrs. Bilkis Arshad	Director	15.0%	Mrs. Arifa Sultana	Share Holder	6.0%
Mr. Mustafa Tahir Arshad	Overseas Director	9.0%	Mr. Afzal Bin Tarique	Share Holder	4.0%
Mr. Mahboob-Ur-Rahman	Executive Director	5.0%	Mrs. Shaheda Sultana	Share Holder	2.0%

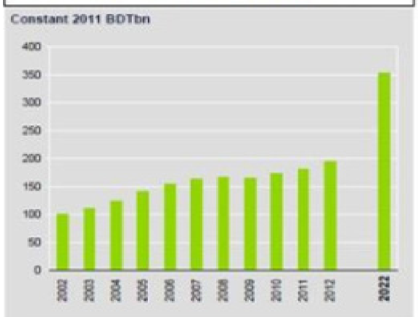
■ Industry, Operating & Financial Risk Profile

Industry Risks | Financial Risks
Operating Risks | Management Quality
Credit Facility | Collateral

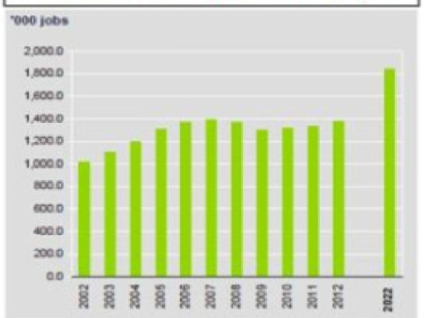
Industry Prospect

The tourism and hospitality industry is changing fast for the better; to be on par with other recognized sectors. Not many people were aware of its potential in Bangladesh even a decade ago, although it has long been the largest service industry and the biggest provider of jobs in the world. In 2012, the direct contribution of Travel and Tourism to GDP was BDT 195.0 billion or 2.1% of Bangladesh's GDP, the World Travel and Tourism Council said in its latest report. It is forecast to rise by 7.3 % to BDT 195.9 billion in 2012 and by 6.4% per annum to BDT 384.7 billion (2.2% of GDP) by 2023, the London-based institute said. The sector created 1.3 million jobs directly in 2012 or 1.8% of the country's total employment. It is expected to generate 1.4 million jobs in 2012 and 1.8 million jobs by 2023, according to the report.

Contribution of Travel & Tourism to GDP

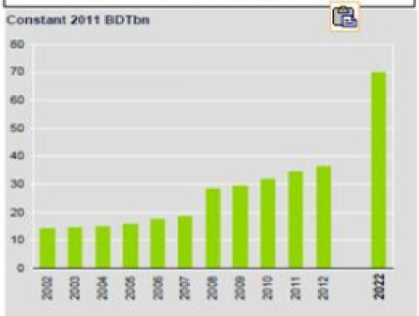


Contribution of Travel & Tourism to Employment



Visitor exports and International Tourist Arrivals

Capital Investment in Travel & Tourism



Hotels in Chittagong: Target business

New hotels and guesthouses are coming up in the country's premier port city Chittagong to tap the rising demands for comfortable accommodation and better hospitality services for businesses including foreign buyers. A rise in industrial activities and overseas trade has recently pulled in investments for establishing hotels in Chittagong, the major business city after the capital Dhaka. In recent years, more than 20 hotels and guesthouses launched operation in Chittagong targeting local business executives and professionals, and foreign buyers, who frequently visit the port city for business purposes.

In Chittagong, there are 5,000 to 6,000 factories in EPZs and a good number of buyers come to Chittagong every month to place orders to these factories. They look for hotels with better standard that ensure safety and security along with comfortable accommodation, hygienic food and modern communication facilities.

The only known hotel that could partly meet the expectations of foreigners was 'Hotel Agrabad'. But due to limited accommodation capacity in that hotel, many

Industry Risks | Financial Risks
Operating Risks | Management Quality
Credit Facility | Collateral

foreigners, especially buyers, tended not to stay in Chittagong overnight. Most of them used to return to Dhaka on evening flights, said hoteliers and businesses. Investment to set up better standard hotels and guesthouses in Chittagong began to rise since 2000. It got a boost further after the success of The Peninsula Chittagong which launched operation in the port city in 2006 in a bid to attract foreign travelers. Over 30 hotels and guesthouses launched operation in the city in the past decade. A vacuum is still there considering the prospect of growth in business centering the Chittagong port.

However, the entrepreneurs in Chittagong did not come to hotel business due to slow return of investment. But there is a huge potential of growth of businesses in Chittagong in the coming days after construction of the deep-sea port.

Scale & Diversification

To create brand, to attract and retain the visitors, scale of the business plays an important role. Like previous year, TPCL runs with its 122 rooms having 4 Star international standards at the CDA Avenue of Chittagong city. The hotel is currently managed by an in-house professional team. Although, in-house management and branding might limit quality of service; dedicated management, and locational advantage of the property make TPCL as one of the best hotels in Chittagong. At present, more than 400 local and international companies are the corporate client of the hotel.

Graph 1

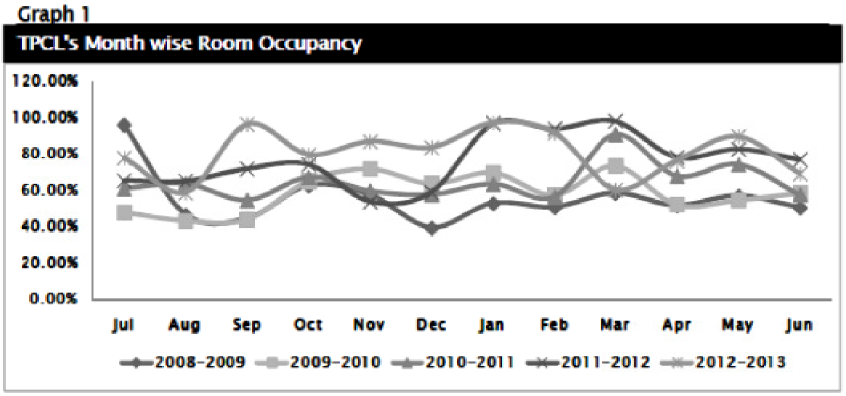


Table 1

Operating Metrics Trend

	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
ARR	14,790.34	14,666.31	13,579.92	10,517.21	10,366.97	8,738.11
Occoupancy	81%	77%	65%	59%	56%	45%
RevPar	11,987.57	11,262.26	8,826.95	6,205.16	5,805.50	3,932.15

TPCL's RevPAR witnessed average growth of around 26% in last 6 years of analysis mainly driven by growth in occupancy rate and stable ARR. In FY13, such growth was quite slower than FY12 due to political instability and marginal slowdown in demand prevailing economic conditions. Although, there is a huge potential of growth of businesses in Chittagong in the long run after construction of the deep-sea port, but political unrest in recent and upcoming period may create pressure to the management on holding such above moderate occupancy rate in the short run.

Table 2

F&B to room sales

	2012-13	2011-12	2010-11	2009-10	2008-09
Rooms	329.39	313.47	263.92	254.01	149.89
Food & Beverage	66.43	66.21	65.15	50.67	41.30
Minor Operating Departments (MOD)	16.63	15.95	19.32	22.47	1.14
Rental & Others	7.82	7.30	6.76	8.21	7.69
Total	420.26	402.93	355.16	335.36	200.02
F&B to room sales	20.17%	21.12%	24.69%	19.95%	27.55%

The mix of revenue from room, which in Food & Beverage; and retail revenue streams which is originating from restaurants, banquette hall etc plays an importing role to mitigating volatility in room sales. TPCL's F&B to room sales ratio is in downward slope, accounting 20.2% in FY13, which should be improving for increasing low cost revenue growth.

Over the last few years, the larger hotel companies are seeking to diversify into specialized or niche products like wildlife, spa tourism as customers are looking to new options. As per management information, TPCL at present is more focused on corporate clients and have future plan to add more facilities for individual clients, which may increase its present occupancy rate and ARR of the Hotel. The management is already under process to enhance its property, and in this regard, the Company has already acquired land in Pahartoli and under process to acquire land near Airport of Chittagong city, Inani Beach, Saint Martin, and Bandarban.

Investment in renovation, branding and marketing

Regular hotel renovation is one of the key drivers of competitive advantage in the hotel industry with an ability to influence market share and guest profile. TPCL in last two years invested BDT 229.4 million as a capital expenditure to add other facilities.

Branding and marketing strengths are critical success factors for any hotel Company. TPCL from the very beginning has been managed by an in-house professional team and has already created own brand value. It has no plan in the medium term to tie up with any international brand to attract customers. TPCL provides extra facilities to its clients like room at best rate, daily breakfast, late checkout, etc on Friday, Saturday or Sunday which reward the customers for attracting and retaining customers. Reservation system of the Company is also up to the international standard (e-booking reservation system under process to launch).

Industry Risks	Financial Risks
Operating Risks	Management Quality
Credit Facility	Collateral

Profitability

The revenue of TPCL has grown at a CAGR of 23.6% from FY07 to reach BDT 420.3 million in FY13 on the back of improvement in the occupancy levels, ARRs, F&B sales, MOD revenue and rental income. The occupancy level has been in the range of 59% - 81% for the last four years. In FY13, the occupancy level increased to 81% coupled with a substantial increase in ARR had a favorable impact on the turnover of the Company. The operating profitability of the Company has grown consistently till FY11 on back of increase in ARRs. However, the large supply addition in recent and coming up in the Chittagong market and recent and upcoming political unrest is likely to mute RevPAR over the short and medium term. Although new properties in Chittagong city, the Management hopes to boost up its business vis-à-vis revenue growth in future.

Table 3

Profitability Ratios

	Year ended June 30				
Month	(12)	(12)	(12)	(12)	(12)
	2013	**2012**	**2011**	**2010**	**2009**
Gross Profit Margin (%)	73.5	71.1	70.9	77.7	72.9
Operating Profit Margin (%)	66.7	63.9	65.6	71.1	61.1
Net Profit Margin (%)	34.4	32.8	36.1	40.3	27.6

As a nature of business, hotel industry's profitability margin is historically higher than other industry. TPCL is not out of that. The Operating profit margin of the Company was 65.68% on average in last five years. The net margin of the Company average at 34.24% in last five years, which was also in upward trend in

FY13 although financial expenses, taxes increased in the same period because of increasing gross margin.

Liquidity and Working Capital Intensity

TPCL has been continuing its low working capital intensity in FY13 (NWC was average 11.2% of Total Revenue in last five years) in line with the trend in the hotel industry having low receivable days (average 36 days in last five years) and high inventory turnover (average 14 times in last 5 years), as most of the booking is done in advance or with limited credit period and inventory mainly consists for food and beverage provisions. The creditor days of the Company are high (average 116 days in last 5 years) as it includes quarterly payment to capital expenditure creditors.

Financial policy and Capital Structure

The Company's capital structure has been characterized by low leverage of 1.1x-0.2x in last five and strong coverage indicators. The Company increased its paid-up Capital in FY13 to BDT 580.2 million from BDT 92.5 million in FY11 through issuance of stock dividend.

Table 4

Leverage and Coverage Position

	Year ended June 30				
Month	(12)	(12)	(12)	(12)	(12)
(Mil. BDT)	**2013**	**2012**	**2011**	**2010**	**2009**
Equity*	966.8	749.8	563.1	331.8	144.8
Borrowed Fund	171.3	178.7	232.4	156.6	161.7
EBITDA	327.6	305.2	278.8	252.7	144.8
Fund Flow from Operation (FFO)	204.5	191.5	184.7	199.7	116.1
Cash Flow from Operation (CFO)	253.8	68.6	191.3	207.9	109.0
Retained Cash Flow (RCF)	153.9	253.8	191.3	207.9	109.0
Free Cash Flow (FCF)	58.0	120.3	(106.3)	28.9	49.7
Ratios					
Borrowed Fund to Equity (x)	0.2	0.2	0.4	0.5	1.1
Borrowed Fund to EBITDA (x)	0.5	0.6	0.8	0.6	1.1
FFO/Debt (%)	119.4	107.2	79.5	127.5	71.8
CFO/Debt (%)	148.2	38.4	82.3	132.8	67.4
FCF/Debt (%)	33.9	67.3	(45.7)	18.5	30.7
EBIT/Interest (x)	10.1	10.0	8.2	11.9	11.6

* Excluding revaluation

Capital Expenditure Plan

TPCL has large capital expenditure plans in the medium term, under which the Company under process to complete the extension of existing property, and increased its number of property from single to another one new property in Chittagong city near airport.

Industry Risks | Financial Risks | Operating Risks | **Management Quality** | Credit Facility | Collateral

The Board is overall responsible for total functioning and operations of the Company. Under reporting to the Board, a team of dedicated and efficient management carries out day-to-day operations of the Company. A group of senior executives aids the MD/CEO to perform day-to-day business of the Company. There are Department Heads for each department who report to the MD/CEO; and MD/CEO reports time-to-time to the Board with summary reports on the performance of the plant.

The hotel operates 24 hours a day and 7 days a week. At present total workforce of 264 including 75 officer and staff, and 189 workers & employees. Human resources are recruited by HR Department of corporate office through internal recruitment process based on necessary knowledge, skills and other characteristics.

Industry Risks | Financial Risks | Operating Risks | Management Quality | Credit Facility | Collateral

Initially, the Company was banking with AB Bank Limited, CDA Avenue Branch, Chittagong. TPCL's initial project loan, working Capital loan etc was facilitated by AB Bank Ltd. During 2010, the Company Management switched its banker and started banking with Sonali Bank Ltd, Agrabad Corporate Branch. In this regard, the Company fully paid its outstanding long term loans and WC loans. Recently the Company has taken a SOD of BDT 9.3 million from AB Bank. The present loan status of TPCL is given below:

Table 5

TPCL's Loan Particulars as of 04 September 2013

(Mil. BDT)	Facility	Limit	Outstanding
Sonali Bank Limited			
Fund Based Long term	Project Loan	240.0	161.0
Sub Total		**240.0**	**161.0**
Fund Based Short term	CC (HYPO)	30.0	-
Sub Total		**30.0**	-
AB Bank Limited	SOD	9.3	9.3
Sub Total		**9.3**	**9.3**
Grand Total		**279.3**	**170.3**

Industry Risks | Financial Risks | Operating Risks | Management Quality | Credit Facility | Collateral

Total value of collateral (19.48 decimal land with 17 storied commercial building in East Nasirabad, PS: pachlaish, Dist: Chittagong) as on 01 July 2011 was BDT 2,348.1 million (as per surveyor's valuation report) and TPCL availed 9.8% investment of its collateral securities by the Bank. For SOD facility the Company provided FDR lien facility of BDT 103.32 Million.

APPENDIX 1: Details of Credit Facilities of TPCL

TPCL's Loan Particulars as of 04 September 2013

(Mil. BDT)	Facility	Limit	Outstanding	Limit Expiry Date
Sonali Bank Limited				
Fund Based Long term	Project Loan	160.00	111.9	14-Mar-15
		80.0	49.1	15-Mar-16
Sub Total		**240.0**	**161.0**	
Fund Based Short term	CC (HYPO)	30.0	-	1 Year from the date of Withdrawn
Sub Total		**30.0**	**-**	
AB Bank Limited	SOD	9.3	9.3	24-Jun-14
Sub Total		**9.3**	**9.3**	
Grand Total		**279.3**	**170.3**	

CRAB RATING SCALES AND DEFINITIONS –Long Term (Corporate)

Long Term Rating	Definition
AAA Triple A	Companies rated in this category have extremely strong capacity to meet financial commitments. These companies are judged to be of the highest quality, with minimal credit risk.
AA_1, AA_2, AA_3* Double A	Companies rated in this category have very strong capacity to meet financial commitments. These companies are judged to be of very high quality, subject to very low credit risk.
A_1, A_2, A_3 Single A	Companies rated in this category have strong capacity to meet financial commitments, but are susceptible to the adverse effects of changes in circumstances and economic conditions. These companies are judged to be of high quality, subject to low credit risk.
BBB_1, BBB_2, BBB_3 Triple B	Companies rated in this category have adequate capacity to meet financial commitments but more susceptible to adverse economic conditions or changing circumstances. These companies are subject to moderate credit risk. Such companies possess certain speculative characteristics.
BB_1, BB_2, BB_3 Double B	Companies rated in this category have inadequate capacity to meet financial commitments. Have major ongoing uncertainties and exposure to adverse business, financial, or economic conditions. These companies have speculative elements, subject to substantial credit risk.
B_1, B_2, B_3 Single B	Companies rated in this category have weak capacity to meet financial commitments. These companies have speculative elements, subject to high credit risk.
CCC_1, CCC_2, CCC_3 Triple C	Companies rated in this category have very weak capacity to meet financial obligations. These companies have very weak standing and are subject to very high credit risk.
CC Double C	Companies rated in this category have extremely weak capacity to meet financial obligations. These companies are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.
C Single C	Companies rated in this category are highly vulnerable to non-payment, have payment arrearages allowed by the terms of the documents, or subject of bankruptcy petition, but have not experienced a payment default. Payments may have been suspended in accordance with the instrument's terms. These companies are typically in default, with little prospect for recovery of principal or interest.
D (Default)	D rating will also be used upon the filing of a bankruptcy petition or similar action if payments on an obligation are jeopardized.

***Note**: CRAB appends numerical modifiers 1, 2, and 3 to each generic rating classification from AA through CCC. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.*

LONG-TERM RATING: LOANS/FACILITIES FROM BANKS/FIS

(All loans/facilities with original maturity exceeding one year)

RATINGS	DEFINITION
AAA (Lr) **(Triple A)** **Highest Safety**	Loans/facilities rated **AAA (Lr)** are judged to offer the highest degree of safety, with regard to timely payment of financial obligations. Any adverse changes in circumstances are unlikely to affect the payments on the loan facility.
AA (Lr)* **(Double A)** **High Safety**	Loans/facilities rated **AA (Lr)** are judged to offer a high degree of safety, with regard to timely payment of financial obligations. They differ only marginally in safety from AAA (Lr) rated facilities.
A (Lr) **Adequate Safety**	Loan/facilities rated **A (Lr)** are judged to offer an adequate degree of safety, with regard to timely payment of financial obligations. However, changes in circumstances can adversely affect such issues more than those in the higher rating categories.
BBB (Lr) **(Triple B)** **Moderate Safety**	Loans/facilities rated **BBB (Lr)** are judged to offer moderate safety, with regard to timely payment of financial obligations for the present; however, changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal than for issues in higher rating categories.
BB (Lr) **(Double B) Inadequate Safety**	Loans/facilities rated **BB (Lr)** are judged to carry inadequate safety, with regard to timely payment of financial obligations; they are less likely to default in the immediate future than instruments in lower rating categories, but an adverse change in circumstances could lead to inadequate capacity to make payment on financial obligations.
B (Lr) **High Risk**	Loans/facilities rated **B (Lr)** are judged to have high risk of default; while currently financial obligations are met, adverse business or economic conditions would lead to lack of ability or willingness to pay interest or principal.
CCC (Lr) **Very High Risk**	Loans/facilities rated **CCC (Lr)** are judged to have factors present that make them very highly vulnerable to default; timely payment of financial obligations is possible only if favorable circumstances continue.
CC (Lr) **Extremely High Risk**	Loans/facilities rated **CC (Lr)** are judged to be extremely vulnerable to default; timely payment of financial obligations is possible only through external support.
C (Lr) **Near to Default**	Loans/facilities rated **C (Lr)** are currently highly vulnerable to non-payment, having obligations with payment arrearages allowed by the terms of the documents, or obligations that are subject of a bankruptcy petition or similar action but have not experienced a payment default. C is typically in default, with little prospect for recovery of principal or interest. C (Lr) are typically in default, with little prospect for recovery of principal or interest.
D (Lr) **Default**	Loans/facilities rated **D (Lr)** are in default or are expected to default on scheduled payment dates.

***Note:** CRAB appends numerical modifiers 1, 2, and 3 to each generic rating classification from AA through CCC. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.*

SHORT-TERM CREDIT RATING: LOANS/FACILITIES OF BANKS/FIS

(All loans/facilities with original maturity within one year)

	DEFINITION
ST-1 Highest Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is very strong.
ST-2 High Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is strong; however, the relative degree of safety is lower than that for issues rated higher.
ST-3 Adequate Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is adequate; however, the issues are more vulnerable to the adverse effects of changing circumstances than issues rated in the two higher categories.
ST-4 Marginal	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is marginal; and the issues are quite vulnerable to the adverse effects of changing circumstances.
ST-5 Inadequate Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is minimal, and it is likely to be adversely affected by short-term adversity or less favorable conditions.
ST-6 Lowest Grade	This rating indicates that the loans/facilities are expected to be in default on maturity or is in default.

APPLICATION FORMS

শেয়ারবাজারে বিনিয়োগ ঝুঁকিপূর্ণ, জেনে ও বুঝে বিনিয়োগ করুন।

'Interested Persons are entitled to a prospectus, if they so desire. Copies of prospectus may be obtained from the Issuer and the Issue Manager(s).'

THE PENINSULA CHITTAGONG LIMITED

APPLICATION FORM

APPLICATION FOR SHARES BY INVESTORS OTHER THAN NON-RESIDENT BANGLADESHIS (S)

WARNING: Please read the instructions at the back of this form. Incorrectly filled applications or applications failing to comply with any of the instructions therein may be rejected.

The Managing Director & CEO
The Peninsula Chittagong Limited
Bulbul Center, 486/B O.R. Nizam Road
CDA Avenue, Chittagong 4000

Banker's Sl. No.

Dear Sir,

I/we apply for and request you to allot me/us .... numbers of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's Prospectus approved by the Bangladesh Securities and Exchange Commission subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Member(s) of the Company and deposit the said ordinary shares in my/our Beneficiary Owner ("BO") account; I/we further authorize you to send a crossed (Account Payee only) cheque in respect of any Application money refundable to me/us by post/courier at my/our risk to the first applicant's address stated below:

1. No. of Ordinary Shares .... of Tk. 30/- each including a premium of Tk. 20/- per share.
2. Total subscription money of the amount of Tk. (in figures) ...., Taka (in words) .... only deposited vide Cash/Cheque/Draft/Pay Order No. .... Dated.................................. on .... Bank .... Branch
3. **Beneficiary Owner (BO) A/C No.**

(If you do not mention your valid BO A/C No. your application will be treated as invalid)

4. **I/we agree to fully abide by the instruction given herein.**
5. **Particulars of Applicant(s):**

a) Sole/First Applicant:

Name:	
Father's/Husband's Name:	
Mother's Name:	
Postal Address:	
Phone Number (if any):	
Occupation:	Nationality:
For Refund: Please write the correct and full name of bank and branch (Application will not be treated as valid if anyone uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank).	
For refund purpose: I/we want refund through ☐ Bank Account ☐ Hand Delivery/Courier (Please put tick mark in which refund will be made). **The applicant shall provide with the same Bank Account number in the application form as it is in the BO account of the applicant.**	
In case of deposit into the applicant's bank account, the applicant will bear the applicable charge, if any, of the applicant's banker and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.	
Applicant's Bank A/C No.:	
Name of the Bank:	Branch:

b) Second Applicant:

Name:	
Father's/Husband's Name:	
Mother's Name:	
Postal Address:	
Occupation:	Nationality:

6. I/we hereby declare that I/we have read the Prospectus of **The Peninsula Chittagong Limited** and have willingly subscribed for .... No. of Ordinary Shares of Tk. 30/- each including a premium of Tk. 20/- per share.
7. **Specimen Signature(s):**

(i) Name (in Block Letters)		Signature:
(ii)Name (in Block Letters)		Signature:

BANKER'S ACKNOWLEDGEMENT

Certified that this Bank has received Tk. (in figures) .... (in word ....) only from Mr./Mrs./Ms. .... being the Application money for .... Ordinary Shares of **The Peninsula Chittagong Limited.**

Banker's Sl. No.

Seal and Date
Authorized Signature
(Name & Designation)

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 Beneficiary Owner (BO) Account number in the Application form. If you do not mention your valid BO account number 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 **200** Ordinary Shares and must be for a multiple of **200** 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 Bankers to the Issue. Remittance should be in the form of Cash/Cheque/Bank Draft/Pay Order payable to one of the Bankers to the favoring A/C **"The Peninsula Chittagong 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 a Joint Application Form, the Allotment Letter will be dispatched to the person whose name appears first on this Application Form and where any amount is refundable in whole or in part the same will be refunded by Account Payee Cheque by post/courier service to the person named first on this Application Form in the manner prescribed in the Prospectus.
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. Applications from financial and market intermediary companies must be accompanied by Memorandum and Articles of Association and Certificate of Incorporation.
9. **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, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
10. No receipt will be issued for the payment made with Application, but the bankers will issue a provisional acknowledgement to the Issue for Application lodged with them.
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, refund amount of those applicants will be directly credited into the respective bank "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. Allotment shall be made solely in accordance with the instructions of the Bangladesh Securities and Exchange Commission (BSEC).
13. 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 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 Bangladesh Securities and Exchange Commission (BSEC). This may be in addition to any other penalties as may be provided for by the law.
14. Applications, which do not meet the above requirements, or Applications, which are incomplete, shall not be considered for allotment purposes.
15. 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.
16. **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.**
17. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% (Fifteen) of their subscription money too.**

Bankers to the Issue

ONE Bank Limited

Agrabad Branch	Dhanmondi Branch	Khulna Branch	Ramganj Branch
Banani Branch	Elephant Road Branch	Laksham Branch	Rangamati Branch
Banasree Branch	Feni Branch	Laldighirpar	Rangpur Branch.
Bangshal Branch	Ganakbari(EPZ) Branch	Madhabdi Branch	Ranirhat Branch
Basabo Branch	Gulshan Branch	Maijdee Court Branch	Raozan Branch
Boalkhali Branch, Chittagong	Imamganj Branch	Mirpur Branch	Ring Road Branch/Shamoli
Bogra Branch	Islampur Branch	Moghbazar Branch	Satkhira Branch
Brahmanbaria Branch	Jaggannathpur Branch	Motijheel Branch	Shahjadpur SME/Agriculture Branch
CDA Avenue Branch	Jatrabari Branch	Nanupur Bazar Branch	Sherpur Branch
Chandgaon Branch	Jessore Branch	Narayangonj Branch	Sirajgonj Branch
Chandragonj Branch	Joypara Branch	Nawabgonj Branch	Sitakunda Branch
Chowmuhuni Branch	Jubilee Road Branch	Principal Branch	Sylhet Branch
Comilla Branch	Kakrail Branch	Progoti Sarani Branch	Tongi SME/Agriculture Branch
COX's Bazar Branch	Kawranbazar Branch	Raipur Branch	Uttara Branch
Dagon Bhuiyan Branch	Khatungonj Branch	Rajshahi Branch	-

IFIC Bank Limited

Stock Exchange Branch,Dhaka	Narayanganj Branch,Narayanganj.	Faridpur Branch,Faridpur	Narsingdi Branch,Narsingdi.
Banani Branch,Dhaka	Naya Paltan Branch,,Dhaka	Federation Branch,Dhaka	Pallabi Branch,Dhaka
Islampur Branch,Dhaka	North Brook Hall Road Branch,,Dhaka	Kawran Bazar Branch,Dhaka	Pragati Sarani Branch,Dhaka
Mirpur Branch,Dhaka	Dhanmondi Branch,Dhaka	Malibagh Branch,Dhaka	Shantinagar Branch,Dhaka
Mymensingh BranchMymensingh	Elephant Road Branch,Dhaka	Moakhali Branch,Dhaka	Uttara Branch,Dhaka

National Bank Limited

Agrabad Br., Chittagong	Faridpur Br., Faridpur	Malibagh Br., Dhaka	Pahartali Br.,Chittagong
Anderkilla Br., Chittagong	Feni Br., Feni	Mirpur Br., Dhaka	Pragati Sarani Br., Dhaka
Babubazar Br., Dhaka	Foreign Ex. Br., Dhaka	Mohakhali Br., Dhaka	Rajshahi Br., Rajshahi
Banani Branch., Dhaka	Gazipur Br. Gazipur	Mohammadpur Br., Dhaka	Rangpur Br., Rangpur
Bandura Br., Dhaka	Gulshan Br., Dhaka	Motijheel Br., Dhaka	Rifles Square Br., Dhaka
Bangsal Road Br., Dhaka	Halishahar Br.,Chittagong	Moulvibazar Br., Moulvibazar	Rokeya Sarani Br., Dhaka
Barisal Br., Barisal	Imamgonj Br., Dhaka	Muradpur Br., Chittagong	S.K. Mujib Road Br., Chittagong
Bogra Br., Bogra	Islampur Br., Dhaka	Mymenshing Br. Mymenshingh	Savar Bazar Br., Savar
CDA Avenue Br., Chittagong	Jatrabari Br., Dhaka	NarayangonjBr.,Narayangonj	Sunamgonj Br., Sylhet
Chowmohoni Br., Noakhali	Jubilee Road Br., Chittagong	Narshingdi Br., Narshingdi	Sylhet Br., Sylhet
Chwak Bazar Br.,Chittagong	Kawran Bazar Br., Dhaka	Netaigonj Br., Narayangonj	Tangail Br., Tangail
Comilla Br., Comilla	Khatungonj Br., Chittagong	New Eskaton Br., Dhaka	Tongi Br., Tongi
Dhanmondi Br., Dhaka	Khulna Br., Khulna	North brookHall Br., Dhaka	Uttara Br., Dhaka
Dilkusha Br., Dhaka	Lake Circus Br., Dhaka	Pagla Bazar Br., Narayanganj	Z. H. Sikder M.C. Br.,Dhaka
Elephant Road Br., Dhaka	-	-	-

Dhaka Bank Limited

Agrabad Branch,Chittagong.	Dhanmondi Model Branch,Dhaka	Kawranbazer Branch,Dhaka.	Nrayangong Branch ,Narayangong.
CDA Avenue Branch,Chittagong.	Faridpur Branch,Faridpur.	KDA Avenue Branch,Khulna	Rajshahi Branch, Rajshahi.
Khilgaong Branch,Dhaka.	Foreign Exchange Branch,Dhaka.	Local Office Dhaka	Rangpur Branch,Rangpur
Barishal Branch,Barisal	Goran SME Service Center, Dhaka.	Mirpur Branch,Dhaka.	Uposahar Branch,sylhet
Bhulta Branch,Dhaka	Gulshan branch,Dhaka.	Moghbazer Branch,Dhaka	Uttara Branch, Dhaka
Comilla Branch,Comilla	Halishahar Branch, Chittagong	-	-

Eastern Bank Limited

Banasree Branch	Jessore Branch	Moulvi Bazar Branch	Savar Branch
Bashundhara Branch	Jubilee Road Branch	Mymensing SME Branch	Shyamoli Branch
Bogra Branch	Khulna Branch	Narayangonj Branch	Upashahar Branch
Chandgaon Branch	Mirpur Dar-us-salam Road Branch	O. R. Nizam Road Branch	Uttara Branch
Chouhatta Branch	Moghbazar Branch	Panchlaish Branch	Uttara Garib-E-Newaz Branch
Halishahar Branch	Motijheel Branch	Rajshahi Branch	-

SHAHJALAL ISLAMI BANK

Agrabad Branch, Chittagong	Eskaton Branch, Dhaka	Jubilee Road Branch, Chittagong	Panthopath Branch, Dhaka
Banani Branch, Dhaka	Foreign Exchange Branch, Dhaka	Kawran Bazar Branch, Dhaka	Satmasjid Road Branch, Dhaka
Bijoynagar Branch, Dhaka	Gulshan Branch, Dhaka	Khatungonj Branch, Chittagong	Sylhet Branch, Sylhet
Dhaka Main Branch, Dhaka	Gulshan South Avenue Branch, Dhaka	Mirpur Branch, Dhaka	Uttara Branch, Dhaka
Dhanmondi Branch, Dhaka	Joydevpur Chowrasta Branch, Dhaka	Motijheel Branch, Dhaka	-

Mutual Trust Bank Limited

Agrabad Branch, Chittagong	Cox's Bazar Branch, Cox's Bazar	Jubilee Road Branch, Chittagong	Principal Branch, Dhaka
Alankar Mour Branch, Chittagong	Dagonbhuiyan Branch, Feni	Khatungonj Branch, Chittagong	Progati Sarani Branch, Dhaka
Aman Bazar Branch, Chittagong	Dhanmondi Branch, Dhaka	Kushtia Branch, Kushtia	Raipur Branch, Laxmipur
Babu Bazar Branch, Dhaka	Dholaikhal Branch, Dhaka	Mohammadpur Branch, Dhaka	Rajshahi Branch, Rajshahi
Banani Branch, Dhaka	Dilkusha Branch, Dhaka	Moulvi Bazar Branch, Sylhet	Rangpur Branch, Rangpur
Baridhara Branch, Dhaka	Elephant Road Branch, Dhaka	MTB Corporate Center Branch, Dhaka	Savar Branch, Dhaka
Bashundhara Branch, Dhaka	Feni Branch, Feni	Mymensingh Branch, Mymensingh	Shanir Akhra Branch, Dhaka
Bogra Branch, Bogra	Fulbaria Branch, Dhaka	Narayangonj Branch, Narayangonj	Sonargaon Branch, Dhaka
Brahmanbaria Branch, Brahmanbaria	Gournadi Branch, Barisal	Nazirhat Branch, Chittagong	Sreenagar Branch, Dhaka
C D A Avenue Branch, Chittagong	Gulshan Branch, Dhaka	Noria Branch, Shariyatpur	Syedpur Branch, Sunamganj
Chandra Branch, Dhaka	Habigonj Branch, Habigonj	Oxygen Mor Branch, Chittagong	Sylhet Branch, Sylhet
Chawk Moghaltuli Branch, Dhaka	Ishwardi Branch, Ishwardi	Pabna Branch, Pabna	Thakurgaon Branch, Thakurgaon
Chokoria Branch, Chittagong	Jessore Branch, Jessore	Pallabi Branch, Dhaka	Tongi Branch, Dhaka
Comilla Branch, Comilla	Joypurhat Branch, Joypurhat	Panthapath Branch, Dhaka	Uttara Model Town Branch, Dhaka

Mercantile Bank Limited

Agrabad Branch	Elephant Road Branch	Madam Bibir Hat Branch	Progati Sarani Branch
Banani Branch	Feni Branch	Main Branch	Rajshahi Branch
Barishal Branch	Gulshan Branch	Mirpur Branch	Rangpur Branch
Bijoynagor Branch	Jessore Branch	Mohakhali Branch	Ring Road Branch
Bogra Branch	Jhilongja Branch	Motijheel Branch	Satmasjid Road Branch
Chittagong EPZ Branch	Jubilee Road Branch	Naogaon Branch	Sheikh Mujib Road Branch
Comilla Branch	Kawran Bazar Branch	Narayangonj Branch	Sylhet Branch
Dhanmondi Branch	Khatunganj Branch	Nayabazar Branch	Uttara Branch
Dinajpur Branch	Khulna Branch	O.R. Nizam Road Branch	-

Trust Bank Limited

Principal Branch, Dhaka	Dilkusha Corp. Branch, Dhaka	Kafrul Br. Dhaka	Radisson Water Garden Hotel Branch, Dhaka
Ashugonj Branch	Elephant Road Br.	Karwan Bazar, Dhaka	Rajshahi Branch
Ashulia Branch	Feni Br. Feni	Khulna Branch	Rangpur Cantonment Branch
Barishal Br.	Halishahar Branch	Khwaja Younus Ali Medical College & Hospital Branch	S.S. Cantt. Branch
Bogra Cantonment Branch	Jalalabad Cant Br.	Mirpur Br, Dhaka	Savar Cantonment Branch
Chowmohoni Branch	Jessore Cantonment Branch	Momenshahi Cantonment Branch	Shahjalal Uposhohor Br, Sylhet
Comilla Branch.	Joydebpur Branch	Narayangonj Branch	Tongi Branch
Comilla Cantt. Br.	Joypara Br.	Narsingdi Branch	Uttara Corporate Br, Dhaka
Dhanmondi Branch, Dhaka	Kadamtali Branch	-	-

Investment Corporation of Bangladesh

Head Office, Dhaka	Rajshahi Br., Rajshahi	Barishal Br., Barishal	Bogra Br., Bogra
Chittagong Br., Chittagong	Khulna Br., Khulna	Sylhet Br., Sylhet	Local Office, Dhaka

The City Bank Limited

Agrabad Br., Chittagong	Comilla Br., Comilla	Khatungonj Br., Chittagong	Principal Office Br., Dhaka
Amborkhana Br., Sylhet	Cox's Bazar Br., Chittagong	Khulna Br., Khulna	Rajshahi Br., Rajshahi
Andarkilla Br., Chittagong	Dhanmondi Br., Dhaka	Moulvi Bazar Br., Sylhet	Rangpur Br., Rangpur
B B Avenue Br., Dhaka	Imamgonj Br., Dhaka	Narsingdi Br., Narsingdi	Shaymoli Br., Dhaka
Bandar Bazar Br., Sylhet	Islampur Br., Dhaka	Nawabgonj Br., Dhaka	Sirajgonj Br., Sirajgonj
Bangabandhu Road Br., Narayangonj	Jessore Br., Jessore	Nawabpur Br., Dhaka	Tongi Br., Gazipur
Barisal Br., Barisal	Johnson Road Br., Dhaka	New Market Br., Dhaka	VIP Road Br., Dhaka
Bogra Br., Bogra	Jubilee Road Br., Chittagong	Pahartali Br., Chittagong	Zinda Bazar Br., Sylhet
Chawkbazar Br., Chittagong	Kawran Bazar Br., Dhaka	Pragati Sarani Br., Dhaka	Zinzira Br., Dhaka

BRAC Bank Limited

Agrabad Branch	Donia Branch	Kazirdeuri Branch	Nawabpur Branch
Asad Gate Branch	Eskaton Branch	Khulna Branch	Rajshahi Branch
Banani Branch	Graphics Building Branch	Manda Branch	Rampura Branch
Barisal Branch	Gulshan Branch	Mirpur Branch	Shyamoli Branch
Bashundhara Branch	Halisohor Branch	Momin Road Branch	Uttara Branch
Bogra Branch	Jessore Branch	Narayanganj Branch	Zindabazar Branch
CDA Avenue Branch	-	-	-

Commercial Bank of Ceylon PLC

Motijheel Branch, Dhaka	Gulshan Branch, Dhaka	Tejgaon Branch, Dhaka	Sylhet Branch, Sylhet
Dhanmondi Branch, Dhaka	Sonargaon Branch, Dhaka	Agrabad Branch, Chittagong	Narayanganj Branch, Narayanganj
Mirpur Branch, Dhaka	Uttara Branch, Dhaka	-	-

শেয়ারবাজারে বিনিয়োগ ঝুঁকিপূর্ণ, জেনে ও বুঝে বিনিয়োগ করুন।

'Interested Persons are entitled to a prospectus, if they so desire. Copies of prospectus may be obtained from the Issuer and the Issue Manager(s).'

The Peninsula Chittagong Limited

APPLICATION FORM

APPLICATION FOR SHARES BY NON-RESIDENT BANGLADESHI

(To be sent directly to the Company's Corporate Office)

WARNING: Please read the instructions at the back of this form. Incorrectly filled applications or applications failing to comply with any of the instructions therein may be rejected.

The Managing Director & CEO
The Peninsula Chittagong Limited
Bulbul Center, 486/B O.R. Nizam Road
CDA Avenue, Chittagong 4000

Dear Sir,

I/we apply for and request you to allot me/us .... numbers of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's Prospectus approved by the Bangladesh Securities and Exchange Commission subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Member(s) of the Company and deposit the said ordinary shares in my/our Beneficiary Owner ("BO") account; I/we further authorize you to send a crossed (Account Payee only) cheque in respect of any Application money refundable to me/us by post/courier at my/our risk to the first applicant's address stated below:

1. No. of Ordinary Shares .... of Tk. 30/- each including a premium of Tk. 20/- per share.
2. Total subscription money of the amount of Tk. (in figures)................................, Taka (in words) .... only convertible into USD at the rate of US Dollar 1.00 = Tk. ..../ UK Pound Sterling 1.00 = Tk. .... / EURO 1.00 = Tk. ....
3. Payment by Draft/Cheque No... date... for US Dollar/UK Pound Sterling/Euro/TK. ....drawn on .... Bank .... branch...
4. **Beneficiary Owner (BO) A/C No.** | | | | | | | | | | | | | | | | |

   (If you do not mention your valid BO A/C No. your application will be treated as invalid)
5. I/we agree to fully abide by the instruction given herein.
6. **Particulars of Applicant(s):**

   a) Sole/First Applicant:

Name:	
Father's/Husband's Name:	
Mother's Name:	
Mailing Address:	
Occupation:	Nationality:
Passport No.:	Valid up to:
Date of Birth:	
For Refund: Please write the correct and full name of bank and branch (Application will not be treated as valid if anyone uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank).	
Applicant's Bank A/C No.:	
Name of the Bank:	Branch:

The applicant shall provide the same Bank Account number in the application form as it is in the BO account of the applicant.

b) Second Applicant:

Name:	
Father's/Husband's Name:	
Mother's Name:	
Mailing address:	
Occupation:	Nationality:
Passport No.:	Valid up to:
Date of Birth:	

Nominee's Name:
Mailing Address:

7. I/we hereby declare that I/we have read the Prospectus of **The Peninsula Chittagong Limited** and have willingly subscribed for .... Ordinary Shares of Tk. 30/- each including a premium of Tk. 20/- per share.
8. **Specimen Signature(s):**

Name in Block Letters	Signature
Sole/First Applicant:	
Second Applicant:	
Nominee:	

***Please see the instructions in paragraphs 14 & 15 for the evidence required to establish Non-Resident Bangladeshis Status.**

INSTRUCTIONS

1. As per provision of Depository Act, 1999 and regulations made thereafter 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 account number, 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 **200** Ordinary Shares and must be for a multiple of **200** Ordinary Shares. Any application not meeting these criterions will not be considered for allotment purpose.
4. 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 **"The Peninsula Chittagong Limited"** and crossed **"Account Payee only".**
5. Application shall be sent by the applicant directly to the Company within **April 03, 2014** so as to reach the Company within **April 12, 2014.** Applications sent after **April 03, 2014** or received by the Company after **April 12, 2014** will not 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 through A/C Payee Cheque payable at Dhaka with bank account number, Bank's name and Branch.
7. In case of over-subscription, allotment shall be made by lottery solely in accordance with the instructions of the Securities and Exchange Commission.
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 of refund shall be made by post to the first applicant. Note that a non-resident Bangladeshi ("NRB") applicant cannot submit more than two applications, one in his/her own name and another jointly with another person by one cheque/DD/PO by US $/UK Pound Sterling/ EURO/Taka (supported by a foreign currency encashment certificate). More than two applications by one cheque/DD/PO by US $/UK Pound Sterling/ EURO/Taka (supported by a foreign currency encashment certificate) will not be allowed.**
10. Application must be made by an individual, a Company or Societies, a trust or a society and not by a firm, minor or persons of unsound mind.
11. 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 the 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 Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by law.
12. The intending NRB applicants shall deposit the share subscription money by US $/UK Pound Sterling/EURO demand draft drawn on any Bank and payable in Dhaka, Bangladesh, or through a nominee by paying out of a non-resident foreign currency deposit account maintained in Bangladesh or in Taka, supported by a foreign currency encashment certificate issued by the bank concerned, for the price of the ordinary shares applied for, through crossed bank cheque marked "Account Payee only", such that the issuer's collecting bank can clear the proceeds and deposit the same into the issuer's account in time.
13. The spot buying rate (TT Clean) in US $ / UK Pound Sterling / EURO of Sonali Bank as prevalent on the date of opening of subscription opening will be applicable for the Non-Resident Bangladeshi (NRB) applicants.
14. **The applicant shall furnish photocopies of relevant pages of valid passport(s) in support of his/her 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/her to travel to Bangladesh.**
15. In case of Joint Application, the Joint Applicant shall also submit supporting papers / documents in support of their being a NRB as mentioned in para - 14 (above).
16. **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, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
17. **No issue of ordinary shares shall be made nor shall any money be taken from any person, in connection with such issue and subscription, until 25 (twenty five) days after the Prospectus has been published.**
18. In the case of non-allotment of the ordinary shares, if the applicants' bank accounts as mentioned in their application forms are maintained with any of the bankers to the issue, the amount refunded to those applicants will be directly credited into their ordinary respective bank accounts as mentioned in their application forms. Otherwise, refunds will be made only through "Account Payee" cheque(s) with bank account number and name of the bank branch as mentioned in the application form, payable at Dhaka, Chittagong, Khulna, Barisal, Rajshahi or Sylhet, as the case may be.
19. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% (Fifteen) of their subscription money too.**

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

The Peninsula Chittagong
(Best Business Hotel in Town)

শেয়ারবাজারে বিনিয়োগ ঝুঁকিপূর্ণ, জেনে ও বুঝে বিনিয়োগ করুন।

'Interested Persons are entitled to a prospectus, if they so desire. Copies of prospectus may be obtained from the issuer and the issue manager(s).'

THE PENINSULA CHITTAGONG LIMITED

APPLICATION FORM

APPLICATION FOR SHARES BY AFFECTED SMALL INVESTORS (ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী)

WARNING: Please read the instructions at the back of this form. Incorrectly filled applications or applications failing to comply with any of the instructions therein may be rejected.

The Managing Director & CEO
The Peninsula Chittagong Limited
Bulbul Center, 486/B O.R. Nizam Road
CDA Avenue, Chittagong 4000

Banker's Sl. No.

Dear Sir,

I/we apply for and request you to allot me/us .... numbers of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's Prospectus approved by the Securities and Exchange Commission subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Member(s) of the Company and deposit the said ordinary shares in my/our Beneficiary Owner ("BO") account; I/we further authorize you to send a crossed (Account Payee only) cheque in respect of any Application money refundable to me/us by post/courier at my/our risk to the first applicant's address stated below:

3. No. of Ordinary Shares .... of Tk. 30/- each including a premium of Tk. 20/- per share.
4. Total subscription money of the amount of Tk. (in figures) ...., Taka (in words) .... only deposited vide Cash/Cheque/Draft/Pay Order No. .... Dated................................. on .... Bank .... Branch
3. **Beneficiary Owner (BO) A/C No.** | | | | | | | | | | | | | | | | |

   (If you do not mention your valid BO A/C No. your application will be treated as invalid)
4. **I/we agree to fully abide by the instruction given herein.**
5. **Particulars of Applicant(s):**

   a) Sole/First Applicant:

Name:	
Father's/Husband's Name:	
Mother's Name:	
Postal Address:	
Phone Number (if any):	
Occupation:	Nationality:
For Refund: Please write the correct and full name of bank and branch (Application will not be treated as valid if anyone uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank).	
For refund purpose: I/we want refund through ☐ Bank Account ☐ Hand Delivery/Courier (Please put tick mark in which refund will be made). **The applicant shall provide with the same Bank Account number in the application form as it is in the BO account of the applicant.**	
In case of deposit into the applicant's bank account, the applicant will bear the applicable charge, if any, of the applicant's banker and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.	
Applicant's Bank A/C No.:	
Name of the Bank:	Branch:

b) Second Applicant:

Name:	
Father's/Husband's Name:	
Mother's Name:	
Postal Address:	
Occupation:	Nationality:

6. I/we hereby declare that I/we have read the Prospectus of **The Peninsula Chittagong Limited** and have willingly subscribed for .... No. of Ordinary Shares of Tk. 30/- each including a premium of Tk. 20/- per share.
7. **Specimen Signature(s):**

(iii) Name (in Block Letters)		Signature:
(iv) Name (in Block Letters)		Signature:

BANKER'S ACKNOWLEDGEMENT

Certified that this Bank has received Tk. (in figures) .... (in word ....) only from Mr./Mrs./Ms. .... being the Application money for .... Ordinary Shares of The Peninsula Chittagong Limited.

Banker's Sl. No. **Seal and Date** **Authorized Signature**
(Name & Designation)

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 Beneficiary Owner (BO) Account number in the Application form. If you do not mention your valid BO account number 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 **200** Ordinary Shares and must be for a multiple of **200** 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 Bankers to the Issue. Remittance should be in the form of Cash/Cheque/Bank Draft/Pay Order payable to one of the Bankers to the favoring A/C "**The Peninsula Chittagong 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 a Joint Application Form, the Allotment Letter will be dispatched to the person whose name appears first on this Application Form and where any amount is refundable in whole or in part the same will be refunded by Account Payee Cheque by post/courier service to the person named first on this Application Form in the manner prescribed in the Prospectus.
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. Applications from financial and market intermediary companies must be accompanied by Memorandum and Articles of Association and Certificate of Incorporation.
9. **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, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
10. No receipt will be issued for the payment made with Application, but the bankers will issue a provisional acknowledgement to the Issue for Application lodged with them.
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, refund amount of those applicants will be directly credited into the respective bank "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. Allotment shall be made solely in accordance with the instructions of the Bangladesh Securities and Exchange Commission (BSEC).
13. 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 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 Bangladesh Securities and Exchange Commission (BSEC). This may be in addition to any other penalties as may be provided for by the law.
14. Applications, which do not meet the above requirements, or Applications, which are incomplete, shall not be considered for allotment purposes.
15. 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.
16. **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.**
17. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% (Fifteen) of their subscription money too.**
18. "ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারীগণ সকল পাবলিক ইস্যুতে একক অথবা যৌথ হিসাবের যে কোনটি অথবা উভয়টি হতে সংরক্ষিত ২০% কোটায় আবেদন করতে পারবেন। তবে তারা ইচ্ছা করলে ক্ষতিগ্রস্থ সংরক্ষিত ২০% কোটায় আবেদন না করে সাধারণ বিনিয়োগকারীদের জন্য নির্ধারিত কোটায়ও আবেদন করতে পারবেন।"