

**Certificate on
Status Report on Utilization of Proceeds from Initial Public Offering (IPO) of
The Peninsula Chittagong Limited
For the Month of January 2018**



Solution....Begins



**Certificate on
Status Report on Utilization of Proceeds from Initial Public Offering (IPO) of
The Peninsula Chittagong Limited
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We have been engaged by The Peninsula Chittagong Limited (the "Company") to certify whether the Company has complied with the conditions of Initial Public Offering (IPO) in relation to the utilization of proceeds from Public Offering as required by Bangladesh Securities and Exchange Commission (BSEC) vide its consent letter (ref: SEC/CI/IPO-205/2012-140 dated February 19, 2014) issued for IPO under section 2CC of the Securities and Exchange Ordinance 1969.

The Company's Responsibilities

The Company management is responsible for utilizing the proceeds from IPO and preparation of Status Report on utilization of Proceeds from Public Offering in accordance with the conditions of IPO consent letter issued by BSEC.

Our Responsibilities

Our responsibility is to examine all the relevant documents in connection with the utilization of proceeds from IPO with reference to the Terms of Reference formulated by BSEC and certify whether the proceeds have been utilized and the Status Report have been prepared in accordance with the conditions of IPO consent letter.

We report that:

We have examined relevant documents, obtained information and explanations which to the best of our knowledge and belief were necessary for the purpose of verification and certification of the Status Report. As per Terms of Reference of audit of Status Report, we certify that:

- a) The company has utilized an amount of Taka 525,089,242 till 31 January 2018 for the purpose as specified in the prospectus and as per the decision of shareholders in the Extraordinary General Meeting (EGM) held on 04 December 2016 out of total IPO proceeds of Taka 1,650,000,000. Balance IPO proceeds amounting to Taka 1,124,910,758 remain unutilized on the reporting date.
- b) IPO proceeds are being utilized in line with the conditions of the BSEC's consent /approval letter for the Initial Public Offering and revised implementation schedule as approved by the shareholders in the EGM held on 04 December 2016.
- c) The company has utilized the proceeds from Initial Public Offering within the time schedule and purposes as specified in the prospectus and in line with the revised implementation schedule as approved by shareholders in the EGM held on 04 December 2016. We also report that:



Solution....Begins

Rahman Mostafa Alam & Co.

Chartered Accountants



- i. Unutilized IPO proceeds under proposed utilization of the Extension of the Peninsula Chittagong Ltd. and IPO expenses amounting to Taka 70,000,000 and Taka 18,672,246 respectively have been utilized for the purposes of short term bank loan repayment by virtue of a decision taken in the EGM of shareholders held on 02 March 2015.
 - ii. The estimate for Construction of Airport Garden Hotel has been revised at an estimated cost of Taka 1,160,526,766 showing a surplus of Taka 250,000,000 in the original estimate. The shareholders in the EGM held on 04 December 2016 approved payment of bank loan to the tune of Taka 250,000,000 out of IPO Proceeds.
 - iii. Out of Taka 1,410,526,766 earmarked for the construction of Airport Garden Hotel, an amount of Taka 250,000,000 was utilized to repay the loan as approved in the EGM held on 04 December 2016 and Taka 6,555,000 was utilized for the purpose of acquisition of land during December 2016. Out of the remaining balance of Taka 1,124,910,758 an amount of Taka 1,100,000,000 has been kept in ten (10) FDR accounts and Taka 24,910,758 Bank Balance is lying with Eastern Bank Limited A/c No. 0011360813331.
 - iv. Implementation time for construction of Airport Garden Hotel has been extended up to 31.12.2018 instead of 30.06.2016 by obtaining approval from general shareholders in their meetings held on 02 March 2015 and 04 December 2016.
 - v. Interest on FDR up to 31 January 2018 stood at Taka 344,863,381 and un-utilized IPO proceeds along with interest income stood at Taka 1,469,774,139.
- d) Utilization of IPO proceeds was accurate and made for the purpose of the company as mentioned in the prospectus and revised implementation schedule as approved by the shareholders in the EGMs held on 02 March 2015 & 04 December 2016.
 - e) Assets have been procured/imported/constructed maintaining proper/required procedure as well as at a reasonable price.
 - f) Verification of all necessary documents/papers/vouchers has been made in support of utilization of IPO proceeds making reconciliation with bank statements.

Chittagong, 08 February 2018

Rahman Mostafa Alam & Co.
Rahman Mostafa Alam & Co.
Chartered Accountants

Report on Utilization of IPO Proceeds for the month of January 2018

Name of the Company : The Peninsula Chittagong Limited
 Amount(BDT) of Capital Raised Through IPO : Tk. 1,650,000,000
 Date of Close of Subscription : 12 April 2014
 Proceeds Receiving Date : 12 April 2014
 Last Date of Full Utilization of Fund as per Prospectus : Within 26 Months and 18 days of obtaining IPO proceeds i.e. 30 June 2016 (Subsequently extended upto 31.12.18)

(All the figures are in BDT)

SL.	Purpose Mentioned in the Prospectus	Time line as per prospectus	Revised time line (upto...)	Amount as per prospectus	Amount as per revised utilization plan	Status of Utilization			Remarks	
						Utilized in January 2018	Total utilized amount	Utilized %		Total unutilized amount
1	Extension of The Peninsula Chittagong	30.05.14	-	70,000,000	-	-	-	-	Proposed utilization has been amended to utilize for the purpose of repayment of short term bank loan.	
2	Construction of Airport Garden Hotel (Annexure-"B")	30.06.16	31.12.18	1,410,526,766	1,160,526,766	18,707,525	45,534,688	3.92%	Revised Utilization plan has been approved by shareholders in EGM held on 04.12.16	
3	Repayment of Long Term Loan	When Applicable	-	132,973,234	132,973,234	-	132,973,234	100%	This amount has been utilized as per prospectus.	
4	Repayment of Short Term Bank Loan	-	-	-	338,672,246	-	338,672,246	100%	Revised Utilization plan has been approved by shareholders in EGM held on 02.03.15 & 04.12.16	
5	IPO Expenses	When Applicable	-	36,500,000	17,827,754	-	7,909,074	44%	An amount of Tk. 9,918,680 was inadvertently utilized in excess of allocation in prospectus on account of repayment of long term loan now refunded to restore the declaration in the prospectus.	
Total						18,707,525	525,089,242		1,124,910,758	Refer to Annexure

Current interest rate : 7.50%
 Interest on IPO/RPO/RI proceeds (upto January '18) : 344,863,381
 Unutilized IPO/RPO/RI proceed with interest income : 1,469,774,139

[Signature]
 Chairman

Chairman

[Signature]
 Director

Director

Company Secretary



[Signature]
 Rahman Mostafa Alam & Co.
 Chartered Accountants

Chittagong, 08 February 2018

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	<u>Amount</u> <u>Taka</u>
Bank Balance as on 31 January 2018 was made up as follows:	
FDR No-012324300012995 in The Premier Bank Ltd.	100,000,000
FDR No-012324300012996 in The Premier Bank Ltd.	50,000,000
FDR No-012324300013217 in The Premier Bank Ltd.	500,000,000
FDR No-012324300013218 in The Premier Bank Ltd.	200,000,000
FDR No-012324300013219 in The Premier Bank Ltd.	100,000,000
FDR No-012324300013220 in The Premier Bank Ltd.	50,000,000
FDR No-012324300013221 in The Premier Bank Ltd.	50,000,000
FDR No-012324300013223 in The Premier Bank Ltd.	20,000,000
FDR No-012324300013224 in The Premier Bank Ltd.	20,000,000
FDR No-012324300013225 in The Premier Bank Ltd.	10,000,000
Balance at Eastern Bank Limited, A/C No-0011360813331	24,910,758
Total balance in Bank Accounts for IPO proceeds	1,124,910,758

	<u>Amount</u> <u>Taka</u>
Reconciliation between unutilized balance and bank balance:	
Balance at Eastern Bank Limited, A/C No-0011360813331	24,910,758
Add:	
Exchange loss on IPO subscription in Foreign Currencies	(41,928)
Bank charges and others etc.	(52,124)
Amount refundable to IPO applicants	6,391,542
Interest credited (net of tax)	8,392,911
Balance as per Bank statement (Eastern Bank Limited, A/C No-813331)	33,303,669



Chairman

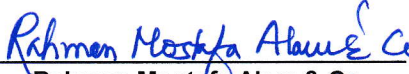


Director



Company Secretary

Chittagong, 08 February 2018



Rahman Mostafa Alam & Co.
Chartered Accountants



Construction of Airport Garden Hotel

Annexure - "B"

Purpose Mentioned in the Prospectus	Time line as per prospectus	Revised time line (upto...)	Amount as per prospectus	Amount as per revised utilization plan	Status of Utilization			Utilization Time Line		
					Utilized in January 2018	Total utilized amount	Utilized %		Total unutilized amount	Unutilized %
Land			396,450,000	169,950,000	-	6,555,000	3.86%	163,395,000	96.14%	By April 2017
Land Development & Registration			23,500,000	180,000,000	17,201,479	35,341,034	19.63%	144,658,966	80.37%	By November 2018
Civil Works			180,000,000	276,000,000	903,446	3,036,054	1.10%	272,963,946	98.90%	By November 2018
Machineries and Equipments			276,000,000	284,000,000	-	-	0.00%	284,000,000	100.00%	By November 2018
Interior Decoration			284,000,000	33,000,000	-	-	0.00%	33,000,000	100.00%	By December 2018
Parking	30.06.16	31.12.18	33,000,000	50,000,000	-	-	0.00%	50,000,000	100.00%	By December 2018
Kitchen			50,000,000	26,000,000	-	-	0.00%	26,000,000	100.00%	By December 2018
Laundry			26,000,000	65,000,000	-	-	0.00%	65,000,000	100.00%	By December 2018
Restaurant			65,000,000	25,000,000	-	-	0.00%	25,000,000	100.00%	By December 2018
SPA			25,000,000	13,200,000	-	-	0.00%	13,200,000	100.00%	By December 2018
Swimming pool			13,200,000	38,376,766	602,600	602,600	1.57%	37,774,166	98.43%	By December 2018
Lift & Generator			38,376,766	1,410,526,766	18,707,525	45,534,688	3.92%	1,114,992,078	96.08%	By December 2018
Construction of Airport Garden Hotel	30.06.16	31.12.18	1,410,526,766	1,160,526,766	18,707,525	45,534,688	3.92%	1,114,992,078	96.08%	By December 2018



Chairman

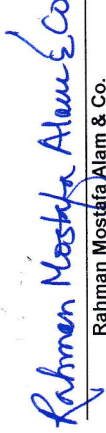


Director



Company Secretary





Rahman Mostafa Alam & Co.
Chartered Accountants