

**Certificate on
Status Report on Utilization of Proceeds
From Initial Public Offering (IPO) of
The Peninsula Chittagong Limited
For the Month of January 2019**



Solution....Begins



Certificate on
Status Report on Utilization of Proceeds from Initial Public Offering (IPO) of
The Peninsula Chittagong Limited
For the Month of January 2019

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 817,698,010 till 31 January 2019 for the purpose as specified in the prospectus and as per the decision of shareholders in the Extraordinary General Meeting (EGM) held on 30 October 2018 out of total IPO proceeds of Taka 1,650,000,000. Balance IPO proceeds amounting to Taka 832,301,990 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 30 October 2018.
- 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 30 October 2018. We also report that:



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Rahman Mostafa Alam & Co.

Chartered Accountants



- i. Unutilized IPO proceeds under proposed utilization of the Extension of the Peninsula Chittagong Limited 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 April 2015.
 - ii. The estimate for Construction of Peninsula Airport Garden 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 Peninsula Airport Garden, 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 832,301,990 an amount of Taka 800,000,000 has been kept in Eight (08) FDR accounts and Taka 32,301,990 bank balance is lying with Eastern Bank Limited A/c No. 0011360813331.
 - iv. Implementation time for construction of Peninsula Airport Garden has been extended up to 31.12.2021 instead of 30.06.2016 by obtaining approval from general shareholders in their meetings held on 02 April 2015, 04 December 2016 and 30 October 2018.
 - v. Interest on FDR up to 31 January 2019 stood at Taka 434,157,014 and un-utilized IPO proceeds along with interest income stood at Taka 1,266,459,004.
 - vi. In addition to the IPO fund Tk. 1,160,526,766 to be utilized for Construction of Peninsula Airport Garden, an amount of Tk. 919,473,234 has been approved by general shareholders in their EGM held on 30 October 2018 to spend for the same. This additional amount will be funded by bank loan and other sources.
- 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 April 2015, 04 December 2016 & 30 October 2018.
 - 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.

Chattogram, 10 February 2019


Rahman Mostafa Alam & Co.
Chartered Accountants

Report on Utilization of IPO Proceeds for the month of January 2019

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 31.12.21)

(All the figures are in BDT)

SL.	Purpose Mentioned in the Prospectus	Time line as per prospectus	Revised time line	Amount as per prospectus	Amount as per revised utilization plan	Status of Utilization			Remarks	
						Utilized in January 2019	Total utilized amount	Utilized %		
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 Peninsula Airport Garden (Annexure-"B")	30.06.16	31.12.21	1,410,526,766	1,160,526,766	36,625,174	338,143,456	29.14%	Revised Utilization plan has been approved by shareholders in EGM held on 30.10.18	
3	Repayment of Long Term Loan	When Applicable	-	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%	The amount has been fully utilized as per revised utilization plan.	
5	IPO Expenses	When Applicable	-	36,500,000	17,827,754	-	7,909,074	44%		
Total						36,625,174	817,698,010		832,301,990	Refer to Annexure

Current interest rate : 9.25%
 Interest on IPO/RPO/RI proceeds (upto January '19) : 434,157,014
 Unutilized IPO/RPO/RI proceed with interest income : 1,266,459,004

[Signature]
 Chairman

[Signature]
 Director

[Signature]
 Company Secretary

Chattogram, 10 February 2019



[Signature]
 Rahman Mostafa Alam & Co.
 Chartered Accountants

**Certificate on
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For the Month of January 2019**

	<u>Amount</u> <u>Taka</u>
Bank Balance as on 31 January 2019 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-012324300013656 in The Premier Bank Ltd.	50,000,000
FDR No-012324300013657 in The Premier Bank Ltd.	30,000,000
FDR No-012324300013658 in The Premier Bank Ltd.	20,000,000
FDR No-012324300013659 in The Premier Bank Ltd.	30,000,000
FDR No-012324300013660 in The Premier Bank Ltd.	20,000,000
Balance at Eastern Bank Limited, A/C No-0011360813331	32,301,990
Total balance in Bank Accounts for IPO proceeds	832,301,990
	<u>Amount</u> <u>Taka</u>
Reconciliation between unutilized balance and bank balance:	
Balance at Eastern Bank Limited, A/C No-0011360813331	32,301,990
Add:	
Exchange loss on IPO subscription in Foreign Currencies	(41,928)
Bank charges and others etc.	(79,539)
Amount refundable to IPO applicants	6,373,542
Interest credited (net of tax)	2,679,506
	8,931,581
Balance as per Bank statement (Eastern Bank Limited, A/C No-813331)	41,233,571



Chairman



Director



Company Secretary

Chattogram, 10 February 2019


Rahman Mostafa Alam & Co.
Chartered Accountants



Construction of Peninsula Airport Garden

Annexure - "B"

Purpose Mentioned in the Prospectus/Revised	Time line as per prospectus	Revised time line	Amount as per prospectus	Amount as per last revised utilization plan	Utilized in January 2019 Taka	Status of Utilization		Utilization Time Line
						Total utilized amount	Utilized %	
Land Lease			396,450,000	6,555,000	-	6,555,000	100.00%	By April 2017
Land Development & registration			23,500,000	513,971,766	36,461,408	257,379,217	50.08%	49.92% By November 2021
Civil Works			180,000,000	204,300,000	163,766	7,082,002	3.47%	96.53% By November 2021
Machineries, equipments and Vehicle			276,000,000	184,600,000	-	-	0.00%	100.00% By November 2021
Interior Decoration, Furniture and Fixtures			284,000,000	33,000,000	-	31,333,361	94.95%	5.05% By December 2021
Parking	30.06.16	31.12.21	33,000,000	43,900,000	-	24,992,875	56.93%	43.07% By December 2021
Kitchen, Crokeries and outlanies			50,000,000	30,000,000	-	10,177,868	33.93%	66.07% By December 2021
Laundry			26,000,000	35,000,000	-	-	0.00%	100.00% By December 2021
Restaurant and Bar			65,000,000	25,000,000	-	-	0.00%	100.00% By December 2021
Health Club and SPA			25,000,000	28,500,000	-	-	0.00%	100.00% By December 2021
Swimming Pool			13,200,000	55,700,000	-	623,133	1.12%	98.88% By December 2021
Lift & Generator			38,376,766	1,160,526,766	36,625,174	338,143,456	29.14%	70.86% By December 2021
Construction of Peninsula Airport Garden	30.06.16	31.12.21	1,410,526,766	1,160,526,766	36,625,174	338,143,456	29.14%	70.86%

[Signature]

Chairman

[Signature]

Director

[Signature]

Company Secretary

[Signature]
Rahman Mostafa Alam & Co.
Chartered Accountants



Chattogram, 10 February 2019