

**Certificate on
Status Report on Utilization of Proceeds
From Initial Public Offering (IPO) of
The Peninsula Chittagong Limited
For the Month of December 2020**



Solution....Begins

**Certificate on
Status Report on Utilization of Proceeds from Initial Public Offering (IPO) of
The Peninsula Chittagong Limited
For the Month of December 2020**

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 1,096,244,439 till 31 December 2020 for the purpose as specified in the prospectus and as per the decision of shareholders in the Extraordinary General Meeting (EGM) held on 14 December 2020 out of total IPO proceeds of Taka 1,650,000,000. Balance IPO proceeds amounting to Taka 553,755,561 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 8th EGM held on 14 December 2020.
- c) The company has utilized the proceeds from Intial 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 8th EGM held on 14 December 2020. We also report that:



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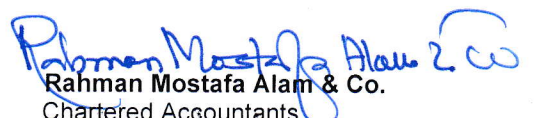
Rahman Mostafa Alam & Co.

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,1,170,445,446 showing a surplus of Taka 240,081,320 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 553,755,561 an amount of Taka 550,000,000 has been kept in Six (06) FDR accounts and Taka 3,755,561 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 30.06.2022 instead of 31.12.2021 by obtaining approval from general shareholders in their meetings held on 02 April 2015, 04 December 2016 ,30 October 2018 & 14 December 2020.
 - v. Interest on FDR up to 31 December 2020 stood at Taka 554,290,765 and un-utilized IPO proceeds along with interest income stood at Taka 1,108,046,326.
 - vi. In addition to the IPO fund Tk. 1,170,445,446 to be utilized for Construction of Peninsula Airport Garden, an amount of Tk. 1,250,558,794 has been approved by general shareholders in their 8th EGM held on 14 December 2020 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 & 14 December 2020.
 - 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 January 2021


Rahman Mostafa Alam & Co.
Chartered Accountants
Signed By: -
Arafat Kamal FCA (1184)
Partner
DVC: 2101101184CC635470

Report on Utilization of IPO Proceeds for the month of December 2020

Name of the Company
Amount (BDT) of Capital Raised Through IPO
Date of Close of Subscription
Proceeds Receiving Date
Last Date of Full Utilization of Fund as per Prospectus

: The Peninsula Chittagong Limited
: Tk. 1,650,000,000
: 12 April 2014
: 12 April 2014
: Within 26 Months and 18 days of obtaining IPO proceeds i.e. 30 July 2016 (Subsequently extended upto 30.06.22)

(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	Utilized in December 2020	Status of Utilization			Remarks	
							Total utilized amount	Utilized %	Total unutilized amount		Unutilized %
1	Extension of The Peninsula Chittagong	30.05.2014	-	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")	30.06.2016	30.06.2022	1,410,526,766	1,170,445,446	3,529,663	616,689,885	52.69%	553,755,561	Revised Utilization plan has been approved by shareholders in EGM held on 14.12.20	
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%	-	The amount has been fully utilized as per revised utilization plan.	
5	IPO Expenses	When Applicable	-	36,500,000	7,909,074	-	7,909,074	100.00%	-	0.00%	
Total				1,650,000,000	1,650,000,000	3,529,663	1,096,244,439		553,755,561		Refer to Annexure

* Current interest rate
Interest on IPO/RPO/RI proceeds (upto December-2020)
Unutilized IPO/RPO/RI proceed with interest income

7.00%
554,290,765
1,108,046,326



Chairman



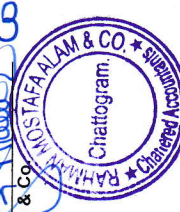
Director



Company Secretary


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

Chattogram, 10 January 2021



Annexure - "A"

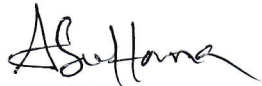
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	<u>Amount</u> <u>Taka</u>
Bank Balance as on 31 December 2020 was made up as follows:	
FDR No-012324300012995 in The Premier Bank Ltd.	100,000,000
FDR No-012324300012996 in The Premier Bank Ltd.	50,000,000
FDR No-012323100000102 in The Premier Bank Ltd.	280,000,000
FDR No-012323100000103 in The Premier Bank Ltd.	20,000,000
FDR No-012323100000106 in The Premier Bank Ltd.	50,000,000
FDR No-012323100000107 in The Premier Bank Ltd.	50,000,000
Balance at Eastern Bank Limited, A/C No-0011360813331	3,755,561
Total balance in Bank Accounts for IPO proceeds	553,755,561

	<u>Amount</u> <u>Taka</u>
Reconciliation between unutilized balance and bank balance:	
Balance at Eastern Bank Limited, A/C No-0011360813331	3,755,561
Add:	
Exchange loss on IPO subscription in Foreign Currencies	(41,928)
Bank charges and others etc.	(125,694)
Amount refundable to IPO applicants	6,367,542
Interest credited (net of tax)	3,656,146
	9,856,066
Balance as per Bank statement (Eastern Bank Limited, A/C No-813331)	13,611,628



Chairman

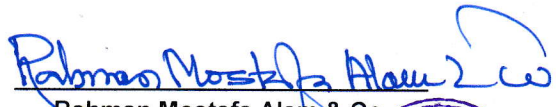



Director



Company Secretary

Chattogram, 10 January 2021


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 December 2020 Taka	Status of Utilization			Utilization Time Line
						Total utilized amount	Utilized %	Total unutilized amount	
Land Lease			396,450,000	6,555,000	-	6,555,000	100.00%	-	By April 2017
Land Development & Registration			23,500,000	742,597,087	3,413,714	517,334,554	69.67%	225,262,533	By May 2022
Civil Works			180,000,000	7,839,630	-	7,839,630	100.00%	-	By May 2022
Machineries, Equipments and Vehicle			276,000,000	116,649,531	-	17,717,515	15.19%	98,932,016	By May 2022
Interior Decoration, Furniture and Fixtures			284,000,000	31,333,361	-	31,333,361	100.00%	-	By May 2022
Parking	30.06.16	30.06.22	33,000,000	24,992,875	-	24,992,875	100.00%	-	By June 2022
Kitchen, Crockeries and Cutleries			50,000,000	10,177,868	-	10,177,868	100.00%	-	By June 2022
Laundry			26,000,000	-	-	-	0.00%	-	By June 2022
Restaurant and Bar			65,000,000	-	-	-	0.00%	-	By June 2022
Health Club and SPA			25,000,000	-	-	-	0.00%	-	By June 2022
Swimming Pool			13,200,000	-	-	-	0.00%	-	By June 2022
Lift & Generator and Utility			38,376,766	623,133	-	623,133	100.00%	-	By June 2022
Sanitary and Plumbing Work			-	5,000,000	-	-	0.00%	5,000,000	By June 2022
Electric Work			-	14,676,961	115,949	115,949	0.79%	14,561,012	By June 2022
Air Condition Work			-	180,000,000	-	-	0.00%	180,000,000	By June 2022
Fire Fighting			-	30,000,000	-	-	0.00%	30,000,000	By June 2022
Construction of Peninsula Airport Garden	30.06.16	30.06.22	1,410,526,766	1,170,445,446	3,529,663	616,689,885	52.69%	553,755,561	47.31% By June 2022

[Signature]

Chairman

[Signature]

Director

[Signature]

Company Secretary

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 Chartered Accountants
 Chattoogram.
 Chartered Accountants

Chattoogram, 10 January 2021