

Hoda Vasi Chowdhury & Co
Chartered Accountants
Chittagong Office
Delwar Bhaban - 4th Floor
104 Agrabad Commercial Area
Chittagong-4100, Bangladesh

Tel: 88-031-716305
88-031-723391
Fax: 88-031-2512485
88-031-710362
88-031-710488
Email: hvc@globalctg.net

**Hoda Vasi
Chowdhury & Co**

**Certificate on
Status Report on Utilization of Proceeds from Public Offering of
The Peninsula Chittagong Limited
For the Month of March 2017**

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) under section 2CC of the Securities and Exchange Ordinance 1969.

The Company's Responsibilities

Those charged with governance and management of the Company are responsible for utilizing the proceeds from IPO in accordance with the terms and conditions of IPO and preparation of Status Report on utilization of Proceeds from Public Offering in accordance with the conditions of IPO.

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.

Conclusion

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 as follows:


- a) The company has so far utilized an amount of Taka 496,028,234 for the purpose as specified in the prospectus and as per decision of shareholders in the Extraordinary General Meeting (EGM) held on 4 December 2016 out of total IPO proceeds of Taka 1,650,000,000. Balance IPO proceeds amounting to Taka 1,153,971,766 remain unutilized on the reporting date.
- b) IPO proceeds are being utilized in the line with the condition of the BSEC's consent /approval letter for the Initial Public Offering and revised implementaiton schedule as approved by the shareholders in the EGM held on 04 December 2016.
- c) The company has utilized the proceeds from Intial Public Offering within the time schedule as specified in the prospectus, and for the following purposes proceeds are being utilized in line with the revised implementaiton schedule as approved by shareholders in the EGM held on 04 December 2016 except for:

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- 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 in the EGM of shareholders held on 2 March 2015.
 - ii. The estimates 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 AGM 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 1,153,971,766 an amount of Taka 1,150,000,000 has been kept in eleven (11) FDR account and Taka 3,971,766 is lying with Eastern Bank Limited A/c No. 0011360813331.
 - iv. Accrued interest on FDR for the month of march is Tk. 683,698.63 and un-utilized IPO proceed along with interest income stood at Tk.1,154,655,465 .
- 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 EGM held on 2 March 2015 & 04 December 2016 except for the exceptions noted above.
- e) Relevant capital expenditures have been made following the appropriate procedures and at appropriate prices. All necessary documents against utilization of IPO proceeds have been verified and reconciled with the Bank Statements.

We assure you all of our best of professional services and co-operation.


Chittagong, 10 April 2017.


Showkat Hossain, FCA
Senior Partner

Status Report on Utilization of Proceeds from Public Offering
Of
The Peninsula Chittagong Limited
For the Month of March 2017

	<u>Amount</u>
	<u>Taka</u>
Bank Balance as on 31 March 2017 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-012324300013222 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
Cash at Eastern Bank Limited, A/C No-0011360813331	12,002,470
Total balance in Bank Accounts for IPO proceeds	<u><u>1,162,002,470</u></u>


	<u>Amount</u>
	<u>Taka</u>
Reconciliation between unutilized balance and bank balance:	
Balance to be utilised as per Status Report	1,153,971,766
Add:	
Exchange loss on IPO subscription in Foreign Currencies	(41,928)
Bank charges and others etc.	(38,164)
Amount refundable to IPO applicants	6,397,542
Interest credited (net of tax)	1,713,254
	8,030,704
Total balance in Bank Accounts for IPO proceeds	<u><u>1,162,002,470</u></u>


Managing Director


Director


Company Secretary

As per our annexed certificate of same date.


Showkat Hossain, FCA
Hoda Vasi Chowdhury & Co
Chartered Accountants

Chittagong, 10 April 2017

Report on Utilization of IPO Proceeds for the month of March 2017

Name of the Company : The Peninsula Chittagong Limited
 Amount(BDI) 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)

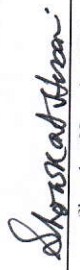
Sl.	Purpose Mentioned in the Prospectus	Time line as per prospectus	Revised time line (upto...)	Amount as per prospectus	Amount as per revised utilization Plan	Status of Utilization			Remarks
						Total Utilized Amount	Utilized %	Total Un-utilized amount	
1	Extension of The Peninsula Chittagong	30.05.14	-	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	30.06.16	31.12.18	1,410,526,766	1,160,526,766	6,555,000	0.56%	1,153,971,766	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	142,891,914	142,891,914	100%	-	Excess amount of Tk. 9,918,680 required due to charging of interest on loan during the period from 01 January 2014 to the date of repayment.
4	Repayment of Short Term Bank Loan	-	-	-	338,672,246	338,672,246	-	-	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	7,909,074	7,909,074	100%	-	Revised Utilization plan has been approved by shareholders in EGM held on 02.03.15
Total						496,028,234		1,153,971,766	Refer to Annexure

Percentage Interest on IPO/RPO/RI proceeds (Accrued) 7% 683,698.63
 Un-utilized IPO/RPO/RI proceed with interest income 1,154,655,465


 Company Secretary
 As per our annexed certificate of same date


 Director

 Managing Director


 Showkat Hossain, FCA
 Hoda Vasi Chowdhury & Co
 Chartered Accountants