

**Certificate on  
Status Report on Utilization of Proceeds  
From Initial Public Offering (IPO) of  
The Peninsula Chittagong Limited  
For the Month of June 2023**



Solution....Begins

**Certificate on**  
**Status Report on Utilization of Proceeds from Initial Public Offering (IPO) of**  
**The Peninsula Chittagong Limited**  
**For the Month of June 2023**

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 1,424,879,804 till 30 June 2023 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 225,120,196 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 9<sup>th</sup> EGM held on 23 June 2022.
- 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 9<sup>th</sup> EGM held on 23 June 2022. We also report that:
  - 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.

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- 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 225,120,196 an amount of Taka 220,000,000 has been kept in 4 (Four) FDR accounts, Taka 3,463,473 bank balance is lying with Eastern Bank Limited A/c No. 0011360813331, Taka 375,303 bank balance is lying with The Premier Bank Limited A/c No. 012313100000768 and Taka 1,281,419 bank balance is lying with Modhumoti Bank Limited A/c No. 113311100000085. The 4 (Four) FDRs total amounting Taka 220,000,000 are under Lien to bank to avail loan.
- iv. Implementation time for construction of Peninsula Airport Garden has been extended up to 31.12.2023 instead of 30.06.2022 by obtaining approval from general shareholders in their meetings held on 02 April 2015, 04 December 2016, 30 October 2018, 14 December 2020 & 23 June, 2022.
- v. Interest on FDR up to 30 June 2023 stood at Taka 623,777,691 and un-utilized IPO proceeds along with interest income stood at Taka 848,897,887.
- 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 8<sup>th</sup> 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 & 23 June 2022.
- 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, 11 July 2023**

**For and on behalf of**  
**Rahman Mostafa Alam & Co.**  
Chartered Accountants



**Arafat Kamal FCA**  
Partner  
ICAB Enrollment No : 1184

## Report on Utilization of IPO Proceeds for the month of June 2023

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 July 2016 (Subsequently extended upto 31.12.2023)

(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 June 2023 | 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                  | 31.12.2023        | 1,410,526,766            | 1,170,445,446                          | 24,316,249            | 945,325,250           | 80.77%        | 225,120,196             | 19.23%         | Revised Utilization plan has been approved by shareholders in EGM held on 23.06.2022                   |
| 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%          | -                       | 0.00%          | The amount has been fully utilized as per revised utilization plan.                                    |
| <b>Total</b> |   |                             |                   |                          | 1,650,000,000                          | 1,650,000,000         | 24,316,249            | 1,424,879,804 |                         | 225,120,196    | Refer to Annexure  |

Current Interest rate  
 Interest on IPO/RPO/RI proceeds (upto June-2023)  
 Unutilized IPO/RPO/RI proceed with interest income

|             |
|-------------|
| 6% to 7.25% |
| 623,777,691 |
| 848,897,887 |

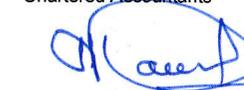
  
 \_\_\_\_\_  
 Chairman

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Company Secretary

Chattogram, 11 July 2023

For and on behalf of  
 Rahman Mostafa Alam & Co.  
 Chartered Accountants

  
 Arafat Kamal FCA  
 Partner  
 ICAB Enrollment No: 1184



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For the Month of June 2023**

|  | <u>Amount</u>      |
|--|--------------------|
|  | <u>Taka</u>        |
| <b>Bank Balance as on 30 June 2023 was made up as follows:</b> |                    |
| FDR No-012327100012995 in The Premier Bank Ltd.                | 100,000,000        |
| FDR No-012327100012996 in The Premier Bank Ltd.                | 50,000,000         |
| FDR No-012323100000107 in The Premier Bank Ltd.                | 50,000,000         |
| FDR No-012327100013900 in The Premier Bank Ltd.                | 20,000,000         |
| Balance at Modhumoti Bank Limited, A/C No-113311100000085      | 1,281,419          |
| Balance at The Premier Bank Limited, A/C -012313100000768      | 375,303            |
| Balance at Eastern Bank Limited, A/C No-0011360813331          | 3,463,473          |
| <b>Total balance in Bank Accounts for IPO proceeds</b>         | <b>225,120,196</b> |

|  | <u>Amount</u>    |
|--|------------------|
|  | <u>Taka</u>      |
| <b>Reconciliation between unutilized balance and bank balance:</b>         |                  |
| Balance at Eastern Bank Limited, A/C No-0011360813331                      | 3,463,473        |
| <b>Add:</b>  |                  |
| Exchange loss on IPO subscription in Foreign Currencies                    | (41,928)         |
| Bank Charge and others etc.  | (171,665)        |
| Interest credited (net of tax)   | 4,346,433        |
| Received from General Fund   | 50,000           |
|  | 4,182,839        |
| <b>Balance as per Bank statement (Eastern Bank Limited, A/C No-813331)</b> | <b>7,646,313</b> |



Chairman



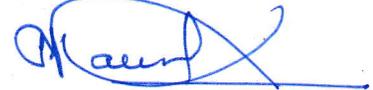
Director



Company Secretary

Chattogram, 11 July 2023

For and on behalf of  
**Rahman Mostafa Alam & Co.**  
Chartered Accountants


**Arafat Kamal FCA**

Partner

ICAB Enrollment No: 1184



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 | Status of Utilization      |                       |               |                         |                | Utilization Time Line   |        |                  |
|---|-----------------------------|-------------------|--------------------------|---|----------------------------|-----------------------|---------------|-------------------------|----------------|-------------------------|--------|------------------|
|   |                             |                   |                          |   | Utilized in June 2023 Taka | Total utilized amount | Utilized (%)  | Total unutilized amount | Unutilized (%) |                         |        |                  |
| Land Lease                                      | 30.06.2016                  | 31.12.2023        | 396,450,000              | 6,555,000                                   |                            | 6,555,000             | 100.00%       | -                       | 0.00%          | By April 2017           |        |                  |
| Land Development & Registration                 |                             |                   | 23,500,000               |   |                            |                       |               |                         |                |                         |        |                  |
| Civil Works                                     |                             |                   | 180,000,000              | 684,088,507                                 | 1,288,292                  | 683,397,673           | 99.90%        | 690,834                 | 0.10%          | By December 2023        |        |                  |
| Machineries, Equipment's and Vehicle            |                             |                   | 276,000,000              | 7,839,630                                   | -                          | 7,839,630             | 100.00%       | -                       | 0.00%          | By December 2023        |        |                  |
| Interior Decoration, Furniture and Fixtures     |                             |                   | 284,000,000              | 127,133,101                                 | 19,185,730                 | 48,481,461            | 38.13%        | 78,651,640              | 61.87%         | By December 2023        |        |                  |
| Parking   |                             |                   | 33,000,000               | 31,333,361                                  | -                          | 31,333,361            | 100.00%       | -                       | 0.00%          | By December 2023        |        |                  |
| Kitchen, Crockeries and Cutleries               |                             |                   | 50,000,000               | 24,992,875                                  | -                          | 24,992,875            | 100.00%       | -                       | 0.00%          | By December 2023        |        |                  |
| Laundry   |                             |                   | 26,000,000               | 10,177,868                                  | -                          | 10,177,868            | 100.00%       | -                       | 0.00%          | By December 2023        |        |                  |
| Restaurant and Bar                              |                             |                   | 65,000,000               | -   | -                          | -                     | 0.00%         | -                       | 0.00%          | By December 2023        |        |                  |
| Health Club and SPA                             |                             |                   | 25,000,000               | -   | -                          | -                     | 0.00%         | -                       | 0.00%          | By December 2023        |        |                  |
| Swimming Pool                                   |                             |                   | 13,200,000               | -   | -                          | -                     | 0.00%         | -                       | 0.00%          | By December 2023        |        |                  |
| Lift & Generator and Utility                    |                             |                   | 38,376,766               | 47,123,133                                  | -                          | 21,711,112            | 46.07%        | 25,412,021              | 53.93%         | By December 2023        |        |                  |
| Sanitary and Plumbing Work                      |                             |                   |                          |   |                            | 52,571,032            | 3,373,303     | 43,624,653              | 82.98%         | 8,946,379               | 17.02% | By December 2023 |
| Electric Work                                   |                             |                   |                          |   |                            | 28,630,939            | 468,924       | 25,629,642              | 89.52%         | 3,001,297               | 10.48% | By December 2023 |
| Air Condition Work                              |                             |                   |                          |   |                            | 120,000,000           |               | 25,354,960              | 21.13%         | 94,645,040              | 78.87% | By December 2023 |
| <b>Construction of Peninsula Airport Garden</b> | <b>30.06.2016</b>           | <b>31.12.2023</b> | <b>1,410,526,766</b>     | <b>1,170,445,446</b>                        | <b>24,316,249</b>          | <b>945,325,250</b>    | <b>80.77%</b> | <b>225,120,196</b>      | <b>19.23%</b>  | <b>By December 2023</b> |        |                  |



Chairman



Director



Company Secretary

Chattogram, 11 July 2023

For and on behalf of  
Rahman Mostafa Alam & Co.  
Chartered Accountants

Arafat Kamal FCA

Partner

ICAB Enrollment No: 1184

