

PROSPECTUS

APEX WEAVING & FINISHING MILLS LIMITED

A PUBLIC LIMITED COMPANY

FOR PUBLIC OFFER OF 1,100,000 ORDINARY SHARES OF TAKA 100/- EACH AT PAR FOR TAKA 110,000,000/-
SUBSCRIPTION OPENS : FEBRUARY 11, 1995 SUBSCRIPTION CLOSES : FEBRUARY 20, 1995.

◆ REGISTERED OFFICE ◆ AUTHORISED CAPITAL ◆ UNDERWRITTEN BY ◆ ADVISOR TO THE ISSUE ◆

DHAKA CHAMBER BUILDING
(6TH FLOOR), 65-66 MOTIJHEEL C/A
DHAKA, BANGLADESH.

TAKA 75 CRORE DIVIDED
INTO 75,00,000 ORDINARY
SHARES OF TAKA 100 EACH

115 MEMBERS OF DHAKA STOCK EXCHANGE LTD
UNDER THE LEAD MANAGERSHIP OF
MR KHWAJA A QUDDUS

PACIFIC
SECURITIES
COMPANY

"Consent of the Commission has been obtained to the issue of capital under the Securities & Exchange Ordinance, 1969 as amended in 1993 by an order of which, a complete copy is open to public inspection at the registered office of the company. It must be distinctly understood that in giving this consent the commission does not take any responsibility for the financial soundness of any scheme or for the correctness of any of the statements made or opinion expressed with regard to them."

A dated and signed copy of this prospectus has been filed for registration with the registrar of Joint Stock Companies, Bangladesh as required by Section 138 (1) of the Companies Act, 1994.

Application has been made to the Dhaka Stock Exchange Limited for admission of the shares of the company for dealings on the stock market and for their quotation on the Dhaka Stock Exchange. If for any reason, the application for listing is not accepted by the Dhaka Stock Exchange Limited, the company undertakes to publish in the press a notice to that effect within 7 (seven) days of such rejection and thereafter to refund the subscription money to any applicant who may apply in writing for such refund within 30 (thirty) days of the date of publication of the notice of refusal.

SUBSCRIPTION OF 1,100,000 ORDINARY SHARES OF Tk. 100/- EACH AT PAR BEING HEREBY OFFERED WILL OPEN AT THE COMMENCEMENT OF BANKING HOURS ON FEBRUARY 11, 1995 AND WILL CLOSE ON FEBRUARY 20, 1995 AT THE CLOSE OF THE BANKING HOURS.

PART I

1. PROJECT HIGHLIGHTS:

- Apex Weaving & Finishing Mills Limited (AWFML) is being setup as a 100% export oriented Weaving, Printing, Dyeing, Finishing and Stitching unit for the production of Bed Linen.
- The project is designed on the basis of Apex's extensive experience in textiles and garments and in consultations with Associated Productivity Consultants (APC), who are retained consultants for most of the large textile manufacturers of Pakistan.
- In case of change in the Bed Linen Market the project can change product mix and produce fabrics for the export oriented garment industries of Bangladesh without any additional cost and with similar profitability.
- Based on the export business relationships, the sponsors have created an extensive marketing network in the developed countries, which will serve as the distribution network for the products of this project.
- AWFML will add value to locally produced and imported yarn, and will reduce import of finished fabric for the export oriented garment factories.
- The debt of the project is financed by Sonali Bank and Industrial Development and Promotion Company (IPDC) following a separate appraisal of the project. IPDC is a Development Financial Institution jointly formed by International Finance Corporation, Commonwealth Development Corporation, Aga Khan Fund and Bangladesh Government.

2. RISK FACTORS:

- Global decline in demand for Bed Linen will affect the profitability of the company. With the increase in population and standard of living, even in the so-called third world countries, it is highly unlikely that the demand for Home textiles will decline; rather a hefty increase in demand is expected.
- Any new technology which drastically reduces the labour input may change the competitiveness of Bangladesh. Because of the diversity of products, apparel industry is relatively immune to automation and will remain labour intensive. For this reason textile and apparel industries in developed and newly developed countries are closing down and are relocating in the less developed countries.
- With the implementation of GATT within 5 years, the quota system will be phased out in 10 years. Can Bangladesh continue to be competitive? Yes, Bangladesh will remain competitive because of the cheap labour and energy.
- Any adverse change in the Government policy may affect the profitability of the company. The global trend today is towards free market and open economy. So it is unlikely that any Government will change policies that adversely affect export.

3. PURPOSE OF THE ISSUE

The purpose of the issue is to raise funds for setting up 100% export oriented Weaving, Printing, Dyeing, Finishing and Stitching unit for production of Bed Linen.

4. HEADWISE UTILIZATION OF PROJECT FUND

Figure in BDT '000

EXPENDITURE HEADS	BEFORE ISSUANCE OF PROSPECTUS	AFTER ISSUANCE OF PROSPECTUS	TOTAL
Land & Land Development	8,275	-	8,275
Building & Civil Construction	2,592	51,211	53,803
Plant Machinery & Utilities Including Insurance Charges (Marine)	160,290	288,858	449,148
Furniture, Fixture, Office Equipments & Vehicles	1,216	4,284	5,500
Pre-Operating Cost, Transport-Erection Insurance (Inland) Import Expenses, Installation & Training Expenses & Others	8,981	13,916	22,897
Preliminary & IPO Expenses	84	9,519	9,603
Interest During Construction Period	-	22,047	22,047
Initial Working Capital	-	-	68,958
Sub Total	181,438	3,89,835	
Grand Total			6,40,231

5. PROJECT PROGRESS PLAN:

- Expected Month of Completion of the Factory Building: June '95
- Expected Month of Installation of Machineries and Equipments: August-September '95
- Expected Month of Trial Production: October-November '95
- Expected Month of Commercial Production: December '95

6. SHARE ISSUE:

Authorised Capital: 75,00,000 Ordinary Shares of Tk. 100 each

Issue of 35,00,000 ordinary shares of Tk. 100/- each at par

TOTAL Tk. 35,00,00,000/-

7. OUT OF THE ISSUE

- Sponsors portion of share capital i.e. 14,00,000 ordinary shares of Tk. 100/- each amounting to Tk. 14,00,00,000 shall have to be raised as per conditions of the consent order given by SEC

6,00,000 ordinary shares of Tk. 100 each have been subscribed and paid in cash in full by the sponsors

Balance amount of Tk. 8,00,00,000 shall be deposited in Sonali Bank account within the period of implementation of the project.

Sub-total Tk. 14,00,00,000/-

- 460,000 ordinary shares of Tk. 100/- each have been subscribed and paid for in cash in full by HSBC International Trustee Ltd., Hong Kong.

Tk. 4,60,00,000/-

- 320,000 ordinary shares of Tk. 100/- each have been subscribed and paid for in cash in full by Somers Nomineers (Far East) Ltd., C/O Banque Indosuez, Dhaka.

Tk. 3,20,00,000/-

- 2,20,000 ordinary shares of Tk. 100/- each have been subscribed and paid for in cash in full by Smith New Court Far East Ltd., Hong Kong.

Tk. 2,20,00,000/-

Sub-total Tk. 10,00,00,000/-

- 2,20,000 ordinary shares of Tk. 100/- each have been kept reserved for ICB, are being offered for subscription in cash in full on application.

Tk. 2,20,00,000/-

- 30,000 ordinary shares of Tk. 100/- each have been kept reserved for the regular employees of the Apex Group and are being offered for subscription in cash in full on application.

Tk. 30,00,000/-

- 8,50,000 ordinary shares of Tk. 100/- each are being hereby offered to the General Public for subscription in cash (in five slabs) in full

Tk. 8,50,00,000/-

Tk. 11,00,00,000/-

TOTAL Tk. 35,00,00,000/-

8. CONDITIONS OF OFFER AND ALLOTMENT OF SHARES:

- Investment Corporation of Bangladesh (ICB) shall have the right to preferential allotment of 2,20,000 ordinary shares at par. Employees of Apex Group shall also have the right of preferential allotment to the extent of 30,000 shares at par. No employee shall however be allotted ordinary share of more than 100 shares.

Any part of such shares not taken up by them shall be allotted to general public in the manner as determined by the Securities & Exchange Commission (SEC) or if over subscribed then the basis of allotment will be determined by the SEC.

- After deducting shares subscribed by ICB, and the employees of Apex Group the basis of allotment of shares to General Public shall be as follows: 8,50,000 ordinary shares of Tk. 100 each are being offered to the general public as follows:-

i) 50% shares i.e. 4,25,000 ordinary shares are being offered to the applicants for 50 shares. Tk. 4,25,00,000.00

ii) 10% of shares i.e. 85,000 ordinary shares are being offered to the applicants for 100/150/200 shares. Tk. 85,00,000.00

iii) 10% of shares i.e. 85,000 ordinary shares are being offered to the applicants for 250/300/350/400 shares. Tk. 85,00,000.00

iv) 10% of shares i.e. 85,000 ordinary shares are being offered to the applicants for 450/500/550/600 shares. Tk. 85,00,000.00

v) 20% of shares i.e. 1,70,000 ordinary shares are being offered to the applicants for over 600 shares for financial institutions or other securities related institutional investors. Excluding sponsors group companies. Tk. 1,70,00,000.00

Tk. 8,50,00,000.00

i) The applicants of minimum lot of 50 shares shall be accommodated fully if the subscription is within Tk. 4.25 Crores. In case of over subscription the allotment shall be made by lottery among such applicants.

ii) Allotment amongst applicants for lots other than minimum lot shall be made proportionately in case of over subscription.

- In case any difficulty arises with respect to implementation of 8 a & b (i) and (ii) above the allotment of shares to applicants shall be made in such manner as may be determined by the Securities & Exchange Commission.

- Applications must not be for less than 50 shares and must be for multiple of 50 shares. Any application not meeting this criterion will not be considered for allotment purposes.

- There are no founders, management or deferred shares. It is also not presently intended to issue any preference shares.

- No payment has been or is intended to be made to the Promoters, Directors or other persons for promotion of the company.

- The minimum subscription on which the Directors will proceed to allot is the full amount of the present issue as that is the amount which in the opinion of the Directors must be raised in order to provide capital required for the project.

PART II

1. UNDERWRITING: The public offering of 1,100,000 ordinary shares has been underwritten by the 115 members of Dhaka Stock Exchange Ltd. The name of the underwriters are as follows:

NAMES OF MEMBERS	MEMBER NUMBER	NO. OF SHARES UNDERWRITTEN	AMOUNT (Tk.)
Mr. Khwaja Abdul Quddus (Lead Manager)	37	9,565	956,500
Mr. Md. Shahiq Khan	39	9,565	956,500
Mr. Jobair Hossain	93	9,565	956,500
Mr. Khurshid Alam	167	9,565	956,500
Mr. Intiyaz Husain	50	9,565	956,500
Mr. Nur-e-Alam Siddique	182	9,565	956,500
M/S. AKM Abdur Razzak & Sons	184	9,565	956,500
Mr. Mian Abdur Rashid	53	9,565	956,500
Mr. Hemayet Udding Ahmed	136	9,565	956,500
Mr. A.B.S. Safdar	124	9,565	956,500
Mr. M.A. Huq Howlader	102	9,565	956,500
Mr. Jamal Ahmed	97	9,565	956,500
Mr. M.A. Quayum	38	9,565	956,500
Mr. Abdul Haque	77	9,565	956,500
Mr. Md. Rakibur Rahman	142	9,565	956,500
Mr. M. Akbar Ali	105	9,565	956,500
Mr. NIFCO Ltd.	104	9,565	956,500
Mr. Syed Mahbub Mürshed	116	9,565	956,500
Mr. Mostaque Ahmed sadeque	158	9,565	956,500
Mr. Sarif Ataur Rahman	27	9,565	956,500
Mr. Hasan Faruque Khan	128	9,565	956,500
Mr. Md. Azizul Haque	34	9,565	956,500
Mr. AMM Iqbal Ali	112	9,565	956,500
M/S Capital Roots	145	9,565	956,500
Mr. Hashimuddin Ahmed	107	9,565	956,500
Mr. Tariqul Alam Khan	174	9,565	956,500
Mr. Hajeer Mohammad Ali	165	9,565	956,500
Mr. M. Abdul Rashid	35	9,565	956,500
Mr. Ataul Hoq	73	9,565	956,500
Mrs. Jahanara Begum	138	9,565	956,500
Mr. Saiful Islam	162	9,565	956,500
Mr. M. Shamsur Rahman	176	9,565	956,500
Mr. Moazzem Husan Chowdhury	156	9,565	956,500
Mr. Md. Sahidullah	91	9,565	956,500
Mr. Giasuddin Ahmed	186	9,565	956,500
Mr. Monzurur Rahman	185	9,565	956,500
Mrs. Hosne Ara Begum	2	9,565	956,500
Mr. Nasir-Ur-Rahman Sinha	67	9,565	956,500
Mr. Mohd. Shahid Ullah	44	9,565	956,500
Mr. Saiful Islam Chowdhury	113	9,565	956,500
Mr. Monirul Islam	118	9,565	956,500
Mr. Asoke Das Gupta	89	9,565	956,500
Mrs. Rakhi Das Gupta	94	9,565	956,500
Mrs. Shafinaz Begum	51	9,565	956,500
Mr. Azizur Rahman	189	9,565	956,500
Mr. Kazi Firoz Rashid	29	9,565	956,500
Mr. Enayetur Rahman	16	9,565	956,500

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