

PROSPECTUS

CMC-KAMAL TEXTILE MILLS LIMITED

SUBSCRIPTION OPENS: AUGUST 4, 1997
SUBSCRIPTION CLOSES: AUGUST 13, 1997

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Repairs & Maintenance	8,654
Rent, Rates & Taxes	21,800
Start up expenses including documentation and monitoring fees	49,10,383
Travelling and conveyance	30,715
Labour cost	16,266
Employees welfare expenses	15,196
Supervision fees	3,40,000
Survey fees	46,000
Project examination fees	12,90,000
General expenses	31,380
Audit fees	14,000
Advertisement expenses	47,800
Administrative expenses during construction	14,70,803
Miscellaneous Expenses	2,62,583
Miscellaneous receipts	(10,000)
	Tk. 1,01,73,899
	Tk. 14,14,078

6.1 FEES AND FORMS:

The above is consisting of as follows:	
Technical fees	50,000
Soil test fees	40,000
Fees for certified copy with RJSC	10,000
Electricity connection fees	2,32,152
Telephone connection fees	34,000
Fees for documentation with BSB	33,000
Survey fees	32,500
Fees for Mortgage Deed with RJSC	14,190
Engineering and Consultation fees for test & design	8,50,000
Registration fees for the Mortgage Deed	71,000
Others	47,236
	14,14,078
	Tk. 14,77,85,022

7. FIXED ASSETS:

Break up of the above amount is as follows:	
Land & Land Development (Note-7.01)	1,24,95,857
Building & Civil Construction (Note-7.02)	2,51,84,431
Plant & Machinery (Note-7.03)	10,84,80,762
Furniture & Fixtures	4,41,402
Vehicles & Transport	11,70,000
Office Equipment	12,570
	Tk. 14,77,85,022

7.01 Land including land development

The company already acquired 20 bigha of land in the name of the company vide registered deed No. 10498 dated 29.08.95 in C/S/S.A. Plot No. 886 and 891 in Mouza-Bashbari under P.S. and Sub-Register office Savar District, Dhaka. The above is consisting of:	
Cost Price for 20 bighas	Tk. 80,00,000
Registration cost	12,90,000
Land Development	28,45,367
Road Development	3,60,490
Total:	Tk. 1,24,95,857

7.02 Building and Civil Construction:

Total covered area of the main factory building is 96,355 sq. ft. and total construction of the factory building will be about 1,05,605 sq. ft. excluding office and auxiliary buildings, etc. Out of the same, by now almost 80% of the construction of the factory building is completed.

7.03 Plant and Machinery:

The above is made up as follows:	
Cost of the Plant and Machinery now in transit (Note-a)	10,66,57,335
Insurance premium on imported Plant and Machinery	10,20,872
Bank charges and commission	8,02,555
Total:	Tk. 10,84,80,762
Note - a: Plant and Machinery Account	Tk. 10,66,57,335

This is representing the value the imported machinery from Shandong Machinery I & E Corporation, China. The machinery covered under the Letter of Credit has since been shipped by the supplier and expected to arrive at the factory site by end February, 1997.

8. ISSUED SUBSCRIBED AND PAIDUP SHARE CAPITAL:

The made up of the above is as follows:	
(a) Mr A H M Mostafa Kamal, FCA, MP	22,50,000
(b) Mrs. Kashmiri Kamal	16,00,000
(c) Mr. Golam Sarwar	3,43,000
(d) Mr. Sanwer Dito	1,50,000
(e) Mr. Arifur Rahman	3,37,000
(f) Miss. Kashfi Kamal	1,70,000
(g) Miss. Nafeesa Kamal	1,50,000
	Tk. 50,00,000

9. SHARE MONEY DEPOSIT:

The following amounts have been deposited by the Share holders in cash as share money for raising paidup share capital:

Mr. A H M Mostafa Kamal, FCA, MP	2,12,50,000
Mrs. Kashmiri Kamal	1,64,06,500
Mr. Golam Sarwar	49,50,500
Mr. Sanwer Dito	42,50,000
Miss. Kashfi Kamal	42,50,000
Dr. Arifur Rahman	96,43,000
Miss. Nafeesa Kamal	42,50,000
SABINCO	1,60,00,000
	Tk. 8,10,00,000

10. LONG TERM LOAN:

This project loan has been taken from SABINCO for opening Letter of Credit for import of Capital Machinery from Shandong Machinery I & E Corporation, China, for US \$24,99,878.95.

11. ACCOUNTS PAYABLE:

The break up of the above account is given below:	
(a) M/s. Hossain Steel Corporation	19,168
(b) M/s. Parikalpa Architect Engg. & Planner	1,80,000
(c) M/s. Chittagong Traders	1,35,033
	3,34,201

12. CONTINGENT LIABILITIES:

No contingent liabilities exist on Balance Sheet date.

AUDITORS REPORT UNDER PARA 24 OF PART II OF THE THIRD SCHEDULE OF THE COMPANIES ACT, 1994

We have examined the financial statements of CMC-Kamal Textile Mills Limited for the period ended 31 December 1996 and report in accordance with para 24 of Part II of the Third Schedule of the Companies Act, 1994, that the Company:

- Owne assets and owne liabilities as at 31 December 1996
- | | |
|-----------------------|--------------|
| Items | Taka |
| Fixed Assets | 14,77,85,022 |
| Net Current Assets | 4,48,72,313 |
| Total Assets | 19,26,57,335 |
| Paid-up Share Capital | 50,00,000 |
| Share Money Deposit | 8,10,00,000 |
| Long Term Loan | 10,66,57,335 |
| | 19,26,57,335 |
- Installed its machinery;
 - did not declare any dividend for the period;
 - did not prepare any account for subsequent to 31 December 1996.

Place: 85, Naya Paltan (3rd Floor), Dhaka
Date: 26 January 1997

Rahman Mostafiz & Co.
Chartered Accountants

PART IX
CMC-KAMAL TEXTILE MILLS LIMITED
CORPORATE MANAGEMENT

The management of the company affairs and the day to day business are carried on by the Managing Director Mr A H M Mustafa Kamal, FCA MP. The Managing Director is assisted by a group of senior and experienced professionals including executives and junior officers who have adequate experience and qualifications in the respective functional areas.

At present the Board of Director is constituted as follows:

Name	Name of the Company	Status
1. Mr A H M Mustafa Kamal, FCA, MP	Lotus Bangladesh (Pvt) Ltd Lotus Engineering Industries Ltd Hardwood Dimension (BD) Ltd Tivoli (Bangladesh) Ltd Feather Touch Leather Garments Ltd Orbital Enterprise Orbital Travels Gulshan Medicare Royal Medical Services Lotus-Kamal Knitwear Limited	Managing Director do do do do do do do do do
2. Mrs Kashmiri Kamal	Lotus Bangladesh (Pvt) Ltd Lotus Engineering Ltd	do Director

	Hardwood Dimension (BD) Ltd	do
	Feather Touch Leather Garments Ltd	do
	Orbital Enterprise	do
	Gulshan Medicare	do
	Royal Medical Services	do
	Lotus-Kamal Knitwear Ltd	do
3. Mr Golam Sarwar	Lotus Bangladesh (Pvt) Ltd Lotus Engineering Industries Ltd Hardwood Dimensions (BD) Ltd Lotus-Kamal Knitwear Ltd	do Director do do
4. Dr. Arifur Rahman MBBS	Journalist in the Dainik Bangla & Bichitra. Served in Al Haneya for recruitment, Riyadh Kingdom of Saudi Arabia.	do do
5. Mr. AHM Mofazzal Karim, Secretary, Ministry of Shipping National Chemicals Mfg. Co.Ltd Republic of Bangladesh, Bangladesh Secretariat Dhaka.	Saudi-Bangladesh Industrial and Agricultural Investment Company Limited (SABINCO) Bangladesh Catfish Limited National Chemicals Mfg. Co.Ltd Saudi-Bangla Fish Feed Ltd Impress Leather Process Ltd Tulip Dairy and Food Products Ltd.	Deputy Chairman Chairman do Director Director Director
6. Mr Md Kutubuddin Managing Director Saudi-Bangladesh Industrial and Agricultural Investment Co. Ltd (SABINCO) BSEC Bhaban (5th Floor), 102, Kazi Nazrul Islam Avenue, Dhaka.	Bangladesh Catfish Ltd. Gazi Fish Culture Ltd S&M Fish Culture Ltd Tulip Dairy and Food Products Ltd Impress Leather Process Ltd Meghna Cement Mills Ltd TMR Knit Fabrics Ltd Saudi Bangla Fish Feed Ltd Mita Textiles Ltd Confidence Cement Ltd Dynamic Textile Industries Ltd	Director-in-Charge do do do do do do do do do do

In addition to the Board of Directors, the company employed MBAs, several engineers, professional accounts of other disciplines who are engaged in the day to day running of the company.

DIRECTORS' INTEREST

The directors have no personal interest to the extent of receiving the ordinary remuneration provided by the Articles of Association.

NUMBER OF DIRECTORS

Unless otherwise determined by the company in the general meeting, the number of directors shall not be less than 03(three) or more than 11(eleven).

QUALIFICATION

The qualification of a director shall be his/her holding of shares in the company of the value of Tk 2,00,000.00 at least in his/her own name, reliable in the case of directors representing interest holding shares of the requisite value.

REMUNERATION

The remuneration of the directors shall be Tk 750.00 or such sum per meeting as may be decided by the shareholders from time to time for attending each meeting of the Board.

BORROWING POWER

The director may from time to time raise or borrow from any person, bank or company and may themselves lend any sum or sums of money for the purpose of the company.

PART-X
MISCELLANEOUS

Material Contracts:

The followings are all material contract not being contract in the ordinary course of business which have been entered into by the company:

- Underwriting Agreements.
 - Issue Management Agreement between the Company and Capital Roots Limited
- Copies of the aforementioned contracts and a copy of Memorandum and Articles of Association of the Company and the consent order from Securities and Exchange Commission may be inspected on any working day during office hours at the Company's Registered Office.

PART XI
PROFORMA FOR APPLICATION FOR SHARES
CMC-Kamal Textile Mills Ltd.

APPLICATION FOR SHARES

WARNING: Please read the instructions at the back of this form.
Incorrectly filled applications may be rejected

The Directors
CMC-Kamal Textile Mills Limited
49, Gulshan South Avenue
Gulshan-1, Dhaka.

Banker's SI. #.....
Broker's SI. #.....

Dear Sir,

I/We apply for and request you to allot me/us the following number of shares and I/we agree to accept the sum or any smaller number that may be allotted to me/us upon the terms of the company's approved prospectus and subject to the Memorandum and Articles of Association of the company. Further I/we authorise you to place my/our name(s) on the Register of Members of the company as the holder(s)..... ordinary shares allotted me/us pursuant to this application and to send allotment letter in respect thereof and/or account payee cheque in respect of any application money returnable by post at my/our risk to the first applicant's address stated below:

- No of ordinary shares..... of Tk. 100.00 each.
- Amount of Tk. (in figure)..... Taka (in words)..... only deposited vide Cash/Cheque/Bank Draft/Pay Order No. date on..... Bank..... Branch.....
- I/we agree to fully abide by the instructions given herein.
- Name and Address:

- Sole/First Applicant:
Mr./Mrs./Miss.....
Father's Name/Husband's Name.....
Postal Address:.....
Occupation:..... Nationality.....
Passport/ID No. (if any).....
For Refund Warrant, applicant's Bank A/C #.....
Name of the Bank..... Branch.....
- Second Applicant:
Mr./Mrs./Ms.
Father's/Husband's Name:.....
Postal Address:.....
Occupation:..... Nationality.....
- Specimen Signature (s).....

- Name (In Block).....
Signature.....
- Name (In Block).....
Signature.....

BANKER'S ACKNOWLEDGMENT

Certified that this Bank has received Tk. (Taka.....) only from Mr. being the application money for No. of ordinary shares of CMC-Kamal Textile Mills Limited.

INSTRUCTIONS

- All information must be typed or written in full (in block letters in English or Bengali and must not be abbreviated.)
- Application must be made on the company's printed form/photocopy/type copy/hand written form thereof.

- Application must not be made for less than 50 ordinary shares of face value Tk. 5000.00 and must be for multiple of 50 ordinary share. Any application not meeting this criterion will not be considered for allotment purpose.
- Remittance for the full amount of the shares must accompany each application and must be forwarded to any of the bankers to the issue. Remittance should be in the form of cash/cheque/bank draft/pay order payable to one of the bankers to the issue A/C, CMC-KAMAL TEXTILE MILLS LIMITED and crossed "A/C. PAYEE ONLY" and must be drawn on a bank in the same town as the bank to which the application form has been sent.
- In the case of Joint Application Form, the allotment letter will be dispatched to the person whose name appears first on this application form and where any amount is refundable in whole or in part the same will be refunded by account payee cheque by post/courier service to the person named first on this application form in the manner prescribed in the prospectus.
- Joint applications from more than two persons will not be accepted. In the case of joint application each party must sign the application form.
- Application must be full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Application from financial and market intermediary companies must be accompanied by Memorandum of Association and Articles of Associations.
- An Applicant can submit not more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, those in excess of two applications shall not be considered for allotment purposes.
- No receipt will be issued for the payment made with application but a provisional acknowledgment will be issued by the bankers to the issue for application lodged with them.
- Refund will only be made through "Account Payee" cheque (s) only with Bank account number and name of bank branch as mentioned in the application.
- Allotment shall be made solely in accordance with the instructions of the Securities and Exchange Commission.
- Marking of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information will make the application liable to refection and subject to forfeiture of application money. The said application money will be deposited in the account specified by the SEC. This may be in addition to any other penalties as may be provided for by law.
- Applications which do not meet the above requirements or application which are incomplete shall not be considered for allotment purposes.

CMC-Kamal Textile Mills Limited
APPLICATION FOR SHARES BY NON-RESIDENT BANGLADESHIS
WARNING: Please read the instructions at the back of this form.
Incorrectly filled applications may be rejected.

The Directors
CMC-Kamal Textile Mills Ltd
49, Gulshan South Avenue
Gulshan-1, Dhaka.

Banker's SI No.....

I/We apply for and request you to allot me/us the following number of shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's approved prospectus and subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name (s) on the Register of Member (s) of the Company as the holder (s) of..... Ordinary Shares allotted to me/us pursuant to this application and to send Allotment Letter in respect thereof and/or a Crossed (account payee only) Cheque in respect of any application money returnable by post/courier at my/our risk to the first applicant's address stated below:

- No. of Ordinary Shares of Taka. 100 each amounting to Tk (in figure)..... Taka (in words)..... only convertible into US Dollar at US Dollar 1.00= Tk 43.2590/UK Pound Sterling..... at UK Pound Sterling 1.00= Tk 71.6704
- Payment by draft/cheque no..... dated..... for US Dollar/UK Pound Sterling Tk..... drawn on..... branch of.....
- Refund Warrant to be issued in favour of the Sole/First Applicant having Bank A/C No..... with branch of.....
- Particulars of Applicant (s)

(A) Sole/First Applicant:

(i) Name	
(ii) Father's Name	
(iii) Occupation:	(iv) Nationality:
(v) Passport No	Valid upto
(vi) Date of birth	
(vii) Mailing Address	

(B) Second Applicant:

(i) Name	
(ii) Father's Name	
(iii) Occupation:	(iv) Nationality:
(v) Passport No	Valid upto
(vi) Date of birth	
(vii) Mailing Address	

(C) Nominee:

(i) Name	
(ii) Mailing Address:	

(D) Specimen Signature:

(i) Sole/First Applicant:	
(ii) Second Applicant	
(iii) Nominee	

INSTRUCTIONS

- All information must be written or typed in block letters in English and must not be abbreviated.
- Application must not be for less than 50 ordinary shares having value of Tk 5000 or multiple thereof.
- Application must be accompanied by a foreign demand draft drawn on a bank payable at Dhaka or a cheque drawn out of foreign currency deposit account maintained in Bangladesh for the full value of shares favouring CMC-Kamal Textile Mills Ltd. and crossed "Account payee only".
- Application shall be sent by the applicant directly to the company within 13th August 1997 so as to reach the company within 22 August 1997. Application, sent after 13th August 1997 or received by the company after 22 August 1997 will be considered for allotment purpose.
- Refund against over-subscription shall be made in the currency in which the value of shares was paid for by the applicant through Account payee cheque payable at Dhaka with bank account no. with bank's name and branch.
- In case of over-subscription, allotment shall be made proportionately solely in accordance with the instructions by SEC.
- Money receipt on clearance of draft or cheque, as the case may be, shall be sent by post to the applicant by the company.
- Joint application by two persons will be acceptable. In such a case, allotment or refund shall be made by post to the first applicant.
- Application must be made by an individual, a corporation or company a trust or a society and not by a firm, minor or persons of unsound mind.
- Making of any false statement or supplying incorrect information or suppressing any relevant information in the application shall make it liable to rejection and subject to forfeiture of the application money.
- The intending NRB applicants shall deposit share money by US \$/GB pound draft drawn on and payable in Dhaka, Bangladesh. So that the issuer collecting bank can clear that proceed and deposit the same into issuer bank account in time.
The NRB application along with the foreign draft, as above, is to be submitted to the company's head office direct.