

Abridged Version of Prospectus



M.I. CEMENT FACTORY LIMITED

Registered Office: West Mukterpur, Munshigonj, Head Office: Sena Kalyan Bhaban (19th Floor), Suite # 1901-1902, 195 Motijheel C/A, Dhaka- 1000. Phone: 880-2-9569437, 9564885, 9553022, Fax:880-2-9570392, Web: www.crowncement.com

Public offering of 30,000,000 ordinary shares of Tk. 10/- at an issue price of Tk. 111.60 each totaling of Tk. 3,348,000,000/-

Eligible Institutional Investors have subscribed 20% of the offer i.e. 6,000,000 ordinary shares of Tk. 10/- under book Building Method at a weighted average price of Tk. 111.60. Remaining 80% i.e. 24,000,000 ordinary shares of Tk. 10/- at an issue price of Tk. 111.60 per share (cut off price) are offered for General Public, NRB and Mutual Funds.

Subscription for General Public:

Opening date: 9 January 2011

Closing date: 13 January 2011

MANAGER TO THE ISSUE

Alliance Financial Services Limited, Rahman Chamber (3rd floor) 12-13 Motijheel C/A, Dhaka-1000. Tel: 9515468, 9515469 Fax: 88-02-9515467

CREDIT RATING BY CREDIT RATING AGENCY OF BANGLADESH LIMITED

Table with columns: Entity Rating (AA3), Long Term, Date of Rating (11 April 2010)

Subscription for NRB Applicants:

Opening date: 9 January 2011

Closing date: 22 January 2011

REGISTRAR TO THE ISSUE

Banco Trans World (BD) Limited, Ispahani Building (3rd Floor), 14-15 Motijheel C/A, Dhaka-1000. Phone: +88-02-9569541, 9553579, Fax: +88-02-9569612

CONSENT OF THE SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2006. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER, ISSUE MANAGER, UNDERWRITER AND/OR AUDITOR

Special Note: Please read the prospectus carefully which includes "Risk Factor" before taking your investment decision. An applicant cannot submit 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, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, whole or part of application money may be forfeited by the Commission.

BACKGROUND OF THE PROJECT: MI Cement Factory Limited (MICFL) was founded by 2 business groups of the country, namely Molla Group and Jahangir & Others Group. The group sponsors started their business in 1965 through trading of construction materials such as Cement, MS Rod, Steel Structure and gradually expanded its business into manufacturing and trading of construction materials such as Cement, Mild Steel, MS Rod, MS Bar, MS Angel, Billet CI Sheet. They have also diversified their business in Iodized Salt and Power Generation. M.I. Cement Factory Limited laid down its foundation stone on December 11, 1998 and the plant, equipped with the world famous O'Sepa Separator, went into operation with its production capacity of 600 metric tons per annum. It marketed the product with the brand name of Crown Cement. Following such investment, due to its relative remarkable preference by the consumers in the market, M.I. Cement Factory Limited set up the consequent 2nd and 3rd units that finally led to rise of production capacity to 840,000 metric tons per annum. Currently, MICFL decided to undertake 4th unit of the plant in order to enhance the capacity to 5,800 metric tons per day. After this expansion the company is expected to place itself within top five companies of the country in terms of production capacity. Cement is the latest addition in the list of export commodities in Bangladesh. Our country started exporting cement from January 2003. Crown Cement of M.I. Cement Factory Ltd. takes the pride of being a part of it. Earlier, apart from some production of state-owned Chhatak Cement Factory, the country was dependent on its import. In this context, local investors took the initiative for setting up cement factories and started producing cement from 1992. The cement industry is a core sector and one of the kingpins for the growth of the country. Cement is one of the most basic construction materials, and hence, an essential item for the infrastructure development of the country. M.I. Cement Limited was incorporated as a public limited company on 31 December 1994 under Companies Act 1994.

NATURE OF BUSINESS: The principal activities of the company manufacturing and marketing of Ordinary Portland Cement and Portland Composite Cement under "CROWN CEMENT" brand.

USE OF IPO PROCEEDS AND STAGES OF UTILIZATION: Estimated fund required for implementation of the expansion plan stands at Tk.3,350,510,126 and the entire proceeds of the IPO shall be utilized for the proposed expansion. The balance amount required, if any, shall be arranged through borrowings from banks and/or other financial institutions. Proposed expenditure plan is as follows:

Table with columns: Sl. No., Utilization of Funds, Amount (Tk.), Implementation Target. Lists various items like Land & Land Development, Building, Foreign Machinery, etc.

REFUND OF SUBSCRIPTION MONEY: As per SEC Notification Dated February 9, 2010, the issuer shall refund application money to the unsuccessful applicant of the public offer by any of the following manner based on the option given by the applicant in the application form: (a) Through banking channel for onward deposit of the refund money into the applicant's bank account as provided in the respective application form for subscription; or (b) Through issuance of refund warrant in the name and address of the applicant as provided in the respective application form for subscription: Provided that, in case of deposit into the applicant's bank account, the applicant will bear the applicable service charge, if any, of the applicant's banker, and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.

AVAILABILITY OF PROSPECTUS

Prospectus of M.I. Cement Factory Limited may be obtained from the Issuer Company, Issue Manager, Underwriters and the Stock Exchanges as follows:

Table with columns: Name & Address, Contact Person, Contact Number. Lists various entities like Alliance Financial Services Limited, BRAC EPL Investments Limited, etc.

Prospectus is also available on the websites www.secbd.org, www.crowncement.com, www.allfin.org, www.dsebd.com, www.csebd.com and Public Reference room of the Securities and Exchange Commission (SEC) for reading and studying.

NAME & ADDRESS OF THE AUDITOR: ACNABIN, BDBL Bhaban (13th Floor), 12 Kawan Bazar Commercial Area, Dhaka-1215. Tel: 880-2-8144347-52, Fax: 880-2-8144353, E-mail: acnabin@bangla.net

FINANCIAL STATEMENTS IN ACCORDANCE WITH SECTION 135 OF THE COMPANIES ACT, 1994

A. Statement of assets and liabilities:

Table with columns: Amounts in Taka, At, 31.12.2009, 30.06.2009, 30.06.2008, 30.06.2007, 30.06.2006, 30.06.2005. Rows include ASSETS (Non Current Assets, Current Assets, Total Assets), EQUITY AND LIABILITIES (Share Holders Equity, Deposit Against Share, etc.), and Total Equity and liabilities.

B. Statement of operating results:

Table with columns: Amount in Taka, July 2009 to Dec. 2009, July 2008 to June 2009, July 2007 to June 2008, July 2006 to June 2007, July 2005 to June 2006, July 2004 to June 2005. Rows include Sales, Less: Cost of Goods Sold, Gross Profit, Less: Operating expenses, Net profit before tax, Net profit after tax, Earnings per share (EPS).

C. Statement of cash flows:

Table with columns: Cash flow from operating activities, Cash flow from investing activities, Cash flow from financing activities, Net cash used in investing activities, Net cash flow from financing activities, Net cash surplus for the year (A+B+C), Cash and cash equivalents beginning of the year, Cash and cash equivalents end of the year.

KEY FINANCIAL RATIOS

Table with columns: Particulars, 31.12.2009, 30.06.2009, 30.06.2008, 30.06.2007, 30.06.2006, 30.06.2005. Rows include 1. Liquidity Ratios (Current Ratio, Quick Ratio, etc.), 2. Operating Ratios (Times) (Accounts Receivable Turnover, etc.), 3. Profitability Ratios (Gross Margin, Operating Income, etc.).

Until the preparation of financial statements for the year ended 31 December 2009, the face value of each share was Tk.100. However, on April 2010 the company changed its face value from Tk.100 to Tk.10.

SHORT BIO-DATA OF THE DIRECTORS

Mr. Md. Jahangir Alam, Chairman: Mr. Md. Jahangir Alam is a man of Wisdom and energetic businessman and entrepreneur of several industrial units viz., (1) M. I. Cement Factory Ltd. (2) Crown Power Generation Ltd. (3) GPH Ispat Ltd. (4) Premier Cement Mills Ltd. (5) Chittagong Capital Limited (6) Asia Insurance Limited. Besides, he is running a number of Limited companies engaged in trading. Mr. Md. Khabiruddin Molla, Managing Director: Mr. Md. Khabiruddin Molla is a seasoned and experienced businessman. He is running several industrial units as their Managing Director viz. (1) M. I. Cement Factory Ltd. (2) Crown Power Generation Ltd. (3) Molla Salt (Triple Refined) Industries Ltd. He had been actively involved with import & trading of Cement for the last 45 years. Mr. Molla with active support of the other Directors, and shareholders, who are his close family members, have expanded the trading activities of the group and deals with various commodities such as iodized salt, Rod, C. I. Sheet and steel structural, Supported by a big warehouse at Pagla, they have set up a big network of whole-sale and retail outlets at various points of Dhaka and Chittagong. He is resourceful member of the Company. Mr. Md. Alamgir Kabir, Director: He is a Director of M. I. Cement Factory Ltd., Premier Cement Mills Ltd., GPH Ispat Ltd., Crown Power Generation Ltd. and actively participating in their management. He is also running his trading house, engaged in trading of cement and other construction materials. He is also associated with some limited companies engaged in trading with his brothers. Mr. Molla Mohammed Maznu, Director: He is an M.Sc. and as an active partner running Iodized Salt processing units namely M.M Salt Industries Limited and Molla Salt (triple refined) Industries Limited and marketing the product in the name of "Molla Salt", a household name. He is also a director of M. I. Cement Factory Ltd. and Crown Power Generation Ltd. and actively participating in its management. He is also engaged in trading of cement and other construction materials which is his family business for 45 years. Md. Almas Shimul, Director: He is a Director of M. I. Cement Factory Ltd., GPH Ispat Ltd. and Crown Power Generation Ltd. Together with his brothers, he has been carrying out the trading of construction materials like Cement, MS Rod, CI Sheet etc. from their different trading houses from their Chittagong Centre. Md. Mizanur Rahman Molla, Director: He is a Director of M. I. Cement Factory Ltd. and Crown Power Generation Ltd., who is actively participating in its management. He is also active partner of M.M Salt Industries Limited and Molla Salt (Triple Refined) Industries Ltd; which are iodized Salt processing units. With his other family members he is also carrying out trading operations from their reputed organization, dealing in Cement and other construction materials.

DIRECTORS INVOLVMENT WITH THE OTHER LISTED COMPANIES AS DIRECTORS

Table with columns: Names of the Shareholders, Position in M I Cement Factory Limited, Directorship in other Companies. Lists directors like Md. Jahangir Alam, Md. Alamgir Kabir, etc.

BANKERS TO THE ISSUE

Table with columns: Bank Name, Branches. Lists banks like One Bank Limited, Shaahjalil Islami Bank Limited, Bank Asia Limited, Southeast Bank Limited, Dutch-Bangla Bank Limited, BRAC Bank Limited, ICB.