

# The Peninsula Chittagong Limited

(Best Business Hotel in Town)

Project Address: Bulbul Center, 486/B, O.R. Nizam Road, CDA Avenue, Chittagong- 4100  
Registered office: 8/A, Chandrashila Suvasu Tower, 69/1 Green Road, Panthapath, Dhaka-1205  
Tel: +88 031 2850860-9 (10 lines auto-hunting), Fax: +88 (031) 624385, 632506  
Email: ipoinfo@peninsulactg.com, Website: www.peninsulactg.com

**FOR PUBLIC OFFERING OF 55,000,000 ORDINARY SHARES OF TK. 10.00 EACH AT AN ISSUE PRICE OF TK. 30.00 EACH INCLUDING A PREMIUM OF TK. 20.00 PER SHARE TOTALING TK. 1,650,000,000.00**

## Subscription for General Public:

**Opening date:**  
March 30, 2014

**Closing date:**  
April 03, 2014



## MANAGER TO THE ISSUE

**LANKABANGLA INVESTMENTS LIMITED**  
Eunoo Trade Centre (Level # 21), 52-53, Dilkusha C/A, Dhaka - 1000.  
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E-mail: info@lankabangla-investments.com;  
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## Subscription for NRB Applicants:

**Opening date:**  
March 30, 2014

**Closing date:**  
April 12, 2014

### CREDIT RATING STATUS

Particulars	Long Term	Short Term
Entity Rating	AA <sub>3</sub>	ST-1
Validity of Rating	June 30, 2014	Expiry date of respective credit facilities or June 30, 2014 whichever is earlier
Date of Rating	September 12, 2013	
Outlook	Positive	
Rating By	Credit Rating Agency of Bangladesh Limited (CRAB)	

### DISCLAIMER

"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 Factors" before taking your investment decision. "AN APPLICANT CANNOT SUBMIT MORE THAN TWO APPLICATIONS, ONE IN HIS/HER OWN NAME AND THE OTHER 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, 15% (FIFTEEN) OF THE APPLICATION MONEY WILL BE FORFEITED BY THE COMMISSION AND THE BALANCE AMOUNT WILL BE REFUNDED TO THE APPLICANT." THE APPLICATION SHALL PROVIDE WITH THE SAME BANK ACCOUNT NUMBER IN THE APPLICATION FORM AS IT IS IN THE BO ACCOUNT OF THE APPLICANT.

"শেয়ারবাজারে বিনিয়োগ ঝুঁকিপূর্ণ, জেনে ও বুঝে বিনিয়োগ করুন।"

### CORPORATE STATUS AND BACKGROUND

The Company has been incorporated as a private limited company on July 25, 2002 under the companies Act 1994 vide registration no C-46488(2961)/2002 in the name of Voyager Bangladesh Limited. Later, it was renamed as The Peninsula Chittagong Limited on June 07, 2010 vide special resolution of the shareholders in the Extra Ordinary General Meeting (EGM) and Registrar of Joint Stock Companies & Firms, Dhaka & approved the same accordingly. The Company started its commercial operation from February 17, 2006. The Peninsula Chittagong Limited is situated at the prestigious GEC circle of the Port City; the hotel provides superior services combining western sophistication and Chittagong hospitality in a scenic and convenient location. Tourists can discover this unique retreat for business or pleasure just minutes from the commercial center surrounded by famous retail shops, restaurants and corporate offices. The registered office of the company is located at 8A, Chandrashila Suvasu Tower, 69/1 Green Road, Panthapath, Dhaka-1205 and Business Project (4 Star Hotel premises) located at Bulbul Center, 486/B, O.R. Nizam Road, CDA Avenue, Chittagong 4100, Bangladesh.

The Company has been converted to Public Limited Company on November 30, 2010. At present, the authorized capital of the Company stands at Tk. 300 Crore (Three Hundred Crore) and paid-up capital stands at Tk. 58.01 Crore

### NATURE OF BUSINESS

The Peninsula Chittagong Limited is a hotel based service oriented Company. The Company offers a premier setting for conferences, meetings, and corporate events. Participants are treated by a gracious environment, where personalized service is the standard. For important events, there is a wide range of meeting rooms and venue options to choose from.

### NAME AND ADDRESS OF THE AUDITOR

**Hoda Vasi Chowdhury & Co.**  
Chartered Accountants  
Delwar Bhaban-4th floor, 104 Agrabad C/A, Chittagong-4100.

### AVAILABILITY OF PROSPECTUS

Prospectus is available on the websites of BSEC (www.sec.gov.bd), DSE (www.dsebd.org), CSE (www.csebd.com), Issuer (www.peninsulactg.com), Issue Manager (www.lankabangla-investments.com) and Public Reference room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and studying.

ISSUER COMPANY	CONTACT PERSON	PHONE NUMBER
The Peninsula Chittagong Limited Bulbul Center, 486/B O.R. Nizam Road, CDA Avenue, Chittagong 4100	Mr. Mohammad Nurul Azim Company Secretary & CFO	Tel: +88 031 2850860-9 (10 lines auto-hunting) Fax: +88 (031) 624385, 632506 E-mail: acctmgrn@peninsulactg.com
MANAGER TO THE ISSUE	CONTACT PERSON	PHONE NUMBER
LankaBangla Investments Limited Eunoo Trade Center, Level # 21, 52-53, Dilkusha C/A, Dhaka-1000	Mr. M. Shakil Islam Bhuiyan Chief Executive Officer	Tel: 7113585, Fax: 7115756 e-mail: shakil.bhuiyan@lankabangla-investments.com
UNDERWRITERS	CONTACT PERSON	PHONE NUMBER
LankaBangla Investments Limited Eunoo Trade Center, Level # 21, 52-53, Dilkusha C/A, Dhaka-1000	Mr. M. Shakil Islam Bhuiyan Chief Executive Officer	Tel: 7113585, Fax: 7115756 e-mail: shakil.bhuiyan@lankabangla-investments.com
GSP Finance Company (Bangladesh) Limited 1, Paribagh, Mymensingh Road, Ramna, Dhaka-1000	Mr. Toaha Muhammad GM & Chief Operating Officer (MBU)	Tel: 9674306, Fax: 9674194 E-mail: toaha@gspfinance.com
Union Capital Limited Noor Tower (5th Floor), 73, Sonargaon Road, Dhaka-1205	Mr. Tauhidul Ashraf, FCS SVP & Company Secretary	Tel: 01713 400500, Fax: 8616878 E-mail: tauhidul@unicap-bd.com
Swadest Investment Management Limited Suite 01, Level 11 & 15, Unique Trade Center, 8, Panthapath, Dhaka-1215	Mr. Mamun Ahmed Managing Director	Tel: 9571170 Fax: 9571171 Email: mamunahmed@msn.com
IDLC Investments Limited Eunoo Trade Center (Level 21) 52-53 Dilkusha C/A, Dhaka 1000	Mr. Md. Moniruzzaman, CFA Managing Director	Tel: 9571170 Fax: 9571171 Email: mzaman@idlc.com
EBL Financial Services Limited 59, Motiheel C/A (1st floor) Dhaka-1000	Mr. Md. Tanvir Hashem Assistant Manager	Tel: 7118975, Fax: 7120251 Email: tanvir@eblnvestments.com
STOCK EXCHANGES	AVAILABLE AT	PHONE NUMBER
Dhaka Stock Exchange Limited 9/T, Motiheel C/A, Dhaka 1000.	DSE Library	Tel: +88 02 956 46 01-7; +88 02 966 69 44-8
Chittagong Stock Exchange Limited CSE Building, 1980, St. Mujib Road Agrabad C/A, Chittagong 4100	CSE Library	Tel: +88 031 724 632-3 +88 031 720 871-3 +88 02 951 39 11-15
Dhaka Liaison Office: Eunoo Trade Center (Level # 15), 52-53 Dilkusha C/A, Dhaka - 1000		

### USE OF PROCEEDS FROM IPO

The Peninsula Chittagong Limited is offering each share at an issue price of Tk. 30 with a premium of Tk. 20 each totaling Tk. 1,650,000,000 which will be utilized as per following schedule:

Particulars	Amount in BDT
The Peninsula Chittagong - (Extension)	70,000,000.00
The Peninsula Chittagong - Airport Garden Hotel	1,410,526,766.00
Repayment of Long Term Loan	132,973,234.00
IPO Expenses (Estimated)	36,500,000.00
<b>Total</b>	<b>1,650,000,000.00</b>

\* All the figures are assumed to be incurred as near to actual.

However, The Company has started the expansion work of the existing hotel building during the year and already spent Tk. 230,367,167 for the construction which was presented as a capital work in progress in the audited financial statements of the TPCL at the year end. Moreover, TPCL will continue the expansion work of the existing hotel by further bank finance if it gets delayed to receive the proceeds from the IPO and the debt arising from the continual expansion work will be adjusted or repaid from the IPO proceeds other than the loan repayment as mentioned in the Use of Proceeds.

Sd/-  
Mustafa Tahseen Arshad  
Managing Director  
The Peninsula Chittagong Limited

Sd/-  
Mohammad Nurul Azim  
Chief Financial Officer  
The Peninsula Chittagong Limited

### CONTRACT FOR USE OF PROCEEDS

As per rule 8B-4(C) of Securities and Exchange Commission (Public Issue) Rules, 2006, there is no contract covering any of the activities of The Peninsula Chittagong Limited for which the proceed of sale of securities from IPO is to be used except as it is mentioned in Material Commitments of Capital Expenditure.

### REFUND OF SUBSCRIPTION MONEY

As per BSEC 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.

### Auditors' Report under Section 135(I) and paragraph 24(1) of part II of Third Schedule of Companies Act 1994 For the year ended 01 July 2008 to 30 June 2013

We have examined the financial statements of The Peninsula Chittagong Limited for the year ended 30 June, 2013 & 2012/2011 audited by Hoda Vasi Chowdhury & Co, Chartered Accountants and for the year ended 30 June, 2010 & 2009 audited by S.Ahmed & Co, Chartered Accountants in pursuance of section 135(I) under para 24(1) of part II of the third Schedule of the Companies Act, 1994. We report that:

#### STATEMENT OF FINANCIAL POSITION:

	30-Jun-2013 Taka	30-Jun-2012 Taka	30-Jun-2011 Taka	30-Jun-2010 Taka	30-Jun-2009 Taka
<b>ASSETS</b>					
<b>NON CURRENT ASSETS</b>	<b>2,258,316,470</b>	<b>1,994,676,049</b>	<b>1,898,045,586</b>	<b>148,586,879</b>	<b>269,946,350</b>
Property, Plant & Equipment (Restated)	2,024,692,314	1,978,916,396	1,893,200,921	412,934,767	260,143,467
Capital Work-in Progress	230,394,385	11,722,435	—	—	3,343,325
Preliminary Expenses	3,229,771	4,037,218	4,844,665	5,652,112	6,459,558
<b>CURRENT ASSETS</b>	<b>145,588,487</b>	<b>200,990,712</b>	<b>164,203,540</b>	<b>117,613,018</b>	<b>51,436,991</b>
Financial Assets(Restated)	61,550,248	75,594,013	62,694,406	60,311,964	6,637,081
Inventory	10,529,534	4,043,109	9,091,655	8,806,507	4,735,368
Accounts Receivable	33,868,421	33,920,276	35,778,728	22,602,506	27,366,853
Interest Receivables	2,579,716	2,403,409	967,296	—	—
Advances, Deposits & Prepayments	20,261,248	75,956,948	8,589,395	6,602,754	12,640,222
Cash & Bank Balances	16,799,320	9,072,957	47,082,060	19,289,557	3,057,467
<b>TOTAL ASSETS</b>	<b>2,403,904,957</b>	<b>2,195,666,761</b>	<b>2,062,249,126</b>	<b>536,199,897</b>	<b>321,383,341</b>
<b>SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>					
<b>SHAREHOLDERS' EQUITY</b>	<b>1,956,796,253</b>	<b>1,814,358,088</b>	<b>1,684,499,148</b>	<b>331,801,783</b>	<b>144,810,858</b>
Share Capital	950,160,000	453,250,000	92,500,000	92,500,000	2,500,000
Revelation Surplus(Restated)	1,228,413,842	1,228,413,842	1,228,413,842	—	—
Tax Holiday Reserve	—	—	—	101,013,531	50,651,075
Retained Earnings(Restated)	148,222,411	132,694,246	363,585,306	138,288,252	91,659,783
<b>NON CURRENT LIABILITIES</b>					
Long Term Portion of Term Loan	132,973,234	149,227,458	177,931,339	133,385,420	155,245,759
<b>CURRENT LIABILITIES AND PROVISIONS</b>	<b>314,135,470</b>	<b>232,081,215</b>	<b>199,816,639</b>	<b>71,012,694</b>	<b>21,326,724</b>
Current Portion of Long Term Loan	29,085,115	29,452,452	27,447,137	—	—
Short Term Loan	9,275,098	—	27,049,500	—	—
Accounts Payable	37,313,634	38,800,000	38,328,286	15,304,501	13,765,277
Bank Overdraft	—	—	—	4,414,858	6,490,603
Provision for Taxation	238,461,623	163,828,763	106,993,716	32,511,728	1,070,844
<b>TOTAL SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>	<b>2,403,904,957</b>	<b>2,195,666,761</b>	<b>2,062,249,126</b>	<b>536,199,897</b>	<b>321,383,341</b>

#### STATEMENT OF COMPREHENSIVE INCOME:

	30-Jun-2013 Taka	30-Jun-2012 Taka	30-Jun-2011 Taka	30-Jun-2010 Taka	30-Jun-2009 Taka
<b>Revenue</b>	<b>420,264,263</b>	<b>402,928,682</b>	<b>355,156,655</b>	<b>335,379,674</b>	<b>200,018,059</b>
Cost of Sales	(111,424,625)	(116,645,592)	(103,223,460)	(74,876,971)	(54,204,214)
<b>Gross Profit / (Loss)</b>	<b>308,839,638</b>	<b>286,283,090</b>	<b>251,933,195</b>	<b>260,502,703</b>	<b>145,813,845</b>
Administrative Expenses	(33,185,954)	(31,752,626)	(29,011,044)	(25,413,675)	(22,572,571)
Selling & Distribution Expenses	(3,982,575)	(3,737,707)	(3,221,021)	(2,770,248)	(1,145,584)
<b>Operating Profit</b>	<b>271,671,109</b>	<b>250,792,894</b>	<b>219,711,130</b>	<b>232,798,784</b>	<b>122,095,690</b>
Financial Expenses	(27,823,778)	(25,655,657)	(19,641,341)	(20,560,850)	(26,770,028)
<b>Other Income</b>	<b>243,847,331</b>	<b>225,137,237</b>	<b>200,069,789</b>	<b>212,237,934</b>	<b>95,325,662</b>
<b>Net Profit before Tax</b>	<b>252,307,509</b>	<b>231,667,884</b>	<b>213,431,081</b>	<b>217,947,387</b>	<b>95,482,368</b>
Provision for Tax:					
Current	(89,884,550)	(82,531,685)	(72,649,018)	(32,511,728)	(2,002,012)
Deferred	(5,357,691)	(5,503,362)	(1,832,970)	—	—
<b>Net Profit after Tax</b>	<b>144,449,892</b>	<b>132,049,443</b>	<b>128,277,539</b>	<b>185,435,659</b>	<b>93,480,356</b>
Tax Holiday Reserve	—	—	—	(50,362,456)	(38,192,947)
<b>Net Profit after Tax Holiday Reserve</b>	<b>144,449,892</b>	<b>132,049,443</b>	<b>128,277,539</b>	<b>135,073,203</b>	<b>55,287,409</b>
<b>Prior Year Adjustment</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,555,266</b>	<b>—</b>
Unrealised Gain (Loss) on available for Sale Financial Assets (Restated)	(2,011,727)	(2,190,503)	(3,999,016)	—	—
<b>Total Comprehensive Income</b>	<b>142,438,165</b>	<b>129,858,940</b>	<b>124,278,523</b>	<b>136,628,469</b>	<b>55,287,409</b>
<b>Earnings Per Share (Basic)</b>	<b>2.49</b>	<b>2.28</b>	<b>2.21</b>	<b>3.20</b>	<b>1.61</b>
<b>Earnings Per Share (Diluted)</b>	<b>2.49</b>	<b>2.28</b>	<b>2.21</b>	<b>3.20</b>	<b>1.61</b>

#### STATEMENT OF CASH FLOWS:

	30-Jun-2013 Taka	30-Jun-2012 Taka	30-Jun-2011 Taka	30-Jun-2010 Taka	30-Jun-2009 Taka
<b>Cash flows from Operating Activities</b>					
Cash Received from Customers	420,316,118	404,787,334	341,679,733	340,424,721	182,402,447
Cash Received from other sources	67,982,560	5,094,534	12,393,996	5,709,453	17,500
Cash Paid to suppliers	(94,063,056)	(78,996,692)	(64,431,710)	(55,384,811)	(31,767,287)
Cash Paid for admin & selling expenses	(31,727,949)	(92,483,006)	(23,956,166)	(11,174,750)	(18,300,129)
Cash Payment for financial expenses	(27,823,778)	(25,655,657)	(19,641,341)	(20,560,850)	(26,770,028)
Income Tax Paid	(20,609,381)	(31,200,000)	—	—	—
<b>Net cash inflow/(outflow) from operating activities (A)</b>	<b>314,074,514</b>	<b>181,546,513</b>	<b>246,045,512</b>	<b>255,073,763</b>	<b>105,582,503</b>
<b>Cash flows from investing activities</b>					
Acquisition of property, plant and equipment	(95,892,296)	(133,552,957)	(297,579,278)	(182,368,136)	(58,240,445)
Capital Work in Progress	(218,671,950)	(11,722,435)	—	—	(3,343,325)
Disposal of Fixed Assets	5,530,520	—	—	—	1,600,000
Investment in Financial Assets	12,032,038	(15,090,110)	(6,376,728)	(53,394,805)	(63,620,850)
<b>Net cash inflow/(outflow) from investing activities (B)</b>	<b>(299,001,688)</b>	<b>(160,365,502)</b>	<b>(303,956,006)</b>	<b>(235,762,941)</b>	<b>(63,620,850)</b>
<b>Cash flows from financing activities</b>					
Long term loan (repaid)/received	(16,621,561)	(26,698,566)	53,211,449	(3,078,732)	(43,048,210)
Short term loan (repaid)/received	9,275,098	(27,049,500)	27,049,500	—	—
<b>Net cash inflow/(outflow) from financing activities (C)</b>	<b>(7,346,463)</b>	<b>(53,748,066)</b>	<b>80,260,949</b>	<b>(3,078,732)</b>	<b>(43,048,210)</b>
<b>Net increase of cash and cash equivalents for the year (A+B+C)</b>	<b>7,726,363</b>	<b>(32,567,055)</b>	<b>22,350,450</b>	<b>16,232,090</b>	<b>(1,086,557)</b>
Cash and cash equivalents at the beginning of the year	9,072,957	41,640,012	19,289,557	3,057,467	4,144,024
<b>Cash and cash equivalents at the end of the year</b>	<b>16,799,320</b>	<b>9,072,957</b>	<b>41,640,012</b>	<b>19,289,557</b>	<b>3,057,467</b>

#### POINTS TO BE