

9. Inventories : Tk. 750,000

This represents the cost of 50,000 PIN MAILERS @ Tk. 15/- each.

10. Advances, Deposits and Prepayments : Tk. 1,968,988

	2000	1999
This consists of :		
Advances :	1,056,600	306,428
Advance - Capital Expenditure	243,000	226,260
Other Advances	813,600	80,168
Deposits :	89,000	-
Sundry Security Deposits	39,000	-
Bank Guarantee - Dhaka Bank Ltd.	50,000	-
Prepayments :	823,388	-
Rent - Network Operating Centers	662,500	-
Group Insurance	116,906	-
Office Insurance	43,982	-
	Tk. 1,968,988	306,428

No amount was due by the Directors (including Managing Director) , Managing Agent, Managers and Other Officers of the Company and any of them severally or jointly with any other person .

No amount was due from any associated undertaking .

The advances are good and unsecured .

No amount was due from any officer of the Company .

11. Cash and Cash Equivalents : Tk. 4,678,291

This consists of :	395,559	10,242
Cash in hand	4,282,732	1,667,225
Cash at Banks in Current Accounts		
	Tk. 4,678,291	1,677,467

12. Liabilities For Expenses : Tk. 10,415,054

This consists of :	5,208,333	-
Provision For Interest on debentures		869,456
A/c Payable - Bangladesh Telephone & Telegraph Board	907,500	-
A/c Payable - Hutchison	3,867,582	1,838,567
A/c Payable - Hong Kong Telecom	50,000	25,000
Audit Fee Payable (1999 and 2000)	146,480	374,088
Provision For Expenses	235,159	202,440
VAT Payable		
	Tk. 10,415,054	3,309,551

Provision for Debenture Interest @ 10 % has been made for five months from August, 2000 to December, 2000 Payable on July, 2001.

13. Liabilities For Other Finance : Tk. 144,242

This represents employees' income tax deducted, which has subsequently been deposited.

BANGLADESH ONLINE LIMITED



C. H. RAHMAN
MANAGING DIRECTOR
BANGLADESH ONLINE LIMITED.

14. Share Capital : Tk. 115,000,000

This Represents :

(a) Authorized :

200,000,000 Ordinary Shares of Tk. 10/- each Tk. 2,000,000,000 250,000,000

On 16.07.2000, the amount of authorized share capital has been increased to Tk. 2,000,000,000 (20,000,000 ordinary shares of Tk. 100/= each).

On 03.12.2000, the par value of shares has been refixed at Tk. 10/= each as against the par value of Tk. 100/= each.

Therefore, the existing authorized share capital of Tk. 2,000,000,000 consists of 200,000,000 ordinary shares of Tk. 10/= each.

(b) Issued, Subscribed and Paid-up :

11,500,000 Ordinary Shares of Tk. 10/- each
fully paid-up in cash

Tk. 115,000,000 100,000

(c) The Shareholding consists of :
Shareholders

	2000		1999	
	No. of Shares	%	No. of Shares	%
Beximco Group and its associates	4,500,000	39.13	10,000	100.00
Asia IT Capital Investment Ltd., Dubai, UAE.	4,000,000	34.78	-	-
South Asia Equities Ltd., Guernsey, Channel Islands.	3,000,000	26.09	-	-
Total	11,500,000	100.00	10,000	100.00

(d) Option on Unissued Shares As on 31.12.2000 :

This consists of :

(i) 1,250,000 shares against conversion of 10% convertible debentures shall be allotted on the date of listing of shares of the company with the Stock Exchanges; and

(ii) 2,000,000 shares shall be offered to the General Public for subscription in cash.

There is no other option regarding authorized share capital not yet issued.

15. Tax Holiday Reserve : Tk. 8,898,171

This is arrived at as follows :

Opening Balance

Add : Provided During the year (Note-21)

102,559
8,795,612
Tk. 8,898,171 102,559

This is being provided to invest in the same undertaking or in any new industrial undertaking or in stocks and shares of a public company or in govt. bonds or securities or for other purposes specified in this respect as one of the conditions of granting tax holiday.

16. 10% Debenture : Tk. 125,000,000

This represents 25,000 10% convertible Debentures of Tk. 5,000 each allotted to I.S. Himalayan Fund N.V., The Netherlands.

The terms & conditions of debentures are as follows :

Convertibility : The debentures will be 10% convertible into ordinary shares of the Company at par value immediately upon listing of the shares of the Company with the Dhaka Stock Exchange Ltd. and/or the Chittagong Stock Exchange Ltd., whichever is earlier.

Term : 10 (Ten) years from the date of issue.

Redemption : In one single payment for the entire principal amount at the end of term.

Interest : 10% per annum payable at annual rest, first payment becoming due, twelve months from the date of issue and every twelve months thereafter until final redemption.

Security : This is unsecured.

This amount was received in local (Taka) currency on July 30, 2000 through designated Bank, Standard Chartered Bank Plc., Dhaka, and shall be repayable alongwith interest in local currency.



Operating Revenue : Tk. 72,462,185

Sales of Internet Services

Less : VAT

Net Sales After VAT

Sales of Web Page Software

	2000 January to December	1999 For the month of December
Sales of Internet Services	20,434,677	1,552,040
Less : VAT	2,665,392	202,440
Net Sales After VAT	17,769,285	1,349,600
Sales of Web Page Software	54,692,900	1,768,030
Tk. 72,462,185		3,117,630

18. Operating Expenses : Tk. 19,503,336

BTTB Bandwidth Charge

HKT Bandwidth Charge

Hutchison Bandwidth Charge

Telephone Line Rental

Computer Hardware for Corporate Customers

Web Rental Charge

Charges for Fax Service

BTTB Bandwidth Charge	4,585,756	434,728
HKT Bandwidth Charge	7,711,239	612,125
Hutchison Bandwidth Charge	4,668,750	-
Telephone Line Rental	1,400,925	182,750
Computer Hardware for Corporate Customers	400,570	-
Web Rental Charge	586,806	53,028
Charges for Fax Service	149,290	12,044
Tk. 19,503,336		1,294,675

19. Administrative Expenses : Tk. 11,995,991

Salaries & Allowances

Office Rent

Renewal, Rates, Registration

Travelling & Conveyance

Telephone, Internet, Fax, Pager, Postage

Entertainment

Printing and Stationery

Training & Recruitment expense

Charges for Security Guard

Electricity, Gas and Water

Car Running Expenses

Car Lease Rental

Repairs & Maintenance

Legal & Professional fees

Bank Charges

Insurance Premium

Audit Fees

Promotional Expenses

Salaries & Allowances	5,904,753	361,388
Office Rent	801,480	55,000
Renewal, Rates, Registration	525,832	-
Travelling & Conveyance	842,606	74,080
Telephone, Internet, Fax, Pager, Postage	785,815	79,488
Entertainment	88,119	4,965
Printing and Stationery	383,084	15,987
Training & Recruitment expense	35,000	-
Charges for Security Guard	100,485	-
Electricity, Gas and Water	372,017	11,584
Car Running Expenses	162,265	22,558
Car Lease Rental	500,500	-
Repairs & Maintenance	613,982	1,500
Legal & Professional fees	228,820	15,744
Bank Charges	108,021	7,443
Insurance Premium	122,938	-
Audit Fees	25,000	-
Promotional Expenses	395,274	76,000
Tk. 11,995,991		725,737

The number of employees of the Company at 31 December, 2000 was 47 and all of them received salaries and allowances above Tk. 3,000 per month.




C. H. RAHMAN
 MANAGING DIRECTOR
 BANGLADESH ONLINE LIMITED,

Earnings Per Share (EPS) As per IAS 33

Basic Earnings Per Share (EPS)

$$\begin{aligned} \text{Basic EPS} &= \frac{\text{Earnings Attributable to Equity Holders}}{\text{Weighted Average No. of Shares Outstanding during the Year 2000}} \\ &= \frac{\text{Tk. 29,318,708}}{1,981,503 \text{ shares}} \\ &= \text{Tk. 14.867} \end{aligned}$$

Computation of Weighted Average Number of Shares Outstanding During the Year 2000

Date	No. of Shares Issued	Period	Days	Weight	Weighted Average No. of Shares Outstanding
Opening	10,000	1.1.00 to 31.12.00	366	366/366	10,000
18.06.00	4,380,000	18.6.00 to 31.12.00	197	197/366	2,357,541
09.11.00	7,000,000	9.11.00 to 31.12.00	83	83/366	1,013,661
31.12.00	11,500,000	31.12.00	1	1/366	301
	11,500,000				3,381,503

Diluted Earnings Per Share (EPS)

$$\begin{aligned} \text{Diluted EPS} &= \frac{\text{Diluted Earnings}}{\text{Weighted Average No. of Shares + Weighted Average No. of Potential Shares}} \\ &= \frac{\text{Tk. 29,318,708}}{3,381,503 \text{ shares} + 625,000 \text{ shares}} \\ &= \frac{\text{Tk. 29,318,708}}{4,006,503 \text{ shares}} \\ &= \text{Tk. 7.32} \end{aligned}$$

Computation of Weighted Average Number of Potential Shares

Total value of Debentures	Tk. 125,000,000
10% of Conversion	Tk. 12,500,000
Par value of Shares	Tk. 10.00
No. of Potential Shares	1,250,000 Shares
50% weight assuming the conversion will be made at the middle of the year	
50% of 1,250,000 shares	625,000 Shares

For 1999, EPS has not been calculated as the year 1999 was the first year of operation and the operational period was only for one month (December, 1999) and therefore, the resulted EPS shall not be comparable with the EPS of 2000.

21. Tax Holiday Reserve : Tk. 8,795,612

This is provided as per provisions of the Income Tax Ordinance, 1984 as a condition of granting tax holiday which represents 30% of the net profit for the year.

22. Payment / perquisites to Directors

No amount of money was spent by the Company for compensating any member of the Board for services rendered.




C. H. RAHMAN
 MANAGING DIRECTOR
 BANGLADESH ONLINE LIMITED.

Capital expenditure commitment

There was no capital expenditure contracted for or provided for at the year end.
There was no material capital expenditure authorized but not incurred as on 31 December, 2000.

24. Claims not acknowledged

There was no claim against the Company not acknowledged as on 31 December 2000.

25. Contingent liabilities

There was no claim for which the Company is a guarantor as on 31 December 2000.

26. Credit facility not availed

There was no credit facility available to the Company under any contract, but not availed of as on 31 December, 2000 other than trade credit available in the ordinary course of business.

27. Foreign Exchange earned

No Foreign Exchange was earned by the Company during the year 2000.

28. Commission, Brokerage or Discount against Sales

No commission, brokerage or discount was incurred or paid by the Company against sales during the year 2000.

29. Payment in Foreign Currency

In 2000, the company remitted foreign currency in respect of Bandwidth charges amounting to HK Dollar 853,751 equivalent Taka 5,682,224.

No other expenses including royalty, technical expert and professional advisory fee, etc. was incurred or paid by the company in foreign currency during the year 2000.

30. Related Party Transactions - Disclosures under IAS 24 "Related Party Disclosures"

The Company carried out a number of transactions with related parties / associated undertakings in the normal course of business and on arms' length basis. The nature of transactions and their total value is shown below :

Nature of Transactions	Amount in Taka
Sales	47,669,700
Loan repayment	23,692,574
Share money received	1,100,000
Accounts receivable	8,954,701
Advance against Land	180,000,000

31. Subsequent Events - Disclosures under IAS 10 "Events After the Balance Sheet Date"

There was no non-adjusting post balance sheet event of such importance, non-disclosure of which would affect the ability of the users of the financial statements to make proper evaluations and decisions.

Sd/-
C. H. Rahman
Managing Director

Sd/-
Iqbal Ahmed
Director

Sd/-
Md. Asad Ullah
Company Secretary

Dhaka
4 February 2001

BANGLADESH ONLINE LIMITED




C. H. RAHMAN
MANAGING DIRECTOR
BANGLADESH ONLINE LIMITED.

C. H. RAHMAN
MANAGING DIRECTOR
BANGLADESH ONLINE LIMITED.

FINANCIAL STRUCTURE

AUTHORIZED CAPITAL

200,000,000 ordinary shares of Tk.10/- each

Tk. 2,000,000,000/-

1. Sponsors :

a) Local Sponsors and Associates:

1,500,000 ordinary shares of Tk.10/- each (15%)
and paid up Tk.15,000,000/- by the Local Sponsors

Tk. 15,000,000/-

b) Foreign Sponsors:

7,000,000 ordinary shares of Tk.10/- each (35%)
and paid up Tk.70,000,000/- by the Foreign Sponsors

Tk. 70,000,000/-

Sub total :

Tk. 115,000,000/-

As required in the Public Issue Rules 1995, the sponsors' shares as detailed in Ownership of the Company's securities will be subject to a Lock in provision for a period of (three) years as follows:

"Three years in case of companies intending to place initial public offering (IPO) from the date of its approval thereof by the commission or from the start of its commercial operation whichever is later."

A 'Jumbo' Share Certificate for local sponsors (one for each existing local sponsors/directors/ shareholder) shall be issued covering their respective total holdings. Their share holdings may be converted into marketable lots only after the expiry of the lock-in-period of three years. *There will be no lock in on foreign sponsor.*

2. Conversion of Debentures into shares:

- (a) 1,250,000 Ordinary Shares of Tk.10/- each will be issued against conversion of 10% convertible debentures of Tk. 125,000,000 which has already been subscribed by IS Himalayan Fund. The conversion will be made immediately upon listing of the shares of the Company with the Dhaka & Chittagong Stock Exchanges

Tk. 12,500,000/-

3. Public Offer :

Issue of 2,000,000 ordinary shares of Tk.10/- each at par. Out of which :

- a) 2,00,000 Ordinary shares of Tk.10/- each are hereby being offered at par to Non Resident Bangladeshis for subscription in cash in full on application.

Tk. 2,000,000/-

In case of over subscription, the allotment will be made by the Company through public lottery.

- b) 1,800,000 Ordinary Shares of Tk.10/- each are hereby being offered at par to the General Public for subscription in cash in full on application.

Tk.18,000,000/-

In case of over subscription, the allotment will be made by the Company through public lottery.

Sub total :

Tk.20,000,000/-

Total :

Tk.147,500,000/-



CONDITIONS OF OFFER AND ALLOTMENT OF SHARES

SHARES

1. Particulars	Number of Shares	Amount in Taka
A. 10% of the Issue i.e. 200,000 Ordinary Shares shall be reserved for Non-resident Bangladeshis.	200,000	2,000,000
B. 90% Shares i.e. 1,800,000 Ordinary Shares shall be open for subscription by the general public.	1,800,000	18,000,000
Total	<u>2,000,000</u> =====	<u>20,000,000</u> =====

2. All shares as stated in clause 1A and 1B shall be offered for subscription and subsequent allotment by the issue manager, subject to any restriction which may be imposed, from time to time, by the Securities and Exchange Commission.
3. In case of over-subscription of both the categories mentioned in the clause 1A and 1B the Issue Manager shall conduct an open lottery of all the applications received under each category separately.
4. In case of under subscription of both the categories mentioned in clause 1A and 1B the unsubscribed portion of share shall be taken up by the underwriters.
5. In case of under subscription under the 10% category as mentioned in clause 1A the unsubscribed portion shall be added to the general public category and if after such addition there is over subscription in the general public category the issue manager shall conduct an open lottery of all the applicants added together taken up by the underwriters.
6. In case of over subscription under 10% category as mentioned in clause 1A the over subscription portion shall be added to the general public category and if after such addition there is over subscription in the general public category the issue manager shall conduct an open lottery of all the applicants added together.
7. The lottery as stated in clause (3), (5) and (6) shall be conducted in the presence of authorized representatives of DSE, CSE, Members of the Board of the Company and Issue Manager and the applicants if present.
8. Applications must not be for less than 50 shares must be multiple of 50 Shares. Any application not meeting this criteria will not be considered for allotment purpose.
9. There is no founders', management or deferred shares, it is also not presently intended to issue any preference shares.
10. No payment has been or is intended to be made to the promoters, directors or other persons for promotion of the company.
11. The minimum subscription on which Directors will proceed to allotment is the full amount of the amount of the present issue, which on the opinion of the Directors must be raised in order to provide fund required by the Company.
12. The NRB applicants, after completing and signing will submit the application form along with foreign Drafts in US Dollar/UK Pound Sterling drawn and payable in Dhaka, to the issuer Companies office directly.




C. H. RAHMAN
 MANAGING DIRECTOR
 BANGLADESH ONLINE LIMITED.

ALLOTMENT

1. The Company reserves the right of the accepting any application either in whole or in part. Successful applicants will be notified by the dispatch of an allotment letter by registered post/courier. Letters of Allotment and Refund Warrants will be issued within 30 (thirty) days from the closing of the subscription list and Certificates will be issued within 90 (ninety) days from the date of closing of subscription.
2. Where an application is rejected or is not accepted in full, the entire amount or the balance of the amount, as the case may be, received on the application will be returned to the concerned applicant within 30 (thirty) days of closing of subscription list by cheques without interest. Interest at the rate of 5% above the bank rate will be refunded to the unsuccessful applicants whose application money is paid after 30 (thirty) days from the date of closing of subscription list.
3. Where allotment is made in whole or in part in respect of joint application, the allotment letter will be dispatched to the person whose name appears first in the application form, notwithstanding that the shares have been allotted to the joint applicants. Where joint application is accepted in part, the balance of any amount paid on application will be refunded without interest to the person named first in the application form.

APPLICATION FOR SUBSCRIPTION

1. Application for shares may be made for a minimum lot for 500 Ordinary shares to the value of Tk. 5,000 respectively and should be made on the company's Printed Application forms. Application Form and Prospectus may be obtained from the Registrar's Office of the Company, members of Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. or from the Bankers to the issue. In case adequate forms are not available, applicants may use photocopied/cyclostyled/hand written/typed copies of the forms. Applications must not be for less than 50 shares. Any application not meeting this criterion will not be considered for allotment purpose.
2. Joint application form for more than two persons will not be accepted. In the case of joint application each party must sign the application form.
3. Application must be in full name of individuals or limited companies or trusts or societies and not in the name of firms, minors or persons of unsound mind. Applications from insurance, financial and market intermediary companies must be accompanied by Memorandum and Articles of Association.
4. An applicant can submit not more than two applications, one in his 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 purpose.
5. Bangladeshi Nationals (including non-resident Bangladeshi Nationals working abroad) and Foreign Nationals shall be entitled to apply for shares.
6. Payment for subscription by investors other than Non-Resident Bangladeshi may be made to the said branches/office of the banks mentioned below in Cash/Cheque/Pay Order/Bank Draft. The Cheque/Pay Order/Bank Draft shall be made payable to the bank to which it is sent and be marked "BANGLADESH ONLINE LIMITED," and shall bear the crossing "A/C Payee Only" and must be drawn on a bank in the same town of the bank to which application form is deposited.
7. All completed application forms together with remittances for the full amount payable on application shall be lodged by investors other than non-resident Bangladeshis with any of the branches of the following Bankers to the Issue :

BANGLADESH ONLINE LIMITED



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C. H. RAHMAN
MANAGING DIRECTOR
BANGLADESH ONLINE LIMITED.

BANKERS TO THE ISSUE

IFIC Bank Ltd.

Federation Br., Dhaka
Elephant Road Br., Dhaka
Dhanmondi Br., Dhaka
Dharmagar Br., Dhaka
Gulshan Br., Dhaka
Nava Paltan Br., Dhaka
Agrabad Br., Chittagong
Jessore Br., Jessore
Rajshahi Br., Rajshahi
Khulna Br., Khulna
Comilla Br., Comilla
Barisal Br., Barisal
Kushtia Br., Kushtia
Brahmanbaria Br.,
Brahmanbaria
Sylhet Br., Sylhet
Mymensingh Br.,
Mymensingh
Cox's Bazar Br., Cox's Bazar
Faridpur Br., Faridpur
Feni Br., Feni
Bogra Branch, Bogra

Prime Bank Ltd.

Motijheel Branch, Dhaka
Foreign Exchange Br., Dhaka
Moujibazar Branch, Dhaka
Motakhali Branch, Dhaka
Islamic Banking Br., Dhaka
Kawran Bazar Br., Dhaka
Elephant Road Br., Dhaka
Mouchak Branch, Dhaka
Gulshan Branch, Dhaka
Uttara Branch, Dhaka
Savar Branch, Dhaka
Khatungonj Br., Chittagong
Khulna Branch, Khulna
Barisal Branch, Barisal
Sylhet Branch, Sylhet
Rajshahi Branch, Rajshahi
Narayangonj Br., Narayangonj

Y.B. Bank Ltd.

Dhaka Br., Dhaka
Faridpur Br., Faridpur
Chittagong Br., Chittagong
Rajshahi Br., Rajshahi
Khulna Br., Khulna
Sylhet

Investment Corporation of Bangladesh (ICB)

Head Office, Dhaka
Local Office, Dhaka
Chittagong, Br., Chittagong
Rajshahi Br., Rajshahi
Khulna Br., Khulna
Sylhet Br., Sylhet
Barisal Br., Barisal
Bogra Br., Bogra

8. A Non-resident Bangladeshi (NRB) shall apply against the IPO either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee (including a Bank or a Company) by paying out of foreign currency deposit account maintained in Bangladesh, for the value of securities applied for. The value of securities applied for may be paid in Taka, US Dollar or UK Pound Sterling at the rate of exchange mentioned in the Share Application Form. Refund against over-subscription of shares shall be made in the currency in which the value of shares applied for was paid by the applicant. Share Application Form against the quota for NRB shall be sent by the applicant directly along with a draft or cheque to the Company at its registered office. Copies of application Form and Prospectus shall be available with Bangladesh Embassy/High Commission in USA, UK, Saudi Arabia, U.A.E., Qatar, Kuwait, Oman, Bahrain, Malaysia and South Korea and web site of the SEC. The subscription money collected from investors (other than Non-Resident Bangladeshis in US Dollar or UK Pound sterling) by the bankers to the issue will be remitted to the STD A/C # 0636001016 of IFIC Bank Ltd., Dhanmondi Branch, Dhaka 1000, Bangladesh for this purpose.
9. The subscription money collected from Non-Resident Bangladeshis in US Dollar or UK Pound Sterling shall be deposited to "FC Account for IPO". In case of over-subscription, refund shall be made by the Company out of the "FC Account for IPO". The Company shall open only one "FC Account for IPO" in US Dollar or UK Pound Sterling with a Bank on approval of Prospectus by SEC; and close these accounts after refund of over-subscription, if any.

APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS AND THE INSTRUCTIONS PRINTED ON THE APPLICATION FORM ARE LIABLE TO BE REJECTED.




C. H. RAHMAN
MANAGING DIRECTOR
BANGLADESH ONLINE LIMITED.

UNDERWRITERS OBLIGATION

and to the extent that the shares offered to the public through a prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the company shall within 10 (ten) days of the closure of subscription call upon the underwriters in writing with a copy of the said writing to the Securities and Exchange Commission to subscribe the shares not so subscribed within the closing date and to pay for cash in full, inclusive of any premium, if applicable, for such undersubscribed shares within 15(fifteen) days after being called upon to do so. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his underwriting commitment under this Agreement, until such time as the Cheque/Bank Draft has been encashed and the company's account credited. In any case within 7(seven) days after the expiry of the aforesaid 15(fifteen) days, the company shall send proof of subscription and payment by the underwriters to the commission.

In the case of failure by the underwriter to pay for the shares under the terms mentioned above, the said underwriter will not be eligible to underwrite any issue, until such time as he fulfils his underwriting commitment under this Agreement and also other penalties as may be determined by the commission.

UNDERWRITING COMMISSION

Underwriters will be paid an underwriting commission @ 1.5% of the nominal value of shares and/or debentures underwritten by them out of the public issue. Simultaneously with calling upon an underwriter to subscribe or procure subscriber, and pay for any number of shares, the company shall pay to that underwriter an additional commission @ 2.5% of the nominal amount of the shares and/or debentures required to be subscribed by it.

COMMISSION TO THE BANKERS TO THE ISSUE

Commission at the rate of 1/4th of 1% of the amount collected will be paid to the Bankers to the issue for the services to be rendered by them.

MANAGER TO THE ISSUE

Prime Finance & Investment Limited is the Manager to the Issue. The company shall pay fee of Tk. 500,000.00 only to the Manager to the Issue.

BROKERAGE

The Company will pay brokerage fee @ 1% only on the paid up value of shares allotted to the members of Dhaka and Chittagong Stock Exchanges on applications bearing their rubber stamp. Neither the brokerage to the brokers nor commission to the bankers shall be payable in respect of the shares taken by the underwriters in discharge of their underwriting obligation.



CLASSIFIED INFORMATION

AUDITORS

M. J. Abedin & Co.
Chartered Accountants
National Plaza (6th Floor)
1/G, Free School Street
Sonargaon Road, Dhaka-1205.

BANKERS

IFIC Bank Limited
Dhanmondi Branch, Dhaka

Standard Chartered Bank Limited
Motijheel Branch, Dhaka

Standard Chartered Grindlays Bank Limited
Dhanmondi Branch, Dhaka

Dhaka Bank Limited
Banani Branch, Dhaka

ISSUE MANAGER

Prime Finance & Investment Limited
63, Dilkusha C/A, (7th Floor)
Dhaka-1000.

MATERIAL CONTRACTS

- a) Underwriting Agreements between the Company
and
Prime Finance & Investment Limited
Grameen Securities Management Limited
Capital Market Services Limited
Bay Leasing & Investment Limited
- b) Issue Management Agreement between the Company and Prime Finance & Investment Limited.

Copies of the aforementioned contracts and documents and a copy of Memorandum and Articles of Association of the Company and the Consent Order from Securities Exchange Commission may be inspected on any working day during office hours at the Company's Registered Office.




G. H. RAHMAN
MANAGING DIRECTOR
BANGLADESH ONLINE LIMITED.

APPLICATION FORMS (OTHER THAN NRB)

APPLICATION FOR SHARES AND BY INVESTORS OTHER THAN NON-RESIDENT BANGLADESHIS

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

The Directors
Bangladesh Online Limited
19 Dhammondi, Road # 7
Dhaka 1205

Banker's SL No.
Broker's SL No.

Dear Sir(s),

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 is 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) 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 shares of Tk. 10/- each
- Amount of Tk. (in figure) (in words) Cash/Cheque/Draft/Pay Order No.
date on Bank Branch
- I/we agree to fully abide by the instructions given herein.
- Particulars of Applicant(s):
Sole/First Applicant : Mr./Mrs./Ms :
Father's/Husband's name :
Postal address :
Occupation : Nationality :
For refund warrant : Applicant's Bank A/C No. :
Name of the Bank : Branch :
Second Applicant : Mr./Mrs./Ms :
Father's/Husband's name :
Postal address :
Occupation : Nationality :
- I/We hereby declare that I/We have read the Prospectus of BANGLADESH ONLINE LIMITED Published in the Daily and the Independent dated 2001 and have willingly subscribe for No. of Shares of Tk.10/- each on this form.
- Specimen Signature(s) :
(i) Name (in block letters) Signature :
(ii) Name (in block letters) Signature :

BANKER'S ACKNOWLEDGEMENT

Certified that this bank has received Tk. (in word) only from Mr./Mrs./Ms. being application money for Nos. of ordinary shares of BANGLADESH ONLINE LTD.

Authorised Signature
Banker's SL no. Seal and Date (Name & Designation)

BANGLADESH ONLINE LIMITED



C. H. RAHMAN
MANAGING DIRECTOR
BANGLADESH ONLINE LIMITED.

INSTRUCTIONS

1. All information must be typed or written in full (in block letters) in English or in Bengali and must not be abbreviated.
2. Application must be made on the Company's printed form/photocopy or on typed copy/hand written form thereof.
3. Application must not be for less than 500 ordinary shares and must be for a multiple of 500 ordinary shares. Any application not meeting this criteria will not be considered for allotment purpose. Preference will be given to those applicants who shall apply for ordinary shares.
4. 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 "BANGLADESHI ONLINE 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.
5. In the case of a joint application form, the allotment letter will be despatched 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.
6. Joint application form for more than two persons will not be accepted. In case of joint application, each party must sign the application form.
7. Applications must have in the full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons unsound mind. Application from financial and market intermediary companies must be accompanied by Memorandum of Association and Articles of Associations and Certificate of Incorporation.
8. An applicant can not 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, those in excess of two applications shall not be considered for allotment purposes.
9. No receipt will be issued for the payment made with application, but the bankers will issue a provisional acknowledgment to the issue for application lodged with them.
10. Refund will be made only through "Account Payee" cheques with Bank A/c No. and name of bank branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
11. Allotment shall be made solely in accordance with the instructions of the Securities and Exchange Commission (SEC).
12. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information will make the application liable to rejection and subject to forfeiture of application money. The said application money will be deposited in account specified by the SEC. This may be in addition to any other penalties as may be provided for by law.
13. Applications, which do not meet the above requirements, or applications, which are incomplete, shall not be considered for allotment purpose.




C. H. RAHMAN
MANAGING DIRECTOR
BANGLADESH ONLINE LIMITED.

BANKERS TO THE ISSUE

IFIC Bank Ltd.

Federation Br., Dhaka
Elephant Road Br., Dhaka
Dhanmondi Br., Dhaka
Shantinagar Br., Dhaka
Gulshan Br., Dhaka
Naya Paltan Br., Dhaka
Agrabad Br., Chittagong
Jessore Br., Jessore
Rajshahi Br., Rajshahi
Khulna Br., Khulna
Comilla Br., Comilla
Barisal Br., Barisal
Kustia Br., Kustia
Brahmanbaria Br.,
Brahmanbaria
Sylhet Br., Sylhet
Mymensingh Br.,
Mymensingh
Cox's Bazar Br., Cox's Bazar
Fariapur Br., Fariapur
Feni Br., Feni
Bogra Branch, Bogra

Prime Bank Ltd.

Motijheel Branch, Dhaka
Foreign Exchange Br., Dhaka
Moulvibazar Branch, Dhaka
Mohakhali Branch, Dhaka
Islamic Banking Br., Dhaka
Kawran Bazar Br., Dhaka
Elephant Road Br., Dhaka
Mouchak Branch, Dhaka
Gulshan Branch, Dhaka
Uttara Branch, Dhaka
Savar Branch, Dhaka
Khatungonj Br., Chittagong
Khulna Branch, Khulna
Barisal Branch, Barisal
Sylhet Branch, Sylhet
Rajshahi Branch, Rajshahi
Narayanganj Br., Narayanganj

A B Bank Ltd.

Principal Br., Dhaka
New Elephant Rd. Br., Dhaka
Nawabpur Br., Dhaka
Agrabad Br., Chittagong
Khatungonj Br., Chittagong
Modhuban Br., Bandar Bazar
Sylhet

Investment Corporation of Bangladesh (ICB)

Head Office, Dhaka
Local Office, Dhaka
Chittagong, Br., Chittagong
Rajshahi Br., Rajshahi
Khulna Br., Khulna
Sylhet Br., Sylhet
Barisal Br., Barisal
Bogra Br., Bogra



APPLICATION FORM (FOR NRB)

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
Bangladesh Online Limited
19 Dhanmondi, Road No. 7
Dhaka 1205

Dear Sir(s),

I/we apply for and request you to allot 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 terms of the company is 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 Members of the company as the holder(s) of Ordinary shares allotted to me/us pursuant to this applicant 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 :

1. No. of Shares of Tk. 10/- each (at par)
2. Amount in Tk. (in figure) (in words) convertible into
US\$ at US\$ 1 = Tk. 56.21 or UK£ at UK£ 1 = Tk. 79.2654
3. Payment by Cheque/Draft No. date for US\$ or UK£ or Tk. drawn on
..... Bank Branch.
4. I/we agree to fully abide by the instructions given herein.
5. Particulars of Applicant(s) :
Sole/First Applicant : Mr./Mrs./Ms :
Father's/Husband's name :
Mailing address :
Occupation : Nationality :
Passport no. : Valid upto :
Date of birth :
For Refund Warrant : Applicant's Bank A/C No. :
Name of the Bank : Branch :
Second Applicant : Mr./Mrs./Ms :
Father's/Husband's name :
Mailing address :
Occupation : Nationality :
Passport no. : Valid upto :
Date of birth :
Nominee :
Name :
Mailing Address :
Specimen Signature(s) :
Sole/First Applicant :
Second Applicant :
Nominee :

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BANGLADESH ONLINE LIMITED


C. H. RAHMAN
MANAGING DIRECTOR
BANGLADESH ONLINE LIMITED