

25/4/01

If you have any queries about this document, you may consult your stockbroker or dealer, bank manager, lawyer, professional accountant or other professional advisers

GERMAN BANGLA J.V. FOOD LIMITED

(A German – Bangladesh Joint Venture)

PROSPECTUS

Total Issue : 2,500,000 ordinary shares of Tk. 10 each at par for Tk. 25 million
Pre-IPO placement (60%) : 1,500,000 ordinary shares of Tk. 10 each at par for Tk. 15 million
Initial Public Offering (40%) : 1,000,000 ordinary shares of Tk. 10 each at par for Tk. 10 million

MANAGER TO THE ISSUE

Prime Finance & Investment Limited (PFI)

63, Dilkusah C/A, (7th Floor), Dhaka – 1000

Tel: 9563882-3, Fax: 9563692, E-mail: pfil@bdcom.com

UNDERWRITERS

(Underwriting Commission @ 2.5% on IPO)

Prime Finance & Investment Limited (PFI)

Bay Leasing and Investment Limited

Grameen Securities Management Limited

Swadesh Investment Management Limited

Subscription Opens	:	00/00/2001
Subscription Closes	:	00/00/2001
Publication of Prospectus	:	00/00/2001

DECLARATION

"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 PUBLIC ISSUE RULES, 1998. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SHARE OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED WITH REGARD TO THEM, RESPONSIBILITY FOR WHICH LIES WITH THE ISSUER, ITS DIRECTORS, INVESTMENT ADVISER, UNDERWRITERS, ISSUE MANAGER, VALUER AND/OR AUDITOR.

IT IS, HOWEVER, THE SECURITIES AND EXCHANGE COMMISSION'S RESPONSIBILITY TO ENSURE THAT FULL AND FAIR DISCLOSURES ARE MADE IN THE PROSPECTUS IN TERMS OF THE PUBLIC ISSUE RULES, 1998, SO THAT THE INVESTORS CAN MAKE INFORMED INVESTMENT DECISIONS."



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MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

**CONDITIONS UNDER SECTION 2CC OF
SECURITIES AND EXCHANGE ORDINANCE, 1969**

1. The Company shall not account for any upward revaluation of its fixed assets creating reserve without clearance from Securities and Exchange Commission.
2. Directors from "Sponsors Group" shall be proportionate to their actual shareholding in the paid up capital of the Company. Directors shall be elected from amongst the institutional investors proportionate to their holding of shares. If holding is more than 5% but less than 10% it will have at least one Director in the Board. Representative of the general investors who do not fall under above categories shall elect their Director in the Annual General Meeting proportionate to their share holdings;
3. Jumbo Share Certificate of the Sponsors/Directors shall be in the custody of a scheduled bank. No splitting of shares shall be made without prior intimation to the Commission.
4. Private placement of shares shall be subject to a lock-in for one year (excepting mutual fund, portfolio manager and other financial institutions). Shares in private placement if falls under the category of sponsors shall be locked-in for 3 (three) years.
5. Allotment letters shall not be traded and endorsement/renunciation shall not be permissible.
6. Share Certificate shall be issued within 90 (ninety) days from the close of subscription.
7. The account of the company shall be audited within 120 (one hundred & twenty) days of the close of the financial year of the Company. Annual General Meeting (AGM) shall be held within 6 (six) months from the close of the financial year.
8. Dividend, if declared, shall be payable within 60 (sixty) days of its declaration, failing which interest shall be payable @ 18% from the date of declaration and penal provision will also attract under the Securities and Exchange Ordinance, 1969. If no dividend is proposed by the Company with profit, an agenda shall be placed in the AGM requiring a special resolution;
9. If the company fails to make any profit for two consecutive years, Securities and Exchange Commission (SEC) may appoint Auditors for special audit/investigation of the affairs of the company. The company shall bear the cost of such audit.

GENERAL INFORMATION

- ♦ The Prospectus has been prepared by **Prime Finance & Investment Limited (PFI)** from information supplied by German Bangla J.V. Food Limited (the Company) and also several discussions with the Chairman, Managing Director and related executives of the Company. The Directors of German Bangla J.V. Food Limited collectively and individually confirm that to the best of their knowledge and belief the information contained herein is true and correct in all material respects and that there are no other material facts the omission of which would make any statement herein misleading.
- ♦ No person is authorised to give any information or to make any representation not contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorised by the company or PFI, the issue manager.
- ♦ The Issue, as contemplated in this document, is made in Bangladesh and is subject to the exclusive jurisdiction of the courts of Bangladesh. Forwarding this Prospectus to any person residing outside Bangladesh in no way implies that the issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of the country.
- ♦ A copy of this Prospectus can be obtained from the Head Office of German Bangla J.V. Food Limited, the underwriters that are named on the front page of this Prospectus and the stock exchanges where the securities will be traded.




MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

DECLARATION OF THE DIRECTORS AND OFFICERS

This Prospectus has been prepared, seen and approved by us; and that we collectively and individually accept full responsibility for the authenticity and accuracy of the statements, information given in the Prospectus, documents, financial statements, exhibits, annexures, papers submitted to the Commission in support thereof; and confirm, after making all reasonable inquiries that all conditions and requirements concerning this public issue and Prospectus have been met and that there are no other information or documents the omission of which may make any information or statements therein misleading for which the Commission may take civil, criminal or administrative action against us or any of us as it may deem fit.

We also confirm that full and fair disclosures have been made in this Prospectus to enable the investors to make an informed decision for investment.

Sd/- (Mr. A.Z.M. Hossain Khan) Managing Director	Sd/- (Mrs. Monowara Begum) Director	Sd/- (Capt. M. Moazzam Hossain) Deputy Managing Director
Sd/- Mr. Mahbubur Rahman (Attorney of Mr. Jurgen Haas, Director)	Sd/- (Mr. Mansur-Ur-Rahman) Director	Sd/- (Mr. Milon H Rahman) Company Secretary
Sd/- (Mr. Hossain Ahmed) Director	Sd/- (Major Manzurul Hoque) Director	Sd/- (Mr. Md. Omar Faruk) Manager Accounts
Sd/- (Mr. Quazi Rafiquddin) Director	Sd/- (Mr. Serajul Islam Mollah) Director	Sd/- (Mr. Mizanur Rahman) Factory Manager
Sd/- (Mr. A. K.M. Abdul Latif) Director	Sd/- (Mr. Julian Wilfred Gomes) Director	Sd/- (Mr. Md. Rafiqul Islam) Production Manager
Sd/- (Mr. Tareque Aziz) Director		Sd/- (S. M. Rabiul Ehsan) Sales Executive

DECLARATION ABOUT THE FILING OF PROSPECTUS WITH REGISTRAR OF THE JOINT STOCK COMPANY

A dated and signed copy of this prospectus has been filed for registration with the Registrar of Joint Stock Companies and firms, Bangladesh as required under section 138(1) of the Companies Act, 1994, Vide RJSC's Receipt No. Dated



(Signature)
MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

DECLARATION BY THE ISSUER ABOUT APPROVAL FROM THE SECURITIES AND EXCHANGE COMMISSION FOR ANY MATERIAL CHANGE

In case of any material change in any agreement, contract, instrument, facts and figures, operational circumstances and statements made in the Prospectus, subsequent to the preparation of the Prospectus and prior to its publication, shall be incorporated in the Prospectus and the said Prospectus will be published with the approval of the Commission.

For Issuer

Sd/-

(Mr. A.Z.M. Hossain Khan)
Managing Director

DECLARATION BY THE ISSUE MANAGER ABOUT APPROVAL FROM THE SECURITIES AND EXCHANGE COMMISSION FOR ANY MATERIAL CHANGE

In case of any material change in any agreement, contract, instrument, facts and figures, operational circumstances and statements made in the Prospectus, subsequent to the preparation of the Prospectus and prior to its publication, to the best of our knowledge, shall be incorporated in the Prospectus and the said Prospectus will be published with the approval of the Commission.

For

Prime Finance & Investment Ltd.

Sd/-

(T. K. Podder)
Managing Director

DECLARATION ABOUT LISTING OF SHARES WITH STOCK EXCHANGES

Application will be made to Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. within ten days of the first issue of prospectus for admission of the shares of the company for dealing on the stock market and for their quotation on the DSE and CSE.

If, for any reason, the application for listing is not accepted by the Stock Exchange(s), within 6 (six) weeks of the closure of subscription list, any allotment in terms of this prospectus shall be void, and the company shall refund subscription money within 30 (thirty) days of the expiry of six (six) weeks of the closing of subscription list. In case of non-refund of the subscription money within the aforesaid 30 days, the directors in addition to the company shall be collectively and severally liable to pay interest at 5% above the Bank rate.



DUE DILIGENCE CERTIFICATE OF MANAGER TO THE ISSUE

The Chairman
Securities and Exchange Commission
Jiban Bima Tower (15-16th Floor)
10 Dilkusha C/A
Dhaka-1000

Sub: Public offer of 1,000,000 ordinary shares of Tk. 10 each at par by German Bangla J.V. Food Ltd.

Dear Sir,

We, the under-noted Manager to the Issue to the above mentioned forthcoming issue state as follows:

1. We, while finalizing the draft Prospectus pertaining to the said Issue, have examined various documents and other materials as relevant to adequate disclosures to the investors.
2. On the basis of such examination; and the discussions with the Company, its Directors and other officers and other agencies; independent verification of the statements concerning objects of the Issue and the contents of the documents and other materials furnished by the Company, we confirm that:
 - a) the draft Prospectus forwarded to the Commission is in conformity with the documents, materials and papers relevant to the Issue.
 - b) all the legal requirements connected with the said Issue have been duly complied with;
 - c) the disclosures made in the draft Prospectus are true, fair and adequate to enable the investors to make a well informed decision as to investment in the proposed Issue.

For
Prime Finance & Investment Ltd.

Sd/-
(T. K. Podder)
Managing Director




MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

DUE DILIGENCE CERTIFICATE OF THE UNDERWRITERS

The Chairman
Securities and Exchange Commission
Jiban Bima Tower (15-16th Floor)
10 Dilkusha C/A
Dhaka-1000

Sub: Public offer of 1,000,000 ordinary shares of Tk. 10 each at par by German Bangla J.V. Food Ltd.

Dear Sir,

We, the under-noted Underwriter(s) to the above mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision;
2. On the basis of such examination; and discussions with the company, its directors and other officers and other agencies; and the contents of the documents and other materials furnished by the Company and our underwriting agreement(s) dated April 08, 2001, we confirm that:
 - (a) all information as is relevant to our underwriting decision has been received by us and that the draft prospectus forwarded to the Commission has been approved by us;
 - (b) we shall take up on payment any under-subscribed securities against the above mentioned public issue within 15 (fifteen) days of calling up therefor by the issuer.
 - (c) this underwriting commitment is unequivocal & irrevocable.

Sd/-

Prime Finance & Investment Limited
Bay Leasing and Investment Limited
Grameen Securities Management Limited
Swadesh Investment Management Limited
Underwriters



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**MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.**

AVAILABILITY OF PROSPECTUS:

The Prospectus of the German Bangla J.V. Food Limited will be available at the following addresses:

Company	Contact Person	Telephone No.
German Bangla J.V. Food Ltd. House # 99, Road # 13 Block – D, Banani Dhaka.	Mr. Milon H Rahman Company Secretary	9880381-2 019381235
Prime Finance & Investment Limited (PFI) 63, Dilkusha C/A (7th Floor) Dhaka-1000.	Mr. Md. Rezaul Haque Senior Principal Officer	9563882 9563883
Bay Leasing and Investment Limited Printers Building (7th Floor) 5 Rajuk Avenue, Motijheel Dhaka-1000	Mr. Azadur Rahman Khan Managing Director	9565026
Grameen Securities Management Limited Grameen Bank Bhaban Mirpur Two Dhaka-1216	Mr. Md. Aliuzzaman Managing Director	9005257-69
Swadesh Investment Management Limited 3/1 Bijoy Nagar, VIP Road Dhaka-1000	Mr. Ziaul Quddus Chief Executive Officer	9345853-4
Dhaka Stock Exchange Ltd. (DSE) 9F Motijheel C/A Dhaka-000	DSE Library	9564601 – 7
Chittagong Stock Exchange Ltd. (CSE) CSE Building 1080 Sheikh Mujib Road Chittagong-4100	CSE Library	031-714632-3 031-720871-3
Securities and Exchange Commission (SEC) Jiban Bima Tower (15th & 16th Floor) 10, Dilkusha C/A Dhaka-1000	web site (www.secdb.org)	9568101 9568102 9561525



RISK FACTORS AND MANAGEMENT PERCEPTION ABOUT RISK

1. Investment in equity securities involves risk and therefore investment should not be made unless an investor can afford to take the risk of losing his investment.
2. Profit margin may be reduced due to rise in the price of raw materials both local and imported.
 - The basic raw materials i.e. pineapples, oranges and mangoes are 100% available within the country and the price fluctuations remain within the normal range. Pineapple farming, being a promising sector, is growing from year to year. With the further growth of this sector price is expected to remain stable.

Pineapple is the major component of the raw material for pineapple juice. The increase in cost of raw material is not likely to be high and can easily be absorbed and adjusted in the prices.
3. Source of raw materials being Hill tracts (pineapple and oranges), Modhupur (pineapple) Rajshahi and Dinajpur (mangoes) and Sylhet (oranges) transport cost will be substantial reducing thereby profitability.
 - Transport cost of raw material for most of the fruit based plants will be similar which will be reflected in the price of the products of all the companies and will have no adverse impact on the profitability of the company. Besides major part of the production will be exported at a fixed profit of 20% over the cost.
4. The industry is dependent on seasonal harvest of fruits. This puts a limitation to the capacity of the company to operate throughout the year.
 - The company will achieve its target annual production during the harvesting season of relevant fruits and store the products for future sale.
5. The basic raw materials i.e. pineapples, mangoes and oranges are perishable. If for any reason, the production is hampered, the raw materials already procured may perish and the company may incur loss.
 - The company will store raw materials i.e. fruits for a safe period and will not do so beyond the safe period.
6. Because of free market operation multinational fruit products may have an access to the domestic market. As a result domestic products may have to face competition both in terms of price and quality from foreign as well as local products.
 - In free market operation domestic fruit based products will be better in competition on account of cost advantage.
7. Devaluation of Taka may result in the higher cost of imported packing materials and targeted profit may be reduced.
 - Any devaluation will increase profit margin, the project being mostly export oriented whereas imported raw material is not significant.
8. Significant disruption occurring in the political, industrial and labour front may hold up operation and reduce productivity of the company raising thereby the cost of production.




MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

- In course of time with the progress of democracy political and labour unrest will stabilize and production is not likely to be held up.
- 9. The sponsors of the company have exposure to this single sector of industry only which may reduce the diversified growth of the company.
- With the growth and experience in management and firm distribution network set up the management will be able to diversify their products in food sector or otherwise.
- 10. Mr. Jurgen Haas being the single buyer of the entire production of the company may fail to go by the terms of the sales agreement for failure of his business in the European market and the company may face serious marketing problem.
- Mr. Haas is an expert in the field of food processing and distribution of food stuff & beverage in the European countries. He is one of the sponsors and the Chief Executive of M/S Phoenix GMBH, one of the leading importer and distributor of food & beverage in the European continent. Since Mr. Haas has significant stake in the form of equity and interest free loan representing almost 1/3 of the total cost of the project, it is most unlikely that he will not go by the terms of the sales agreement to the detriment of company's interest.

Since the product is desired as per European standard. Marketing of the product will not be difficult in home and abroad in case of failure of business of Mr. Jurgen Haas in the European market. There is a great demand for pineapple juice in Europe Middle East and other counties of the world. The company can also market its products in the local market where the demand for juice products is fast growing.

- 11. Any technological change may make the machinery of the industry obsolete.
- Changes in technology of fruit producing machinery is very slow. Moreover the machinery are of comparable standard with the recently established similar industries of the country. However technological change will affect all juice producing industries globally. In that scenario, German Bangla JV Food Limited will be in a position to adjust to technological changes.
- 12. XLO VARIO PACK is a reconditioned machine, and may adversely affect the productivity and profitability of the industry.
- Although the machine is a reconditioned one, its useful and economic life ^{is} ~~is~~ at least 10 years from commercial operation, 1997 which is enough for profitable operation of the project.
- 13. Sugar is one of the basic raw materials for producing fruit drinks and incompetitive purchase price may result higher production cost.
- Since the sugar is used only for drinks for local market having small portion of total production, impact of rise in price of sugar will be insignificant on the total cost.
- 14. Valuation and life of the reconditioned machinery was not certified by the Lloyds or SGS and hence the determination of life and value may not be correct.
- Economic life of the major imported machinery was confirmed by the SHALOM, an European survey company. SHALOM is equally renowned and established survey firm in Europe and there is unlikely that the assessment will be wrong.



CALCULATION OF EARNING PER SHARE

Based on financial statements for the period ended 31st October 2000

a)	Net profit after Tax	463,176
b)	No. of Ordinary Shares (Prior to issue of new shares)	2,500,000
c)	Earning Per share	0.19

RATIO ANALYSIS

Based on financial statements for the period ended 31st October 2000

Gross Profit Ratio =	$\frac{\text{Gross Profit}}{\text{Net Sales}} \times 100 = \frac{2,666,479}{11,203,863} \times 100 = 23.80\%$
Net Profit Ratio =	$\frac{\text{Net Profit}}{\text{Net Sales}} \times 100 = \frac{463,176}{11,203,863} \times 100 = 4.13\%$
Return on Assets =	$\frac{\text{Net Profit}}{\text{Total Assets}} \times 100 = \frac{463,176}{38,679,473} \times 100 = 1.20\%$
Current Ratio =	$\frac{\text{Current Assets}}{\text{Current Liabilities}} = \frac{15,951,168}{2,345,464} = 6.80 \text{ (times)}$
Return on Shareholders' Fund =	$\frac{\text{Net Profit}}{\text{Shareholders' Fund}} \times 100 = \frac{463,176}{26,334,009} \times 100 = 1.76\%$
Debt Equity Ratio =	$\frac{\text{Debt}}{\text{Shareholders Equity}} = \frac{10,000,000}{26,334,009} = 0.38$



USE OF PROCEEDS

(Amount in Taka)

IPO Fund	10,000,000
Placement Fund	15,000,000
Total Funds:	25,000,000

The above IPO and pre IPO placement funds will be utilized in the following manner:

Use of funds	Amount (Tk)
Machinery	17,000,000
IPO Expenses	2,500,000
Working Capital (Partial)	5,500,000
Total Funds Required	25,000,000

IMPLEMENTATION SCHEDULE

Particulars

Procurement of Machinery
Installation of Machinery
Trial Production
Commercial Operation

Target of completion

August 2001
September 2001
September 2001
October 2001

DESCRIPTION OF BUSINESS

The Company

German Bangla J.V. Food Limited, House No. 99, Road No. 13, Block-D, Banani, Dhaka-1212 was incorporated on November 25, 1996 as a Public Limited Company under the Companies Act, 1994 and registered with the Registrar of Joint Stock Company.

The Project

German Bangla J.V. Food Limited is a Joint-Venture project with a German investor. Located at Dhamrai, the project currently produces mango juice, orange juice, apple juice and pineapple juice drinks for domestic market under the brand name "RICHI". Based on 1(one) shift operation per day and 300 working days in a year with the annual production capacity of 1,500 tons, the existing project went into commercial production on 2nd August 1997. The expansion project is expected to go into operation in October 2001 starting production of pure pineapple Juice in Tetra Pack at 10,800 tons capacity per year (8 hours per day).

The entire production of the expansion project of the company which will be the major part of the total production of the company is to be lifted by the foreign joint investor of the company at a 20% profit over the cost as per the Export Sales Agreement signed for five years between the company and Mr. Jurgen Haas the joint investor and the buyer. The project thus has an assured profitability for 5 years.




MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

Scope of Business

The expansion project will be managed by an experienced group of people both foreign and local. All the technical know-how of the expansion project will be provided by the German party. The foreign expert will be stationed at the project for 6 months. The existing machinery was imported from Europe in view of their excellent quality and dependability. The machinery imported from Europe for the expansion project are fully automatic (XLO VARIO PACK paper packing) and will cover crushing, filling, closing, sealing in tetra packs and sterilization.

Scope for Local Market

Demand for fruit-based drinks and fruit juice is steadily growing with the rise in the income level of the people. The demand for fruit juice and drinks is primarily being met through imports. The company will be able to substitute imports by its products in the local market.

The products

For Local market

- Mango Juice Drink
- Orange Juice Drink
- Apple Juice Drink
- Pineapple Juice Drink

For export to European market

- Pure Pineapple Juice in Tetra Pack.

Demand/supply

Demand for different varieties of pure fruit juice is worldwide. Pineapple is a special type of fruit abundantly available in our country, but this is not produced in the western world but the demand for this fruit and the juice is very high in the Western World. The demand for fruit juice in the Middle East has grown also very high recently.

Presently India, Philippine, Thailand are dominating the western market in supplying fruit juice including pineapple juice. Local demand for pineapple juice is being met primarily through imports from Pakistan, Saudi Arabia and partly by local producers.

Distribution procedure

Distribution of fruit juice drinks for local market is made through appointed distributors with the demarcation of territory for each distributor. Hundred percent of pineapple juice will be exported to Europe

Relative Contribution to Sales (October 31, 2000)

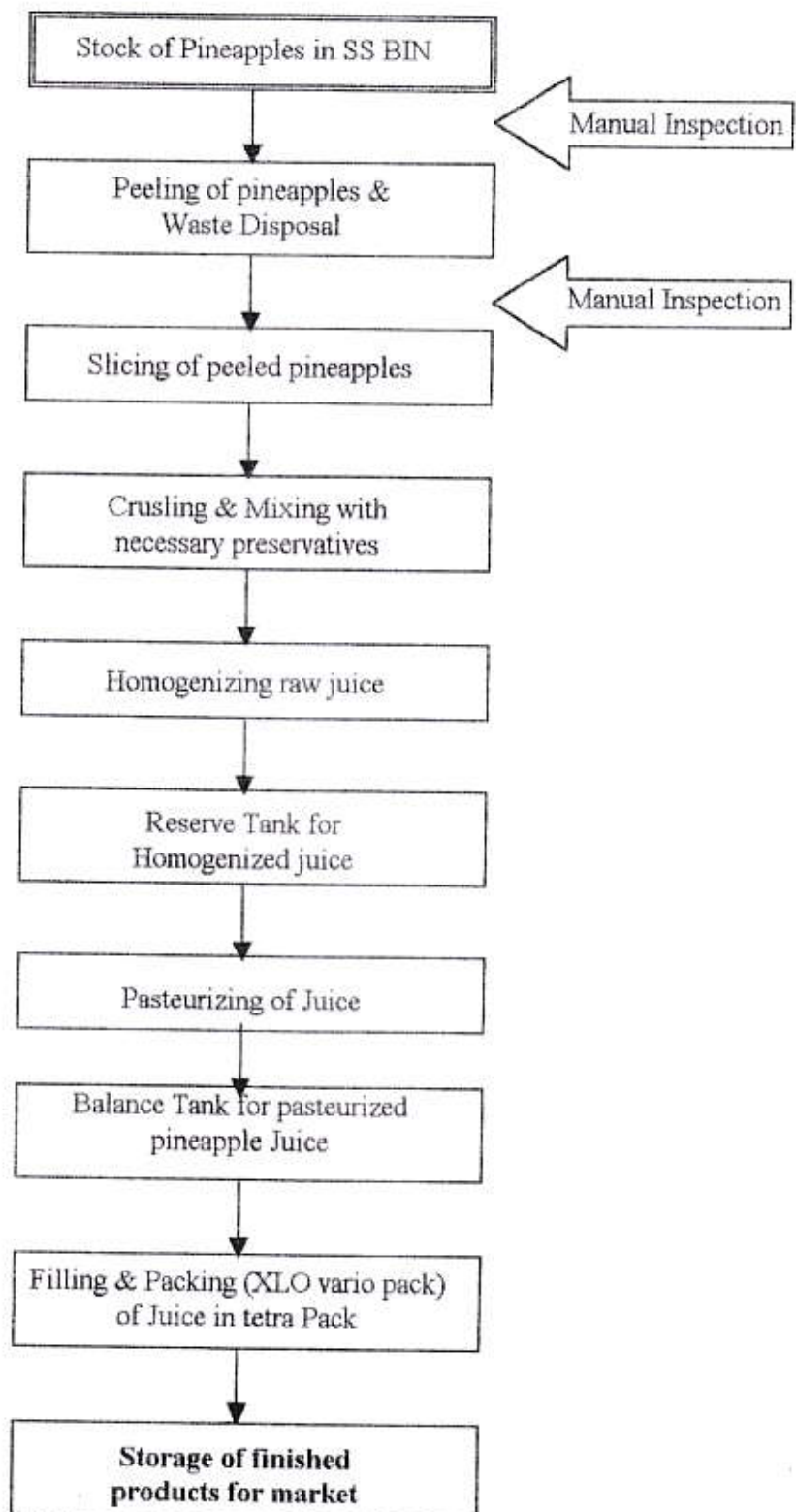
Description of Item	Sales %
Mango Juice - Drink	40%
Orange Juice - Drink	30%
Apple Juice - Drink	20%
Pineapple Juice - Drink	10%
Total	100.00%

Production Process

The proposed machinery is sophisticated and automatic covering the entire process of crushing, filling, closing, sealing in tetra packs and sterilization.



**FLOW CHART FOR PRODUCTION OF PURE PINEAPPLE JUICE
IN TETRA PACK FOR 100% EXPORT**



Utilization of production capacity (for 10 months)

(Metric Tons)			
Sl.	Items	Utilization capacity	Installed Capacity
1	Mango Juice Drink	160	600
2	Orange Juice Drink	120	450
3	Apple Juice Drink	80	300
4	Pineapple Juice Drink	40	150
	Total	400	1500

Sources and availability of Raw Materials

The basic raw materials i.e. pineapples, oranges and mangoes are available within the country. The other raw materials are pulp, concentrate, chemicals, sugar, PVC glass, paper etc. Those are available at local and foreign sources.

Power

This unit requires about 100 KWH electricity to run the factory, PDB power source is being used. However alternative arrangement has been made by our generator set to produce electricity and this will ensure regular supply which is essential for the industry including the expansion.

Water

Water is essential for juice factory. It is estimated that about 50,000 litres of water is necessary per day which will be supplied from a tube-well.

Competitors

German Bangla J.V. Food Limited will market pineapple juice in tetra packs.

The other juice products like mango juice, orange juice and apple juice drinks are very competitive. Currently there are a large number of firms importing fruit juice drinks for domestic consumption. Amongst the local producers, the popular names are Agriculture Marketing Company Ltd. (Pran), Shezan, Arong, Partex group (Danish) etc. which all together enjoy a major share of the market.

Industrial Growth

There are reasons to expect a stable growth in the fruit processing sector. With a growing population and increases in the level of disposable incomes the sector has endless possibilities. Now-a-days, people have become more health conscious and give importance to food values. Carbonated beverages which have little nutritional value will have to yield some place to fruit juice products. If quality and standard of the fruit products can be rigorously maintained, local products can safely substitute the imports.

Communication

The project is located at Dhamrai, Dhaka. Dhamrai has an excellent road communication facilities both for the supply of raw material and the distribution of finished goods. All necessary infrastructural facilities are available there. The site is close to Dhaka.




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GERMAN BANGLA J.V. FOOD LTD.

Sources of Raw Materials and Principal Suppliers

Name of Fruits/Pulp/Concentrate/Chemical/Packing materials suppliers :

Sl.	Raw Materials	Name of Suppliers	Address
1	Pineapples, mangoes	Md. Khalilur Rahman	Rasulpur, Madhupur, Tangail
2	Pineapples, mangoes	Sree Sukumar Kalwar	Rasulpur, Madhupur, Tangail
3	Chemicals	Noor Perfumery	18, Armanian Street, Dhaka
4	Aluminum foil	Arafat Trade Syndicate	45/47, Strand Road, Hoque Chamber, Majirghat, Chittagong
5	Pineapples, oranges	Md. Badsha Miah	45 Station Road, Hobigonj, Sylhet
6	PVC glass	Shuvo Enterprise	Mill Gate Road, Tongi, Gazipur
7	Packing materials	Daffodil Printing Press	142/2 Arambagh, Dhaka
8	Packing materials, PVC glass	B. Ahmed & Co.	Contractor Bari, Sea Beach Road, North Patenga, Chittagong
9	PVC glass	Satrang Kutir Shilpa	Tejgaon Industrial Area, Dhaka
10	Concentrate & Pulp	Borhan Chemicals	Babubazar, Mitford, Dhaka

Trademark, licenses or royalty agreement

Brand name is not registered.

No. of total employees

	Existing	Proposed
Full time employees	28	40
Part time employees	12	25

Customers buying 10% and above

Sl.	Name of the Customers	Address
1	Shah Traders	Main Road, Mongla, Bagerhat
2	SAARC Trading Agencies	365 Jubilee Road, Chittagong-4000
3	Bijoy Trade International	Elias Market, 189 Khatungonj, Chittagong-4000
4	Rajanigandha	B-97, Bazar Road, Savar, Dhaka

Joint Venture Agreement

A Joint Venture Agreement was signed between German Bangla JV Food Limited and Mr. Jurgen Haas, Waller Heerstrasse 213, 28219 Bremen, Germany. Telefon (0421) 3807058, Telefax (0421) 3807050, a German Investor-cum-buyer on 21st October 1996, amended on 9th April 1997. Mr. Jurgen Haas is an experienced and knowledgeable person in the field of manufacturing quality fruit juice and marketing the same. He has expertise in the field of food processing and distribution of food stuff & beverage in the European countries. He is one of the sponsors and the Chief Executive of M/S Phoenix GMBH, one of the leading importer and distributor of food & beverage in the European continent.

Technical and Marketing Collaboration Agreement

Mr. Jurgen Haas in terms of the agreement for Technical and Marketing collaboration dated 12-11-2000 will provide German Bangla JV Food Limited with technical know-how in the field of manufacturing quality fruit juice and marketing facilities in the European market and other markets as well.

Export Sales Agreement

In terms of the Export Sales Agreement dated 12th November 2000 Mr. Jurgen Haas, the buyer, will market and arrange to purchase from German Bangla JV food Limited the entire production of the expansion project of the company initially for five years to be renewed for similar periods on mutual consent. The company will have to sell the entire production of the expansion project of the company minus the factory rejects to Mr. Haas. The export sale price shall be fixed at a minimum profit of 20% after detailed costing as per International Accounting Standard.

The buyer shall arrange for the inspection of the products at his own cost during the course of manufacturing so as to avoid any ambiguity in quality at the time of shipment. All payments for the products sold by the company shall be made by an irrevocable and confirmed letter of credit payable at 100% sight issued by a bank acceptable to the company.



[Signature]
MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

DESCRIPTION OF PROPERTY

LOCATION OF THE PLANT AND OTHER PROPERTY

Location of the Factory

The company possesses 10 decimals of land under dag No. 192, 193, 194 SA khatian No. 121 Mouza-285 Islampur, Dhamrai, Dhaka on the north side of the Dhaka - Aricha high way 38 km from Dhaka city.

Registered Office

The registered office of the company is situated at House No- 99, Road No-13, Block- D, Banani, Dhaka.

Ownership of the Land

The company owns the land through purchase.

Leasehold Property

No property has been taken by the company on lease.

BRIEF DESCRIPTION OF FACTORY BUILDING AND OTHER CONSTRUCTIONS (EXISTING UNIT)

The construction of the existing building and civil works were performed and executed under direct supervision of the sponsor directors. The details of existing factory building are as under:

Factory Building No-1

It is a first class building having length (80 ft) x width (30 ft) x height (15ft) with 3 storied foundation and one storied RCC heavy structure. The building accommodates existing production line.

Factory Building No-2

It is a first class building having length (50 ft) x width (30 ft) x height (15ft) with 3 storied foundation and one storied RCC heavy structure. The building accommodates packing line and factory office.

PLANT AND MACHINERY (EXISTING UNIT)

The following machinery of USA and German origin worth at Tk. 32,504,870. The German sponsor of the company had collected quotations and accordingly supplied the XLO VARIO PACK. The details of machinery are given below:

Sl.	Name of Machinery	Qty.	Country of Origin	Mode of Procurement	Year of Acquisition	Effective Life (Year) from acquisition	Brand New/ Recondition	Price (Taka)
1	XLO VARIO PACK - Paper Packing for Juice Filling/Closing/Sealing in Paper Packet	01	USA	Imported	1997	10	Recondition	25,000,000
2	Generator	01	Germany	Local Sources	1997	20	Brand New	352,750
3	Bottle Filling Machine	01	Germany	Local Sources	1997	20	Brand New	148,400
4	Bottle Sealing Machine	01	Germany	Local Sources	1997	20	Brand New	147,900
5	Mixer Machine	06	Germany	Local Sources	1997	20	Brand New	163,125
6	Packing Machine	02	Germany	Local Sources	1997	20	Brand New	39,710
7	Cutting Machine	01	Germany	Local Sources	1997	20	Brand New	51,541
8	Weight Machine	03	Germany	Local Sources	1997	20	Brand New	25,300
9	Cold Store	02	Germany	Local Sources	1997	20	Brand New	414,784
10	Homogenizer	01	Germany	Local Sources	1998	20	Brand New	561,360
11	Air Compressor	03	Germany	Local Sources	1998	20	Brand New	1,390,147
12	Central Freezing System (Water treatment Plant & Water Cooling System)	01	Germany	Local Sources	1998	20	Brand New	1,671,500
13	Automatic Boiler	01	Germany	Local Sources	1998	20	Brand New	1,231,725
14	Pasturizer	01	Germany	Local Sources	1998	20	Brand New	1,306,628
	Total Tk.							32,504,870

Note: Recondition machine contributes 76.91% in terms of value. Price of the machine as per bill of entry was Tk. 59,049,566 which was subsequently negotiated with the supplier Mr. Jurgen Haas, the German Investor and refixed at Tk. 25,000,000.




MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

LIST OF MACHINERY TO BE PROCURED

Process Section

Sl.	Name of Brand New Machinery	Country of origin	Quantity	Price (Tk.)
1	Stainless Steel Bin with Conveying device mounted on trolley	Germany	01	500,000
2	Pineapple Peeling Machine	Germany	01	630,000
3	Pineapple slicing machine	Germany	01	775,000
4	Crushing & Mixing Machine	Germany	01	1,225,000
5	Homogenizer (2 stage) for raw fruit juice	Germany	01	2,100,000
6	Reserve Tank with necessary fittings	Germany	01	400,000
7	Pasteurizer, Continuous type	Germany	01	3,450,000
8	Balance Tank for Pasteurized Fruit Juice with necessary fittings	Local	01	415,000
9	Standby S S product pump 1"/1½	Germany	01	130,000
10	Transfer bins and vessels 2 no. each	Local	01	90,000
11	Trolley 10 nos. and weigh scale-2 nos.	Germany	01	100,000
	Total			9,815,000

Boiler Section

Sl.	Name of Brand New Machinery	Country of origin	Quantity	Price (Tk.)
1	Steam raising and distribution system	Germany	01	235,000
2	Boiler 600 kg/hour @ 10 kg./cm ²		01	950,000
3	Boiler Feed water system	Germany	01	175,000
4	Fuel Oil System	Germany	01	45,000
5	Chimney	Germany	01	90,000
6	Steam pipes and fittings	Germany	01	190,000
7	Insulation material	Germany	01	105,000
8	Water pipes & fittings	Germany	01	95,000
	Total			1,885,000

Electrical Consisting of

Sl.	Particulars	Quantity	Price (Tk.)
1	Main panels with incoming 440 volt line, 3 phase, 50 cycles and outgoing juders as necessary	01	165,000
2	Remote Control panels	01	90,000
3	Cables – Power and control	01	145,000
4	Earthing material	01	60,000
5	Cable Conduits Trays etc.	01	50,000
	Total		510,000



Vehicles

Sl.	Particulars	Quantity	Price (Tk.)
1	One lorry with crushing & mixing mechanism, capacity of tank 800 litres	01	3,230,000
2	Cover Van 2 nos.	01	1,210,000
	Total		4,440,000

Erection & Commissioning

	Amount (Tk.)
Installation & Commissioning of equipment listed above excluding all civil works repairing cost L.S.	325,000
Total	325,000
Grand Total	16,975,000

Note: All the proposed prices are based on competitive quotation for negotiation.

Manufacturers/suppliers of proposed imported machinery

Sl.	Name of Manufacturer/supplier	Phone	Fax
1	ADMIRAL TRADING CORPORATION Head Office Arag Chamber (2nd Floor) 68 Agrabad C/A Chittagong -4100 Bangladesh	880-31-713466 / 713467 / 501147	880-31-710635 / 710534



[Signature]
MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

PLAN OF OPERATION AND DISCUSSION OF FINANCIAL CONDITION

(Amount in Taka)

Internal sources of cash

	<u>31-10-2000</u>	<u>31.12.99</u>
Share Capital	25,000,000	25,000,000
General Reserve	266,802	174,167
Retained Earnings	1,067,207	696,666

External sources of cash

Interest Free Loan	10,000,000	10,000,000
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The interest free loan provided by Mr. Haas, the German Investor, has to be repaid only after the project earns adequate profit in time with the terms decided by the Board of Directors of the company.

Material commitment for Capital Expenditure and the expected sources of fund

The company has a definite plan for the expansion program in respect of which the following capital expenditure is being envisaged:

(Amount in Taka)

Particulars	Incurred 31-10-2000	To be Incurred	Total
Land & Land Development	1,255,700	---	1,255,700
Building & Civil Works	944,908	---	944,908
Plant & Machinery	19,559,498	17,000,000	36,559,498
Furniture & Fixture	139,220	---	139,220
Equipment	107,937	---	107,937
Vehicles	721,042	---	721,042
Preliminary & Issue Expenses	---	2,500,000	25,000,000
Total Fixed Cost	22,728,305	19,500,000	42,228,305
Working Capital	13,605,704	5,500,000	19,105,704
Total project Cost	36,334,009	25,000,000	61,334,009

SOURCES OF FUNDS			
Sponsors	25,000,000	---	25,000,000
Public Issue	---	25,000,000	25,000,000
Reserve & Surplus	1,334,009	---	1,334,009
Total Equity	26,334,009	25,000,000	51,334,009
Interest free loan	10,000,000	---	10,000,000
Total Long term Loan	10,000,000	---	10,000,000
Total Means of Finance	36,334,009	25,000,000	61,334,009




MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

Future capital expenditure

The company does not have any plan for future capital expenditure in the short term after the expansion of the project.

VAT, income tax, customs duty or other tax liabilities

VAT, income tax, customs duty or other tax liabilities are being paid from usual business operations. The company is liable to pay Income Tax on its taxable income as per Income Tax Rules.

Personnel Related Scheme

No provision has been made for any personnel related scheme. The company may take some schemes, such as, Provident Fund, Group Insurance, Gratuity etc. in future.

Public Issue Expenses

The share issue expenses have been estimated at Tk. 2,500,000 the break down of which is given below:

Sl.	Description	Percentage (%)	Amount in lac
1	Issue Management Fee	2%	5.00
2	Underwriting Commission	2.5%	2.50
3	Listing Fee (DSE)		1.60
4	Listing Fee (CSE)		1.60
5	Fee payable to SEC		0.85
6	Brokerage Commission (Approx.)	1.0%	1.00
7	Bankers to the Issue Commission		0.50
8	Stamp Charge		1.00
9	Publication of Prospectus		6.00
10	Printing of Prospectus & Forms		1.25
11	Printing of Allotment Letter & Share Certificates		1.80
12	Other Expenses		1.90
	Total		25.00

Revaluation of company's assets & summary thereof

The Company has not revalued any of its assets.

Transaction between holding company and the issuer

The Company is not a subsidiary to a holding company hence inter group transactions are not applicable.

Bank loan Status

The Company does not have any loan from any bank. As per the reports of Credit Information Bureau (CIB) of Bangladesh Bank dated 11-04-2001 the company and its directors are not loan defaulters as on 31-12-2000 and 28-02-2001.

Declaration

To the best of our knowledge and information, the details we have provided herein above are true and fair description with required explanation and no suppression of any material information is made which could have an impact on the offering of shares to the public.



[Signature]
MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

**AUDITORS' REPORT ABOUT ISSUE OF SHARES OTHERWISE THAN FOR CASH
SPECIAL REPORT FROM THE AUDITORS**

This is to certify that present capital structure of German Bangla J.V. Food Limited having its registered office at House # 99, Road # 13, Block - D, Banani Dhaka, Bangladesh is as follows:

A. AUTHORIZED CAPITAL

14,000,000 Ordinary Shares of Tk. 10.00 each Tk. 140,000,000

B. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

1,847,860 Ordinary Shares of Tk. 10.00 each issued
for cash and fully paid up Tk. 18,478,600

214,520 Ordinary Shares of Tk. 10.00 each issued/
allotted to Mr. Haas, the German Investor in consideration
of part of the cost of a machine supplied by him. Tk. 2,145,200

437,620 Ordinary Shares of Tk. 10.00 each issued/
allotted to Mr. Haas, the German Investor in consideration
of part of the cost of a machine supplied by him. Tk. 4,376,200

Tk. 25,000,000
=====

Dated: Dhaka 12th April 2000

Sd/-
A Hoque & Co.
Chartered Accountants



DIRECTORS OF THE COMPANY

Mr. A.Z.M. Hossain Khan – Managing Director, age: 64

Mr. A.Z.M. Hossain Khan is a retired high Govt. official and qualified CMIBP, DAIBP from the Institute of Bankers in Pakistan. He also obtained Post-graduate Diploma in Development Administration from the Birmingham University, UK. He was a member of BCS (admin) and served in different capacities in the field of Administration, erstwhile Pakistan Secretariat and Bangladesh Secretariat. He retired from Govt. service as Joint Secretary to the Govt. of the People's Republic of Bangladesh.

Mr. Hossain Ahmed – Director, age: 66

Mr. Hossain Ahmed was previously Chief Engineer, Road and High Ways, Govt. of Bangladesh.

Quazi Rafiquddin – Director, age: 65

Mr. Quazi Rafiquddin is a retired General Manager, Bangladesh Bank. During service he was supervising various industrial organizations and business concerns as an advisor and has good knowledge of running an industrial venture.

Mr. Mansur-ur-Rahman – Director, age: 61

By profession Mr. Rahman is a Civil Engineer of considerable experience. He worked for sometime as UN Road Engineering Advisor.

Major Manzurul Haque – Director, age: 42

Major Manzurul Haque did his Master's in Business Administration from IBA, University of Dhaka. He has completed different professional courses including Management and Administration courses at home and abroad. He obtained his Military graduation and was awarded the symbol 'G'. Major Haque served in different Regiments and Headquarters including Prime Minister's office and Army Headquarters in various Commands and on staff appointments. He has the experience of service in a Multinational set-up in the United Nations Protection Force (UNPROFOR) in Bosnia. He is a widely travelled person and has visited many countries as a govt. delegate.

Mr. Serajul Islam Mollah – Director, age: 61

Mr. Serajul Islam Mollah is a retired A.D.M and is also involved in various businesses.

Mr. Julian Wilfred Gomes – Director, age: 44

Mr. Julian Wilfred Gomes is an experienced businessman.

Mr. Tareque Aziz – Director, age: 28

He is an MBA and an energetic young man engaged in business.

Mrs. Monowara Begum – Director, age: 55

She is a well known business woman involved in various businesses.

Mr. A.K.M. Abdul Latif – Director, age: 56

He is a well known businessman involved in various businesses.

Mr. Jurgen Haas – Director, age: 64

Mr. Haas is an expert in the field of food processing and distribution of food stuff & beverage in the European countries. He is one of the sponsors and the Chief Executive of M/S Phoenix GMBH, one of the leading importers and distributors of food & beverage in the European continent.




MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

OFFICERS OF THE COMPANY

Mr. Milon H Rahman, Company Secretary

Age: 30 years, M.Com in Accounting, C.A Course Completed. Service experience 07 years. He has worked in a Chartered Accountancy Firm as Manager. During the service period he handled Accounts, Finance, Administration, Income Tax & related company affairs. He joined this organization in 1999 and since then he has been successfully performing the company affairs.

Particulars of Senior Executives of the company:

Name	Designation	Qualification	Age in 2000	Experience in this organization	Total Experience
Capt. M. Moazzam Hossain	Deputy Managing Director	Master Class-1 (Australia)	40	8 months	12
Mr. Dipak Kumar Dey	AGM	M.A	36	1	10
Mr. Mizanur Rahman	Factory Manager	M.Sc.	40	5	12
Mr. Md. Rafiqul Islam	Production Manager	M.A	41	4	13
Mr. Krishan Kumar Paul	Quality Controller	M.Sc	30	1	3
Mr. Md. Omar Faruk	Manager (Accounts)	B.Com. CA(C.C.)	27	2	3
Mr. S. M. Rabiul Ehsan	Sales Executive	B.Com. CA(C.C.)	30	3	6

Appointed/Nominated Director

There is one Director Mr. Capt. M. Moazzam Hossain, Deputy Managing Director appointed by the Company.

Inter Company Director

The company does not have any subsidiary or sister concern.

Family relationship between the Directors and Officers.

There is no family relationship between the Directors and Officers.

Retirement of Director

Sl	Name of Directors	Retired and Re-elected on
1	Mr. A.Z.M. Hossain Khan	30-04-1998
2	Mr. Jurgen Hass	30-04-1998
3	Mr. Hossain Ahmed	30-06-1999
4	Md. Quazi Rafiquddin	30-06-1999
5	Md. Mansur-ur Rahman	30-06-1999
6	Md. Manzurul Hoque	30-06-2000
7	Julian Wilfred Gomes	30-06-2000
8	Md. Serajul Islam Mollah	30-06-2000
9	Md. Tareque Aziz	30-06-2000
10	Mrs. Monowara Begum	30-04-1998
11	Mr. A.K.M. Abdul Latif	30-04-1998

Family Relationship among the Directors

There is no family relationship between the directors.

Legal Embargo for IPO

There is no restriction from the Securities and Exchange Commission (SEC) or from any other regulatory bodies against the company for going public. Directors & Officers are also not wanted by police or any investigating authorities.



MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Inter Family Transaction

No such transaction is evidenced in the books of accounts of the company.

Special Arrangement of Directors with the Company

The company does not have any Special arrangement / commitment with its Directors and there was no such transaction during the last 3 years.

Loan given/taken to/from Directors

The company has taken from Jurgen Haas, the foreign investor and director of the company an interest free long term loan of Tk. 10,000,000 refundable as and when the company would run at a profit.

Directors' involvement in other Organizations

None of directors are involved in any other organization.

Directors' facilities during publication of prospectus

Facilities whether pecuniary or non- pecuniary enjoyed by the Directors will remain unchanged during the publication period of the prospectus.

EXECUTIVE COMPENSATION

Remuneration paid to top three Executives last year

Name	Designation	Amount paid
Mr. A.Z.M. Hossain Khan	Managing Director	180,000
Capt. M. Moazzam Hossain	Deputy Managing Director	40,000
Mr. Milon H. Rahman	Company Secretary	168,000

Remuneration paid to Director and Officers in the year 2000

Group	Numbers	Amount paid
a) Directors	03	Tk. 297,000
b) Officers	09	Tk. 690,000

The company did not pay any amount to any body who was not an officer, director of the company during the last year. There is no contract with any director, officer for further compensation.

Pay Increase Intention

Periodical review of salary and benefits of the employees will be made depending on the growth of the company's operation.

TRANSACTION WITH PROMOTERS

Benefit from the Company

Promoters did not receive anything of value except the reimbursement of petty expenses from time to time. On completion of IPO, the company is expected to further consolidate its performance. The promoters, therefore, expect better financial results on their stock with the company in the days to come.

Promoters' Asset to Company

German promoter Mr. Jurgen Haas has provided a machine to the company, part of the cost having been met through issue of shares to Mr. Haas.




MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

OWNERSHIP OF THE COMPANY'S SECURITIES

Following are the details of sponsors' equities @ Tk. 10 per share:

Name & Address	Nationality	No. of shares	Amount (Tk)	Percentage
A. Directors				
Mr. A.Z.M. Hossain Khan	Bangladeshi	50,000	500,000	2.0%
Mr. Jurgen Haas	German	657,140	6,571,400	26.3%
Mr. Hossain Ahmed	Bangladeshi	95,000	950,000	3.8%
Md. Quazi Rafiquddin	Bangladeshi	40,000	400,000	1.6%
Md. Mansur-ur Rahman	Bangladeshi	135,000	1,350,000	5.4%
Md. Manzurul Hoque	Bangladeshi	50,000	500,000	2.0%
Julian Wilfred Gomes	Bangladeshi	50,000	500,000	2.0%
Md. Serajul Islam Mollah	Bangladeshi	50,000	500,000	2.0%
Md. Tareque Aziz	Bangladeshi	50,000	500,000	2.0%
Mrs. Monowara Begum	Bangladeshi	50,000	500,000	2.0%
Mr. A.K.M. Abdul Latif	Bangladeshi	60,000	600,000	2.4%
Sub-Total		1,287,140	12,871,400	51.50%
B. Shareholders				
23 Shareholders		1,212,860	12,128,600	48.50%
Total		2,500,000	25,000,000	100%




MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

List of Shareholders mentioning their nationality and shareholding

Sl.	Name of Shareholders	Nationality	No. of Shareholding	Amount (Tk.)
1	Mr. Khurshid Alam	Bangladeshi	50,000	500,000
2	Mrs. Nahid Akhter	Bangladeshi	50,000	500,000
3	Mr. Nasir Uddin	Bangladeshi	50,000	500,000
4	Ms. Tasnim Morium	Bangladeshi	100,000	1,000,000
5	Mr. Dr. Syed Shahrul Huq	Bangladeshi	50,000	500,000
6	Mr. Mainul Islam Chowdhury	Bangladeshi	20,000	200,000
7	Mr. Taskin Khurshid	Bangladeshi	7,620	76,200
8	Md. Amanullah Chowdhury	Bangladeshi	20,000	200,000
9	Md. Quazi Munibur Rahman	Bangladeshi	50,000	500,000
10	Mr. Hasnain Ahmed	Bangladeshi	50,000	500,000
11	Md. Kafiluddin	Bangladeshi	50,000	500,000
12	Mr. Rafiqul Islam	Bangladeshi	7,620	76,200
13	Mr. Miraz Aziz Ilakmat	Bangladeshi	7,620	76,200
14	Mufizur Rahmna Bhuyian	Bangladeshi	50,000	500,000
15	Md. Alauddin	Bangladeshi	100,000	1,000,000
16	Mr. Lutfur Rahman	Bangladeshi	70,000	700,000
17	Md. Khalquzzaman	Bangladeshi	100,000	1,000,000
18	Mrs. Yasmin Zaman	Bangladeshi	50,000	500,000
19	Mrs. Farzana Moazzam	Bangladeshi	100,000	1,000,000
20	M. A. Salam	Bangladeshi	60,000	600,000
21	Md. Zahirul Islam	Bangladeshi	60,000	600,000
22	Masud Parvez	Bangladeshi	60,000	600,000
23	Ferdousi Begum	Bangladeshi	50,000	500,000
Total			1,212,860	12,128,600

Securities owned by Officers

No shares or any other securities are owned by the officers of the company.



[Signature]
MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

PLAN OF DISTRIBUTION

Underwriting of Shares

The public offer of 1,000,000 ordinary shares of Tk.10 each has been underwritten by the following Financial Institution:

Name and Address of the Underwriters	No. of Shares Underwritten	Amount (Tk.)
Prime Finance & Investment Limited (PFI) 63, Dilkusha C/A (7th Floor) Dhaka-1000.	500,000	5,000,000
Bay Leasing and Investment Limited Printers Building (7th Floor) 5 Rajuk Avenue, Motijheel Dhaka-1000	150,000	1,500,000
Grameen Securities Management Limited Grameen Bank Bhaban Mirpur Two Dhaka-1216	200,000	2,000,000
Swadesh Investment Management Limited 3/1 Bijoy Nagar, VIP Road Dhaka-1000	150,000	1,500,000
Total	1,000,000	10,000,000

Terms & Conditions

- 1) If and to the extent the shares offered to the public through a prospectus authorised hereunder are not 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 to subscribe the shares not subscribed and ask the underwriters to pay for them in cash in full within 15 (fifteen) days of the date of the said notice and the said amount shall have to be credited into shares subscription account within the said period.
- 2) 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 his Agreement until such time as the Cheque / Bank Draft has been encashed and the company's account credited.
- 3) In any case within 7 (seven) days of the expiry of the aforesaid 15 (fifteen) days, the company shall send proof of subscription and deposit of share money by the underwriters to the commission.

Commission for Underwriters

- 1) Underwriters will be paid an underwriting commission @ 2.5% of the nominal value of shares 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 required to be subscribed by it.

Underwriters' Right to have a Representative in Company's Board

Underwriters have no right to have a Representative in the Board of Directors of the company.




MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

MARKET FOR THE SECURITIES BEING OFFERED

The securities will be traded at:

Dhaka Stock Exchange Limited
9F, Motijheel C/A
Dhaka-1000.

Chittagong Stock Exchange Limited
CSE Building
1080 Sheikh Mujib Road
Chittagong - 4100

DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED

Dividend, Voting, preemption Rights

The share capital of the company is divided into ordinary shares carrying equal rights to vote and receive dividend in terms of the relevant provisions of the company Act 1994 and the articles of Association of the Company. Shareholders shall have the usual voting right in person or by proxy in connection with, among others, election of Directors & Auditors and other usual agenda of general Meeting - Ordinary or Extra Ordinary. On a show of hand every shareholder present and every duly authorised representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote for every share held by him.

Right for Transfer

In terms of the provisions of the Company Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the company are freely transferable. The company shall not charge any fee for registering transfer of shares. No transfer shall be made to a firm, an infant or persons of unsound mind.

Dividend Policy

- a) The profit of the company, subject to any special right relating thereto created or authorised to be created by the Memorandum of Association subject to the provision of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively.
- b) No larger dividend shall be declared than is recommended by the directors, but the company in its General Meeting may declare a smaller dividend. The declaration of directors as to the amount of net profit of the company shall be conclusive.
- c) No dividend shall be payable except out of profits of the company or any other undistributed profits. Dividend shall not carry interest against the company.
- d) The Directors may from time to time pay the members such interim dividend as in their judgement the financial position of the company may justify.

A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.

Other Rights of Stock Holders

The Directors shall present the financial statements as required under the law. Financial statements will be prepared in accordance with International Accounting Standards consistently applied throughout the subsequent periods and presented with the objective of providing maximum disclosure as per law and International Accounting standard to the shareholders regarding the financial and operational position of the company.




MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

FINANCIAL STRUCTURE

Authorized Capital	Taka
14,000,000 ordinary shares of Tk. 10 each.	140,000,000

Paid-up Capital	25,000,000
------------------------	-------------------

1. Sponsors:

Local and Foreign Sponsors have subscribed

2,500,000 Ordinary Shares of Tk. 10 each have been subscribed and paid in full by the sponsors.

25,000,000

The shares which are subscribed by the sponsors as described in the prospectus, shall be subject to a Lock-in-period as under:

"Three years in case of companies intending to go for 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 (One for each existing Sponsor/Director/ Existing Shareholder) is to be issued covering his respective total holdings. Their share holdings may be converted into market lots only after the expiry of the lock-in-period of three years.

There will be no lock-in on foreign sponsors.

Total Tk.

25,000,0000




MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

Placement

The following Financial Institutions, Companies, Private Parties have already subscribed 1,500,000 ordinary shares of Tk. 10 each at par:

Sl.	Name & Address	Occupation	No. of Shares	Amount (Tk.)
1	Prime Finance & Investment Ltd. 63, Dilkusha C/A (7th Floor) Dhaka-1000	Merchant Bank	300,000	3,000,000
2	Equity Partners Limited 1003 DSE Annex Building (9th Floor) 9/E Motijheel C/A Dhaka-1000	Merchant Bank	150,000	1,500,000
3	Grameen Securities Management Limited Grameen Bank Bhaban Mirpur Two Dhaka-1216	Merchant Bank	100,000	1,000,000
4	Union Capital Ltd. Sonartori Tower Sonargaon Road Dhaka-1205	Financial Institution	100,000	1,000,000
5	Bay Leasing and Investment Limited Printers Building (7th Floor) 5 Rajuk Avenue, Motijheel Dhaka-1000	Merchant Bank	50,000	500,000
6	Swadesh Investment Management Limited 3/1 Bijoy Nagar, VIP Road Dhaka-1000	Merchant Bank	50,000	500,000
7	Capital Market Service Ltd. 28 Dilkusha C/A (7th Floor) Dhaka-1000	Merchant Bank	35,000	350,000
8	EC Securities Limited East Coast Centre, SW(G) 8 Gulshan Avenue, Gulshan Dhaka - 1212	Merchant Bank	10,000	100,000
9	Prime Finance & Investment Ltd. Portfolio Account holders 63, Dilkusha C/A (7th Floor) Dhaka-1000	Merchant Bank	540,000	5,400,000
10	Capital Market Service Ltd. Portfolio Account 28 Dilkusha C/A (7th Floor) Dhaka-1000	Merchant Bank	165,000	1,650,000
Total			1,500,000	15,000,000

Private placement of shares shall be subject to a lock-in for one year (excepting mutual fund, portfolio manager and other financial institutions). Shares in private placement if falls under the category of sponsors shall be locked-in for 3 (three) years.



MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

Details of IPO

IPO will be of 1,000,000 shares @ Tk. 10 each totalling Tk. 10,000,000. As per "Public Issue Rules 1998" 10% has been reserved for NRB, leaving a balance of 90% for the General Public. The position is thus as follows:

(c) 100,000 Ordinary Shares of Tk.10 each are hereby being offered at par to Non Resident Bangladeshis for subscription in cash in full on application.	1,000,000
a) 900,000 Ordinary Shares of Tk.10 each at par are hereby being offered at par to the General Public for subscription in cash in full on application.	9,000,000
Total	<u>10,000,000</u>

CONDITIONS OF OFFER AND ALLOTMENT OF SHARES

1. All shares as stated in item 1 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.
2. In case of over-subscription of both the categories mentioned in item 1 the Issue Manager shall conduct an open **lottery** of all the applications received under each category separately.
3. In case of under subscription of both the categories mentioned in item 1 the unsubscribed portion of the shares shall be taken up by the underwriters.
4. In case of under subscription under the 10% category as mentioned in item 1 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** for all the applicants added together.
5. In case of over subscription under 10% category as mentioned in item 1, 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** for all the applicants added together.
6. The lottery as stated in items 2, 4 and 5 shall be conducted in the presence of authorised representatives of DSE and CSE, **Members** of the Board of the Company and Issue Manager and the applicants if present.
7. There is no founders' management or deferred shares, it is also not presently intended to issue any preference shares.
8. No payment has been or is intended to be made to the promoters, directors or other persons for promotion of the company.
9. The minimum subscription on which Directors will proceed to allotment is the full amount of the present issue which in the opinion of the Directors must be raised in order to provide fund required by the Company.
10. The NRB applicants, after completing and signing the application forms will submit the same along with foreign Drafts in US Dollar/UK Pound Sterling payable in Dhaka to the issuer Companies office directly.




MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

Allotment

1. The Company reserves the right of accepting any application either in whole or in part. Successful applicants will be notified by the despatch of an allotment letter by registered post/courier. Letters of Allotment and Refund Warrants will be issued within 40 (forty) days from the closing of the subscription list and Share Certificates will be issued within 90 (ninety) days from the date of closing of subscription lists
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 with the application will be refunded to the concerned applicant within 40(forty) days of closing of subscription list by cheques without interest. Interest at the rate of 5% above the bank rate will be paid to the unsuccessful applicants whose application money is refunded after 40(forty) days from the date of closing of subscription.
3. Where allotment is made in whole or in part in respect of joint application, the allotment letter will be despatched 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 of 500 Ordinary shares to the value of Tk. 5,000 and should be made on the company's Printed Application forms. Application Forms and Prospectuses may be obtained from the Registered 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/taped copies of the forms. Applications must not be for less than 500 shares or a multiple thereof. 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. Applications must be in full names of individuals or limited companies or trusts or societies and not in the names 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.




MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

6. Payment for subscription by investors other than Non-Resident Bangladeshi may be made to the said branches/offices 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 **"German Bangla J.V. Food Limited"** and shall bear the crossing "A/C Payee Only" and must be drawn on a bank in the same town of the bank with 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 Bankers to the Issue (VIDE INSTRUCTIONS for Application for Shares by investors other than Non-Resident Bangladeshis)
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 10% quota for NRB shall be sent by the applicant directly alongwith 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, India, Singapore, Thailand.

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 No. 50, Pubali Bank Limited, Foreign Exchange Branch, Motijheel, Dhaka** 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.




MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

UNDERWRITERS' OBLIGATION

If and to the extent the shares offered to the public through a prospectus authorized hereunder are not 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 subscribed by the closing date and to pay for cash in full, inclusive of any premium if applicable, for such unsubscribed 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 as per the terms of the underwriting 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 of 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 as per the terms of the underwriting agreement and also other penalties as may be determined by the Commission may be imposed on him.

UNDERWRITING COMMISSION:

Underwriters will be paid an underwriting commission @ 2.5% of the nominal value of shares 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 remaining unsubscribed, the company shall pay to that underwriter an additional commission @ 2.5% of the nominal amount of the shares required to be subscribed by him.

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 fees @ 2% of the issue amount to the Manager to the Issue.

BROKERAGE:

The Company will pay brokerage fee @ 1% only to the members of Dhaka and Chittagong Stock Exchanges on the paid up value of shares allotted against successful 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 and the shares placed under private placement arrangement.




MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

CLASSIFIED INFORMATION

AUDITORS

A. HOQUE & CO.
Chartered Accountants
Khan Mansion (5th Floor)
107, Motijheel C/A
Dhaka-1000

PRINCIPAL BANKER

Pubali Bank
Motijheel Foreign Exchange Branch
Motijheel, Dhaka

MANAGER TO THE ISSUE

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

UNDERWRITERS

Prime Finance & Investment Limited (PFI)
Bay Leasing and Investment Limited
Gramcen Securities Management Limited
Swadesh Investment Management Limited

COMPANY'S COMPLIANCE OFFICER

Mr. Milon H Rahman
Company Secretary

All investors are hereby informed that the company has appointed a Compliance Officer who may be contacted in case of any pre-issue/post issue related problems such as, non-receipt of letters of allotment/share certificates/refund orders/cancelled stock invests etc.

MATERIAL CONTRACTS

- a) Underwriting Agreements between the Company and the Underwriters.
- b) Issue Management Agreement between the Company and Prime Finance & Investment Limited, Manager to the Issue.

Copies of the aforementioned contracts and documents and a copy of Memorandum of Association 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.




MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

GERMAN BANGLA J.V. FOOD LIMITED
APPLICATION FORM

APPLICATION FOR SHARES 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

German Bangla J.V. Food Limited

House No.- 99, Road No.-13

Block - D, Banani

Dhaka-1212.

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's approved prospectus and subject to the Memorandum of Association 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:

1. No. of shares of Tk. 10 each
2. Amount of Tk. (in figure), (in words)
Cash/Cheque/Draft/Pay Order No. date
on Bank Branch
3. I/we agree to fully abide by the instructions given herein.
4. 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 :

5. 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 ordinary shares
of **German Bangla J.V. Food Limited.**

Banker's Sl. no.

Seal and Date

Authorised Signature
(Name & Designation)




MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

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 criterion will not be considered for allotment purpose.
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 "**German Bangla J.V. Food 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 be in the 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 Association 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 acknowledgement 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 any false statement in the application or supplying 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 the 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.



BANKERS TO THE ISSUE

Investment Corporation of Bangladesh (ICB)

Head Office, Dhaka
Local Office, Dhaka
Chittagong Branch, Chittagong
Rajshahi Branch, Rajshahi
Khulna Branch, Khulna
Sylhet Branch, Sylhet
Barishan Branch, Barishal
Bogra Branch, Bogra

A. B. Bank Ltd.

Principal Branch, Dhaka
New Elephant Rd. Br., Dhaka
Nawabpur Branch, Dhaka
Agrabad Branch, Chittagong
Khatunganj Branch, Chittagong
Modhuban Branch, Sylhet

The City Bank Ltd.

Principal Branch, Dhaka.
Gulshan Branch, Dhaka.
New Market Branch, Dhaka.
Islampur Road Branch, Dhaka.
Bangshal Branch, Dhaka.
B.B. Avenue Branch, Dhaka.
Johnson Road Branch, Dhaka.
Kawran Bazar Branch, Dhaka.
Tanbazar Branch, Narayanganj.
Agrabad Branch, Chittagong.
Khatunganj Branch, Chittagong.
Jublee Road Branch, Chittagong.
Bundarbazar Branch, Sylhet.
Rajshahi Branch, Rajshahi.
Khulna Branch, Khulna.
Barisal Branch, Barisal.

Southeast Bank Ltd.

Principal Branch, Dhaka
Gulshan Branch, Dhaka
Agrabad Branch, Chittagong
Laldighirpar Branch, Sylhet

Al Baraka Bank (BD) Ltd.

Principal Office, Dhaka
Karwan Bazar Branch, Dhaka
VIP Road Branch, Dhaka
Agrabad Branch, Chittagong
Khulna Branch, Khulna
Sylhet Branch, Sylhet
Rajshahi Branch, Rajshahi

Eastern Bank Ltd.

Principal Branch, Dhaka
Agrabad Branch, Chittagong
Khulna Branch, Khulna
Laldighir Par Branch, Sylhet.

IFIC Bank Ltd.

Federation Branch, Dhaka
Elephant Road Branch, Dhaka
Dhanmondi Branch, Dhaka
Shantinagar Branch, Dhaka
Gulshan Branch, Dhaka
Naya Paltan Branch, Dhaka
Agrabad Branch, Chittagong
Jessore Branch, Jessore
Rajshahi Branch, Rajshahi
Khulna Branch, Khulna
Comilla Branch, Comilla
Barisal Branch, Barisal
Kushtia Branch, Kushtia

National Credit & Commerce Bank Ltd.

Motijheel Branch, Dhaka
Moghbazar Branch, Dhaka
Mirpur Branch, Dhaka
Dhanmondi Branch, Dhaka
Mitford Branch, Dhaka
Agrabad Branch, Chittagong
Rangpur Branch, Rangpur

Bangladesh Commerce Bank Ltd.

Principal Branch, Dhaka
Dilkusha Branch, Dhaka
Mouchak Branch, Dhaka
Mirpur Branch, Dhaka
Gulshan Branch, Dhaka
Green Road Branch, Dhaka
Zikatala Branch, Dhaka
Agrabad Branch, Chittagong
Sylhet Branch, Sylhet
Bogra Branch, Bogra
Tanbazar Br. Narayanganj

National Bank Limited

Motijheel Branch, Dhaka
Dilkusha Branch, Dhaka
Kawran Branch, Dhaka
Foreign Exch. Branch, Dhaka
Elephant Road, Dhaka
Bangsal Branch, Dhaka
Imamgonj Branch, Dhaka
Jessore Branch, Jessore
Comilla Branch, Comilla
Agrabad Branch, Chittagong
Khatunganj Branch, Chittagong
Narayanganj Br., Narayanganj
Rangpur Branch, Rangpur

Pubali Bank Limited

Local Office, Dhaka.
Motijheel Branch, Dhaka
Mohakhali Branch, Dhaka
Sadarghat Branch, Dhaka
Shahbagh Avenue Branch, Dhaka
Karwan Bazar Branch, Dhaka
Naya Paltan Branch, Dhaka

Prime Bank Ltd.

Motijheel Branch, Dhaka
Moulvibazar Branch, Dhaka
Mohakhali Branch, Dhaka
Islamic Banking Br., Dhaka
Kawran Bazar Branch, Dhaka
Khatunganj Br., Chittagong
Khulna Branch, Khulna
Barishal Branch, Barisal
Sylhet Branch, Sylhet
Rajshahi Branch, Rajshahi
Elephant Rd Branch, Dhaka
Moulvibazar Branch, Sylhet
Islamic Banking Br., Sylhet
Mouchak Branch, Dhaka
Gulshan Branch, Dhaka
Narayanganj Br., Narayanganj
Agrabad Branch, Chittagong
Jubilee Road Br., Chittagong
Bangshal Branch, Dhaka
Jessore Branch, Jessore




MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

GERMAN BANGLA J.V. FOOD LIMITED**Application Form****APPLICATION FOR SHARES BY NON-RESIDENT BANGLADESHIS**

(To be sent directly to the company's corporate office)

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

The Directors

German Bangla J.V. Food Limited

House No.- 99, Road No.-13

Block - D, Banani

Dhaka-1212.

Banker 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's approved prospectus and subject to the Memorandum of Association 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 refundable 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. or UK£ at UK£ 1=Tk.
3. Payment by Cheque/Draft No. date for US\$ or UK£ or Tk.
drawn on Bank Branch.
4. I/we fully agree to 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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MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

INSTRUCTIONS

1. All information must be written or typed in block letters in English and must not be abbreviated.
2. An application must not be for less than 500 shares having the value of Tk. 5000 or a multiple thereof.
3. An application must be accompanied by a foreign demand draft drawn on a bank payable at Dhaka or cheque drawn out of foreign currency deposit account maintained in Bangladesh for the full value of shares favouring **"German Bangla J.V. Food Limited"** and crossed "Account payee only".
4. An application shall be sent by the applicant directly to the Company by, 2001 so as to reach the Company by, 2001. Applications sent after, 2001 or received by the Company after, 2001 will not be considered for allotment purpose.
5. Refund against over-subscription shall be made in the currency in which the value of shares was paid for by the applicant at the same rate as stated on the application form through Account Payee cheque payable at Dhaka with bank account number, Bank's name and Branch.
6. In case of over-subscription, allotment shall be made by lottery solely in accordance with the instructions by SEC.
7. Money receipt on clearance of draft or cheque, as the case may be, shall be sent by post to the applicant by the Company.
8. Joint application by two persons will be acceptable. In such a case, allotment or refund shall be made by post to the first applicant.
9. 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.
10. Making 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.
11. The intending NRB applicants shall deposit share money by US\$/UK sterling pound draft drawn on any Bank and payable in Dhaka, Bangladesh, so that the issuer's collecting bank can clear the proceeds and deposit the same into issuer bank's account in time.

The NRB application along with the foreign draft, as above, is to be submitted to the Company's Head Office direct within the stipulated time mentioned in para 4.




MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the accompanying balance sheet of the GERMAN BANGLA J.V. FOOD LIMITED (A Joint Venture Company with Germany) as of 31st October, 2000 and the related profit & loss statement and cash flows for the period then ended. The preparation of these financial statements is the responsibility of the Company's management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved auditing standards adopted by the Institute of Chartered Accountants of Bangladesh. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements, prepared in accordance with approved accounting standards adopted by the Institute of Chartered Accountants of Bangladesh, give a true and fair view of the state of the Company's affairs as of 31st October, 2000 and of the results of its operations and its cash flow for the year then ended and comply with the Companies Act, 1994 and other applicable laws and regulations.

We also report that:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books adequate for the purposes of our audit;
- (c) the company's balance sheet and profit and loss statement dealt with by the report are in agreement with the books of account.

Dated : Dhaka, Bangladesh
30th January, 2001


A. HOQUE & CO
CHARTERED ACCOUNTANTS



GERMAN BANGLA J.V. FOOD LIMITED
(A Joint Venture Company with Germany)

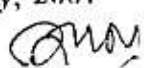
BALANCE SHEET AS AT 31ST OCTOBER, 2000.

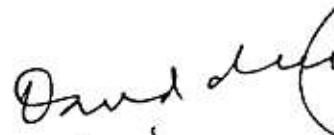
PARTICULARS	NOTES NO.	BALANCE AS AT 31ST OCT., 2000	BALANCE AS AT 31ST DEC., 1999
SOURCES OF FUND			
A. Share Holders Fund			
I. Authorised Share Capital		14,00,00,000.00	14,00,00,000.00
II. Issued, Subscribed & Paid Up Share Capital	2.00	2,50,00,000.00	2,50,00,000.00
III. General Reserve	3.00	2,66,802.00	1,74,167.00
IV. Retained Earnings	4.00	10,67,207.00	6,96,666.00
		2,63,34,009.00	2,58,70,833.00
B. LOAN			
Long Term Loan	5.00	1,00,00,000.00	1,00,00,000.00
TOTAL SOURCES OF FUND		3,63,34,009.00	3,58,70,833.00
APPLICATION OF FUND			
A. FIXED ASSETS	6.00		
At cost		3,06,88,770.00	3,06,61,459.00
Less : Accumulated Depreciation		79,60,465.00	60,53,229.00
		2,27,28,305.00	2,46,08,230.00
B. CURRENT ASSETS			
I. Inventories	7.00	36,20,213.00	27,42,385.00
II. Accounts Receivable	8.00	47,41,842.00	35,53,967.00
III. Cash & Bank Balances	9.00	15,29,743.00	12,19,321.00
IV. Advances, Deposits & Pre-payments	10.00	60,59,370.00	56,41,590.00
		1,59,51,168.00	1,31,57,263.00
C. CURRENT LIABILITIES & PROVISIONS			
I. Creditors for Purchase	11.00	7,80,744.00	8,11,292.00
II. Creditors for Others	12.00	5,84,750.00	6,09,312.00
III. WPPF		40,630.00	0.00
IV. Provision for Other Finance		50,000.00	50,000.00
V. Provision for Income Tax	13.00	8,89,340.00	5,80,556.00
		23,45,464.00	20,51,160.00
D. WORKING CAPITAL (B-C)		1,36,05,704.00	1,11,06,103.00
E. MISCELLANEOUS			
I. Preliminary Expenses	14.00	0.00	43,750.00
II. Deferred Expenses	15.00	0.00	1,12,750.00
		0.00	1,56,500.00
TOTAL APPLICATION OF FUND		3,63,34,009.00	3,58,70,833.00

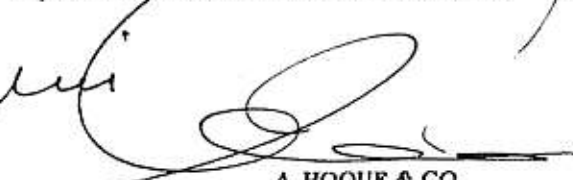
The annexed notes form an integral part of these Financial Statements.

This is the Balance Sheet referred to in our report to the Shareholders of even date.

Dated, Dhaka, Bangladesh,
30th January, 2001


MANAGING DIRECTOR


DIRECTOR


A. HOQUE & CO.
CHARTERED ACCOUNTANTS



GERMAN BANGLA J.V. FOOD LIMITED
(A Joint Venture Company with Germany)

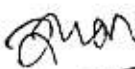
PROFIT AND LOSS STATEMENT
FOR THE PERIOD ENDED 31ST OCTOBER, 2000

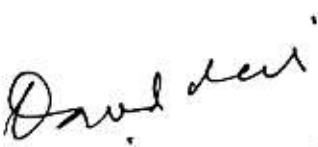
PARTICULARS	NOTES NO.	BALANCE AS AT 31ST OCT., 2000	BALANCE AS AT 31ST DEC., 1999
Turn Over		1,12,03,863.00	1,31,10,380.00
Cost of Goods Sold	16.00	(85,37,384.00)	(99,91,778.00)
Gross Profit		26,66,479.00	31,18,602.00
Other Income (Net)		17,450.00	22,617.00
Administrative & Selling Expenses	18.00	(18,71,339.00)	(23,51,372.00)
NET PROFIT/(LOSS) BEFORE WPPF		8,12,590.00	7,89,847.00
Contribution to WPPF		(40,630.00)	(0.00)
Net Profit / (Loss) before Income Tax		7,71,960.00	7,89,847.00
Provision for Income Tax		(3,08,784.00)	(3,15,939.00)
NET PROFIT/(LOSS) AFTER TAX		4,63,176.00	4,73,908.00
SURPLUS FOR THE PERIOD		4,63,176.00	4,73,908.00
Surplus Brought from Previous Year		6,96,666.00	3,17,540.00
SURPLUS AVAILABLE FOR APPROPRIATIONS		11,59,842.00	7,91,448.00
Appropriations :			
General Reserve		(92,635.00)	(94,782.00)
BALANCE BEING SURPLUS CARRIED FORWARD		10,67,207.00	6,96,666.00
EARNING PER SHARE		0.19	0.19

The annexed notes form an integral part of these Financial Statements.

This is the Profit & Loss Statement referred to in our report to the Shareholders of even date.

Dated, Dhaka, Bangladesh.
30th January, 2001


MANAGING DIRECTOR


DIRECTOR


A. HOQUE & CO.
CHARTERED ACCOUNTANTS

-: 3 :-




MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

GERMAN BANGLA J.V. FOOD LIMITED
(A Joint Venture Company with Germany)

STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31ST OCTOBER, 2000

PARTICULARS	BALANCE AS AT 31ST OCT., 2000	BALANCE AS AT 31ST DEC., 1999
Cash Flows from Operating Activities:		
Net Profit for the year	4,63,176.00	4,73,908.00
Adjustment for items not Involving Movement of Cash :		
Depreciation on Fixed Assets	19,07,236.00	25,37,635.00
Amortisation of Deferred Expenses	1,12,750.00	1,12,750.00
Preliminary Expenses written off	43,750.00	43,750.00
WPPF	40,630.00	---
	21,04,366.00	26,94,135.00
Adjustment for changes in Working Components :		
Decrease / (Increase) in Inventories	(8,77,828.00)	(10,55,685.00)
Decrease / (Increase) in Accounts Receivable	(11,87,875.00)	(15,29,276.00)
Decrease/(Increase) in Advances, Deposits & Pre-payments	(4,17,780.00)	0.00
(Decrease) / Increase in Creditor for Purchase	(30,548.00)	51,762.00
(Decrease) / Increase in Creditor for Others	(24,562.00)	(1,72,860.00)
(Decrease) / Increase in Provision for Income Tax	3,08,784.00	3,15,939.00
	(22,29,809.00)	(23,90,120.00)
Net Cash Provided from Operating Activities	3,37,733.00	7,77,923.00
Cash Flows from Investing Activities :		
Acquisition of Fixed Assets	(27,311.00)	(70,344.00)
	(27,311.00)	(70,344.00)
Cash Flow from Financing Activities:		
Increase in Paid up Capital	0.00	2,07,73,400.00
Decrease in Share Money Deposit	0.00	(2,07,73,400.00)
	0.00	0.00
Increase/(Decrease) in Cash and Bank Balances	3,10,422.00	7,07,579.00
Cash and Bank Balances at Opening	12,19,321.00	5,11,742.00
Cash and Bank Balances at Closing	15,29,743.00	12,19,321.00



GERMAN BANGLA J.V. FOOD LIMITED
(A Joint Venture Company with Germany)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED
31ST OCTOBER, 2000 FORMING INTEGRAL PART OF THE ACCOUNTS**

1.00 SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION

(a) Legal Form of the Enterprise:

German Bangla J.V. Food Ltd. was incorporated on the 25th day of November, 1996 in Bangladesh as a Public Limited Company under the Companies Act, 1994.

(b) Address:

The address of Registered Office of the Company is House # 99, Road # 13, Block -D, Banani, Dhaka.

(c) Nature of Business Activities:

The Company owns and operates for manufacturing of Fruit Juice, Jam, Jelly, Squash, Pickles and food items.

(d) Components of the Financial Statements:

- (i) Balance Sheet as at 31st October, 2000;
- (ii) Profit & Loss Statement for the year ended 31st October, 2000;
- (iii) Cash Flow Statements for the year ended 31st October, 2000;
- (iv) Accounting Policies and Explanatory Notes.

(e) Accounting Convention and Basis:

The Financial Statements have been prepared on a going concern basis under the historical cost convention in accordance with International Accounting Standards as adopted in Bangladesh and where relevant with presentational requirements of the Companies Act, 1994.

(f) Comparative Information:

Comparative Information have been disclosed in respect of the year, 1999 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding the current year's financial statements.

Figures of the year 1999 have been re-arranged whenever considered necessary to ensure comparability with the current year. Figures have been rounded up to the nearest of Taka.

(g) Compliance with International Accounting Standards:

The financial statements have been prepared in compliance with the requirements of the International Accounting Standards (IASs) as adopted by the Institute of Chartered Accountants of Bangladesh as applicable.

(h) Compliance with Local Laws:

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1994.

-: 5 :-



MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

Specific Accounting Policies Applied and Explanatory Notes:

(i) **Fixed Assets**

These are stated at historical cost less accumulated depreciation.

(ii) **Method of Depreciation**

Depreciation on fixed assets for the Company's own use is charged on the straight-line method.

(iii) **Rates of Depreciation**

Depreciation has been charged on all Fixed Assets except land and land Development. The rates at which the assets are depreciated per annum depend on the nature and estimated useful life of each assets and are as follows:

Building & Other Construction	05%
Plant & Machinery	10%
Electric Installation	10%
Furniture & Fixture	10%
Motor Car & Other Vehicles	10%
Telephone Installation	10%
Office Equipment	10%

(iv) **Inventories**

(a) **Valuation Policy**

Inventories are valued at lower of average cost and net realisable value as per IAS -2 (Inventory Valuation)

(b) **Basis of Valuation**

The cost of Inventory has been valued under the following basis:

Sub- Classification of Inventory	Basis of Valuation
Raw & Packing Materials	At cost -Fifo method
Work-in-Process	At equivalent cost method
Finished Goods	At cost - Fifo method
Stores & Spares	At average cost

(v) **Revenue Recognition**

Sales are recognised at the time of the delivery from the factory godown.

(vi) **Taxation**

Provision for Income Tax has been provided @ 40% on net profit of the Company.

	Balance as on 31st October, 2000	Balance as on 31st December, 1999
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2.00	ISSUED, SUBSCRIBED & PAID UP SHARE CAPITAL	2,50,00,000.00	2,50,00,000.00
------	---	-----------------------	-----------------------

It represents the total balance of Issued, Subscribed & Paid up Share Capital as on 31st October, 2000. This is made up as follows:

Group A. Directors	1,22,71,400.00	1,22,71,400.00
Group B. Share Holders	1,27,28,600.00	1,27,28,600.00
	<u>2,50,00,000.00</u>	<u>2,50,00,000.00</u>

The paid up Share Capital has been increased upto Tk. 2,50,00,000.00 from Tk. 42,26,600.00 by an allotment of 20,77,340 Shares of Tk. 10.00 each made on 28-10-99.

- : 6 :-



Man
MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD,

	Balance as on 31st October, 2000	Balance as on 31st December, 1999
3.00 GENERAL RESERVE	2,66,802.00	1,74,167.00

The above balance is made up as follows:

Balance as per last account	1,74,167.00	79,385.00
Add : Addition during the period	92,635.00	94,782.00
	2,66,802.00	1,74,167.00

The General Reserve has been created out of net profit after tax @ 20%.

4.00 RETAINED EARNINGS	10,67,207.00	6,96,666.00
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The above balance is made up as follows:

Balance as per last account	6,96,666.00	3,17,540.00
Add : Net surplus during the period	7,71,960.00	7,89,847.00
	14,68,626.00	11,07,387.00
Less : Provision for Income Tax	3,08,784.00	3,15,939.00
	11,59,842.00	7,91,448.00
Less : Transfer to General Reserve	92,635.00	94,782.00
	10,67,207.00	6,96,666.00

5.00 LONG TERM LOAN	1,00,00,000.00	1,00,00,000.00
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This is as per last account. The above loan was taken from Foreign Director of the Company as interest free loan. The loan amount will be repaid when the Company will run at a profit.

6.00 FIXED ASSETS	2,27,28,305.00	2,46,08,230.00
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It represents the total balance of Fixed Assets at cost less accumulated depreciation as on 31st October, 2000. This is made up as follows:

Cost	3,06,61,459.00	3,05,91,115.00
Add : Addition made during the period	27,311.00	70,344.00
	3,06,88,770.00	3,06,61,459.00
Less : Accumulated Depreciation as on 31-10-2000	79,60,465.00	60,53,229.00
	2,27,28,305.00	2,46,08,230.00

The allocation of Depreciation charged during the period is as under:

Manufacturing Overhead	15,25,789.00	20,30,108.00
Administrative & Selling Expenses	3,81,447.00	5,07,527.00
	19,07,236.00	25,37,635.00

It is noted that we have physically verified all the Fixed Assets and found in order as per fixed assets register.

The details of the Fixed Assets has been shown in Schedule No. A-01.

-: 7 :-



MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

	Balance as on 31st October, 2000	Balance as on 31st December, 1999
7.00 <u>INVENTORIES</u>	<u>36,20,213.00</u>	<u>27,42,385.00</u>

This is made up as follows:

(a) Stock of Raw Materials	27,05,310.00	16,61,740.00
(b) Stock of Finished Products	7,78,578.00	8,99,103.00
(c) Work-in-Process	1,36,325.00	1,81,542.00
	<u>36,20,213.00</u>	<u>27,42,385.00</u>

The stock of raw materials, finished products & other stock as stated above are valued at cost and the work in process have been valued at net realisable value, following the rules of IAS -2 (Inventories)

It is noted that we have conducted a physical verification of above inventories as on 31st October, 2000 and found in order.

8.00 <u>ACCOUNTS RECEIVABLES</u>	<u>47,41,842.00</u>	<u>35,53,967.00</u>
---	----------------------------	----------------------------

The above amount is receivable from various parties against sales. Out of the above a sum of Tk. 8,40,100.00 has subsequently been realised so the balance is good.

The above amount consists of the following:

Accounts Receivable over six months	17,10,319.00	5,12,500.00
Accounts Receivable below six months	30,31,523.00	30,41,467.00
	<u>47,41,842.00</u>	<u>35,53,967.00</u>
Accounts Receivable considered doubtful	0.00	0.00
	<u>47,41,842.00</u>	<u>35,53,967.00</u>

9.00 <u>CASH AND BANK BALANCES</u>	<u>15,29,743.00</u>	<u>12,19,321.00</u>
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It indicates the total balance of cash and bank balances as on 31st October, 2000.

We have obtained a cash custody certificate from the concerned authority against the balance of cash in hand as on 31st October, 2000.

We have checked and verified the bank balance stands at credit as on 31st October, 2000 with the submitted bank statements of the Current Account No. 353 maintained with Janata Bank, Sarak Bhaban Branch, Dhaka and STD Account No. 50 maintained with Pubali Bank Limited, Foreign Exchange Branch, Dhaka and found in order.



-: 8 :-



[Signature]
MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

Balance as on 31st
October, 2000

Balance as on 31st
December, 1999

10.00 ADVANCES, DEPOSITS & PRE-PAYMENTS

60,59,370.00

56,41,590.00

It indicates the total balance of Advance Deposits & Pre-payments as on 31st October, 2000. The details of which are given below:

Advance Income Tax paid	2,64,620.00	0.00
Advances for Sticker Print	15,000.00	13,712.00
Advances for PVC Glass	10,500.00	24,300.00
Advances for Purchase of Machine	56,00,000.00	52,00,000.00
Advances against Salary	45,500.00	51,750.00
Security Deposits	27,650.00	27,650.00
Advances against Supply of Carton	35,100.00	41,400.00
Advances for Gas Line	61,000.00	61,000.00
Advances to Various Suppliers	0.00	2,21,778.00
	60,59,370.00	56,41,590.00

11.00 CREDITORS FOR PURCHASE

7,80,744.00

8,11,292.00

The Company has purchased raw materials in the form of credit from local market as and when required.

12.00 CREDITORS FOR OTHERS

5,84,750.00

6,09,312.00

The above amount outstanding against electricity telephone, salary & allowances audit fees and others as on 31st October, 2000.

13.00 PROVISION FOR INCOME TAX

8,89,340.00

5,80,556.00

The above amount has been provided for provision for Income Tax. This is made up as follows:

Provision for Income Tax for the Assessment Year 1998-99	20,159.00	20,159.00
Provision for Income Tax for the Assessment Year 1999-2000	2,44,458.00	2,44,458.00
Provision for Income Tax for the Assessment Year 2000-2001	3,15,939.00	3,15,939.00
Provision for Income Tax for the Assessment Year 2001-2002	3,08,784.00	0.00
	8,89,340.00	5,80,556.00

14.00 PRELIMINARY EXPENSES

0.00

43,750.00

This is made up as follows:

Balance as per last account	43,750.00	87,500.00
Less : Written off during the year (50%)	43,750.00	43,750.00
	0.00	43,750.00

15.00 DEFERRED EXPENSES

0.00

1,12,750.00

This is made up as follows:

Balance as per last account	1,12,750.00	2,25,500.00
Less : Written off during the year (50%)	1,12,750.00	1,12,750.00
	0.00	1,12,750.00

-: 9 :-



MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.



Balance as on 31st
October, 2000

Balance as on 31st
December, 1999

16.00 COST OF GOODS SOLD

85,37,384.00

99,91,778.00

This is made up as follows:

PARTICULARS	NOTES NO.	AMOUNT (TK.)	AMOUNT (TK.)
Opening Work-in- Process		1,81,542.00	1,07,955.00
Material Consumed		55,24,087.00	65,83,657.00
		57,05,629.00	66,91,612.00
Closing Work-in-Process		(1,36,325.00)	(1,81,542.00)
TOTAL CONSUMPTION		55,69,304.00	65,10,070.00
Manufacturing Overhead	17.00	28,60,345.00	37,42,436.00
COST OF PRODUCTION		84,29,649.00	1,02,52,506.00
Opening Finished Products		8,99,103.00	6,57,850.00
Closing Finished Product		(7,78,578.00)	(8,99,103.00)
Cost of Sample		(12,790.00)	(19,475.00)
COST OF GOODS SOLD		85,37,384.00	99,91,778.00

17.00 MANUFACTURING OVERHEAD

28,60,345.00

37,42,436.00

This is made up as follows:

PARTICULARS	AMOUNT (TK.)	AMOUNT (TK.)
Salaries & Allowances	7,05,200.00	7,90,758.00
Repairs & Maintenance (Including Car Maintenance)	39,119.00	81,715.00
Travelling & Conveyance	1,17,330.00	1,55,825.00
Entertainment	20,641.00	39,115.00
Printing & Stationery	37,823.00	68,675.00
Telephone Telex & Fax Bill	29,592.00	46,983.00
Medical Expenses	37,100.00	45,346.00
Carriage Loading & Unloading	75,929.00	1,05,818.00
Testing Expenses	49,161.00	80,207.00
Electric Expenses	90,530.00	1,10,040.00
Fuel, Oil & Lubricants	60,522.00	80,697.00
Stores & Spares	40,359.00	62,835.00
Depreciation	15,25,789.00	20,30,108.00
Miscellaneous Expenses	31,250.00	44,314.00
Total	28,60,345.00	37,42,436.00



Balance as on 31st
October, 2000

Balance as on 31st
December, 1999

18.00 ADMINISTRATIVE & SELLING EXPENSES

18,71,339.00

23,51,372.00

This is made up as follows:

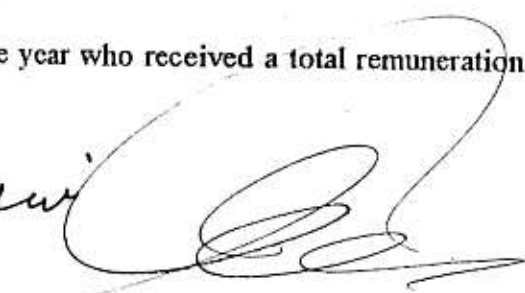
PARTICULARS	AMOUNT (TK.)	AMOUNT (TK.)
Salaries & Allowances	4,88,790.00	5,23,540.00
Directors Remuneration	2,47,500.00	2,70,000.00
Honorarium	38,800.00	87,000.00
Travelling & Conveyance	35,096.00	45,355.00
Printing & Stationery	20,644.00	41,290.00
Consultancy Fees	20,000.00	20,000.00
Meeting Expenses	22,785.00	30,231.00
News Paper & Periodicals	10,121.00	13,030.00
Postage & Telegram	17,463.00	20,527.00
Audit Fees	40,000.00	40,000.00
Entertainment	30,126.00	40,418.00
Telephone, Telex & Fax Bill	34,776.00	45,815.00
Festival Bonus	55,300.00	86,800.00
Depreciation	3,81,447.00	5,07,527.00
Miscellaneous Expenses	14,659.00	30,035.00
Donation & Subscription	20,500.00	21,300.00
Advertisement	15,700.00	97,300.00
Licence & Renewal Fees	14,500.00	16,700.00
Carriage Outwards	45,392.00	55,448.00
Office Rent	90,000.00	1,20,000.00
Selling Expenses	71,240.00	82,556.00
Amortisation of Deferred expenses	1,12,750.00	1,12,750.00
Preliminary expenses written off	43,750.00	43,750.00
Total	18,71,339.00	23,51,372.00

19.00 GENERAL

- Internal Control appears to be reasonable.
- We thank the management and their member staff for their wholehearted co-operation extended to us during the course of our audit.
- The number of employees engaged for whole year who received a total remuneration of Tk. 36,000.00 and above were 20.


MANAGING DIRECTOR


DIRECTOR


A. HOQUE & CO.
CHARTERED ACCOUNTANTS



-: 11 :-


MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

GERMAN BANGLA J.V. FOOD LTD.
(A Joint Venture Company with Germany)
ADDITIONAL DISCLOSURES

- (1) **JOINT VENTURE**
German Bangla J.V. Food Ltd. is a Joint Venture Company with German Investor. A Joint Venture Agreement was signed on 21st October 1996 amended on 9th April, 1997 between German Bangla J.V. Food Ltd. and a German Investor-cum Buyer Mr. Jurgen Haas, Waller Heerstrasse, 213, 28219 Bremen, Germany. Telefon - (0421) 3807058, Telefax (0421) 3807050. It is also noted that the other two agreements-Technical and Marketing Collaboration Agreement and the Export Sales Agreement have been made with Mr. Jurgen Haas on 12.11.2000 for importing technical and marketing know-how and export of the pure pineapple juice in Tetra Pack produced by German Bangla J.V. Food Ltd.
- (2) **COMMERCIAL PRODUCTION**
German Bangla J.V. Food Ltd. is a Joint Venture Project with a German Investor located at Dhamrai. The existing project went into Commercial Production on the 2nd August, 1997.
- (3) **LAND & LAND DEVELOPMENT**
This is made up as follows:
- | | |
|------------------|------------------------|
| Land | Tk. 7,85,000.00 |
| Land Development | " 4,70,700.00 |
| | <hr/> Tk. 12,55,700.00 |
- (4) **ADVANCES FOR PURCHASE OF MACHINERY**
The advance for purchase of machinery amounting to Tk. 56,00,000.00 has been paid to the Supplier against the supply of machinery. The said machinery have duly been installed but due to nonsettlement of price, it could not be capitalised on the 31st October, 2000. However, it is noted that the said machinery have duly been capitalised within December, 2000.
- (5) **ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL**
It represents the total balance of issued, subscribed & paid up share capital as on 31st October, 2000. This is made up as follows:
- | | |
|-----------------|--------------------------|
| Local Sponsors | Tk. 1,84,28,600.00 |
| Foreign Sponsor | " 65,71,400.00 |
| | <hr/> Tk. 2,50,00,000.00 |
- (6) **AMORTISATION OF DEFERRED EXPENSES**
The total balance of Deferred Expenses is Tk. 2,25,500.00 which is pre-operational expenses. It is noted that 50% of the above has been amortised in 1999 and the balance 50% has been amortised in 2000.
- (7) **PLANT AND MACHINERY (XLO VARIO PACK)**
As per Bill of Entry, the price of the above reconditioned machine supplied by Mr. Jurgen Haas, the German Investor was Tk. 5,90,49,566.00.
However, the Board of Directors of the company renegotiated the price of the machine at Tk. 2,50,00,000.00 and accordingly Mr. Haas's investment of Tk. 2,50,00,000.00 was restructured as under:
- | | |
|---------------------|--------------------------|
| Share Capital | Tk. 65,71,400.00 |
| Interest free loan | " 1,00,00,000.00 |
| Payment to Mr. Haas | " 84,28,600.00 |
| | <hr/> Tk. 2,50,00,000.00 |

Dated: 25-04-2001

A. Hoque & Co.
Chartered Accountants



MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

GERMAN BANGLA J.V. FOOD LTD.

**Break up of Variable cost & Fixed Cost
For the Period ended 31st October, 2000**

Particulars	Variable Cost Tk.	Fixed Cost Tk.	Total Tk.
(a) Cost of Production:			
Material Consumed	55,69,304.00	---	55,69,304.00
Salaries & Allowances 80% & 20%	5,64,160.00	1,41,040.00	7,05,200.00
Repairs & Maintenance	39,119.00	---	39,119.00
Travelling & Conveyance	1,17,330.00	---	1,17,330.00
Entertainment	20,641.00	---	20,641.00
Printing & Stationery	37,823.00	---	37,823.00
Telephone, Telex & Fax Bill	29,592.00	---	29,592.00
Medical Expenses	37,100.00	---	37,100.00
Carriage Loading & Unloading	75,929.00	---	75,929.00
Testing Expenses	49,161.00	---	49,161.00
Electric Expenses	90,530.00	---	90,530.00
Fuel, Oil & Lubricants	60,522.00	---	60,522.00
Stores & Spares	40,359.00	---	40,359.00
Depreciation	---	15,25,789.00	15,25,789.00
Miscellaneous Expenses	31,250.00	---	31,250.00
Sub Total	67,62,820.00	16,66,829.00	84,29,649.00
(b) Administrative & Selling Expenses:			
Salaries & Allowances	---	4,88,790.00	4,88,790.00
Directors Remuneration	---	2,47,500.00	2,47,500.00
Honorarium	---	38,800.00	38,800.00
Travelling & Conveyance	35,096.00	---	35,096.00
Printing & Stationery	20,644.00	---	20,644.00
Consultancy Fees	20,000.00	---	20,000.00
Meeting Expenses	22,785.00	---	22,785.00
News Paper & Periodicals	10,121.00	---	10,121.00
Postage & Telegram	17,463.00	---	17,463.00
Audit Fees	---	40,000.00	40,000.00
Entertainment	30,126.00	---	30,126.00
Telephone, Telex & Fax Bill	34,776.00	---	34,776.00
Festival Bonus	55,300.00	---	55,300.00
Depreciation	---	3,81,447.00	3,81,447.00
Miscellaneous Expenses	14,659.00	---	14,659.00
Donation & Subscription	20,500.00	---	20,500.00
Advertisement	15,700.00	---	15,700.00
Licence & Renewal Fees	---	14,500.00	14,500.00
Carriage Outwards	45,392.00	---	45,392.00
Office Rent	---	90,000.00	90,000.00
Selling Expenses	71,240.00	---	71,240.00
Amortisation of Deferred Expenses	---	1,12,750.00	1,12,750.00
Preliminary Expenses Written Off	---	43,750.00	43,750.00
Contribution to WPPF	40,630.00	---	40,630.00
Provision for Income Tax	3,08,784.00	---	3,08,784.00
Sub Total	7,63,216.00	14,57,537.00	22,20,753.00
(c) Financial Expenses:			
Interest on Bank Loan	---	---	---
Sub Total	---	---	---
Grand Total (a+b+c)	75,26,036.00	31,24,366.00	1,06,50,402.00



A. HOQUE & CO.
CHARTERED ACCOUNTANTS

MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

AUDITORS' REPORT UNDER PARAGRAPH 24 (1) OF PART II OF
SCHEDULE -III AND SECTION 135 (1) OF THE COMPANIES ACT, 1994.

We, as the auditors, having examined the Financial Statements of GERMAN BANGLA J.V. FOOD LTD. for the period ended 31st October, 2000 certify pursuant to the Section 135(1) and Paragraph 24(1) of Part - II of Schedule -III of the Companies Act, 1994 and we report that:

01. the operating results of GERMAN BANGLA J.V. FOOD LTD. Dhaka for the period from 25th November, 1996 to 31st December, 1997, for the full year ended 31st December, 1998, for the full year ended 31st December, 1999 and as disclosed by its accounts for the period ended 31st October, 2000 which have been audited by us were as follows:

PARTICULARS	31ST OCTOBER, 2000	31ST DECEMBER, 1999	31ST DECEMBER, 1998	31ST DECEMBER, 1997
Sales (Net)	1,12,03,863.00	1,31,10,380.00	1,11,12,325.00	36,41,773.00
Cost of Goods Sold	(85,37,384.00)	(99,91,778.00)	(84,45,443.00)	(29,41,591.00)
Gross Profit	26,66,479.00	31,18,602.00	26,66,882.00	7,00,182.00
Other Income	17,450.00	22,617.00	16,521.00	17,525.00
Administration & Selling Expenses	(18,71,339.00)	(23,51,372.00)	(20,72,258.00)	(6,67,310.00)
Operating Profit/(Loss)	8,12,590.00	7,89,847.00	6,11,145.00	50,397.00
Financial (Interest) Expenses	0.00	0.00	0.00	0.00
Profit before WPPF & Tax	8,12,590.00	7,89,847.00	6,11,145.00	50,397.00
Cont. to Workers Profit Participation Fund	(40,630.00)	0.00	0.00	0.00
Profit before Tax	7,71,960.00	7,89,847.00	6,11,145.00	50,397.00
Provision for Income Tax	(3,08,784.00)	(3,15,939.00)	(2,44,458.00)	(20,159.00)
General Reserve	(92,635.00)	(94,782.00)	(79,385.00)	0.00
Proposed Dividend	0.00	0.00	0.00	0.00
Retained Profit for the year	3,70,541.00	3,79,126.00	2,87,302.00	30,238.00



MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

02. The positions of Assets and Liabilities of the Company were as under for the aforementioned periods:

PARTICULARS	31ST OCTOBER, 2000	31ST DECEMBER, 1999	31ST DECEMBER, 1998	31ST DECEMBER, 1997
Assets				
Fixed Assets (At cost less accumulated depreciation)	2,27,28,305.00	2,46,08,230.00	2,70,75,521.00	2,92,90,852.00
Current Assets	1,59,51,168.00	1,31,57,263.00	98,64,723.00	45,82,705.00
Other Assets	0.00	1,56,500.00	3,13,000.00	3,13,000.00
	3,86,79,473.00	3,79,21,993.00	3,72,53,244.00	3,41,86,557.00
Represented by				
Total Equity	2,63,34,009.00	2,58,70,833.00	2,53,96,925.00	2,25,30,238.00
Long Term Loan	1,00,00,000.00	1,00,00,000.00	1,00,00,000.00	1,00,00,000.00
Current Liabilities	23,45,464.00	20,51,160.00	18,56,319.00	16,56,319.00
	3,86,79,473.00	3,79,21,993.00	3,72,53,244.00	3,41,86,557.00

03. The Company did not declare any dividend, in any, of the aforesaid year(s).
04. The Company has no Subsidiaries.
05. No proceeds or part of the proceeds of the issue of Shares were applied directly or indirectly by the Company in the purchase of any business.

Dated: Dhaka the 30th January, 2001

A. Hoque & Co.
Chartered Accountants



MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.

MANAGING DIRECTOR
GERMAN BANGLA J.V. FOOD LTD.