

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

Prospectus of Summit Power Limited

for
Issue of 2,000,000 ordinary shares of Tk 140 each including premium of Tk 40 per share
totalling Tk 280,000,000

Subscription

Subscription opens: 27th August 2005

Subscription closes: 31st August 2005

For Non-resident Bangladeshi quota subscription closes on: 9th September 2005

Manager to the Issue

Prime Finance & Investment Limited

Underwriters

Prime Finance & Investment Limited

63, Dilkusha C / A, Dhaka 1000

The Trust Bank Limited

98, Main Road, Dhaka Cantonment, Dhaka 1206

Mercantile Bank Limited

61, Dilkusha C / A, Dhaka 1000

(Underwriting commission @ 0.50% on Tk 140,000,000 aggregating Tk 700,000)

Bankers to the Issue

Arab Bangladesh Bank Limited

Dhaka Bank Limited

Dutch Bangla Bank Limited

Investment Corporation of Bangladesh

Mercantile Bank Limited

Prime Bank Limited

Southeast Bank Limited

The Trust Bank Limited

Credit Rating Agency

Credit Rating Information and Services Limited

Credit Rating

Long term: AA- (Double A Minus)

The prospectus was published in the daily Prothom Alo on 27th June 2005

The company's share trading is likely to be placed in "A" Category

“CONSENT OF THE SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE 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 OPINION EXPRESSED WITH REGARD TO THEM, RESPONSIBILITY FOR WHICH LIES WITH THE ISSUER, ITS DIRECTORS, INVESTMENT ADVISER, 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 DECISION.”

Acronyms

BAS	Bangladesh Accounting Standard
BECA	Bangladesh Energy Companies Association
BOO	Build, Own and Operate
BPDB	Bangladesh Power Development Board
BST	Bulk Supply Tariff
CDBL	Central Depository Bangladesh Limited
CIF	Cost, Insurance & Freight
CRISL	Credit Rating Information and Services Ltd.
DESA	Dhaka Electric Supply Authority
DESCO	Dhaka Electric Supply Company Ltd.
ED	Execution Date
EGM	Extra-Ordinary General Meeting
EMS	Express Mail Service
FC	Foreign Currency
FDI	Foreign Direct Investment
GCR	Gas Consumption Rate
GDP	Gross Domestic Product
GOB	Government of Bangladesh
IA	Implementation Agreement
ICD	Inland Container Depot
IPDC	Industrial Promotion & Development Company of Bangladesh Ltd.
IPO	Initial Public Offering
IPP	Independent Power Producer
KV	Kilo-Volt
KWh	Kilo-Watt-Hour
LLA	Land Lease Agreement
LPG	Liquefied Petroleum Gas
MW	Mega Watt
NEO	Net Electrical Output
NRB	Non-Residents Bangladeshi
O&M	Operation & Maintenance
PBS	Palli Biddut Samity
PPA	Power Purchase Agreement
PSMP	Power System Master Plan
REB	Rural Electrification Board
SBLC	Stand by Letter of Credit
SEC	Securities and Exchange Commission
SPL	Summit Power Limited
SPSA	Spare Parts Support Agreement
STD	Short Term Deposit
TC	Tariff Charge

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Condition under Section 2CC of the Securities and Exchange Ordinance, 1969**Part A**

1. The company shall go for Initial Public Offer (IPO) for 2,000,000 ordinary shares of Taka 140 each including a premium of Tk 40 per share worth Taka 28 (twenty eight) crore following the Public Issue Rules, 1998, the Depository Act, 1999 and regulations issued there under.
2. The Prospectus, as vetted by SEC, shall be published in one widely circulated daily national newspaper (preferably in Bengali) within 5 (five) days from the date of consent. Information relating to publication of the prospectus shall be published in four daily national newspapers (Bengali and English) simultaneously. An abridged version of the prospectus vetted by SEC shall also be published in two widely circulated national daily newspapers.
3. The issuer company and the issue manager shall ensure transmission of the prospectus and relevant application forms for NRBs through e-mail, simultaneously of publication of the prospectus, to the Bangladesh Embassies and Missions abroad, as mentioned in the prospectus, and shall also ensure sending of the printed prospectus and application forms to the said Embassies and Missions within **three working days** of the publication date by express mail service (EMS) of the postal department. A compliance report shall be submitted in this respect to the SEC jointly by the issuer and the issue manger within two working days from the date of said despatch of the prospectus & the forms.
4. The paper clipping of the published prospectus, as mentioned at condition 2 above, shall be submitted to the Commission within 24 hours of the publication thereof.
5. The company shall submit 40 (forty) copies of the printed prospectus, along with a diskette prepared in "MS WORD" containing the prospectus, as vetted by SEC, to the Securities and Exchange Commission for official record within 3 (three) working days from the date of publication of the prospectus in the newspaper.
6. The company shall maintain bank account(s) for collecting proceeds of the Initial Public Offering from the prospective investing public as mentioned in the prospectus.
7. The company shall also open FC account(s) to deposit the application money of the non-Resident Bangladeshis (NRBs) for IPO purpose, and shall incorporate full particulars of said FC account(s) in the prospectus. NRB means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from the concerned Bangladesh Embassy to the effect that no visa is required to travel to Bangladesh.
8. The company shall open FC accounts on approval of Prospectus by SEC; and close these accounts after refund of over-subscription, if any.
9. The company shall simultaneously submit the vetted prospectus with all exhibits, as submitted to SEC, to the stock exchange(s) where it intends to list its securities.
10. **The following declaration shall be made by the company in the prospectus, namely: -**
“Declaration about Listing of Shares with the Stock Exchange(s):

Application(s) will be made to the Dhaka and/or Chittagong Stock Exchange(s) within 5 (five) days of first issuance of the prospectus for permission of the share of the company for dealing in any or both of the said stock exchanges and for quotation on the stock exchange(s).

None of the stock exchange(s), if for any reason, grants listing within 75 days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (seventy five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the company directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money.”
11. Notwithstanding anything contained in the Public Issue Rules, 1998 regarding limitation on the publication period, subscription shall start after 25 (Twenty five) days from the date of publication of the prospectus.
12. Notwithstanding anything contained in the Public Issue Rules, 1998 regarding limitation of the time on closure of the subscription, the subscription shall remain open for 5 (Five) consecutive banking days.

13. Application shall be sent by the NRB applicants directly to the issuer company within the closing date of the subscription so as to reach the same to the company by the closing date plus nine days. Applications received by the company after the above time period will not be considered for allotment purpose.
14. The company shall apply the spot buying rate (TT clean) in US\$, UK Pound Sterling and Euro of Sonali Bank, which shall be mentioned in the Prospectus, as prevailed on the date of opening of the subscription for the purpose of application of the NRBs and other non-Bangladeshi persons, where applicable.
15. The company and the issue manager shall ensure prompt collection / clearance of the foreign remittances of NRBs and other non-Bangladeshis, if applicable, for allotment of shares without any difficulty / complain.
16. The company and the issue manager shall jointly provide SEC with the preliminary status of the subscription within one week from closure of the subscription date, and also the list of valid and invalid applicants (i.e. final status of subscription) to the Commission within 3 (three) weeks after the closure of the subscription date including bank statement (original), branch-wise subscription statement, NRB application forms (photocopy attested by MDs of the issuer company and the issue manager) regarding collection of initial public offer money. The final list of valid and invalid applicants shall be finalized after examining with the CDBL in respect of BO accounts and particulars thereof.
17. The IPO shall stand cancelled and the application money shall be refunded immediately (but not later than 6 (six) weeks from the date of the subscription closure) if any of the following events occur:
 - (a) Upon closing of the subscription list it is found that the total number of valid applications (in case of under subscription including the number of the underwriter) is less than the minimum requirement as specified in the listing regulations of the stock exchange(s) concerned; or
 - (b) At least 50% of the IPO is not subscribed.
18. IPO distribution system:

All the applicants shall first be treated as applied for one minimum market lot of Tk. 5000/- worth of shares. If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. On the other hand, if there is under subscription, then all the applicants shall first be distributed with a single lot, and thereafter, for the balance amount, lottery shall be held for the applicants who have applied for multiple lots on the basis of dividing the application money by the amount of a market lot separately for both non-resident Bangladeshis (NRBs) and General Public.

In case of over subscription, allotment shall be made by lottery among all the valid applicants in presence of the authorized representatives of the stock exchange(s) concerned, issue manager and a member of the Board of the company.
19. Lottery (if applicable) will be held within 5 (five) weeks from closure of the subscription date.
20. The company shall issue share allotment letters to all successful applicants within 6 (six) weeks from the date of the subscription closing date. At the same time, the unsuccessful applicants shall be refunded with the application money within 6 (six) weeks from the closing of the subscription date by Account Payee Cheque without interest payable at Dhaka / Chittagong / Khulna / Rajshahi / Barisal / Sylhet, as the case may be. A compliance report shall be submitted with the Commission within 7 (seven) days from the date of closure of subscription.
21. The company shall furnish the List of Allotees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within 24 (twenty four) hours of allotment.
22. In the event of under subscription of the issue (subject to Para-17 above), the issuer must notify the Underwriter to take up the underwritten shares within 10 (ten) days of the subscription closing date on full payment of the share money within 15 (fifteen) days of the issuer's notice. The underwriter shall not share any underwriting fee, commission, etc. with the issue manager, other underwriter, issuer or the sponsor group.
23. In case of under subscription, the issuer shall not utilize the IPO fund before listing its securities with the stock exchange, and the issuance of no objection letter from SEC.
24. The securities, which are subscribed by the Sponsors/Promoters/Directors, as described in the Prospectus, shall be subject to a **Lock-in period of three years**, in case of the companies intended/intending to go for Initial Public Offering (IPO), from the date of publication of the prospectus.
25. Either a Jumbo Share (one for each of the existing Sponsors/Directors/Shareholders) in respect of the shares already issued shall be issued covering together respective total holdings which shall contain the expiry date of lock-in period **or** Sponsors/Directors/Promoters/Shareholders' shareholdings shall be converted into demat form but shall be locked-in for three years as per the condition at Para 24 above.
26. In case of Jumbo Share Certificate of the existing Sponsors/Directors/Shareholders, the said share certificates shall be kept under custody of a security custodian bank registered with SEC during the lock-in period. The

name and branch of the bank shall be furnished to the Commission jointly by the issuer and the issue manager, along with a confirmation thereof from the custodian bank, within one week of listing of the shares with the stock exchange(s).

27. In case of dematerialization of shares held by the existing Sponsors/Directors/Shareholders, the copy of dematerialization confirmation report generated by CDBL attested by the managing director of the company along with lock-in confirmation shall be submitted to SEC within one week of listing of the shares with the stock exchange(s).
28. The company and the issue manager shall inform SEC about which stock exchange(s) they have applied for listing within 5 (five) days of publication of prospectus and disclose it in the abridged version of the prospectus.
29. The company shall not declare any benefit other than cash dividend based on the financial statement for the year ended 31 December 2004.

Part B

1. The issue manager (i.e., Prime Finance & Investment Limited) shall ensure that the prospectus is published correctly and in strict conformity without any error/omission, as vetted by the Securities and Exchange Commission.
2. The issue manager shall carefully examine and compare the published prospectus on the date of publication with the prospectus, as vetted by SEC. If any discrepancy / inconsistency is found, both the issuer and the issue manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to SEC and the stock exchange(s) concerned, correcting the discrepancy/ inconsistency as required under 'Due Diligence Certificates' provided with SEC.
3. Both the issuer company and the issue manager shall, immediately after publication of the prospectus, jointly inform the Commission in writing that the published prospectus is a verbatim copy of the prospectus vetted by the Commission.
4. The company and the issue manager shall simultaneously submit to the Commission an attested copy of the application filed with the stock exchange(s) for listing of the securities.
5. The fund collected through IPO shall not be utilized prior to listing with stock exchange and that utilization of the said fund shall be effected through banking channel, i.e. account payee cheque, pay order or bank draft etc.
6. The company shall not account for any upward revaluation of its fixed assets creating reserve without prior permission from the Securities and Exchange Commission.
7. The company and the issue manager shall jointly furnish report to the Commission on utilization of IPO proceeds within 15 days of the closing of each quarter until such fund is fully utilized, as mentioned in the schedule contained in the prospectus, and in the event of any irregularity or inconsistency, the Commission may employ or engage any person, at issuer's cost, to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.
8. All transactions, excluding petty cash expenses, shall be effected through the company's bank account(s).
9. Proceeds of the IPO shall not be used for any purpose other than those specified in the prospectus. Any deviation in this respect must have prior approval of the shareholders in the EGM under intimation to SEC and stock exchange(s).
10. **Directors on the company's Board:**
 - (a) Directors from "Sponsor Group" shall be proportionate to their actual shareholdings in the paid up capital of the company;
 - (b) Directors shall be elected from amongst the institutional investors proportionate to their shareholdings in the paid up capital of the company;
If shareholding of any institution is more than 5% but less than 10%, it will have at least one Director in the Board;
 - (c) Representative of the general investors who do not fall under above categories shall elect their Director in the Annual General Meeting in proportion to their shareholdings:

Part C

1. All the above conditions imposed under section 2CC of the Securities and Exchange Ordinance, 1969 shall be incorporated in the prospectus immediately after the page of the table of contents, with a reference in the table of contents, prior to its publication.
2. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

Part D

1. As per provision of the Depository Act, 1999 and regulations made thereunder, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (right/bonus) will be issued in dematerialized form only.

An applicant (including NRB) shall not be able to apply for allotment of shares without beneficial owner account (BO Account).

2. The issue manager shall also ensure due compliance of all above.

General Information

1. Prime Finance & Investment Limited has prepared this prospectus based on the information provided by Summit Power Limited (the Issuer) and also upon several discussions with Chairman & Managing Director and concerned executives of the Company. The Directors of both Summit Power Limited and Prime Finance & Investment Limited collectively and individually, having made all reasonable inquiries, confirm that to the best of their knowledge and belief, the information contained herein is true and correct in all material aspects and that there are no other material facts, the omission of which, would make any statement herein misleading.
2. No person is authorized 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 authorized by the company or the issue manager.
3. 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 that country.
4. A copy of this prospectus may be obtained from the Head Office of Summit Power Limited, the issue manager, the underwriters that are named hereinafter and the stock exchange(s) where the securities will be traded.

Availability of Prospectus

Prospectus of the company may be available at the following addresses:

Company	Contact Person	Contact Number
Summit Power Limited	Md. Mamunur Rashid FCMA	Tel: 9137485-6, Fax 9139284
Summit Centre, 18 Karwan Bazar C / A, Dhaka 1215	Financial Controller & Company Secretary	E-mail: spl@summitpower.org
Manager to the Issue	Contact Person	Contact Number
Prime Finance & Investment Limited	Moin Al Kashem	Tel: 9563883, Fax: 9563692
63, Dilkusha C / A, Dhaka 1000	Assistant Vice President	E-mail: info@primefinance.net
Underwriters	Contact Person	Contact Number
Prime Finance & Investment Limited	Moin Al Kashem	Tel: 9563883, Fax: 9563692
63, Dilkusha C / A, Dhaka 1000	Assistant Vice President	E-mail: info@primefinance.net
The Trust Bank Limited	Iqbal U Ahmed	Tel: 9871095, 9871074 Fax: 9871094
98, Main Road, Dhaka Cantonment, Dhaka 1206	Managing Director	E-mail: tbl@global-bd.net
Mercantile Bank Limited	A.K.M. Shahidul Haque	Tel: 9559333, Fax: 9561213
61, Dilkusha C / A, Dhaka 1000	Deputy Managing Director	E-mail: mbl@bol-online.com
Stock Exchanges	Available at	Contact Number
Dhaka Stock Exchange Ltd.	DSE Library	9564601-7
9F Motijheel C / A, Dhaka 1000		
Chittagong Stock Exchange Ltd.	CSE Library	031 714632-3
CSE Building, 1080 Sheikh Mujib Road, Chittagong		031 720871-3

Prospectus is also available on the website (www.secdbd.org) and Public Reference room of the Securities and Exchange Commission (SEC) for reading and study.

Declaration about the Responsibility of the Directors and Officers of the Company in respect of Prospectus

This Prospectus has been prepared, seen and approved by us and we collectively and individually accept full responsibility for the authenticity and accuracy of the statement, information given in the Prospectus, documents, financial statements, exhibits, annexure, papers provided to the Issue Manager and Underwriter and submitted to the Securities and Exchange 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 makes any information or statements therein misleading, for which the Commission may take any civil, criminal or administrative actions against us as it may deem fit.

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

Sd /-
Muhammed Aziz Khan
Chairman & Managing Director

Sd /-
Ayesha Aziz Khan
Director

Sd /-
Saiful Alam
General Manager (O & M)

Sd /-
Anjuman Aziz Khan
Director

Sd /-
Sanadina Khan
Director

Sd /-
A.N.M. Tariqur Rashid
General Manager (Development)

Sd /-
Md. Latif Khan
Director

Sd /-
Jafer Ummeed Khan
Executive Director

Sd /-
Mamunur Rashid FCMA
Financial Controller & Company Secretary

Sd /-
Md. Farid Khan
Director

Sd /-
Dr. Mirza Khairuzzaman
Executive Director

Consent of Directors to Serve as Director

We hereby agree that we have been serving as Director(s) of Summit Power Limited and continue to act as a Director of the Company.

Sd /-
Muhammed Aziz Khan
Chairman & Managing Director

Sd /-
Md. Farid Khan
Director

Sd /-
Anjuman Aziz Khan
Director

Sd /-
Ayesha Aziz Khan
Director

Sd /-
Md. Latif Khan
Director

Sd /-
Sanadina Khan
Director

Note: All the Directors except Md. Latif Khan are representatives of Summit Industrial & Mercantile Corporation (Pvt.) Ltd. Md. Latif Khan is the representative of Euro Hub Investments Ltd.

Declaration about Filing of Prospectus with the Registrar of Joint Stock Companies & Firms

A dated and signed copy of the Prospectus has been filed for registration with the Registrar of Joint Stock Companies & Firms, Government of the Peoples' Republic of Bangladesh, as required under Section 138(1) of the Companies Act, 1994, vide RJSC's Receipt No. 0028156 dated 26/06/05.

Declaration by the Issuer about the Approval from the SEC for any Material Change

In case of any material changes in any agreement, contract, instrument, facts and figures, operational circumstances and statement 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 should be published with the approval of the Commission.

For Issuer

Sd /-

Muhammed Aziz Khan

Chairman & Managing Director

Summit Power Limited

Declaration by the Issue Manager about the Approval from the SEC for any Material Change

In case of any material changes in any agreement, contract, instrument, facts and figures, operational circumstances and statement 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 should be published with the approval of the Commission.

For Manager to the Issue

Sd /-

Tapan K. Podder

Managing Director

Prime Finance & Investment Limited

Declaration for suppression of material information

This is to declare that to the best of our knowledge and belief no information, facts, circumstances, which are disclosable has been suppressed that can change the terms and conditions under which the offer has been made to public.

Sd /-

Muhammed Aziz Khan

Chairman & Managing Director

Declaration on the Salient Feature of the Agreements

We confirm and acknowledge our responsibility with regard to the statements made in the Prospectus on the salient features of the Agreement entered into by the Company with various parties from time to time. It is to the best of our knowledge and belief that the features as disclosed and stated in the Prospectus are the true and accurate reflection in summery form of the Agreements that have been submitted to the Securities and Exchange Commission. It is further confirmed that due care and best efforts have been made while compiling the features in order to disclose the correct information to the public through the Prospectus for a better and clear understanding of the investors to make their decision to invest in the Company.

Sd /-

Muhammed Aziz Khan

Chairman & Managing Director

Summit Power Limited

Sd /-

Tapan K. Podder

Managing Director

Prime Finance & Investment Ltd.

List of major agreements:

1. Power Purchase Agreement (PPA) with Rural Electrification Board (REB).
2. Implementation Agreement (IA) with Government of the People's Republic of Bangladesh – represented by The Ministry of Power, Energy & Mineral Resources.
3. Land Lease Agreement (LLA) with Rural Electrification Board.
4. Spare Parts Support Agreement (SPSA) with Bangla Trac Ltd. - the sole dealer of Caterpillar Asia Pte Ltd.

Due Diligence Certificate from the Issue Manager

May 09, 2005

The Chairman
Securities and Exchange Commission
Jiban Bima Tower (15th, 16th & 20th Floor)
10 Dilkusha C / A
Dhaka 1000

Subject: Public Offer of 2,000,000 Ordinary Shares at Tk 140 each including a premium of Tk 40 per share by Summit Power Limited

Dear Sir,

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

1. We, while finalising the draft prospectus pertaining to the said issue, have examined various documents and other materials as relevant for adequate disclosures to the investors; and
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 to the issue;
- (b) All the legal requirements connected with the said issue have been duly complied with; and
- (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 Manager to the issue

Sd /-
Tapan K. Podder
Managing Director
Prime Finance & Investment Limited

Due Diligence Certificate from the Underwriters

The Chairman
Securities and Exchange Commission
Jiban Bima Tower (15th, 16th & 20th Floor)
10 Dilkusha C / A
Dhaka 1000

Subject: Public offer of 2,000,000 ordinary shares of Tk 140 each including a premium of Tk 40 per share by Summit Power Limited. As per the SEC's guideline 50% of the public offer viz. 1,000,000 ordinary shares of Tk 140 each including a premium of Tk 40 per share valued at Tk 140,000,000 are underwritten by the underwriters.

Dear Sir,

We, the under-noted Underwriters to the above-mentioned forthcoming public 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 for 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 Agreements dated 7 May 2005;

WE CONFIRM THAT:

- (a) All information as are relevant for our underwriting decisions have been received by us and that the draft prospectus forwarded to the Commission has been approved by us;
- (b) We shall take up or procure subscription for taking up any under-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the Issuer.
- (c) This Underwriting Commitment is unequivocal and irrevocable.

For Underwriter

Sd/-
Managing Director
Prime Finance & Investment Limited

Sd/-
Managing Director
The Trust Bank Limited

Sd/-
Deputy Managing Director
Mercantile Bank Limited

**No Objection Certificate regarding Public Issue of shares of Summit Power Limited
by the Lending Agencies**

March 29, 2005

To Whom It May Concern

This is to confirm that **Standard Chartered Bank** does not have any objection in raising the share capital of Summit Power Limited through public Issue.

This is given without any risk and responsibility on the part of the Bank or any of its employees.

Sd/-

For and on behalf of

Standard Chartered Bank

2, Dilkusha Commercial Area, Dhaka

June 16, 2005

To whom it may concern

This is to confirm that **Industrial Promotion & Development Company of Bangladesh Limited** does not have any objection in raising the share capital of Summit Power Limited of Summit Centre, 18 Karwan Bazar C / A, Dhaka 1215 through public Issue.

For and on behalf of IPDC

Sd/-

C M Alam

Managing Director

Industrial Promotion & Development Company of Bangladesh Limited

BRAC Centre (8th Floor), 75 Mohakhali, Dhaka 1212

As with all investments, investors should be aware that there are some risks associated with an investment in the Company. The investors should carefully consider the following risks in addition to the information contained in the prospectus for evaluating the offer and taking decision whether to invest in shares of the company.

Internal factors

1. Limited tenure of the present Power Purchase Agreement (PPA)

The tenure of the present PPA between the Company and the Rural Electrification Board (REB) is limited to 15 (fifteen) years from the date of commercial operation i.e. till September 30, 2018.

There is a provision in the PPA for enhancement of the project life. Further, the management has initialled expansion plan another 28 MW power plants. The new PPA to be signed between the Company and the REB will be valid for 15 (fifteen) years from the date of commercial operation of the expansion project i.e. expectedly up to year 2021. The PPA has provision for further extension.

2. Risk associated with single party exposure

The REB is the single buyer who purchases total electricity generated by the Company. The Company's ability to service its both existing and future debt obligations rest on the REB's ability to meet the tariff payments under the PPA.

The Palli Biddut Samities (PBSs) on behalf of the REB have established Stand by Letter of Credit (SBLC) equivalent to 2 (two) months revenue to replenish any normal payment disruption. REB has been constituted by the Government under Rural Electrification Board Ordinance, 1977 to distribute electricity in rural area of Bangladesh. The Ministry of Power, Energy and Mineral Resources has signed an Implementation Agreement (IA) with the Company guarantying payment against power supply to REB in case of default of payment by REB. Therefore, the agreement signed by the Government through Ministry of Power, Energy and Mineral Resources is considered to be Government guarantee to protect the Company from single party risk exposure.

3. Risk associated with tariff of electricity

The REB is the single buyer who purchases total electricity generated by the Company. In these circumstances usually it is the buyer who may dominate the tariff value of the electricity generated by the Company.

The REB and the Company have agreed to a Reference Tariff, expressed in Tk/KWh, for each Agreement Year as adjusted and indexed from time to time in accordance with the PPA and the said Reference Tariff is used to calculate the Tariff in Effect for any Billing Month during the Term of the Agreement.

4. Risk associated with supply of raw materials

The main raw material for generating electricity is natural gas. Any interruption of supplies of natural gas to the power plants will hamper the generation of electricity, the only product of the Company.

The REB has been supplying gas to the Company since 2001 under condition of PPA without any interruption. The REB has the contract with Titas Gas and Bakhraabad Gas to provide gas to the Company. If the REB fails to supply the required gas it will pay 75% of capacity payment, which is guaranteed by the Government of Bangladesh through Implementation Agreement. It is worth noting that Bangladesh has gas stock of 15.32 trillion cubic feet in the 22 gas fields and presently the country is collecting 1.31 billion cubic feet gas per day. Moreover government gives preference to power sector as gas user.

5. Risk associated with supply of spare parts

The power plants are dependent on timely supply of spare parts for smooth operation purpose. Any disruption in supply flow of spares parts will put an adverse impact on power generation.

The company has signed a Spare Parts Support Agreement (SPSA) with Caterpillar dealer in Bangladesh for supply of spares necessary for operation. The company is maintains sufficient spares parts inventory for smooth operation of plants.

6. Risk associated with changes in ownership

Within short span of time the ownership of the Company has seen a lot of changes. Frequent changes in ownership may affect the Company's decision making process and ultimately the profitability.

The ownership of the company was changed during the initial operational stages of the Company, which in fact improved profitability. Ownership of Summit Industrial & Mercantile Corporation (Pvt.) Ltd., the major shareholder of Summit Power Limited, has been continuing from the beginning and is likely to remain in the future.

External factors

1. Risk of currency devaluation

The company has only US\$ 533,333 foreign currency loan, which has been mitigated through indexation of foreign currency in the power tariff formulation.

2. Risk of disruption due to Force Majeure

Force Majeure events are circumstances in which a delay in the performance of any obligation under the PPA is beyond the reasonable control, and occurs without the faults or negligence, of the parties concerned.

If the Company is affected by a Force Majeure event after commencement of commercial operation, the REB will only pay capacity components and energy components to the Company, to the extent that the unit is available. However, financial loss due to unavailability of the plant after a Force Majeure event will be mitigated by the Company's insurance policy. If REB is affected by a Force Majeure event after commercial operation, it will pay the Company its debt servicing costs less insurance proceeds and / or any available capacity component and energy component received by the company during the Force Majeure period. In case of Political Force Majeure event or change in law, the REB will pay the Company, to the extent that the unit is available and the Government of Bangladesh will pay required amount to cover the capacity component up to 75%.

IPO size and issue price

Total Number of Shares to be issued	Issue Price			Total Public Issue (Taka)
	Face Value (Taka per Share)	Premium (Taka per Share)	Total Issue Price (Taka per Share)	
2,000,000	100	40	140	280,000,000

Use of IPO proceeds

The IPO is aimed at raising Tk. 280.00 million for partially meeting the total fund requirement of the project cost of Tk. 1250.00 million. The proceeds of the IPO will be used for the purposes mentioned in page 29 under the head 'Cost of the project and means of finance' except Plant Machinery & Equipment, Local transportation & handling charges and Office & electrical equipment (part). For implementation schedule page 29 may be seen.

Determination of the offering price

The issue price of Tk 140 each including premium of Tk 40 per share is justified as per the auditors' certificate on determination of offering price which is given below:

Determination of offering price of Summit Power Limited (formerly United Summit Power Co. Ltd.)

The offering price of the common stock of the company has been determined by management of the company by assessing the book value per share based on financial statements for the year ended 31 December 2004.

Shareholders' equity:

Share capital	350,000,000
Share money deposit	4,457,764
Retained earnings	199,756,873
Total shareholders' equity	Tk 554,214,637
Number of paid up shares of Tk 100 each	3,500,000
Book value per share of Tk 100 each	Tk 158.35

We have examined the above calculation of book value of Summit Power Limited (formerly United Summit Power Co. Ltd.), and find it to be properly prepared based on the financial statements of the company for the year ended 31 December 2004.

Sd /-
Rahman Rahman Huq
Chartered Accountants

Dhaka, 17 April 2005

Book value per share was Tk 158.35 as per financial statements as at 31 December 2004. However, after raising of sponsors' capital of Tk 100,000,000 on 30 April 2005 as per SEC's consent order no. SEC/CI/CPLC-83/2005/498 dated 20 April 2005 book value per share stands at Tk 145.38 based on net worth of 31 December 2004 assuming that said Tk 100,000,000 has not been utilised by the Company yet. Accordingly, the issue price of Tk 140 each including premium of Tk 40 per share as being offered by the Company is lower than the net worth per share.

Description of securities being offered**Dividend, voting, pre-emption rights**

The share capital of the Company is divided into ordinary shares and receives dividend in terms of the relevant provision of the Companies Act 1994 and the Articles of Association of the company. Shareholders shall have the usual voting right proportionate to the number of shares held by individual shareholders. The Shareholders exercise their voting right upon show of hands present in person or by Attorney or Proxy in connection with, among others, election of Directors, Auditors and the usual Agenda for General Meeting, Ordinary Meeting or Extra-ordinary Meetings.

Conversion and liquidation rights

In terms of the provisions of the Companies 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 person of unsound mind.

Dividend policy

1. The Company in general meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may fix the time for payment.
2. No larger dividend shall be declared than is recommended by the Directors, but the Company in general meeting may declare a smaller dividend.
3. No dividend shall be payable except out of the profits of the Company of the year or any other undistributed profits, and no dividend shall bear interest against the Company.
4. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.
5. The Directors may from time to time pay to the members such interim dividend as appear to the Directors to be justified by the profits of the Company.
6. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

Other rights of shareholders

The Directors shall present the financial statements as required under the law and Bangladesh Accounting Standard (BAS). Financial statements will be prepared in accordance with the Bangladesh Accounting Standards consistently applied throughout the subsequent periods & present with the objective of providing maximum disclosure as per law and BAS to the shareholders regarding the financial and operational position of the company. The shareholders shall have the right to receive all periodical statement and reports, audited as well as unaudited, published by the company from time to time.

The shareholder holding minimum of 10% shares of paid-up capital of the company shall have the right to requisition Extra-ordinary General Meeting of the company as provided for in Section 84 of the Companies Act, 1994.

Underwriting of shares

Total 1,000,000 shares out of total public issue of 2,000,000 shares are underwritten. List of the underwrites of shares is as follows:

Sl. No.	Names and addresses of underwriters	No. of Shares Underwritten	Issue price Taka	Amount Underwritten Taka
1	Prime Finance & Investment Limited 63, Dilkusha C / A, Dhaka 1000	500,000	140	70,000,000
2	The Trust Bank Limited 98, Main Road, Dhaka Cantonment, Dhaka 1206	250,000	140	35,000,000
3	Mercantile Bank Limited 61, Dilkusha C / A, Dhaka 1000	250,000	140	35,000,000
		1,000,000		140,000,000

Principal terms and conditions of underwriting agreement

1. If and to the extent that the shares offered to the public by a prospectus authorised hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within 10 (ten) days of the closure of subscription call upon the underwriter 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 in cash in full, inclusive of any premium if applicable, for such unsubscribed shares within 15 (fifteen) days after being called upon to do so.
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 the underwriting commitment under this Agreement, until such time as the Cheque / Bank Draft has been encashed and the Company's account has been credited.
3. In such case within 7 (seven) days after the expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and payment by the underwriter to the Commission.
4. In the case of failure by the underwriter to pay for the shares under the terms mentioned above, the said underwriter will not be eligible to underwrite any issue, until such time as he fulfils his underwriting commitment under this Agreement and also other penalties as may be determined by the Commission.

Commission for Underwriters

1. The Company shall pay to the underwriter an underwriting commission at the rate of 0.5% of the value at issue price of the shares agreed to be underwritten by it.
2. The Company shall pay to the underwriter an additional take-up commission at the rate of 2.50% of the value at issue price of the shares required to be taken up by them respectively.

Underwriters' rights to represent in Company's Board

The Underwriters do not have any right to represent themselves in the Board of Directors of the Company.

Relationship of officer or director of the Underwriter with the member of the Board of Summit Power Limited

No officer or director of the underwriters is presently a director of Summit Power Limited

Disclosure in respect of issuance of security in demat form

As per provisions of the Depository Act, 1999 and regulations made there under, share of the company will be issued in dematerialised form only and for this purpose **Summit Power Limited** has signed an agreement with Central Depository Bangladesh Limited (CDBL). Therefore all transfer, transmission, splitting or conversion will take place in the CDBL system and any further issuance of shares (including rights/bonus) will also be issued only in dematerialized form only.

Conditions of offer, subscription and allotment of shares**Offer**

1. Shares	Number of Shares	Amount in Taka
(A) 10% of the IPO i.e. 200,000 ordinary shares of Tk 140 each including premium of Tk 40 per share kept for Non-resident Bangladeshis are being offered for subscription in cash in full on application	200,000	28,000,000
(B) 90% of the IPO i.e. 1,800,000 ordinary shares of Tk 140 each including premium of Tk 40 per share are hereby offered to general public for subscription in cash in full on application	1,800,000	252,000,000
Total (A+B)	2,000,000	280,000,000

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

Application for subscription

- Application for shares may be made for a minimum lot for 50 (fifty) ordinary shares to the value of Tk. 7,000 and should be made on the company's Printed Application Forms. Application Form and Prospectus 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 / handwritten / typed copies of the forms. Application must not be for less than 50 (fifty) shares. Any application not meeting this criterion will not be considered for allotment purpose.

2. Joint application form for more than two persons will not be accepted. In the case of joint application each party must sign the application form.
3. Application must be in full name of individuals or limited companies or trusts or societies and not in the name of firms, minors or persons of unsound mind. Applications from insurance, financial and market intermediary companies must be accompanied by Memorandum and Articles of Association.
4. An applicant cannot submit 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 Bangladeshis residing/working abroad) and Foreign Nationals shall be entitled to apply for shares.
6. Payment for subscription by investors other than Non-Resident Bangladeshi may be made to the said branches/office of the banks mentioned below in Cash/Cheque/Pay Order/Bank Draft. The Cheque/Pay Order/Bank Draft shall be made payable to the bank to which it is sent and be marked **“Summit Power Limited”** and shall bear the crossing “A / C Payee Only” and must be drawn on a bank in the same town of the bank to which application form is deposited.
7. All completed application forms together with remittance 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, UK Pound Sterling or Euro at the rate of exchange mentioned in the Share Application Form. Refund against over-subscription of shares shall be made in the currency in which the value of shares applied for was paid by the applicant. Share Application Form against the quota for NRB shall be sent by the applicant directly along with a draft or cheque to the Company at its registered office. Copies of application Form and Prospectus shall be available with Bangladesh Embassy/ High Commission in USA, UK, Saudi Arabia, U.A.E., Qatar, Kuwait, Oman, Baharain, Malaysia and South Korea and web site of the SEC.
9. The IPO subscription money collected from investors (other than Non-Resident Bangladeshis) by the Bankers to the Issue will be remitted to the STD A / C 13100000922 of Southeast Bank Limited, Dhanmondi Branch, Dhaka, Bangladesh for this purpose.
10. The subscription money collected from Non-Resident Bangladeshis in US Dollar, UK Pound Sterling and Euro shall be deposited to **FC accounts for IPO nos. 01 1339214 02, 01 1339214 03 and 01 1339214 04, Standard Chartered Bank Limited, Dilkusha, Dhaka, Bangladesh** respectively opened by the Company for IPO purpose. In case of over-subscription, refund shall be made by the Company out of the respective FC account.
11. The Company shall open FC accounts on approval of Prospectus by SEC; and close these accounts after refund of over-subscription, if any.
12. Applications not in conformity with the above requirements and the instructions printed on the application form are liable to be rejected.

Allotment

1. The Company reserves the right of accepting any application either in whole or in part. Successful applicants will be notified by the dispatch of an allotment letter by registered post/courier. Letters of Allotment and Refund Warrants will be issued within 6 (six) weeks from the closing of the subscription list. After allotment the Company will have to be transferred the shares to the allottee's BO account, which has mentioned in the application form.
2. The Company shall issue share allotment letters to all successful applicants within 6 (six) weeks from the date of the subscription closing date. At the same time, the unsuccessful applicants shall be refunded with the application money within 6 (six) weeks from the closing of the subscription date by Account Payee Cheque without interest payable at Dhaka / Chittagong / Khulna / Rajshahi / Barishal / Sylhet, as the case may be.
3. Where allotment is made in whole or in part in respect of joint application, the allotment letter will be dispatched to the person whose name appears first in the application form, notwithstanding that the shares have been allotted to the joint applicants. Where joint application is accepted in part, the balance of any amount paid on application will be refunded without interest to the person named first in the application form.

Bankers to the issue

Arab Bangladesh Bank Ltd.

Dhanmondi Branch, Dhaka
Gulshan Branch, Dhaka
Kawran Bazar Branch, Dhaka
Merchant Banking Wing, Dhaka
Mohakhali Branch, Dhaka
Merchant Banking Wing, Dhaka
Nawabpur Branch, Dhaka
New Elephant Road Branch, Dhaka
Principal Office, Dhaka
Agrabad Branch, Chittagong
Modhuban Branch, Sylhet

Dhaka Bank Limited

Amin Bazar Branch, Dhaka
Banani Branch, Dhaka
Bangshal Branch, Dhaka
Dhanmondi Branch, Dhaka
Kawran Bazar Branch, Dhaka
Local Office Branch, Dhaka
Uttara Branch, Dhaka
Agrabad Branch, Chittagong
Jubilee Road Branch, Chittagong
Khatunganj Branch, Chittagong
Laldighirpar Branch, Sylhet
Narayanganj Branch, Narayanganj

Dutch Bangla Bank Limited

Banani Branch, Dhaka
Dania Branch, Dhaka
Dhanmondi Branch, Dhaka
Gulshan Branch, Dhaka
Kawran Bazar Branch, Dhaka
Local Office Branch, Dhaka
Motijheel Branch, Dhaka
Shantinagar Branch, Dhaka
Agrabad Branch, Chittagong
Baburhat Branch, Narsingdi

Investment Corporation of Bangladesh (ICB)

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

Mercantile Bank Limited

Banani Branch, Dhaka
Dhanmondi Branch, Dhaka
Kawran Bazar Branch, Dhaka
Main Branch, Dhaka
Mirpur Branch, Dhaka
Mohakhali Branch, Dhaka
Motijheel Branch, Dhaka
Uttara Branch, Dhaka
Agrabad Branch, Chittagong

Prime Bank Limited

Banani Branch, Dhaka
Bangshal Branch, Dhaka
Dhanmondi Branch, Dhaka
Elephant Rd Branch, Dhaka
Eskaton Branch, Dhaka
Foreign Exchange Branch, Dhaka
Gonakbari Branch, Savar, Dhaka
Gulshan Branch, Dhaka
Islamic Banking Branch, Dhaka
Kawran Bazar Branch, Dhaka
Mohakhali Branch, Dhaka
Motijheel Branch, Dhaka
Mouchak Branch, Dhaka
Moulvibazar Branch, Dhaka

Uttara Branch, Dhaka
Agrabad Branch, Chittagong
Jubilee Road Branch, Chittagong
Khatunganj Branch, Chittagong
Khulna Branch, Khulna
Barishal Branch, Barisal
Jessore Branch, Jessore
Bogra Branch, Bogra
Narayanganj Branch, Narayanganj
Madhabdi Branch, Narsingdi

Southeast Bank Limited

Agargaon Branch, Dhaka
Banani Branch, Dhaka
Bangshal Branch, Dhaka
Dhanmondi Branch, Dhaka
Gulshan Branch, Dhaka
Karwan Bazar Branch, Dhaka
Motijheel Branch, Dhaka
New Elephant Road Branch, Dhaka
New Eskaton Branch, Dhaka
Principal Branch Dhaka
Uttara Branch, Dhaka
Agrabad Branch, Chittagong
Halishahar Branch, Chittagong
Jubilee Road Branch, Chittagong
Khatunganj Branch, Chittagong
Cox's Bazar Branch, Cox's Bazar

The Trust Bank Limited

Dhanmondi Branch, Dhaka
Dilkusha Corporate Branch, Dhaka
Gulshan Corporate Branch, Dhaka
Principal Branch, Dhaka
Sena Kallyan Bhaban Branch, Dhaka
Agrabad Branch, Chittagong

Market for the securities being offered

The shares will be traded in the following exchange(s):

Dhaka Stock Exchange Limited

9/F Motijheel C.A., Dhaka 1000

and / or

Chittagong Stock Exchange

1080 SK. Mujib Road, Agrabad, Chittagong

Declaration about listing of shares with the stock exchange

Application(s) will be made to the Dhaka and/or Chittagong Stock Exchange(s) within 5 (five) days of first issuance of the prospectus for permission of the share of the company for dealing in any or both of the said stock exchanges and for quotation on the stock exchange(s).

None of the stock exchange(s), if for any reason, grants listing within 75 days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (seventy five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the company directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money.

Trading and settlement

Trading and Settlement Regulation of the stock exchange(s) shall apply in respect of trading and settlement of the shares of the Company.

Background of the Company

Summit Power Limited (SPL), a venture of Summit Group, was incorporated under the Companies Act, 1994, as a Private Limited Company on 30 March 1997. Presently the company has three eleven MW power plants located at Ashulia (Savar), Madhabdi (Narshingdi) and Chandina (Comilla). The plants started its commercial production on 8 February 2001, 1 April 2001 and 2 June 2001 for Ashulia, Narshingdi and Chandina plant respectively. The main objective of this company is to set up power plants on Build-Own-Operate basis for generation of electricity and to sell generated power to Rural Electrification Board (REB) or any other entity with the permission of concerned authority.

The Group and its vision

Summit Group is one of the leading investment and industrial business house in Bangladesh. The major sectors in which the group is currently investing in include power generation, port such as container freight station, tank terminal, shipping, property development, construction, civil & hydro engineering & trading.

The sponsors of Summit group are interested in infrastructure sectors in Bangladesh and abroad. This has led to the establishment of the first barge mounted power plant in Bangladesh namely Khulna Power Co. Ltd, Liquefied Petroleum Gas (LPG) plant in gas starved area at Mongla Bagerhat, 54 km long gas pipeline of 30 inches diameter from Ashugonj to Hobiganj, Container Freight Station in Chittagong etc.

The group is keen to invest in power sector, which has been opened to private investment in Bangladesh. Considering the immense opportunities in this sector (only 30% of population have access to electricity), the company is striving to establish a 450 MW power plant at Serajganj, small power plants of the range from 10 to 50 MW for distributed power and expansion of the present 11 MW power projects of the company. The company is also exploring energy markets in Sri Lanka and Vietnam which have emerging energy sector open to investment.

The vision of the group is to expand the company to a power generation capacity of the tune of 1000 MW, which is a modest 10-15% of the energy requirement of Bangladesh in very near future. Summit's motto is **"Empowering Bangladesh, we can & we will"**

Financial structure

Authorized capital	
10,000,000 ordinary shares of Tk. 100 each.	Tk 1,000,000,000
Subscribed Capital	
3,500,000 ordinary shares of Tk. 100 each subscribed by the Sponsors as on 31 December 2004	Tk 350,000,000
1,000,000 ordinary shares of Tk 100 each subscribed by the Sponsors on 30 April 2005	Tk 100,000,000
Total subscribed capital before subscription of IPO (A)	Tk 450,000,000
Issue of shares	
Initial Public Offering (IPO) of Tk 140 each including premium of Tk 40 per share:	
Share capital (B)	Tk 200,000,000
Share premium	Tk 80,000,000
Total paid up capital after subscription of IPO (A+B)	Tk 650,000,000

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

- ? The securities, which are subscribed by the Sponsors/Promoters/Directors, as described in the Prospectus, shall be subject to a **Lock-in period of three years**, in case of the companies intended/intending to go for Initial Public Offering (IPO), from the date of publication of the prospectus.
- ? Either a Jumbo Share (one for each of the existing Sponsors/Directors/Shareholders) in respect of the shares already issued shall be issued covering together respective total holdings which shall contain the expiry date of lock-in period **or** Sponsors/Directors/Promoters/Shareholders' shareholdings shall be converted into demat form but shall be locked -in for three years as per the condition as mentioned above.
- ? In case of Jumbo Share Certificate of the existing Sponsors/Directors/Shareholders, the said share certificates shall be kept under custody of a security custodian bank registered with SEC during the lock-in period. The name and branch of the bank shall be furnished to the Commission jointly by the issuer and the issue manager, along with a confirmation thereof from the custodian bank, within one week of listing of the shares with the stock exchange(s).
- ? In case of dematerialization of shares held by the existing Sponsors/Directors/Shareholders, the copy of dematerialization confirmation report generated by CDBL attested by the managing director of the company along with lock-in confirmation shall be submitted to SEC within one week of listing of the shares with the stock exchange(s).

Debt securities

Since the Company does not have any debt securities at present and the Company is not going to issue any debt securities, there is no scope for any relevant disclosures.

Ownership of the Company's securities

Sl. No.	Names and addresses of sponsors / shareholders	No. of Shares	Amount in Taka	% of shares
1	Summit Industrial & Mercantile Corporation (Pvt.) Ltd. Summit Centre, 18 Kawran Bazar C / A, Dhaka.	4,149,700	414,970,000	92.216
2	Euro Hub Investments Ltd. 11 Collyer Quay # 14-01 The Arcade, Singapore-049317	350,000	35,000,000	7.778
3	Mr. Mainul Abedin Summit Centre (5 th floor), 18 Kawran Bazar C / A, Dhaka.	100	10,000	0.002
4	Dr. Mirza Khairuzzaman Summit Centre (9 th floor), 18 Kawran Bazar C / A, Dhaka.	50	5,000	0.001
5	Mr. Azharul Haque Summit Centre (11 th floor), 18 Kawran Bazar C / A, Dhaka.	50	5,000	0.001
6	Advocate Imtiaz Mahmood Summit Centre (6 th floor), 18 Kawran Bazar C / A, Dhaka.	50	5,000	0.001
7	Mr. A.N.M. Tariqur Rashid Summit Centre (9 th floor), 18 Kawran Bazar C / A, Dhaka	50	5,000	0.001
Total		4,500,000	450,000,000	100.000

List of shareholders who owns 5% or more than 5% share of the Company

Sl No.	Names and addresses of Shareholders	No. of shares held	% of total shareholding
1	Summit Industrial & Mercantile Corporation (Pvt.) Ltd. Summit Centre, 18 Kawran Bazar C / A, Dhaka	4,149,700	92.216%
2	Euro Hub Investments Ltd. 11 Collyer Quay # 14-01 The Arcade, Singapore-049317.	350,000	7.778%

Nature of business of the company

Summit Power Limited (SPL) has successfully established three 11 MW power plants for sale of electricity to Rural Electrification Board (REB) under Build, Own and Operate (BOO) basis at Savar, Narsingdi and Comilla sites for supply of electricity to Dhaka Palli Bidyut Samity (PBS)-1, Narsingdi PBS-1 and Comilla PBS-1 respectively. SPL is generating electricity from March 2001 and selling the same to REB at an agreed tariff under a Power Purchase Agreement (PPA).

REB is a statutory body constituted by the Rural Electrification Board Ordinance 1977 with the mandate to provide electricity to the rural areas of Bangladesh through cooperative development under its guidance. It purchase bulk electricity from a statutory body, Power Development Board. REB's charter also allows generating electricity for distribution. Recently REB is promoting power generation in Private Sector with an aim to purchase the same for distribution through PBS's.

The project is situated on land leased from REB for a period of 17 years through separate Land Lease Agreement (LLA). The PPA and LLA is further strengthened and assured through an Implementation Agreement (IA) with GOB. The IA also provides and ensures fiscal incentives, which among others are exemption of all duties on imported plant & machinery, exemption of corporate tax for the tenure of the contract i.e. 15 years; exemption of import tax on imported spare parts up to 10% of the project cost and exemption of various levies and taxes.

The salient features of Implementation Agreement is given below:

Implementation Agreement

Implementation Agreement (IA) was signed between company and the Government of the People's Republic of Bangladesh (GOB) on February 10, 2000 for each of the three project sites.

The IA is the umbrella agreement with GOB, granting SPL the right to the plant site, construct and operate the project. The IA basically-

- ? guarantees the payment obligations of the REB under the PPA,
- ? assures SPL of all fiscal incentives and other benefits provided in the Private Sector Power Generation Policy of Bangladesh, and .
- ? lays out the provision for compensation payable by the GOB under various termination events & force majeure events.

The products and services

Electricity is the only product of the company. Under private sector power generation policy of Bangladesh the company is generating electricity and supplying it to Rural Electrification Board through designated PBSSs.

Distribution of products / services

The Company is generating electricity through its three power plants and supplying the electricity to National Grid at 33 KV bus bar, which is utilised in the respective Palli Biddut Samity's under REB at the site of each plant.

Competitive position in the industry

The sector does not pose any competition due to serious dearth of reliable and adequate electricity. The government of Bangladesh controls the electricity tariff and place of operation.

Sources and availability of raw materials

The main raw material for generating electricity is natural gas. Under Power Purchase agreement, the Rural Electrification Board (REB) supplies natural gas to the project from two major gas companies- Titas Gas Transmission & Distribution Co. Ltd. and Bakhrabad Gas Systems Ltd.

Sources of, and requirement for power, gas and water

Water: The Company uses close circuit cooling system for its generators and the cooling water requirement is very minimal which is supplied from bore well through demineralisation plant.

Power: The power requirement is met from company's own generation, however any disruption is met through supply from PBS/DESA and is required for auxiliary use only.

Customers providing 10% or more revenues

Rural Electrification Board (REB) is the only buyer, who purchases all of the Net Electrical Output of the company.

Contract with principal customer

The Company has made a Power Purchase Agreement with its only buyer, Rural Electrification Board. The salient features of the said agreement is given below:

Power Purchase Agreement

The term of the PPA is of 15 years from the date of commercial operation. The fuel (gas) supply agreement between the SPL and REB has been incorporated as a separate article in the PPA.

The PPA sets out the rights and obligations of the Company and REB relating to, among other matters, the development, financing, construction, testing, operation and maintenance of a power plant (the "Complex"); the construction of the requisite interconnection and transmission facilities for the Complex; the making of tariff payments; insurance obligations; risk allocation in the event of force majeure and changes in law affecting a party's performance; rights of termination and consequences thereof; taxes; liability and indemnity obligations; assignment and transfer of interests in the PPA; and dispute resolution. Pursuant to the terms of the PPA, the Company is to design, construct, own and operate the Complex and sell the Net Electrical Output (NEO) of the Complex to REB.

In return for the Company's making the NEO of the Complex available to REB. REB has agreed to pay the Company tariff payment. The PPA stipulates a two elements tariff (Capacity Payment and Energy Payment). Capacity is calculated on 75% plant factor basis. If Complex could not achieve 75% plant factor for any particular billing month due to reasons other than the default of the company, then REB shall pay monthly payment on 75% plant factor basis.

Location of the principal plant and other property and condition of such property

Corporate office of the company is situated at Summit Centre, 18 Kawran Bazar C/A, Dhaka-1215 and the 3 (three) 11 MW plants are situated at Savar, Narsingdi and Comilla respectively. Such property is in good operating condition.

Ownership of property

Other than land, which is a leased property, the ownership of all the assets as per audited accounts for the year ended 31 December 2004, described below are in the name of the Company.

Particulars	Amount in Taka
Plant & machinery:	
Savar power plant	252,274,452
Narsingdi power plant	257,577,281
Chandina power plant	<u>275,079,461</u>
	784,931,194
Motor vehicles	4,502,470
Civil works and others	1,851,496
Office and electrical equipment	862,160
Furniture and fixture	426,184
Maintenance equipment	230,530
Office decoration	<u>43,419</u>
Total (written down value)	792,847,453

All the machineries imported were in brand new condition.

Lien on property

1. The company itself owns the entire fixed assets except the lease land excluding the portion of land provided to Gas Company for construction of the gas measuring station.
2. The Plant & machinery and other assets of the company are mortgaged till March 2008, to the Standard Chartered Bank against the project loan.

Details of leasehold land

The existing three plants are situated on the leasehold land. Details of leasehold lands are as follows:

Particulars	Savar plant	Narsingdi plant	Comilla plant
Mouza	Baro Ashulia No. 602	Baranaopara No.111	Kutumpur
P.S.	Savar	Narsingdi	Chandina
District	Dhaka	Narsingdi	Comilla
Area of land in acre	1.89	2.32	2.35
Leased by	Dhaka Palli Bidyut Samity - 1	Narsingdi Palli Bidyut Samity - 1	Comilla Palli Bidut Samity – 1
Lease period	17 years	17 years	17 years
Lease agreement date	February 10, 2000	February 10, 2000	February 10, 2000
Lease expiration date	September 2020	September 2020	September 2020

Land Lease Agreement

The salient features of the land lease agreement with the REB are given below:

A Land Lease Agreement (LLA) has been signed between SPL and Rural Electrification Board (REB) for each of the three project sites on February 10, 2000. Under the Land Lease Agreement, the Lessor (REB) leases the land to SPL for a term that continues until the later of: (i) the seventeenth (17th) anniversary of the commercial operations date of the plant, or: (ii) the second (2nd) anniversary of the expiration or termination of the PPA.

Changes in the assets of the company used to pay off any liabilities

No asset of the company has been disposed off to pay any liability.

Revaluation of assets

The Company did not make revaluation of any of its assets.

Plan of operation as per audited accounts

Particulars	As on 31 December 2004 Taka
Internal sources of cash	
Share capital	350,000,000
Share money deposit	4,457,764
Retained earning	199,756,873
Total	554,214,637
External sources of cash	
Project loan – Standard Chartered Bank	356,200,000
Project loan – IPDC of Bangladesh Ltd.	31,743,861
Total	387,943,861

Loan taken from parties including related parties

The company does not have any loan either from a subsidiary or associate concerned other than bank loans details of which are given below:

Name of bank / financial institution	Standard Chartered Bank	IPDC of Bangladesh
Amount as on 31 December 2004 as per audited accounts	Tk. 356,200,000	Tk. 31,743,861
Purpose	To set-up the project	To set-up the project
Finance period	5 years	7.5 years
Rate of interest	9.99%	Libor+4%
Mode of repayment	Quarterly basis	Half yearly basis
Security	Project's assets	Insurance bond issued by Paramount Insurance Co. Ltd.

Financial and lease commitment

The company has signed one car lease facility from Prime Finance & Investment Limited is as follows:

Lease No.	Lease Date	Lease Item	Lease Amount Taka	Period Months	Rental Taka	Lease Expiration Date
LAD # 2005/005	16 January 2005	Vehicle	3,200,000	36	105,240	19 November 2007

The lease commitment as above is being liquidated through repayment of monthly lease rental.

It is mentionable here that there is no operating lease.

Material change from period to period as per audited accounts

Particulars	2004 Taka	2003 Taka
Turnover	483,963,029	472,839,198
Operating expenses	(234,401,225)	(240,865,630)
	249,561,804	231,973,568
General and administrative expenses	(57,294,334)	(53,303,900)
	192,267,470	178,669,668
Financial charges	(51,242,925)	(70,802,765)
	141,024,545	107,866,903
Other income	2,457,785	7,535,806
	143,482,330	115,402,709
Loss on accident	(5,874,768)	-
Profit for the year	137,607,562	115,402,709

The material changes from period to period have been occurred due the change in Tariff in Effect and change of power generation.

Material patents, trademarks, licenses or royalty agreement

The company has not entered into any such agreement.

Seasonal aspect

In general, there is no seasonal impact on the business because of serious dearth of electricity in all seasons.

Known trends, events or uncertainties

Force majeure such as political unrest, hartal and natural calamities are generally known events that may affect the company business.

VAT, income tax, customs duty or other tax liability

a. VAT

VAT is not applicable for the company for sale of electricity.

b. Income tax

As per the provision of the Private Sector Power Generation Policy of Bangladesh, the company is exempted from income tax for a period of 15 years from the date of commercial operation.

c. Custom duty or other liability

The Company is exempted to import plant and machinery during construction and all other spare parts up to 10% of the plant & machinery cost without payment of customs duties. Duties and taxes are payable for other supplies as per provision of the Private Sector Power Generation Policy of Bangladesh

Sources from which VAT, income tax, customs duty or other tax liabilities are to be paid

The payments of duties and taxes, if payable, are to be made in the ordinary course of business.

Material commitment

The company has not yet made any material commitment for capital expenditure except for those that are required in the course of carrying out of normal business operation.

Future contractual liabilities

The company has no plan to enter into any contractual obligation for investment in the near future except for the ensuing expansion plan.

Future capital expenditure

The company does not have any plan for future capital expenditure except for the ensuing expansion plan as mentioned below.

Expansion plan

During establishment of the company, the project concept envisaged expansion. To that end the land allotted was more than that required for an 11 MW power plant and the land leased by REB was suitable for at least 30 MW power project.

The experience gathered by the management during established of initial 11 MW project has been applied for formulating new strategy in tariff determination and operation of the future projects. Accordingly management took the strategy of negotiating with REB for the revised Power Purchase Agreement (PPA) and other project documents for easy operation, maintenance and better return of the expansion project. Accordingly the Rural Electrification Board (REB) and Summit Power have initialled the agreements to expand the capacity of its Narsingdi and Comilla sites by another 18 MW and 10 MW respectively.

Cost of the project and means of finance

Cost of the project		
Sl. No.	Particulars	Amount Taka in Million
1	Land development	6.00
2	Building & civil construction	46.00
3	Plant Machinery & Equipment	
	A. Imported	870.00
	B. Local	60.00
		930.00
4	Local transportation & handling charges	13.50
5	Office & electrical equipment	5.90
6	Motor vehicles	3.00
7	Installation & erection	58.00
8	Furniture & fixture	4.20
9	Interest during construction period	45.00
10	Development fees	44.40
11	Pre-operating expenses	23.49
12	IPO expenses (for details page 36)	12.51
13	Consultancy, project management & engineering	40.00
14	Contingency	9.00
15	Working capital	9.00
	Total cost of the project	1,250.00

Means of finance		
Sl. No.	Particulars	Amount Taka in Million
1	Equity finance	380.00
2	Debt finance (from commercial banks)	870.00
	Total means of finance	1,250.00

Implementation schedule

Implementation plan for 28 MW power plant at Narsingdi and Comilla cost of project of which is approximately Tk 1250 million including IPO proceeds of Tk 280 million

Sl. No.	Item	Estimated time
1	Execution of PPA, IA and LLA supplemental agreements for the expanded complex	Execution Date (ED) *
2	Finalisation of all supply contracts and erection contracts (together called Construction Contract)	ED + 2 months
3	Commence site construction	ED + 4 months
4	Down payment under all contracts (10%)	ED + 3 months
5	Generator sets arrival at Bangladesh port	ED + 8 months
6	Generator sets arrival at site	ED + 9 months
7	Finalisation of O&M arrangements	ED + 10 months
8	Complex construction start - complete (to the extent required for testing)	ED + 11-12 months
9	Start commercial operation tests	ED + 13 months (beginning of the 13th months)
10	Required commercial operation date	ED + 13 months (end of the 13th months)
	* Execution date (ED):	1 July 2005
	Required commercial operation date:	1 August 2006

Certain relationships and related transactions

Transaction with related parties

The Company has no proposed transaction nor had any transaction during the last 2(two) years with following related parties -

- a. Any director or executive officer of the Company
- b. Any nominee for director or officer, and
- c. Any person owning 5% or more of the outstanding share capital of the company
- d. Any member of the immediate family (including spouse, parents, children, and in-laws) of any of the above persons
- e. Any transaction or arrangement entered into by the company or its subsidiary for a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries or sister concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the publication of the prospectus -

except related party disclosures mentioned in page 58 of this prospectus.

Loan given / taken

The Company neither taken nor given any loan from or to any director or any person connected with the director.

Transaction with promoters

Benefit from the Company

Promoters did not receive anything of value directly or indirectly from the company in the last five years.

Promoters' asset to Company

No assets were acquired or are to be acquired from any of the promoters.

Development fee

Development fee was paid to the sponsors as per subscription agreement.

Transaction between holding company and subsidiary

There is no subsidiary to this issuer company, hence inter group transactions are not applicable. There is no associate or related concern.

Number of employees

As on 31 December 2004 the total number of fulltime employees were 82 (eighty two).

Personnel related scheme

The Company has training schemes for human resource development and the following retirement benefits for its employees:

1. Provident Fund

The Company operates a recognized Contributory Provident Fund for its permanent employees. The fund is administered by a Board of Trustees and is funded by 10% contributions equally from the employees and the company. The fund is managed separately from the company's assets.

2. Gratuity

The Company also maintains non-funded Gratuity Scheme for confirmed employees of the company.

CIB status

Neither the company nor any of its sponsors or directors or associates is defaulter with any bank in terms of the CIB Report of the Bangladesh Bank reference No. 7(1)/2005-8944 dated 1 June 2005.

Information regarding directorship

Names and address of the Directors	Age	Position	Representative of	Date of becoming Director for the first time	Date of expiration of current term
Mr. Muhammed Aziz Khan Summit Centre, 18 Kawran Bazar C/A, Dhaka-1215.	51	Chairman & Managing Director	Summit Industrial & Mercantile Corporation (Pvt) Ltd.	30 March 1997	2007
Mrs. Anjuman Aziz Khan Summit Centre, 18 Kawran Bazar C/A, Dhaka-1215.	50	Director	Summit Industrial & Mercantile Corporation (Pvt) Ltd	30 March 1997	2006
Mr. Md. Latif Khan Summit Centre, 18 Kawran Bazar C/A, Dhaka-1215.	47	Director	Euro Hub Investments Ltd	5 September 2002	2007
Mr. Md. Farid Khan Summit Centre, 18 Kawran Bazar C/A, Dhaka-1215.	45	Director	Summit Industrial & Mercantile Corporation (Pvt) Ltd	30 March 1997	2005
Ms. Sanadina Khan Summit Centre, 18 Kawran Bazar C/A, Dhaka-1215.	26	Director	Summit Industrial & Mercantile Corporation (Pvt) Ltd	5 September 2002	2006
Ms. Ayesha Aziz Khan Summit Centre, 18 Kawran Bazar C/A, Dhaka-1215.	24	Director	Summit Industrial & Mercantile Corporation (Pvt) Ltd	5 September 2002	2005

Short profile of the directors

Mr. Muhammed Aziz Khan
Chairman & Managing Director

Mr. Muhammed Aziz Khan, a renowned C.I.P and pioneering leading business personality in power sector of Bangladesh. After graduation Mr. Khan did his MBA in 1980 from the Institute of Business Administration (IBA), University of Dhaka.

Mr. Khan has established himself as a dynamic and pro-active entrepreneur who has built Summit Group-recognized as the largest infrastructure Industrial organization of Bangladesh. He is the Chairman of Khulna Power Co. Ltd., country's first Independent Power Producer (IPP). Mr. Khan helped to formulate the Private Sector Power Generation Policy of Bangladesh. He has 33 years of business experience, setting up country's first Inland Container Depot (ICD)-Ocean Container Ltd, First Tanks Terminal- Summit United Tanks Terminal, now known as South Eastern Tanks Terminal. Mr. Khan has been the Founder President of Bangladesh Energy Companies Association (BECA) since 2001, which is formed to represent and to promote the interests of private sector business organizations engaged in the energy sector.

Mr. Khan has set up Siraj Khaleda Trust- a social wing of Summit Group, which is setting up 200 beds for medical services on charitable basis in Dhaka Cantonment. He enthusiastically takes part & contributes to social activities such help to acid burn and drug victims to mention a few amongst host of other activities.

Mrs. Anjuman Aziz Khan, Director

Mrs. Anjuman Aziz Khan, wife of Mr. Muhammed Aziz Khan has 20 years of business experience in Summit. Mrs. Khan is the member of Siraj Khaleda Trust- a social wing of Summit Group, which is setting up 200 beds for medical services on charitable basis in Dhaka Cantonment. She enthusiastically takes part & contributes to social activities such as Assistance of Blind Children and women's entrepreneurship development.

Mr. Md. Latif Khan, Director

Mr. Md. Latif Khan was born on 28 December 1958 in Dhaka. He pursued BA in Public Administration at Dhaka University, and subsequently left for higher studies to the U.S. in 1981. There, he worked for over 15 years in the financial sector. He was a stockbroker and a financial analyst at Prudential Insurance of America where he received numerous sales achievement awards and worked as a Financial Officer at Wells Fargo Bank. He returned to Bangladesh in 1997 and thereof joined Summit Group as the Managing Director of Summit Shipping Limited. Mr. Khan has established himself as a sound dynamic businessman of the country.

Mr. Md. Farid Khan, Director

Mr. Md. Farid Khan was born in 1960. Mr. Khan is a business graduate from Dhaka University is involved in business since 1980. He started his business carrier with trading in plastic compound, fertilizer and other commodities. He was integral part of the team that pioneered export of molasses and fertilizer from Bangladesh. Khan has proved to be an entrepreneur with special skills in development of new project. He was solely instrumental in setting up Liquefied Petroleum Gas (LPG) project and Tanks Terminal in Mongla, which now he heads as the Managing Director.

Ms. Sanadina Khan, Director

Ms. Sanadina Khan was born in 1979. She completed her Masters in Computing Science from University of Nottingham, England in 2002. After completion of her Masters she joined in management position of Summit Group. Presently Ms. Khan is holding the position of Director in several companies of Summit Group.

MS. Ayesha Aziz Khan, Director

Ms. Ayesha Aziz Khan was born in 1981. After completion of her 'O' Level and 'A' Level from Bangladesh she went for higher studies to U.K and completed her graduation in Economics and Business from University College of London in 2002. She has joined Summit Group in management position. Presently Ms. Khan is holding the position of Director in several companies of Summit Group.

Family relationship between the directors and officers

Name of the Director	Relationship
Mrs. Anjuman Aziz Khan	Wife of Muhammed Aziz Khan, Chairman & Managing Director
Mr. Md. Latif Khan	Brother of Muhammed Aziz Khan, Chairman & Managing Director
Mr. Md. Farid Khan	Brother of Muhammed Aziz Khan, Chairman & Managing Director
Ms. Ayesha Aziz Khan	Daughter of Muhammed Aziz Khan, Chairman & Managing Director
Ms. Sanadina Khan	Niece of Muhammed Aziz Khan, Chairman & Managing Director

Mr. Jafer Ummed Khan, Executive Director of the Company is brother of Mr. Muhammed Aziz Khan, Chairman & Managing Director of the Company.

Directors holding any position in the company

Mr. Muhammed Aziz Khan is holding the Chairman & Managing Director position of the company. No other directors holding any the position of the company

Directors' facilities during prospectus publication

The Directors are paid fees for attending meeting of the Board of directors as per Articles of Association of the Company. Facilities whether pecuniary or non-pecuniary enjoyed by the directors will remain unchanged during the publication period of the prospectus.

Remuneration paid to directors and officers during 2004 as per audited accounts

Group	Amount paid in Taka
Director (including Mr. Jafer Ummed Khan, Executive Director)	4,800,000
Officers	19,501,956

Directors' involvement in other organisations:

Name of director	Name of the company	Position
Mr. Muhammed Aziz Khan Chairman & Managing Director	Summit Equities Limited	Chairman
	United Summit Costail Oil Limited	Managing Director
	Summit Industrial & Mercantile Corporation Pvt. Ltd.	Chairman & MD
	Summit Surma Petroleum Co. Ltd.	Chairman
	Cosmopolitan Traders (pvt) Ltd.	Chairman & MD
	Summit Properties & Construction Co. (pvt.) Ltd.	Director
	Summit Shipping Ltd.	Chairman
	Marble Di Currara (pvt) Ltd.	Director
	Khulna Power Co. Ltd.	Chairman
	Ocean Container Ltd.	Chairman
	Summit Pipeco Ltd.	Chairman
	Baridhara Properties Ltd.	Managing Director
	Alliance Leasing and Finance Co. Ltd.	Director
	Summit Alliance Port Ltd.	Chairman
Mrs. Anjuman Aziz Khan Director	Summit Equities Limited	Managing Director
	Marble Di Currara (pvt) Ltd.	Shareholder
	Summit Industrial & Mercantile Corporation Pvt. Ltd.	Director
	Ocean Container Ltd.	Director
	Cosmopolitan Traders (pvt) Ltd.	Director
	Summit Properties & Construction Co. (pvt.) Ltd.	Shareholder
	Summit Shipping Ltd.	Director
	Baridhara Properties Ltd.	Director
	Summit Pipeco Ltd.	Director
	Summit Alliance Port Ltd.	Director
Mr. Md. Latif Khan Director	Summit Shipping Ltd.	Managing Director
	Summit Surma Petroleum Co. Ltd.	Director
	Syenergy Services	Partner
	Baridhara Properties Ltd.	Director
Mr. Md. Farid Khan Director	Summit Corporation	Proprietor
	Summit Surma Petroleum Co. Ltd.	Managing Director
	Summit Industrial & Mercantile Corporation Pvt. Ltd.	Director
	Ocean Container Ltd.	Director
	Cosmopolitan Traders (pvt) Ltd.	Director
	Summit Properties & Construction Co. (pvt.) Ltd.	Director
	Summit Shipping Ltd.	Director
	Summit Pipeco Ltd.	Director
	Baridhara Properties Ltd.	Director
	Marble Di Currara (pvt) Ltd.	Director
	Alliance Leasing and Finance Co. Ltd.	Director
	Summit Alliance Port Ltd.	Director
Ms. Sanadina Khan Director	Summit Properties & Construction Co. (pvt.) Ltd.	Shareholder
	Ocean Container Ltd.	Director
	Summit Industrial & Mercantile Corporation Pvt. Ltd.	Shareholder
	Cosmopolitan Traders (pvt) Ltd.	Shareholder
	Summit Surma Petroleum Co. Ltd.	Director
	Summit Alliance Port Ltd.	Director
Ms. Ayesha Aziz Khan Director	Summit Shipping Ltd.	Director
	Ocean Container Ltd.	Shareholder
	Summit Industrial & Mercantile Corporation Pvt. Ltd.	Director
	Summit Equities Limited	Shareholder
	Cosmopolitan Traders (pvt) Ltd.	Director
	Baridhara Properties Ltd.	Director
	Summit Surma Petroleum Co. Ltd.	Director
	Summit Alliance Port Ltd.	Director

Involvement of the directors and officers in certain legal proceedings

No officer or director of the Company was involved in any of the following types of legal proceedings in the last ten years:

1. Any bankruptcy petition filed by or against any company of which any officer or director or nominee of the Company filing the prospectus was a director, officer or general partner at the time of the bankruptcy or within 2 (two) years prior to that time;
2. Any conviction of an officer, director or nominee in the criminal proceedings or any criminal proceedings pending against him;
3. Any order, judgement or decree of any Court of competent jurisdiction against officer, director or nominee permanently or temporarily enjoying, barring, suspending or otherwise limiting the involvement of any officer or director or nominee in any type of business, securities or banking activities.
4. Any order of the Securities and Exchange Commission or other regulatory authority or foreign financial regulatory authority suspending or otherwise limiting the involvement of any officer or director or nominees in any type of business, securities or banking activities.

Section IX

Information about the Executives

Description of the senior executives and officers

Name	Position	Educational Qualification	Age as on 31-12-2004	Date of joining in the company	Total Experience
Mr. Jafer Ummed Khan	Executive Director	B.Sc.	48 years	01-01-2002	26 years
Dr. Mirza Khairuzzaman	Executive Director	B.Sc Engineering (Met), Ph.D	61 years	25-11-1999	40 years
Mr. Saiful Alam	General Manager (O&M)	B.Sc Engineering (Mech)	49 years	03-05-2003	24 years
Mr. A.N.M. Tariqur Rashid	General Manager (Dev)	B.Sc Engineering (Mech)	38 years	01-04-1999	15 years
Mr. Md. Mamunur Rashid	Financial Controller & Company Secretary	M.Com, FCMA	37 years	02-05-2002	15 years
Mr. Md. Solaiman Patwary	Manager (Mech. Maint.)	Class-1, (Motor) Marine Engineer U.K.	48 years	01-08-2000	25-years
Mr. Md. Zakir Hossain	Manager (Mech. Maint.)	B.Sc Engineering (Elec)	56 years	01-08-2000	34 years
Mr. Md. Abdus Sobhan	Manager (Inst. Maint.)	B.Sc Engineering (Elec)	50 years	14-11-2000	27 years
Mr. A. K. M.Asadul Alam Siddique	Manager (Operation / Plant-charge)	B.Sc Engineering (N. Arc. & Marine)	43 years	04-06-2003	18 years
Mr. Md. Sarwar Jahan	Plant-in charge	B.Sc Engineering (Mech)	31 years	11-10-2000	05 years
Mr. Md. Humayon Kabir	Plant-in charge	B.Sc Engineering (Mech)	38 years	11-10-2000	15 years
Mr. Md. Iqbal Hossain	Business Dev. Officer	MBA	32 years	09-09-1999	06 years
Mr. Md. Monirul Islam	Accounts Officer	M.Com	32 years	12-01-2000	07 years
Mr. Md. Shahidul Islam Khan	Administrative Officer	B.Sc	37 years	18-06-2001	15 years
Mr. H. M. Rubel Ahmed	Business Dev. Officer	MSS	28 years	12-11-2002	06 years
Mr. Monwar Ahmed	Executive	B.Com	29 years	01-12-1999	08 years
Mr. Md. Abu Naser	Executive	BSS (Hon's)	39 years	28-01-2001	14 years
Mr. Faruk Ahmad	Asst. Accounts Officer	BBS (Hon's) MBA	30 years	08-02-2004	04 years

Officers employed in other company

No officer of the company is currently employed by any other company.

Executive compensation

Remuneration paid to top three executives during the year 2004 is given below:

Name of the executive	Designation	Amount paid in Taka during the year 2004
Muhammed Aziz Khan	Managing Director	2,900,000
Jafer Ummed Khan	Executive Director	2,900,000
Dr. Mirza Khairuzzaman	Executive Director	1,608,046

The company did not pay any amount to any director who was not an officer during the last fiscal year.

There is no contract with any director or officer for the payment of future compensation.

Pay increase intention

Except annual increment and allowances, there is no plan for substantial pay increase to its officers and directors.

Option granted to officer, directors and employees

The company did not grant any option for issue of shares to any officer, director and other employees of the company or to any other person outside the country.

Material contracts

1. Underwriting Agreements between the Company and the Underwriters
2. Issue Management Agreement between the Company and the Issue Manager
3. Agreement between the Company and Central Depository of Bangladesh Ltd. (CDBL)

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.

Manager to the issue and fees to be paid

Prime Finance & Investment Limited has been appointed as the Manager to the Issue of the IPO. The company shall pay a fee of Tk 840,000 only to the Manager to the Issue.

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.

Brokerage

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

Break down of issue expenses

The breakdown of fees to be paid to issue manager and the underwriters is as under:

1. Issue Management fee will be paid Tk 840,000
2. Underwriting Commission fee will be paid @ 0.50% on the amount underwritten (in the event of under subscription, take-up commission @ 2.5% will be paid to the underwriters)

However, the detail breakdown of the said expenditure is given below:

Sl. No.	Description	Amount Taka
1	Issue management fee	840,000
2	Underwriting commission	700,000
3	Listing fee payable to the DSE	1,715,000
4	Listing fee payable to the CSE	1,710,000
5	Fee payable to the SEC	850,000
6	Brokerage commission	2,800,000
7	Bankers to the issue commission	700,000
8	Publication of prospectus	400,000
9	Publication of abridged version of prospectus	150,000
10	Publication of notice	60,000
11	Advertisements	100,000
12	Printing of prospectus	175,000
13	Printing of application forms	42,000
14	Distribution and collection	500,000
15	Data processing, lottery etc.	1,000,000
16	CDBL charge	772,500
Total		12,514,500

Company's compliance officer

The Company has appointed Mr. Md. Mamunur Rashid FCMA whose name and address are given below:

Md. Mamunur Rashid FCMA
Financial Controller & Company Secretary
Summit Centre (9th Floor),
18, Karwan Bazar C/A, Dhaka 1215

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.

**Auditors' Report
to the Shareholders of
United Summit Power Co. Ltd.**

We have audited the accompanying balance sheet of United Summit Power Co. Ltd. as of 31 December 2004 and the related profit and loss account and statement of cash flows for the year 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 Bangladesh Standards on Auditing. 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 Bangladesh Accounting Standards, give a true and fair view of the state of the company's affairs as of 31 December 2004 and of the results of its operations and its cash flows 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; and
- c) the company's balance sheet and profit and loss account dealt with by the report are in agreement with the books of account.

Sd/-
Rahman Rahman Huq
Chartered Accountants

Dhaka, 2 March 2005

United Summit Power Co. Ltd.
Balance Sheet as at 31 December 2004

<u>Sources of fund</u>	Notes	2004 Taka	2003 Taka
Shareholders' equity:			
Share capital	3	350,000,000	350,000,000
Share money deposit	4	4,457,764	4,457,764
Retained earnings		199,756,873	100,649,311
		554,214,637	455,107,075
Bridge loan from shareholders	5	-	3,348,853
Project loan - Long term portion	6	270,407,821	387,406,531
Deferred liability for gratuity		821,995	-
		<u>825,444,453</u>	<u>845,862,459</u>
<u>Application of fund</u>			
Fixed assets - at cost less depreciation	7	792,847,453	816,985,489
Investment		-	49,000
Pre-operating expenses	8	42,016,870	45,488,589
Other development costs	9	37,960,000	40,880,000
Current assets:			
Stocks	10	46,209,442	39,706,704
Accounts receivable	11	41,367,296	40,542,081
Inter-company receivables	12	-	296,307
L / C margin		5,667	542,969
Bank guarantee margin		351,000	3,321,000
Advances, deposits and prepayments	13	3,228,845	2,594,611
Cash and bank balance	14	15,960,184	17,824,798
		107,122,434	104,828,470
Current liabilities:			
Trade creditors	15	15,273,581	13,934,855
Sundry creditors	16	3,240,228	12,567,529
Project loan - Short term portion	6	117,536,040	117,386,705
Proposed dividend		14,952,455	16,800,000
Dividend distribution tax		3,500,000	1,680,000
		154,502,304	162,369,089
Net current assets / (liabilities)		<u>(47,379,870)</u>	<u>(57,540,619)</u>
		<u>825,444,453</u>	<u>845,862,459</u>

The annexed notes 1 to 25 form an integral part of these financial statements.

Sd / -
Company Secretary

Sd / -
Director

Sd / -
Chairman & Managing Director

As per our separate report of even date.

Sd / -
Rahman Rahman Huq
Chartered Accountants
Auditors

Dhaka, 2 March 2005

United Summit Power Co. Ltd.

**Profit and Loss Account
for the year ended 31 December 2004**

	Notes	2004 Taka	2003 Taka
Turnover	17	483,963,029	472,839,198
Operating expenses	18	(234,401,225)	(240,865,630)
		249,561,804	231,973,568
General and administrative expenses	19	(57,294,334)	(53,303,900)
		192,267,470	178,669,668
Financial charges	20	(51,242,925)	(70,802,765)
		141,024,545	107,866,903
Other income	21	2,457,785	7,535,806
		143,482,330	115,402,709
Loss on accident	22	(5,874,768)	-
<i>Profit for the year</i>		137,607,562	115,402,709
Profit brought forward		100,649,311	87,726,602
		238,256,873	203,129,311
Stock dividend		-	(84,000,000)
Proposed dividend		(35,000,000)	(16,800,000)
Dividend distribution tax		(3,500,000)	(1,680,000)
Retained earnings		199,756,873	100,649,311
Earnings per share	23	39.32	32.97

The annexed notes 1 to 25 form an integral part of these financial statements.

Sd /-
Company Secretary

Sd /-
Director

Sd /-
Chairman & Managing Director

As per our separate report of even date.

Dhaka, 2 March 2005

Sd /-
Rahman Rahman Huq
Chartered Accountants
Auditors

United Summit Power Co. Ltd.
Cash Flow Statement
for the year ended 31 December 2004

	2004 Taka	2003 Taka
A. Cash flow from operating activities:		
Received from sales	483,137,814	468,360,025
Other receipts	(875,578)	8,433,126
Paid for cost and expenses	(270,626,443)	(299,373,102)
Financial charges	(51,242,925)	(70,802,765)
<i>Net cash flow from operating activities</i>	<u>160,392,868</u>	<u>106,617,284</u>
B. Cash flow from investing activities:		
Acquisition of fixed assets	<u>(3,531,709)</u>	<u>(9,145,632)</u>
<i>Net cash used in investing activities</i>	<u>(3,531,709)</u>	<u>(9,145,632)</u>
C. Cash flow from financing activities:		
Bridge loan repaid to Summit Industrial & Mercantile Corporation (Pvt) Ltd.	(3,348,853)	(31,008,877)
Project loan	(116,849,375)	(96,169,904)
Dividend paid	(36,847,545)	-
Dividend distribution tax	(1,680,000)	-
<i>Net cash out flow from financing activities</i>	<u>(158,725,773)</u>	<u>(127,178,781)</u>
D. Net cash inflow/(outflow) for the year (A+B+C)	(1,864,614)	(29,707,129)
E. Opening cash and bank balances	17,824,798	47,531,927
F. Closing cash and bank balances (D+E)	<u><u>15,960,184</u></u>	<u><u>17,824,798</u></u>

United Summit Power Co. Ltd.
Notes to the accounts
for the year ended 31 December 2004

1. Background of the company

United Summit Power Co. Ltd. (the company) was incorporated in Bangladesh on 30 March 1997 as a Private Limited Company. On 7 June 2004 the company registered itself as a Public Limited Company under the Companies Act 1994. The principal objective of this company is to set up power plants for generation and supply of electricity. Presently the company has three power plants located at Ashulia (Savar), Madhabdi (Narsingdi) and Chandina (Comilla) having production capacity of 10 MW (+/- 10%) each. The plants started commercial production on 8 February 2001, 1 April 2001 and 2 June 2001 at Ashulia, Madhabdi and Chandina respectively.

2. Accounting policies

2.1 Basis of accounting

The financial statements have been prepared in accordance with Bangladesh Accounting Standards.

2.2 Reporting currency and level of precision

The amounts in the financial statements are in Bangladeshi taka, which have been rounded off to nearest taka.

2.3 Depreciation

Depreciation on power plant has been charged considering 30 years useful life and residual value as 15% of original cost, on straight line basis. Depreciation on other fixed assets has been charged on straight line basis using rates of 10% to 20% per annum.

Plant and machinery capitalised at any amount are depreciated in the year of capitalisation according to the month they are put to use. All other assets continue to be depreciated for a full year in the year of capitalisation irrespective of the date when put to use. No depreciation is charged in the year of disposal.

2.4 Capitalisation of cost

The company has capitalized all pre-operating expenses that have been incurred by the company upto the date of commercial operation, which will be amortized over sixteen years starting from 2001.

2.5 Foreign currency

Foreign currency transactions are translated into Bangladeshi taka at the rates ruling on the transaction date. All monetary assets and liabilities at the balance sheet date are retranslated using rates prevailing on that day. In accordance with Schedule XI of Companies Act 1994 all differences arising on outstanding foreign currency loans are adjusted against the fixed assets for which such foreign currency borrowing took place. All other differences are taken to the profit and loss account.

2.6 Taxation

No provision is required for current income tax on the company's profits as the company has received exemption from all such taxes from the Government of Bangladesh under the private sector power generation policy for a period of 15 years from start of its commercial operation. For the same reason deferred tax has not been considered.

2.7 Gratuity scheme

The company operates an unfunded gratuity scheme for its permanent employees, under which an employee is entitled to the benefits depending on length of service. Provision for which is made as per employment policy of the company.

3. Share capital

	<u>2004</u> <u>Taka</u>	<u>2003</u> <u>Taka</u>
Authorised:		
10,000,000 (2003: 5,000,000) ordinary shares of Tk 100 each	<u>1,000,000,000</u>	<u>500,000,000</u>
Issued, subscribed and paid-up:		
3,500,000 ordinary shares of Tk 100 each	<u>350,000,000</u>	<u>350,000,000</u>

Percentage of shareholdings:

<u>Name of shareholders</u>	<u>2004</u> <u>%</u>	<u>2003</u> <u>%</u>
Summit Industrial & Mercantile Corporation (Pvt.) Limited	89.991	80.000
Euro Hub Investments Ltd.	10.000	10.000
IPDC of Bangladesh Ltd.	-	10.000
Other shareholders	0.009	-
	<u>100.000</u>	<u>100.000</u>

4. Share money deposit

	<u>2004</u> <u>Taka</u>	<u>2003</u> <u>Taka</u>
Euro Hub Investments Ltd.	<u>4,457,764</u>	<u>4,457,764</u>
	<u>4,457,764</u>	<u>4,457,764</u>

5. Bridge loan from shareholder

Summit Industrial & Mercantile Corporation (Pvt) Limited	-	3,348,853
	<u>-</u>	<u>3,348,853</u>

6. Project loan

	<u>2004</u> <u>Taka</u>	<u>2003</u> <u>Taka</u>
Long term portion:		
Standard Chartered Bank	246,600,000	356,200,000
IPDC of Bangladesh Limited	23,807,821	31,206,531
	<u>270,407,821</u>	<u>387,406,531</u>
Short term portion:		
Standard Chartered Bank	109,600,000	109,600,000
IPDC of Bangladesh Limited	7,936,040	7,786,705
	<u>117,536,040</u>	<u>117,386,705</u>
	<u>387,943,861</u>	<u>504,793,236</u>

The loan of Standard Chartered Bank is secured by the project's plant and machinery and other assets of the company and IPDC loan is secured by insurance bond issued by Paramount Insurance Co. Ltd.

Repayment term

- i) Standard Chartered Bank:
These are repayable in 20 quarterly instalments of Taka 27,400,000 each commencing from June 2003. Interest, bearing rate of 10.50 per annum, is also payable in quarterly basis.
- ii) IPDC of Bangladesh Ltd.:
These are repayable in 15 half yearly installments of US\$ 66,667 each commencing from December 2001. Interest, bearing rate of LIBOR + 4% per annum, is payable on half yearly basis commencing from June 2001. In addition to this, supervision fee at the rate of 1% per annum is payable on half yearly basis commencing from June 2001.

7. Fixed assets

Particulars	Balance at 1 January 2004	Cost		Balance at 31 December 2004	Rate	Balance at 1 January 2004	Depreciation		Balance at 31 December 2004	Written down value at 31 December 2004
	Taka	Taka	Taka	Taka		Taka	Taka	Taka	Taka	Taka
Furniture and fixtures	784,930	47,900	-	832,830	10.00	323,363	83,283	-	406,646	426,184
Office and electrical equipment	4,109,307	226,125	-	4,335,432	20.00	2,979,766	493,506	-	3,473,272	862,160
Office decoration	2,808,025	-	-	2,808,025	20.00	2,738,163	26,443	-	2,764,606	43,419
Motor vehicles	6,894,290	1,468,104	(1,347,646)	7,014,748	20.00	2,423,008	1,417,714	(1,328,444)	2,512,278	4,502,470
Maintenance equipment	613,389	-	-	613,389	20.00	260,182	122,677	-	382,859	230,530
Civil works and others	1,604,856	1,136,915	-	2,741,771	20.00	341,922	548,353	-	890,275	1,851,496
Plant and machinery:										
Savar Power Plant	304,358,622	216,457	(50,000)	304,525,079	3.33	44,297,611	7,954,802	(1,786)	52,250,627	252,274,452
Narsingdi Power Plant	307,194,986	212,182	(50,000)	307,357,168	3.33	41,639,265	8,142,408	(1,786)	49,779,887	257,577,281
Chandina Power Plant	324,344,196	224,026	(50,000)	324,518,222	3.33	40,723,832	8,716,715	(1,786)	49,438,761	275,079,461
Total	952,712,601	3,531,709	(1,497,646)	954,746,664		135,727,112	27,505,901	(1,333,802)	161,899,211	792,847,453

Additions to power plants at Savar, Narsingdi and Chandina are exchange losses of Tk 216,457, Tk. 212,182 and Tk. 224,026 respectively. These losses incurred in the conversion of the company's USD loan from IPDC of Bangladesh Ltd.

8. Pre-operating expenses

	Balance at 1 Jan. 2004	Addition / (adjustment) during the year	Balance at 31 Dec. 2004
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Salary and allowances	10,886,090	-	10,886,090
Directors' remuneration	5,095,161	-	5,095,161
Tax on directors' remuneration	1,273,790	-	1,273,790
Directors' attendance fees	65,000	-	65,000
Travelling and conveyance	3,783,546	-	3,783,546
Vehicle running expenses	865,128	-	865,128
Entertainment and others	920,666	-	920,666
Printing and stationery	767,824	-	767,824
General repair and maintenance	276,043	-	276,043
Office expenses	72,758	-	72,758
Uniform and liveries	196,682	-	196,682
Communication expenses	1,838,018	-	1,838,018
Office rent	1,986,467	-	1,986,467
Gas and utilities	360,001	-	360,001
Registration and renewal fees	161,826	-	161,826
Advertisement and publicity	450,097	-	450,097
Business development expenses	8,022,727	-	8,022,727
Loss on sale of land	2,440,000	-	2,440,000
Fooding and lodging expenses	252,334	-	252,334
Bank charge and interest	223,051	-	223,051
Audit fees	194,788	-	194,788
Legal expenses and professional fees	1,330,825	-	1,330,825
Donation and subscription	568,361	-	568,361
Gift and compliments	318,618	-	318,618
Miscellaneous expenses	683,107	-	683,107
Depreciation on other fixed assets	2,890,565	-	2,890,565
Tender schedule purchase	128,750	-	128,750
Loan processing fees	2,094,522	-	2,094,522
Interest on loan	249,540	-	249,540
Security service expenses	94,065	-	94,065
Insurance premium	2,732,293	-	2,732,293
Car lease rental	1,140,381	-	1,140,381
Education and training expenses	632,797	-	632,797
Bid bond commission	435,600	-	435,600
Bank guarantee commission	476,187	-	476,187
Land lease rental	2,067,500	-	2,067,500
Lube oil expenses	1,161,024	-	1,161,024
Environmental compliance cost	671,200	-	671,200
Independent engineer's remuneration	300,000	-	300,000
Interest income	(2,559,833)	-	(2,559,833)
	55,547,499	-	55,547,499
Less: Amortization	10,058,910	3,471,719	13,530,629
Net pre-operating expenses	45,488,589	(3,471,719)	42,016,870

9. Other development costs

This represents a development fee paid to the sponsors as per subscription agreement. This will be amortized over the period of project life starting from 2002.

	<u>2004</u>	<u>2003</u>
	<u>Taka</u>	<u>Taka</u>
Development fees	46,720,000	46,720,000
Less: Amortization	8,760,000	5,840,000
	<u>37,960,000</u>	<u>40,880,000</u>

10. Stocks

Particulars	Balance at	Cost	Balance at	Balance at	Consumption	Balance at	Stock of
	1 January	Addition	31 December	1 January	Utilisation	31 December	spare parts at
	2004	during	2004	2004	during	2004	2004
	Taka	the year	Taka	Taka	the year	Taka	Taka
Compressor spare parts	462,946	-	462,946	9,619	8,331	17,950	444,996
Electrical spare parts	3,535,973	1,405,208	4,941,181	107,606	155,211	262,817	4,678,364
Schedule and protective spare parts	85,777,133	30,816,236	116,593,369	50,850,239	25,496,069	76,346,308	40,247,061
Spark plug	4,009,888	-	4,009,888	4,009,888	-	4,009,888	-
Spare parts - others	1,792,813	430,255	2,223,068	1,368,664	261,677	1,630,341	592,727
Fuel	26,839,879	9,281,205	36,121,084	26,365,912	9,508,878	35,874,790	246,294
Total	122,418,632	41,932,904	164,351,536	82,711,928	35,430,166	118,142,094	46,209,442

11. Accounts receivable

	<u>2004</u>	<u>2003</u>
	<u>Taka</u>	<u>Taka</u>
Savar Palli Bidyut Samity	13,579,897	13,718,455
Narsingdi Palli Bidyut Samity	13,644,480	13,713,615
Chandina Palli Bidyut Samity	14,142,919	13,110,011
	<u>41,367,296</u>	<u>40,542,081</u>

12. Inter-company receivables

United Summit Comilla Power Ltd.	-	17,340
United Summit Rural Power Ltd.	-	65,695
Summit Industrial & Mercantile Corporation (Pvt) Ltd.	-	213,272
	<u>-</u>	<u>296,307</u>

13. Advances, deposits and prepayments

Advances:		
Summit Properties & Construction Co. (Pvt) Ltd.	-	150,000
Rahimafrooz	-	125,000
GETCO	-	54,508
Nova Prime	369,353	-
Mobil Jamuna Lubricants Ltd.	340,080	-
Credit Rating Information & Services Ltd.	200,000	-
Ardent Automobiles	20,000	-
Desh Bangla Enterprise	175,000	-
Energypack Engineering Ltd.	25,000	-
Azad Products (Pvt.) Ltd.	14,000	-
Advance against spare parts	8,149	76,556
Advance against salary	-	15,000
Advance to officers and employees	107,800	82,670
Deposits:		
Security deposit	263,980	282,930
Prepayments:		
Land lease rent	192,912	190,728
Bank guarantee commission and insurance bond commission	727,232	713,949
Insurance premium	429,649	503,688
Stand by letter of credit commission	355,690	399,582
	<u>3,228,845</u>	<u>2,594,611</u>

14. Cash and bank balances

	<u>2004</u> <u>Taka</u>	<u>2003</u> <u>Taka</u>
Cash in hand	334,213	114,777
Cash at bank:		
Arab Bangladesh Bank Ltd., Kawran Bazar Branch	1,806	6
Citibank N.A., Main Branch	(261)	(2,300)
Citibank N.A., Main Branch (FC A / c)	1,992,782	1,913,210
Dhaka Bank Ltd., Kawran Bazar Branch	344,446	1,686,781
Dhaka Bank Ltd., Kawran Bazar Branch (STD A / c)	1,243,693	1,245,463
Dhaka Bank Ltd., Local Office	5,636	12,579
Dhaka Bank Ltd., Local Office (JV A / c)	1,550	2,100
Dhaka Bank Ltd., Uttara Branch	8,446	9,196
Dutch Bangla Bank Ltd, Baburhat Branch	8,280	8,450
Dutch Bangla Bank Ltd., Kawran Bazar Branch	380,799	65,830
Dutch Bangla Bank Ltd., Kawran Bazar Branch (STD A / c)	5,933,528	5,009,883
Eastern Bank Ltd., Sonargaon Road Branch	8,600	9,000
One Bank Ltd., Principal Branch	16,419	71,734
One Bank Ltd., Principal Branch (STD A / c)	186,597	19,999
Rupali Bank Ltd, Madhaiya Bazar Branch	9,440	9,490
Southeast Bank Ltd., Dhanmondi Branch	7,752	9,252
Southeast Bank Ltd., Dhanmondi Branch (STD A / c)	5,597	6,791
Southeast Bank Ltd., Kawran Bazar Branch	7,830	9,330
Standard Chartered Bank, Current A / c	803,275	(3,696,823)
Standard Chartered Bank, Collection A / c	527,714	6,877,351
Standard Chartered Bank, Debt Servicing A / c	4,128,848	4,438,605
The City Bank Ltd., Kawran Bazar Branch	3,194	4,094
	<u>15,960,184</u>	<u>17,824,798</u>

15. Trade creditors

Gas bill - Savar power plant	4,481,528	4,444,807
Gas bill - Narsingdi power plant	4,680,476	4,506,159
Gas bill - Chandina power plant	5,421,420	4,322,485
Gas and utility	37,992	152,297
Mobil Jamuna Lubricants Ltd.	652,165	509,107
	<u>15,273,581</u>	<u>13,934,855</u>

16. Sundry creditors

	<u>2004</u> <u>Taka</u>	<u>2003</u> <u>Taka</u>
Summit Industrial & Mercantile Corporation (Pvt) Ltd.	-	6,720,000
Payable to C&F agents	112,132	71,334
Payable to suppliers	87,000	899,000
Dutch-Bangla Bank Ltd., Baburhat Branch	175,274	-
Salary and allowances	1,338,174	1,685,569
Tax on directors' remuneration	100,000	100,000
Communication expenses	84,238	162,462
Audit fees	261,038	161,975
Business development expenses	-	90,000
Office supplies	-	1,486
Rent, rates and taxes	2,500	2,500
Fooding and lodging expenses	8,800	8,400
Security service expenses	35,477	31,161
Vehicle maintenance	-	28,100
Advertisement and publicity	-	6,000
AIT & VAT - Deduction at source	700,758	2,285,495
Legal expenses and environmental fees	20,000	20,000
Technical assistance fee	314,837	294,047
	<u>3,240,228</u>	<u>12,567,529</u>

17. Turnover

Turnover consists of capacity component and energy component invoiced to Rural Electrification Board (REB).

	<u>2004</u>			<u>2003</u>
<u>Plants</u>	<u>Capacity</u> <u>Component</u> <u>Taka</u>	<u>Energy</u> <u>Component</u> <u>Taka</u>	<u>Total</u> <u>Taka</u>	<u>Total</u> <u>Taka</u>
Savar power plant	96,413,997	61,932,061	158,346,058	160,708,729
Narsingdi power plant	99,702,103	62,158,305	161,860,408	149,791,249
Chandina power plant	100,811,486	62,945,077	163,756,563	162,339,220
	<u>296,927,586</u>	<u>187,035,443</u>	<u>483,963,029</u>	<u>472,839,198</u>

18. Operating expenses

	<u>2004</u> <u>Taka</u>	<u>2003</u> <u>Taka</u>
Gas consumption - Savar	51,085,924	51,150,798
Gas consumption - Narsingdi	54,992,448	47,950,248
Gas consumption - Chandina	60,267,901	55,672,111
Tools and spare consumption	25,921,288	42,200,811
Lube and other oil expenses	9,508,878	10,336,999
Meter and water testing expenses	31,000	301,005
Maintenance works expenses	1,388,142	2,066,829
Amortization on pre-operating expenses	3,471,719	3,471,719
Amortization on other development costs	2,920,000	2,920,000
Depreciation on plant and machinery	24,813,925	24,795,110
	<u>234,401,225</u>	<u>240,865,630</u>

19. General and administrative expenses

Salary and allowances	19,501,956	16,934,022
Gratuity fund	821,995	-
Directors remuneration	4,800,000	4,800,000
Tax on directors remuneration	1,450,000	1,400,000
Directors attendance fees	48,000	114,000
Travelling and conveyance	702,710	970,463
Vehicle fuel and maintenance	1,884,368	2,292,491
Entertainment	466,449	564,087
Printing and stationery	349,871	405,034
General repair and maintenance	545,891	1,101,032
Office expenses	53,857	49,277
Communication expenses	1,625,869	1,447,196
Office rent	1,184,360	1,087,600
Utility expenses	1,617,547	1,620,898
Trade license and other fees	65,450	114,586
Advertisement and publicity	181,172	256,000
Gift and compliments	36,250	26,895
Business development expenses	1,842,000	3,849,000
Fooding and lodging expenses	164,885	107,625
Miscellaneous expenses	200,683	191,761
Legal and professional fees	457,415	791,645
Uniform and liveries	173,285	178,831
Security services expenses	389,038	352,258
Insurance premium	4,004,546	4,128,918
Car lease rental	-	1,028,550
Land lease rental	1,764,066	1,753,057
Environmental compliance cost	240,000	266,106
Donation and subscription	5,336,310	1,256,500
IPDC supervision charges	375,240	448,083
Audit fees	261,038	161,975
Depreciation on other fixed assets	2,691,976	3,284,467
Preliminary / other expenses written off	232,861	-
ISO certification expenses	177,480	189,508
Technical assistance fee	3,597,446	1,173,959
Education and training	50,320	958,076
	<u>57,294,334</u>	<u>53,303,900</u>

20. Financial charges

	2004 Taka	2003 Taka
Interest on term loan:		
Standard Chartered Bank	46,723,850	50,215,067
Dhaka Bank Limited	-	5,062,586
Dutch Bangla Bank Limited	-	6,114,601
Southeast Bank Limited	-	2,444,154
Bank Asia Limited	-	2,164,047
IPDC of Bangladesh Limited	2,323,250	2,328,382
	<u>49,047,100</u>	<u>68,328,837</u>
Other bank charges and commission:		
Bank charges	600,212	275,894
Bank guarantee commission	32,465	80,953
Operation bond commission	1,051,533	336,662
Insurance bond commission	511,615	780,419
	<u>2,195,825</u>	<u>1,473,928</u>
Other fees:		
Loan arrangement fee (SCB)	-	1,000,000
	<u>-</u>	<u>1,000,000</u>
	<u>51,242,925</u>	<u>70,802,765</u>

21. Other income

Interest on FDR and STD	1,668,172	4,254,367
Sale of empty lube oil drums	521,475	429,453
Miscellaneous	268,138	2,851,986
	<u>2,457,785</u>	<u>7,535,806</u>

22. Loss on accident

On 7 April 2004 one engine (G-3616 Gen Set) at Savar Power Plant suffered an accidental damage at Cylinder heads. The company spent Tk 11,824,206 to restore the particular engine to its original stand of performance. The company recovered an amount of Tk 5,949,438 as insurance claim and the rest amount of Tk 5,874,768 is charged as accidental loss.

23. Earnings per share

23.1 Basic earnings per share

Basic earnings per share have been calculated taking a capital base of 3,500,000 ordinary shares of Tk 100 each as issued upto 31 December 2004.

23.2 Diluted earnings per share

No diluted earnings per share is required to be calculated for the year as there was no scope for dilution during the year under review.

24. Capital expenditure commitment

The company does not have any material capital expenditure commitment at the balance sheet date.

25. General

25.1 Contingent liability:

Contingent liability of the company was Tk 102,041,313 as on 31 December 2004 in respect of operation bonds and insurance bond.

25.2 Particulars of employees:

During the year ended on 31 December 2004 there were 82 employees who received salary Tk 36,000 and above per year.

25.3 Rearrangement of previous year's figures

Previous year's figures have been rearranged to conform to current year's presentation.

Summit Power Limited
Auditors' Report in pursuance of section 135(1) under Para 24(1) of Part II of the Third Schedule of the Companies Act 1994

We, as the auditors, having examined the financial statements of Summit Power Limited (formerly United Summit Power Co. Ltd.) for the years ended 31 December 2000 to 31 December 2004 and in pursuance of section 135(1) under Para 24(1) of Part II of the Third Schedule of the Companies Act 1994 report that:

A. The statement of assets and liabilities of the company at 31 December are as under:

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
<u>Sources of funds</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Share capital	350,000,000	350,000,000	196,000,000	21,000,000	21,000,000
Share money deposit	4,457,764	4,457,764	74,457,764	74,457,764	74,457,764
Retained earnings	199,756,873	100,649,311	87,726,602	14,616,601	-
Project loan – long term	270,407,821	387,406,531	483,576,435	552,620,220	141,206,995
Bridge loan from shareholders	-	3,348,853	3,435,730	164,439,440	116,202,244
Provision for liability against					
Power plant – long term	-	-	-	-	427,146,394
Deferred liability for gratuity	821,995	-	-	-	-
	<u>825,444,453</u>	<u>845,862,459</u>	<u>841,760,801</u>	<u>827,134,025</u>	<u>780,013,397</u>

Application of funds

Fixed assets – at cost					
Less depreciation	792,847,453	816,985,489	835,919,434	892,354,349	4,272,349
Investment	-	49,000	49,000	49,000	49,000
Pre-operating expenses	42,016,870	45,488,589	48,960,308	63,347,942	45,671,735
Other development costs	37,960,000	40,880,000	43,800,000	-	-
Net current assets	(47,379,870)	(57,540,619)	(52,610,211)	(128,617,266)	(81,407,008)
Capital work-in-progress	-	-	-	-	811,372,321
Preliminary expenses	-	-	-	-	55,000
	<u>825,444,453</u>	<u>845,862,459</u>	<u>876,118,531</u>	<u>827,134,025</u>	<u>780,013,397</u>

B. The statement of operating results of the company is as under:

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
<u>Particulars</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Turnover	483,963,029	472,839,198	464,091,706	295,185,802	-
Operating expenses	(234,401,225)	(240,865,630)	(231,436,824)	(162,801,383)	-
General and admin. expenses	(57,294,334)	(53,303,900)	(61,193,226)	(33,242,527)	-
Financial charges	(51,242,925)	(70,802,765)	(106,046,042)	(88,139,195)	-
Other income	2,457,785	7,535,806	7,694,387	3,613,904	-
Loss on accident	(5,874,768)	-	-	-	-
Profit for the year	137,607,562	115,402,709	73,110,001	14,616,601	-
Profit brought forward	<u>100,649,311</u>	<u>87,726,602</u>	<u>14,616,601</u>	-	-
	238,256,873	203,129,311	87,726,602	14,616,601	-
Cash dividend	(35,000,000)	(16,800,000)	-	-	-
Stock dividend	-	(84,000,000)	-	-	-
Dividend distribution tax	(3,500,000)	(1,680,000)	-	-	-
Retained earnings	<u>199,756,873</u>	<u>100,649,311</u>	<u>87,726,602</u>	<u>14,616,601</u>	<u>-</u>

C. The company declared dividend as follows:

<u>Year</u>	<u>Dividend declared</u>
2003	4.80% cash dividend 42.85% stock dividend (three bonus shares per 7 shares held) at par
2004	10% cash dividend

D. Subsidiary company

The company has no subsidiary company.

E. Proceeds of the issue of shares

No proceeds or part of the proceeds of the issue of shares were applied directly by the company in the purchase of any business.

F. Preparation of accounts after 31 December 2004

The company did not prepare any accounts for any period subsequent to 31 December 2004.

Sd/-
Rahman Rahman Huq
Chartered Accountants

Dhaka, 28 March 2005

Auditors' certificate regarding any allotment of shares to promoters or sponsor shareholders for any consideration other than in cash

To whom it may concern

This is to certify that as per share register and other relevant records maintained by Summit Power Limited (formerly United Summit Power Co. Ltd.), the paid up capital of the company as at 31 December 2004 was Tk. 350,000,000 divided into 3,500,000 ordinary shares of Tk. 100 each as shown below:

2,660,000	Ordinary shares of Tk. 100 each issued for cash	266,000,000
840,000	Ordinary shares of Tk. 100 each issued as bonus shares	84,000,000
3,500,000		350,000,000

Sd/-
Rahman Rahman Huq
Chartered Accountants

Dhaka, 28 March 2005

Auditors' certificate regarding calculation of EPS and ratios

To whom it may concern

This is to certify that Summit Power Limited (formerly United Summit Power Co. Ltd.) has maintained the following ratios for the years ended 31 December 2004, 2003 and 2002 computed on the basis of the audited accounts of the relevant years:

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Earning per share	39.32	39.97	49.15
Gross profit ratio	51.57%	49.06%	50.13%
Net profit (after tax) ratio	28.43%	24.41%	15.75%
Return on assets (based on profit after tax)	14.04%	11.45%	6.88%
Current ratio	0.69 : 1	0.65 : 1	0.77 : 1
Return on equity	24.83%	25.36%	20.41%
Debt equity ratio	0.7	1.12	1.77

Sd /-
Rahman Rahman Huq
Chartered Accountants

Dhaka, 28 March 2005

Additional disclosure on the Audited Accounts of Summit Power Limited (formerly United Summit Power Co. Ltd.) for the year ended 31 December 2004

Mr. Md. Mamunur Rashid
Financial Controller & Company Secretary
Summit Power Limited
Summit Centre (9th floor)
18 Karwan Bazar C/A
Dhaka

Date: 7 June 2005
Ref: D/U-48/1399

Dear Mr. Rashid

Additional disclosure on the Audited Accounts of Summit Power Limited (formerly United Summit Power Co. Ltd.) for the year ended 31 December 2004

We refer to the letter of the Securities and Exchange Commission (SEC) vide no. SEC/IPO-70/2005/564 dated 30 May 2005 forwarded by you.

We furnish the following information for onward submission to the Securities and Exchange Commission.

1. Year-wise breakup of share money deposit

Year	Amount (Taka)
1999	17,785,882
2000	56,671,882
Total	74,457,764
Less: Allotment of shares in 2003	70,000,000
Balance at 31 December 2004	4,457,764

2. Description of loss on sale of land

Location of land	Cost price (Taka)	Sale price (Taka)	Name of purchaser
SW(I) – 10 Gulshan Avenue, Dhaka	19,440,000	17,000,000	M/s Neptune Properties

Regarding the above sale, which was reported in 1999 accounts, the audit report of 1999 was qualified with the following paragraph:

“During the year, the company entered into an agreement with Neptune Properties, a partnership, to sell the company’s land situated in SW(I) – 10, Gulshan Avenue, Dhaka. This agreement had not been registered as at date of this report. The company has accounted for this as a sale in the year ended 31 December 1999. As the legal title to the land was not transferred to the new owners in 1999, this transaction cannot be treated as a sale in 1999. The attached financial statements include a loss arising from this transaction of Tk 2,440,000”.

3. Year-wise breakup of pre-operating expenses and amortization policy

Year	Amount (Taka)
1997	5,000
1998	5,000
1999	16,332,115
2000	29,329,620
2001	20,791,679
2002	(10,915,915)
Total pre-operating expenses	55,547,499

The company has capitalized all pre-operating expenses that have been incurred by the company upto the date of commercial operation which will be amortized over 16 years starting from 2001.

4. Year-wise breakup of development cost and amortization policy

Year	Amount (Taka)
2002	46,720,000

Development cost will be amortized over the period of project life starting from 2002.

5. Year-wise breakup of salary and allowances

Year	Amount (Taka)
1999	1,600,731
2000	6,445,622
2001	12,711,483
2002	15,114,379
2003	16,934,022
2004	19,501,956

6. Information under para 7 and 8 of Schedule XI, Part II of the Companies Act 1994

Disclosure as per para 7

Particulars	Savar Power Plant	Narsingdi Power Plant	Chandina Power Plant
Licensed capacity	10MW (+/- 10%)	10MW (+/- 10%)	10MW (+/- 10%)
Installed capacity	11.99MW	11.99MW	11.99MW
Actual production (% on licensed capacity)	84.39%	84.58%	85.75%

Disclosures as per para 8

- a) During the year 2004 the company imported spare parts of Tk 29,393,592 which was valued on CIF basis.
- b) An amount of USD 59,400 equivalent Tk 3,597,446 was paid by the company during 2004 as Technical Assistance Fee to the Caterpillar Asia Pte. Ltd.
- c) Consumption of raw materials and spare parts:

Particulars	Taka	Percentage of total consumption
<u>Imported</u>		
Spare parts	23,748,268	11.76%
<u>Indigenous</u>		
Spare parts	2,173,020	1.08%
Gas	166,346,273	82.44%
Lube and other oil	9,508,878	4.72%
	<u>201,776,439</u>	

- d) During the year 2004 the company remitted USD 141,652.61 equivalent Tk 8,400,000 as dividend to its non-resident shareholders M/s Euro Hub Investments Ltd. for their 350,000 shares of Tk 100 each.

7. Related party transactions

During the year, the company carried out transactions with related party in the normal course of business and on an arms' length basis. The name of related party, nature of transactions and their total value have been set out in accordance with the provisions of BAS 24: Related party disclosure.

Name of the party	Nature of transaction	Nature of relationship	Transaction value (Taka)
Summit Industrial & Mercantile Corporation (Pvt) Ltd.	Repayment of bridge loan	Holding company	3,348,853
-do-	Receipt against financing	-do-	213,272

Let us know if we can be of further help.

Thank you.

Yours sincerely

Sd/-
Adeeb H. Khan
Partner
Rahman Rahman Huq
Chartered Accountants

April 10, 2005

Chairman and Managing Director
Summit Power Limited
18, Karwan Bazar C / A
Dhaka 1215

Sub: Submission of Final Credit Rating Report

Dear Sir,

We are pleased to enclose herewith final credit rating report on Summit Power Limited for your perusal.

Thanking you,

With best personal regards

Sd/-

Muzaffar Ahmed, FCMA, FCS
President & CEO
Credit Rating Information and Services Limited

Head Office

Summit Centre (9th Floor)
18, Kawran Bazar C / A,
Dhaka 1215
Phone: [+8802] 9137485-6, 9139668
Fax-[+8802] 9139284
E-mail-spl@summitpower.org

Power Plants

Ashulia, Savar
Madhabdi, Narshingdi
Chandina, Comilla

Auditors

Rahman Rahman Huq
Chartered Accountants
9 Mohakhali C / A, Dhaka
Phone: [+8802] 9886450-2
Fax-[+8802] 9886449
E-mail-rrh@citechco.net

Legal Adviser

Mahmud Jabbar & Co.
Summit Centre
18 Kawran Bazar C / A
Dhaka-1215

Principal Banker

Standard Chartered Bank
2 Dilkusha C / A, Dhaka,
Bangladesh

Manager to the issue

Prime Finance & Investment Limited
63 Dilkusha C / A, Dhaka-1000
Phone: 9563883, Fax: 9563692

SUMMIT POWER 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 Managing Director
Summit Power Limited
 Summit Centre (9th Floor)
 18, Kawran Bazar C/A
 Dhaka 1215

Banker's Sl. No.
Broker's Sl. No.

Dear Sir,

I/we apply for and request you to allot me/us the number of shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's approved prospectus and subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Members of the Company and deposit the said shares to my BO (Beneficiary Owner) Account 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:

- No. of shares ... of Tk. 140 each including premium of Tk 40 per share
- Amount of Tk. (in figure) (in words)
 Cash/Cheque/Draft/Pay Order No. date
 on Bank Branch

- Beneficiary Owner (BO) account number

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

If you do not mention your valid BO account, your application will be treated as invalid.

- I / we agree to fully abide by the instructions given herein.

- Particulars of applicant(s):

A. Sole / First applicant:

Name:

Father's/Husband's name:

Postal address:

Occupation:

Nationality:

Applicant's bank A/C no. (For Refund Warrant):

Name of the Bank:

Branch:

B. Second applicant:

Name:

Father's/Husband's name:

Postal address:

Occupation:

Nationality:

- I / we hereby declare that I / we have read the Prospectus of the Summit Power Limited, published in the on and have willingly subscribed for no. of ordinary shares of Tk 140 each including premium of Tk 40 per share on this from.

- 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 words) only from Mr./Mrs./Ms. being the application money for no. of ordinary shares of **Summit Power Limited**.

Authorized Signature

Banker's Sl. no.

Seal and Date

(Name & Designation)

Instructions

1. As per provision of Depository Act, 1999 and regulations made thereunder shares will only be issued in dematerialized condition. Please mention your Beneficiary Owner (BO) account number in the application form. If you do not mention your valid BO account, your application will be treated as invalid.
2. All information must be typed or written in full (in block letters) in English or in Bengali and must not be abbreviated.
3. Application must be made on the Company's printed form / photocopy or on typed copy / hand written form thereof.
4. Application must not be for less than 50 (fifty) ordinary shares and must be for a multiple of 50 (fifty) ordinary shares. Any application not meeting this criterion will not be considered for allotment purpose.
5. 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 **"Summit Power 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.
6. In the case of a joint application form, the allotment letter will be dispatched to the person whose name appears first on this application form and where any amount is refundable in whole or in part the same will be refunded by Account Payee cheque by post / courier service to the person named first on this application form in the manner prescribed in the prospectus.
7. Joint application form for more than two persons will not be accepted. In case of joint application, each party must sign the application form.
8. 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.
9. An applicant cannot submit more than two applications, one in his / her own name and another jointly with another person. In case an applicant makes more than two applications, those in excess of two applications shall not be considered for allotment purposes.
10. 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.
11. 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.
12. Allotment shall be made solely in accordance with the instructions of the Securities and Exchange Commission (SEC).
13. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information will make the Application liable to rejection and subject to forfeiture of Application money and / or forfeiture of share before or after issuance of the same by the issuer. The said Application money or share will be deposited in account specified by the SEC. This may be in addition to any other penalties as may be provided for by law.
14. Applications, which do not meet the above requirements, or applications which are incomplete, shall not be considered for allotment purpose.
15. The bankers to the issue shall be obliged to receive the A/C payee cheque(s) on the closing day of the subscription.

BANKERS TO THE ISSUE

Arab Bangladesh Bank Ltd.

Dhanmondi Branch, Dhaka
Gulshan Branch, Dhaka
Kawran Bazar Branch, Dhaka
Merchant Banking Wing, Dhaka
Mohakhali Branch, Dhaka
Nawabpur Branch, Dhaka
New Elephant Road Branch, Dhaka
Principal Office, Dhaka
Agrabad Branch, Chittagong
Modhuban Branch, Sylhet

Dhaka Bank Limited

Amin Bazar Branch, Dhaka
Banani Branch, Dhaka
Bangshal Branch, Dhaka
Dhanmondi Branch, Dhaka
Kawran Bazar Branch, Dhaka
Local Office Branch, Dhaka
Uttara Branch, Dhaka
Agrabad Branch, Chittagong
Jubilee Road Branch, Chittagong
Khatunganj Branch, Chittagong
Laldighirpar Branch, Sylhet
Narayanganj Branch, Narayanganj

Dutch Bangla Bank Limited

Banani Branch, Dhaka
Dania Branch, Dhaka
Dhanmondi Branch, Dhaka
Gulshan Branch, Dhaka
Kawran Bazar Branch, Dhaka
Local Office Branch, Dhaka
Motijheel Branch, Dhaka
Shantinagar Branch, Dhaka
Agrabad Branch, Chittagong
Baburhat Branch, Narsingdi

Investment Corporation of Bangladesh (ICB)

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

Mercantile Bank Limited

Banani Branch, Dhaka
Dhanmondi Branch, Dhaka
Kawran Bazar Branch, Dhaka
Main Branch, Dhaka
Mirpur Branch, Dhaka
Mohakhali Branch, Dhaka
Motijheel Branch, Dhaka
Uttara Branch, Dhaka
Agrabad Branch, Chittagong

Prime Bank Limited

Banani Branch, Dhaka
Bangshal Branch, Dhaka
Dhanmondi Branch, Dhaka
Elephant Rd Branch, Dhaka
Eskaton Branch, Dhaka
Foreign Exchange Branch, Dhaka
Gonakbari Branch, Savar, Dhaka
Gulshan Branch, Dhaka
Islamic Banking Branch, Dhaka
Kawran Bazar Branch, Dhaka
Mohakhali Branch, Dhaka
Motijheel Branch, Dhaka
Mouchak Branch, Dhaka
Moulvibazar Branch, Dhaka
Uttara Branch, Dhaka
Agrabad Branch, Chittagong

Jubilee Road Branch, Chittagong
Khatunganj Branch, Chittagong
Khulna Branch, Khulna
Barishal Branch, Barisal
Jessore Branch, Jessore
Bogra Branch, Bogra
Narayanganj Branch, Narayanganj
Madhabdi Branch, Narsingdi

Southeast Bank Limited

Agargaon Branch, Dhaka
Banani Branch, Dhaka
Bangshal Branch, Dhaka
Dhanmondi Branch, Dhaka
Gulshan Branch, Dhaka
Karwan Bazar Branch, Dhaka
Motijheel Branch, Dhaka
New Elephant Road Branch, Dhaka
New Eskaton Branch, Dhaka
Principal Branch Dhaka
Uttara Branch, Dhaka
Agrabad Branch, Chittagong
Halishahar Branch, Chittagong
Jubilee Road Branch, Chittagong
Khatunganj Branch, Chittagong
Cox's Bazar Branch, Cox's Bazar

The Trust Bank Limited

Dhanmondi Branch, Dhaka
Dilkusha Corporate Branch, Dhaka
Gulshan Corporate Branch, Dhaka
Principal Branch, Dhaka
Sena Kallyan Bhawan Branch, Dhaka
Agrabad Branch, Chittagong

SUMMIT POWER LIMITED
APPLICATION FOR SHARES BY NON-RESIDENT BANGLADESHI

(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 Managing Director
Summit Power Limited
Summit Centre (9th Floor)
18, Kawran Bazar C / A
Dhaka 1215

Dear Sir,

I/we apply for and request you to allot me/us the number of shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's approved prospectus and subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Members of the Company and deposit the said shares to my BO (Beneficiary Owner) Account 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. 140 each including premium of Tk 40 per share
2. Amount of Tk. (in figure) (in words) only convertible into USD at US\$ 1 = ... or UK pound 1 = ... Euro 1 = ...
3. Payment by Cheque/Draft No.....date..... for US\$ or UK pound or Tk drawn on Bank Branch

4. Beneficiary Owner (BO) account number

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If you do not mention your valid BO account, your application will be treated as invalid.

5. I / we agree to fully abide by the instructions given herein.

6. Particulars of applicant(s):

Sole / First applicant:

Name:	
Father's/Husband's name:	
Mailing address:	
Occupation:	Nationality:
Passport no.:	Valid up to:
Date of birth:	
Applicant's bank A/C no. (for refund warrant):	
Name of the bank:	Branch:

Second applicant:

Name:	
Father's/Husband's name:	
Mailing address:	
Occupation:	Nationality:
Passport no.:	Valid up to:
Date of birth:	

Nominee

Name:	
Mailing address:	

7. I / we hereby declare that I / we have read the Prospectus of the Summit Power Limited, published in the on and have willingly subscribed for no. of ordinary shares of Tk 140 each including premium of Tk 40 per share on this from.

8. Specimen signature(s):

	Name in block letters	Signature
Sole / First applicant		
Second applicant		
Nominee		

Instructions

1. As per provision of Depository Act, 1999 and regulations made thereunder shares will be only issued in dematerialised condition. Please mention your BO (Beneficiary Owner) Account number in the Application form. If you do not mention your valid BO (Beneficiary Owner) Account, your application will be treated as invalid.
2. All information must be written or typed in block letters in English and must not be abbreviated.
3. An application must not be for less than 50 shares having the value of Tk 7,000 (seven thousand) or a multiple thereof.
4. 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 **“Summit Power Limited”** and crossed “Account payee only”.
5. An application shall be sent by the applicant directly to the Company by 31st August 2005 so as to reach the Company by 9th September 2005. Applications sent after 31st August or received by the Company after 9th September 2005 will not be considered for allotment purpose.
6. 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.
7. In case of over-subscription, allotment shall be made by lottery solely in accordance with the instructions by the SEC.
8. Money receipt on clearance of draft or cheque, as the case may be, shall be sent by post to the applicant by the Company.
9. Joint application by two persons will be acceptable. In such a case, allotment or refund shall be made by post to the first applicant.
10. 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.
11. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information will make the Application liable to rejection and subject to forfeiture of Application money and / or forfeiture of share before or after issuance of the same by the issuer. The said Application money or share will be deposited in account specified by the SEC. This may be in addition to any other penalties as may be provided for by law.
12. The intending NRB applicants shall deposit share money by US\$ / UK pound sterling / Euro draft drawn on any bank and payable in Dhaka, Bangladesh, so that the issuer's collecting bank can clear that proceeds and deposit the same into issuer bank's account in time.
13. The spot buying rate (TT Clean) in US\$ and UK pound sterling / Euro of Sonali Bank at the day of **subscription opening** will be applicable for the Non Resident Bangladeshi (NRB) applicants.

The NRB application along with the foreign currency draft, as above, is to be submitted to the Company's Head Office directly within the stipulated time mentioned in para 5.