

Summit Alliance Port Limited (SAPL)

(If there is any contrary information please communicate with DSE through e-mail: listing@dsebd.org)

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Brief Overview of the Company

1. Date of Incorporation : 6th December 2003
2. Commencement of Business : 20th February 2007
3. Authorised Capital : Tk. 1000 m
4. Paid up Capital : Tk. 400 m

Details of the Issue

Description	Ordinary Shares	Offer Value In Taka	Capital in Taka
Public Offering	1,000,000	100	100,000,000
Total Issue	1,000,000	100	100,000,000

Paid up Capital after IPO

Particulars	Ordinary Shares	Face Value (Tk.)	Capital in Taka
Pre-IPO Paid up capital	4,000,000	100	<u>400,000,000</u>
IPO	1,000,000	100	100,000,000
Paid up capital after IPO	5,000,000	100	<u>500,000,000</u>

Board of Directors

Name of Director	Designation	Other Associations
Ms. Anjuman Aziz Khan	Chairperson	Director, Ocean Containers Ltd. Director, Summit Power Ltd. Director, Summit Industrial & Mercantile Corporation (Pvt) Ltd.
Ms. Sobera Ahmed Rizvi	Director	Chairperson, Global Beverage Company Ltd. Director, Ocean Containers Ltd. Director, Alliance Holdings Ltd.
Mr. Mohammed Latif Khan	Do	Director, Ocean Containers Ltd.(Nomited by Cosmopolitan Traders Pvt. Ltd) Director, Summit Industrial & Mercantile Corporation(Pvt) Ltd. Director, Summit Power Ltd.
Dr. Syed Ali Gowher Rizvi	Do	Director, Ocean Containers Ltd.(Nomited by Alliance Holdings Ltd.)
Ms. Ayesha Aziz Khan	Do	Director, Ocean Containers Ltd. Director, Summit Power Ltd. Director, Summit Industrial & Mercantile Corporation (Pvt) Ltd.
Ms. Adeeba Aziz Khan	Do	Director, Ocean Containers Ltd. Director, Summit Industrial & Mercantile Corporation (Pvt) Ltd.
Mr. Faisal Karim Khan	Do	Director, Ocean Containers Ltd.(Nominated by Summit Industrial & Mercantile Corporation (Pvt) Ltd. Director, Summit Industrial & Mercantile Corporation (Pvt) Ltd.
Mr. Syed Yasser Haider Rizvi	Do	Director, Ocean Containers Ltd. .(Nomited by Alliance Holdings Ltd.) Director, Alliance Holdings Ltd. Director, Global Beverage Company Ltd.
Mr. Syed Nasser Haider Rizvi	Do	Director, Ocean Containers Ltd. .(Nomited by Alliance Holdings Ltd.) Director, Alliance Holdings Ltd. Director, Global Beverage Company Ltd.
Mr. Syed Ali Jowher Rizvi	Managing Director	MD. Ocean Containers Ltd. MD. Alliance Holdings Ltd. MD. Global Beverage Company Ltd. Director, National Housing and Finance Investments Limited.

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Performance at a Glance:

Tk. in million

Particulars	06-12-2003 to 31-12- 2004	2005	2006 (Nil Operation)	2007
Operating Revenue**				222.84
Operating Expenses				74.74
Operating Profit				148.10
Profit before special Reserve				137.85
Special Reserve for Tax holiday (40%)				55.14
Net Profit after tax holiday reserve				82.70
Total Assets	140.93	346.98	371.71	644.53
<i>Growth</i>		146.21%	7.13%	73.40%
Net Assets	0.50	199.99	199.99	562.95
<i>Growth</i>		39898.00%	0.00%	181.49%
NAV per share	100.00	100.00	100.00	281.47
<i>Growth</i>		0.00%	0.00%	181.49%
EPS				41.35
Diluted EPS after IPO				16.54
Diluted NAV after IPO	0.10	40.00	40.00	112.59

Particulars	06-12-2003 to 31-12- 2004	2005	2006 (Nil Operation)	2007
Shareholders Equity	0.50	200.00	200.00	562.65
No. of ordinary Shares	5000	2000000	2000000	2000000
No. of Shares after IPO	5000000	5000000	5000000	5000000
ROE				14.70%
ROA				12.83%
Net Profit Margin				37.11%
Asset Utilization				34.57%
Equity Multiplier			1.86	1.15
Short-term Debt	140.43	15.32	38.99	29.02
Long-term Debt	0	131.67	132.73	52.56
Total Debt	140.43	146.99	171.72	81.58
Total Debt to Total Asset	99.65%	42.36%	46.20%	12.66%
STD to Total Capital	99.65%	4.42%	10.49%	4.50%
LTD to Total Capital	0.00%	37.95%	35.71%	8.15%
Interest Expense				10.25
EBIT				158.35
Time Interest Earned Ratio				15.45

Risk Factors and Management Perception about Risks

Competition may increase

Off-dock services in the private sector can be operated only by the license holders provided by the Government of Bangladesh. Competition will increase in case Government issues licenses to many new operators.

Management Perception

Summit & Alliance group started Off-dock business long 13 years back through its first concern Ocean Containers Limited (OCL) and has established itself as highly experienced operator in the country. Considering long relationships with the major shipping lines / agents and freight forwarding/logistic companies operating in the country and the fast growing volume of container movements (growing at double digit for the last ten years) through Chittagong port it is expected that the company will be able to grow as well as retain its position whatever the competition arises.

Full dependency on Chittagong Port

Business of the SAPL depends solely on operation of the Chittagong Port. Any disruption in Chittagong Port operation will directly affect the business of the company.

Management Perception

Almost 90% of the trading of the country operated through the Chittagong Port and the same situation will continue in future. The group being one of the largest and highly experienced operators shall always enjoy monopolistic role in this sector. Furthermore Bangladesh being in highly import based country shall continue to be dependent on international trade despite any temporary disruption in its operation.

Full dependency on International Trade

Entire Business of the company relates to international trade. Any disruption in international trade with Bangladesh will affect income of the company.

Management Perception

Due to country's high dependency on the international trade and Chittagong Port being the operator of 90% containers it is expected that no disruption in the port's operation can remain unresolved for long.

Market and technology-related risks

In the global market of 21st century, developed technology, products and services obsolesces the old service and product strategy. So the existing organization may be unable to cope up with the future needs and demands.

Management Perception

The management of SAPL is very much aware about this issue. They have already developed a highly qualified technical team with modern technology system and have developed one of the finest software for its operations. Management is always committed to secure best available technology in its operation.

Potential change in government regulations

Government regulations always have a direct impact on organizations productivity and profitability. Imposition of restriction on unstuffing and delivery of certain products by the government at any time will affect company's profitability.

Management Perception

The Company's operation is governed by the changes in regulation that occur, from time to time by Chittagong Port Authority (CPA) and Customs House of Chittagong (NBR). Restriction on any rules regarding unstuffing and stuffing shall not affect a particular company but the whole Off-Dock service industry by and large.

Potential changes in global trading regulations

Any kind of restrictions by the export agencies to use the Chittagong Port has the adverse impact on the overall business of the company.

Management Perception

General restriction is not usual and can be treated as a national crisis. These situation depends top priority of any Government to resolve.

Political unrest will affect the operation of the port

Any unrest in the Chittagong port operation and/or transportation within the country will affect revenue of the company.

Management Perception

Considering the country's high dependency on the international trade vis-à-vis the Chittagong Port this kind of situation for long period is very much unusual.

Use of IPO proceeds and Implementation Target:

Out of the capital expenditure budget the proceeds of proposed offering along with the recent raising of capital from the sponsors aggregating Tk. 220 million shall be utilized for meeting the company's expansion program during FY 2008 as under:

Particulars	Tk. in million	Implementation Target
A. <u>Land and Land Development:</u> (Land 375 Gonda @ Tk. 500,000 per gonad-West)	187.50	End October'08
B. <u>Warehouse:</u>		
RCC Import Yard 15,000 sft civil construction-East	43.90	May'08
Pre-fabricated shed-East	11.00	July'08
50,000 sft pre-fabricated steel structure-East	25.75	June'08
Civil work of pre-fabricated shed-East	12.90	May'08
Electrification of shed-East	1.75	June'08
Electric Light Poles 06 Nos	0.81	June'08
C. Total Capital Expenditure (A+B)	283.61	