

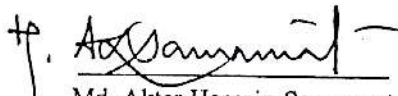
Prime Finance & Investment Limited

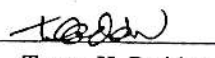
Balance Sheet at 31 December 2004

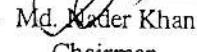
<u>Sources of Funds</u>	<u>Notes</u>	<u>2004</u> <u>Taka</u>	<u>2003</u> <u>Taka</u>
Shareholders' fund:			
Share capital	3	180,000,000	150,000,000
Reserve and surplus:			
General reserve		33,266,500	18,830,000
Proposed cash dividend		36,000,000	-
Dividend distribution tax		3,600,000	-
Proposed stock dividend		-	30,000,000
Retained earnings as per profit and loss account		31,534,472	13,388,780
		<u>104,400,972</u>	<u>62,218,780</u>
Shareholders' equity		<u>284,400,972</u>	<u>212,218,780</u>
Long term liabilities:			
Term deposits	4	1,010,440,867	984,866,665
Bank loan	5	115,895,807	124,991,184
IDA fund	6	22,532,503	39,296,433
Fund from Bangladesh Bank	7	13,408,889	-
Bonds	8	90,000,000	-
Advances and security deposits	9	105,415,943	82,476,572
Obligation under capital leases	10	1,277,841	2,277,511
		<u>1,358,971,850</u>	<u>1,233,908,365</u>
Portfolio investment fund	11	1,185,051	3,005,411
Provision for deferred tax	12	<u>28,000,000</u>	<u>23,000,000</u>
		<u>1,672,557,873</u>	<u>1,472,132,556</u>
<u>Application of Funds</u>			
Fixed assets (at cost less depreciation)	13	7,190,135	9,225,115
Lease receivable (net of current maturity):			
Net lease rentals receivable	14	769,325,163	672,701,674
Advance for lease assets	15	109,677,605	24,793,972
		879,002,768	697,495,646
Term finance (net of current maturity)	16	475,822,714	68,492,628
Real estate finance (net of current maturity)	17	5,500,000	-

	Notes	2004 Taka	2003 Taka
Stock on hire (net of current maturity)	18	5,534,978	5,090,891
Investment in securities	19	206,383,139	88,095,947
Provision for doubtful accounts and future losses	20	(122,800,000)	(35,300,000)
Current assets:			
Current maturity of net lease rental receivable	14	412,219,172	388,279,851
Current maturity of term finance	16	198,965,482	226,378,137
Current maturity of real estate finance	17	12,500,000	-
Current maturity of stock on hire	18	6,243,181	6,750,701
Accounts receivable	21	197,279,034	120,457,746
Advances, deposits and prepayments	22	15,725,827	7,427,373
Short term loan	23	15,000,000	40,000,000
Cash and cash equivalents	24	34,364,220	76,116,990
		892,296,916	865,410,798
Less: Current liabilities:			
Short term borrowing	25	459,000,000	-
Accrued expenses and other payables	26	113,945,560	89,102,929
Current maturity of bank loan	5	58,079,351	101,216,366
Current maturity of IDA fund	6	16,763,930	15,258,001
Current maturity of Bangladesh Bank fund	7	11,691,111	-
Current maturity of advance and security deposit	9	15,893,155	19,113,625
Current maturity of obligation under capital leases	10	999,670	1,687,548
		676,372,777	226,378,469
Net surplus in current assets		<u>215,924,139</u>	<u>639,032,329</u>
		<u>1,672,557,873</u>	<u>1,472,132,556</u>

The annexed notes 1 to 37 form an integral part of these financial statements.


Md. Akter Hossain Sannamat
Company Secretary


Tapan K. Podder
Managing Director


Md. Nader Khan
Chairman

As per our report of same date.


Auditors

Dhaka, 9 April 2005

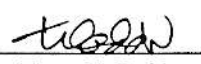
Prime Finance & Investment Limited


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

	Notes	2004 Taka	2003 Taka
Operational revenue:			
Interest on lease finance		169,906,613	142,073,372
Interest on term finance		56,094,396	34,897,486
Income from stock on hire		1,712,672	1,095,160
Income from real estate finance		154,167	-
Fees, commission, etc.	27	4,002,281	2,137,887
Income from sale of securities	28	73,372,993	11,117,136
Dividend income		6,355,101	8,552,914
Other operational revenue	29	24,563,708	14,926,581
		336,161,931	214,800,536
Less: Operational expenses:			
Financial expenses	30	135,212,984	116,727,252
Provision for doubtful accounts and future losses	20	87,500,000	16,300,000
Management expenses	31	35,775,671	22,925,093
		258,488,655	155,952,345
Income from financing business		77,673,276	58,848,191
Profit/(loss) on merchant banking operation (as per separate profit and loss account enclosed)		(491,084)	2,973,211
Profit before tax		77,182,192	61,821,402
Less: Provision for taxation	12	(5,000,000)	(23,000,000)
Net profit after tax		72,182,192	38,821,402
Profit brought forward from previous year		13,388,780	12,332,378
Profit available for appropriation		85,570,972	51,153,780
Appropriations:			
Transfer to general reserve		14,436,500	7,765,000
Proposed cash dividend		36,000,000	-
Dividend distribution tax		3,600,000	-
Proposed stock dividend		-	30,000,000
		54,036,500	37,765,000
Retained earnings, carried forward		31,534,472	13,388,780
Earning per share (EPS)	32	40.10	21.57

The annexed notes 1 to 37 form an integral part of these financial statements.


Md. Akter Hossain Sannamat
Company Secretary


Tapan K. Podder
Managing Director


Md. Nader Khan
Chairman

As per our report of same date.


Auditors


Dhaka, 9 April 2005

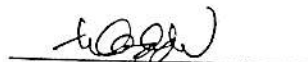



Prime Finance & Investment Limited
Profit and Loss Account (Merchant Banking Operation)
for the year ended 31 December 2004

	Notes	2004 Taka	2003 Taka
Operational revenue:			
Fees, commission, etc.	27	955,395	4,601,060
Other operational income	29	-	123,260
		955,395	4,724,320
Loss: Operational expenses:			
Management expenses	31	1,446,479	1,751,109
Profit/(loss) from operations transferred to Combined Profit and Loss Account		<u>(491,084)</u>	<u>2,973,211</u>


The annexed notes 1 to 37 form an integral part of these financial statements.


Md. Akter Hossain Sannamat
Company Secretary


Tapan K. Podder
Managing Director


Md. Nader Khan
Chairman

As per our report of same date.


Auditors

Dhaka, 9 April 2005



Prime Finance & Investment Limited

Cash Flow Statement
for the year ended 31 December 2004

	<u>2004</u> <u>Taka</u>	<u>2003</u> <u>Taka</u>
Flows from operating activities:		
Income from operational income	261,094,639	156,094,635
Cost for operational expenses	(156,725,315)	(109,810,831)
Decrease in operating assets	16,315,030	(37,162,779)
Increase in operating liabilities	480,491,523	(99,175,412)
Effect of corporate income tax	(537,256)	(681,119)
Income from operating activities	<u>600,638,621</u>	<u>(90,735,506)</u>
Flows from investing activities:		
Income in net lease rental receivable	(104,857,693)	(364,299,962)
Cost for lease assets	(109,677,605)	(24,793,972)
Disposal of fixed assets	(1,234,876)	(7,523,020)
Disposal of fixed assets	-	383,437
Disposal of finance	(18,000,000)	-
Disposal of term finance	(379,917,431)	(105,720,011)
Disposal of stock on hire	63,433	(7,422,824)
Income from sale of securities	209,450,240	147,095,370
Disposal of securities	(327,612,262)	(185,431,246)
Income used in investing activities	<u>(731,786,194)</u>	<u>(547,712,228)</u>
Flows from financing activities		
Income in share capital	-	50,000,000
Income in advances and security deposits	19,718,901	19,758,984
Cost of bank loan	79,624,000	152,796,037
Disposal of bank loan	(131,856,392)	(89,413,287)
Cost of term deposit	768,357,102	698,867,265
Disposal of term deposit	(742,782,900)	(172,739,495)
Disposal of (decrease) in IDA fund	(15,258,000)	54,554,434
Disposal of bonds	90,000,000	-
Disposal of Bangladesh Bank	25,100,000	-
Disposal of dividend	-	(20,000,000)
Disposal of (decrease) of portfolio investment fund	(1,820,360)	1,603,014
Disposal of obligation under capital lease	(1,687,548)	(101,834)
Income from financing activities	<u>89,394,803</u>	<u>695,325,118</u>
Change/(decrease) in cash and cash equivalents	<u>(41,752,770)</u>	<u>56,877,384</u>
Initial cash equivalents at beginning of the year	<u>76,116,990</u>	<u>19,239,606</u>
Final cash equivalents at end of the year (note 24)	<u>34,364,220</u>	<u>76,116,990</u>

Prime Finance & Investment Limited

Statement of Changes in Equity
for the year ended 31 December 2004

	Share capital Taka	Retained earnings Taka	General reserve Taka	Proposed dividend Taka	Dividend distribution tax Taka	Profit and loss account Taka	Total Taka
Balance at 31 December 2002	100,000,000	12,332,378	11,065,000	20,000,000	-	-	143,397,378
Changes during the year 2003:							
Issue of share capital	50,000,000	-	-	-	-	-	50,000,000
Net profit for the year 2003	-	-	-	-	-	38,821,402	38,821,402
Payment of dividend	-	-	-	(20,000,000)	-	-	(20,000,000)
Transfer to general reserve	-	-	7,765,000	-	-	(7,765,000)	-
Proposed dividend	-	-	-	30,000,000	-	(30,000,000)	-
Transfer to retained earnings	-	1,056,402	-	-	-	(1,056,402)	-
	50,000,000	1,056,402	7,765,000	10,000,000	-	-	68,821,402
Balance at 31 December 2003	150,000,000	13,388,780	18,830,000	30,000,000	-	-	212,218,780
Changes during the year 2004:							
Net profit for the year 2004	-	-	-	-	-	72,182,192	72,182,192
Issue of stock dividend	30,000,000	-	-	(30,000,000)	-	(14,436,500)	-
Transfer to general reserve	-	-	14,436,500	-	-	(36,000,000)	-
Proposed cash/stock dividend	-	-	-	36,000,000	-	(3,600,000)	-
Dividend distribution tax	-	-	-	-	3,600,000	(3,600,000)	-
Transfer to retained earnings	-	18,145,692	-	-	-	(18,145,692)	-
	30,000,000	18,145,692	14,436,500	6,000,000	3,600,000	-	72,182,192
Balance at 31 December 2004	180,000,000	31,534,472	33,266,500	36,000,000	3,600,000	-	284,400,972

Dividends recommended/proposed by management and subsequent payment thereof are accounted for in the statement of changes in equity, on the ground that dividends recommended/proposed by management are not confirmed liabilities unless and until approved by shareholders at a general meeting.