

Prime Finance & Investment Limited

BALANCE SHEET

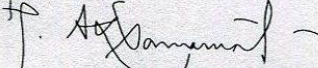
As at December 31		2005	2004
(Figures in BDT)	Notes		
SHAREHOLDERS' EQUITY			
Paid up capital	3	230,000,000	180,000,000
Statutory reserve		52,457,002	33,266,500
Proposed cash dividend		-	36,000,000
Proposed stock dividend		69,000,000	-
Dividend distribution tax		-	3,600,000
Retained earnings		39,296,478	31,534,472
Total Shareholders' equity		390,753,480	284,400,972
LONG TERM LIABILITIES			
Term deposits	4	1,217,816,612	1,010,440,867
Bank loan	5	308,591,523	115,895,807
IDA fund	6	122,069,554	22,532,503
Fund from Bangladesh Bank	7	93,624,000	13,408,889
Bonds	8	190,000,000	90,000,000
Advance and security deposits	9	102,236,886	105,415,943
Other liabilities	10	445,109	2,462,892
Total long term liabilities		2,034,783,684	1,360,156,901
CURRENT LIABILITIES			
Bank loan	5	124,444,147	58,079,351
IDA fund	6	64,583,505	16,763,930
Fund from Bangladesh Bank	7	11,132,000	11,691,111
Bonds	8	20,000,000	-
Advance and security deposits	9	29,838,590	15,893,155
Other liabilities	10	1,108,227	999,670
Short term borrowings	11	30,000,000	459,000,000
Accrued expenses and other payables	12	155,524,235	113,945,560
Total current liabilities		436,630,704	676,372,777
Provision for doubtful losses	13	169,800,000	122,800,000
Provision for income tax	14	35,500,000	28,000,000
Total Shareholders' equity and Liabilities		3,067,467,868	2,471,730,650


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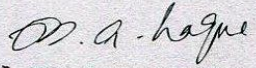
BALANCE SHEET

As at December 31		2005	2004
(Figures in BDT)	Notes		
ASSETS AND INVESTMENTS			
NON CURRENT ASSETS & INVESTMENTS			
Net investment in lease finance	15	773,844,743	769,325,163
Advances for lease assets	16	82,848,381	109,677,605
Term finance	17	666,079,608	475,822,714
Real estate finance	18	51,329,689	5,500,000
Margin Loan	19	68,380,712	-
Stock on hire	20	3,935,331	5,534,978
Investment in securities	21	220,827,549	206,383,139
Total non current assets and investments		1,867,246,013	1,572,243,599
CURRENT ASSETS & INVESTMENTS			
Net investment in lease finance	15	363,324,228	412,219,172
Term finance	17	400,605,251	198,965,482
Real estate finance	18	46,226,522	12,500,000
Stock on hire	20	1,599,647	6,243,181
Account receivable from clients	22	248,439,269	170,480,680
Account receivable others	23	39,987,200	26,798,354
Short term investment		-	15,000,000
Advances, deposits and prepayments	24	11,212,793	15,725,827
Cash and cash equivalents	25	68,963,680	34,364,220
Total current assets and investments		1,180,358,590	892,296,916
FIXED ASSETS	26	19,863,265	7,190,135
Total Assets and Investments		3,067,467,868	2,471,730,650

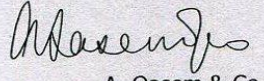
The annexed notes 1 to 50 form an integral part of these financial statements.


Md. Akter Hossain Sannamat FCA, ACS
 Company Secretary


A. K. M. Nozmul Haque
 Managing Director


Md. Aminul Haque
 Chairman

As per our report of same date.


A. Qasem & Co
 Chartered Accountants

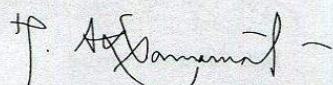
Dhaka, March 14, 2006

Prime Finance & Investment Limited

PROFIT AND LOSS ACCOUNT (Combined)

For the year ended December 31		2005	2004
(Figures in BDT)	Notes		
OPERATIONAL REVENUE			
Lease income earned		144,962,170	169,906,613
Income from term finance		101,147,649	56,094,396
Income from stock on hire		1,058,563	1,712,672
Income from real estate finance		3,438,421	154,167
Gain on sale of securities	27	55,471,688	73,372,993
Dividend income		8,917,904	6,355,101
Income from margin Loan		6,882,076	-
Fees, commission, etc.	28	4,677,226	4,957,676
Other operational income	29	52,188,278	24,563,708
Total operational revenue		378,743,975	337,117,326
OPERATIONAL EXPENSES			
Financial expenses	30	191,165,901	135,212,984
Management expenses	31	29,927,665	37,222,150
Public issue expenses	32	7,710,298	-
Provision for doubtful losses	13	47,000,000	87,500,000
Total Operational expenses		275,803,864	259,935,134
Profit from operation		102,940,111	77,182,192
Non-operational income			
Profit on disposal of fixed assets	26	512,397	-
Total non-operational income		512,397	-
Profit before tax		103,452,508	77,182,192
Provision for taxation	14	7,500,000	5,000,000
Net profit after tax		95,952,508	72,182,192
Earnings per share (EPS)	33	48.79	40.10
Weighted average no. of outstanding shares used for computation	33	1,966,667	1,800,000

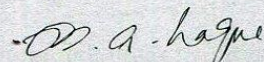
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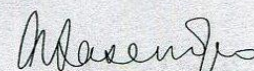
A. K. M. Nozmul Haque
Managing Director



Md. Aminul Haque
Chairman

As per our report of same date.

Dhaka, March 14, 2006



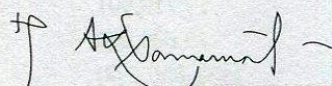
A. Qasem & Co
Chartered Accountants

Prime Finance & Investment Limited

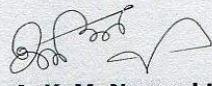
PROFIT AND LOSS ACCOUNT (Merchant banking operation)

For the year ended December 31		2005	2004
(Figures in BDT)	Notes		
OPERATIONAL REVENUE			
Fees, commission, etc.	28	3,464,030	955,395
Income from margin Loan		6,882,076	—
Other operational revenue	29	4,025	—
Total Operational revenue		10,350,131	955,395
OPERATIONAL EXPENSES			
Financial expenses	30	5,267,326	—
Management expenses	31	2,515,757	1,446,479
Total Operational expenses		7,783,083	1,446,479
Profit/(loss) from Merchant Banking Operation		2,567,048	(491,084)

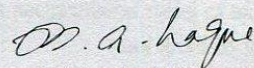
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Company Secretary

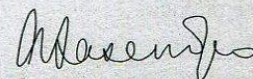


A. K. M. Nozmul Haque
Managing Director



Md. Aminul Haque
Chairman

As per our report of same date.



A. Qasem & Co
Chartered Accountants

Dhaka, March 14, 2006

Prime Finance & Investment Limited

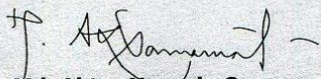
CASH FLOW STATEMENT

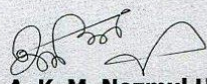
For the year ended December 31		2005	2004
(Figures in BDT)	Notes		
CASH FLOWS FROM OPERATING ACTIVITIES			
Collection from operational revenue		292,300,335	261,094,639
Payment for operational expenses		(190,653,383)	(156,725,315)
Payment for non-operational expenses		(7,710,298)	-
(Increase)/Decrease in operating assets		14,209,203	16,315,030
Increase/(Decrease) in operating liabilities		(414,863,889)	480,491,523
Payment of corporate income tax		(1,211,585)	(537,256)
Net cash flows from operating activities	36	(307,929,617)	600,638,621
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Investment in lease assets		155,735,676	(104,857,693)
Advance for lease assets		(82,848,381)	(109,677,605)
Acquisition of fixed assets		(17,618,262)	(1,234,876)
Disposal of fixed assets		777,203	-
Increase in real estate finance		(79,556,212)	(18,000,000)
Increase in term finance		(391,896,663)	(379,917,431)
Decrease in stock on hire		6,243,181	63,433
Increase in margin loan		(68,380,711)	-
Sale of securities		205,141,285	209,450,240
Investment in securities		(217,774,074)	(327,612,262)
Net cash flows from investing activities		(490,176,958)	(731,786,194)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in share capital		50,000,000	-
Increase in lease advance/security deposit		10,766,378	19,718,901
Receipt of bank loan		325,000,000	79,624,000
Repayment of bank loan		(65,939,488)	(131,856,392)
Receipt of term Deposit		677,026,444	768,357,102
Repayment of term Deposit		(469,650,699)	(742,782,900)
Receipt of IDA Fund		192,745,891	-
Repayment of IDA Fund		(45,389,265)	(15,258,000)
Issuance of Bonds		120,000,000	90,000,000
Funds from Bangladesh Bank		93,848,000	25,100,000
Repayment of Funds to Bangladesh Bank		(14,192,000)	-
Payment of dividend		(36,000,000)	-
Payment of dividend distribution tax		(3,600,000)	-
Decrease in portfolio investment deposit		(909,555)	(1,820,360)
Decrease in obligation under capital lease		(999,671)	(1,687,548)
Net cash flows from financing activities		832,706,035	89,394,803
Net increase in cash and cash equivalents		34,599,460	(41,752,770)
Cash and cash equivalents at the beginning of the year		34,364,220	76,116,990
Cash and cash equivalents at the end of the year		68,963,680	34,364,220

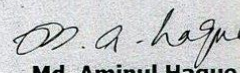
Prime Finance & Investment Limited
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the year ended December 31, 2005

	Share capital	Retained earnings	Statutory reserve	Proposed distribution tax	Profit and dividend & loss account	Total
(Figures in BDT)						
BALANCE AS ON DECEMBER 31, 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 bonus share	30,000,000	-	-	(30,000,000)	-	-
Transfer to statutory reserve	-	-	14,436,500	-	(14,436,500)	-
Proposed cash dividend	-	-	-	36,000,000	(36,000,000)	-
Dividend distribution tax	-	-	-	3,600,000	(3,600,000)	-
Transfer to retained earnings	-	18,145,692	-	-	(18,145,692)	-
Total change in 2004	30,000,000	18,145,692	14,436,500	9,600,000	-	72,182,192
BALANCE AS ON DECEMBER 31, 2004	180,000,000	31,534,472	33,266,500	39,600,000	-	284,400,972
Changes during the year 2005						
Issue of share capital	50,000,000	-	-	-	-	50,000,000
Net profit for the year 2005	-	-	-	-	95,952,508	95,952,508
Transfer to statutory reserve	-	-	19,190,502	-	(19,190,502)	-
Payment of dividend for 2004	-	-	-	(36,000,000)	-	(36,000,000)
Dividend distribution tax (2004)	-	-	-	(3,600,000)	-	(3,600,000)
Proposed stock dividend	-	-	-	69,000,000	(69,000,000)	-
Transfer to retained earnings	-	7,762,006	-	-	(7,762,006)	-
Total change in 2005	50,000,000	7,762,006	19,190,502	29,400,000	-	106,352,508
BALANCE AS ON DECEMBER 31, 2005	230,000,000	39,296,478	52,457,002	69,000,000	-	390,753,480

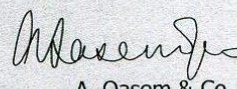
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Dhaka, March 14, 2006