

**Disclosure on Audited Accounts of
Phoenix Finance & Investments Limited
For the year ended December 31, 2006**

1. Confirmation whether the provision of BAS-28 are followed or not regarding accounting for investment in Phoenix Medical Centre Ltd.

The company has followed all the provisions of BAS-28 regarding the accounting for investment in Phoenix Medical Centre Ltd. in the preparation of financial statements for the year ended December 31, 2006. The company has applied equity method accounting for investment in Phoenix Medical Centre Ltd.

2. Disclosure of information in line with para-39 of BAS-17

The company has complied with all the provisions of BAS-17 in the preparation of financial statements for the year ended December 31, 2006 which are envisaged in the Note No.2.02 and 12.00. As per para-39, the lessor should disclose the Gross Receivable by aging for the periods of-

- i) Not later than one year;
- ii) Later than one year and not later than five years; and
- iii) Later than five years.

The company has disclosed the said items in Note No. 12.00 under two heads namely current receivable (i. e. not later than one year) and long term receivable (i.e. later than one year and not later than five years), because there are no items which fall under the head " later than five years".

Dhaka,
April 24,2007

Sd/-
Md. Iqbal Hossain FCA
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

**Additional Disclosure:
On Ownership of Land at Moon Mansion and
Value of Land of Phoenix Finance & Investments Limited**

1.00 Ownership of Land at Moon Mansion

The Phoenix Finance & Investments Limited purchased jointly on 50:50 basis with Phoenix Insurance Company Limited a piece of land measuring 8 katha 10.13 chattak at Moon Mansion, 12 Dilkusha C/A, Dhaka with building thereon from Bangladesh Italian Marble Works Limited through a Sale Deed No. 4652 dated 30th June 2005 after getting permission from RAJUK vide its letters no. RAJUK/Estate/2382 dated 11th June 2005 and RAJUK/Estate/2953 Stha dated 30th June 2005. Thereafter, the land was duly mutated in the name of Phoenix Finance and Investments Limited and Phoenix Insurance Company Limited by RAJUK and communicated this through its letter dated 29th August 2005. The companies' names were also mutated in the record of right in the office of the Assistant Commissioner (Land), Demra Circle, Dhaka vide Mutation case no. 12574/2005. After completion of all formalities the land with building came into the possession under the aforementioned two companies.

Long after conclusion of the acquisition and owning of the aforesaid property, RAJUK arbitrarily cancelled its own letters issued by it previously dated 11th June 2005 (i.e. order for depositing transfer fees) and 30th June 2005 (i.e. sale permission) through its letter no. RAJUK/Estate/23(4)-1 Stha dated 30th January 2006. The company was aggrieved by the arbitrary order of RAJUK and filed a writ petition no. 6700 of 2006 dated 31st July 2006 before the Honorable High Court. The Honorable Court issued order of stay and injunction on RAJUK from taking any steps, which would be adversely, affect the purchasers' right over the scheduled land initially for a period of 3 (three) months. Thereafter the Honorable Court extended the said order of stay and injunction for another 4 (four) months i.e. up to 22nd August 2007. At the moment, the said property is under the possession of the two purchasers' companies namely Phoenix Finance and Investments Limited and Phoenix Insurance Company Limited.

2.00 Value of Land : Tk. 10,089,136

The above value has been shown in the audited accounts for the year ended December 31, 2006. This is comprised of:

Sl. #	Particulars	Taka
1.	Land at Moon Mansion	6,474,844
2.	Land at Globe Shopping Centre (6 th -9 th Floors)	3,614,292
	Total	10,089,136

Details are given below:

2.01 Land at Moon Mansion: Tk. 6,474,844

The land is situated at Moon Mansion, 12 Dilkusha C/A, Dhaka. Value of the land has been accounted for as 50% at Tk. 1,29,49,688.

Land measuring 8 Katha and 10.13 Chattak equivalent to 8.633125 Katha @ Tk. 15,00,000 per Katha totaling Tk. 1,29,49,688.

2.02 Land at Globe Shopping Centre (6th –9th Floors): Tk. 3,614,292

The land is situated at Globe Shopping Centre, 24 Mirpur Road, Dhaka. Value of the Land of 6th, 7th, 8th and 9th Floors has been accounted for as per agreement.

	<u>Amount</u>
Land for 6 th Floor measuring 0.0230 acre	Tk. 10,00,000
Land for 7 th -9 th Floors measuring 0.0691 acre	Tk. 25,65,000
Add: Proportionate Registration Cost	Tk. <u>49,292</u>
	Tk. <u>3,614,292</u>

Dhaka,
May 06, 2007

Sd/-
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants