



AUDITORS' REPORT
On IPO Proceeds Utilization

We have audited the annexed Statement of Initial Public Offering (IPO) Proceeds Utilization of **Queen South Textile Mills Ltd.** as on March 31, 2018.

Management's Responsibility for the IPO Proceeds Utilization

Management is responsible for the preparation and fair presentation of this IPO Proceeds Utilization Statement and its related documents in accordance with Bangladesh Securities and Exchange Commission (BSEC) guidelines.

Auditor's Responsibility

Our responsibility is to express an independent opinion on this Initial Public Offering (IPO) Proceeds Utilization Statement based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA) and Bangladesh Securities and Exchange Commission (BSEC) guidelines.

We believe that the audit evidence we have obtained as provided by the management of the company is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our Opinion, the Statement of Initial Public Offering (IPO) Proceeds Utilization prepared in accordance with Bangladesh Securities and Exchange Commission (BSEC) guidelines presents fairly in all material respects, of the statement as on 31 March 2018 and complies with the prospectus.

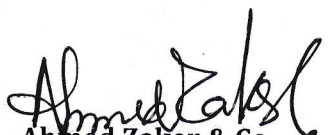
We draw attention to the following matters,

1. The Company has utilized a total amount of Tk. 6,791,928 from IPO proceeds as described in the prospectus and revised IPO Utilization plan as approved by the shareholders in respect of IPO Expenses for Tk. 6,791,928.
2. The company utilized Tk.13,000,000 for IPO related expenses which Tk. 6,791,928 from the IPO Bank account and Tk. 6,208,072 from Company's own sources which will be collected from the IPO Proceeds account.

We also state that referred to above:

- a) IPO proceeds have been utilized for the purposes as specified in the prospectus and revised IPO Utilization plan;
- b) IPO proceeds have been utilized in line with the conditions as stipulated in the BSEC's Consent letter for the IPO;
- c) Utilization of IPO proceeds is being under completion within the time frame as specified in the prospectus;
- d) Utilization of IPO proceeds is accurate for the purposes of the company as mentioned in the prospectus;
- e) The annexed audited Statement of IPO Proceeds Utilization has been made upon verification of all necessary documents/papers/vouchers in support of utilization of IPO Proceeds making reconciliation with the Bank statement as submitted by the management of the company for the purpose.

Place: Dhaka;
Date: April 15, 2018.


Ahmed Zaker & Co.
Chartered Accountants